



LINQ RESOURCES FUND
ASX ANNOUNCEMENT
BID IMPLEMENTATION AGREEMENT

13 September 2012

Attached to this announcement is a copy of the Bid Implementation Agreement between LinQ Capital Limited and IMC Resources Holdings Pte Ltd (“**IMC**”) dated 12 September 2012 in relation to a recommended off-market takeover bid by IMC (or a related company) for all the units in the LinQ Resources Fund (ASX: LRF) which it does not already own (“**Offer**”).

Details of the Offer are contained in the announcement released by LRF earlier today.

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ACN 098 197 258

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Bid Implementation Agreement

IMC Resources Holdings Pte Ltd
Bidder

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LinQ Capital

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This Agreement is made this 12th day of September 2012

Parties **IMC Resources Holdings Pte Ltd**, a company incorporated in Singapore, of 7 Temasek Boulevard, Level 37, Suntec Tower One, Singapore 038987 (**Bidder**)

and

LinQ Capital Limited ACN 098 197 258 of Level 1, 17 Ord Street, West Perth, Western Australia (**LinQ Capital**)

Recitals

- A. The Bidder is proposing to make the Takeover Bid.
- B. The Independent Directors are proposing to recommend the Takeover Bid in the absence of a Superior Proposal.
- C. The Parties have agreed that the Takeover Bid will be implemented on the terms and conditions in this Agreement.

This Agreement provides

1. Definitions and Interpretation

1.1 Definitions

The meanings of the terms used in this Agreement are as follows:

\$ or A\$ means the Australian dollars.

Agreement means this bid implementation agreement.

Announcement means the joint announcement agreed between the Parties in the form initialled by the Parties on or about the date of this Agreement.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this Agreement.

ASIC means Australian Securities and Investments Commission.

ASIC Relief has the meaning given in clause 3.8(a).

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Bid Conditions means the conditions of the Takeover Bid included in section 3 of the Bid Terms.

Bid Terms means the terms and conditions in Schedule 1.

Bidder Group means the Bidder and any of its Related Bodies Corporate.

Bidder Indemnified Parties means the respective officers, employees and advisers of the Bidder and its Related Bodies Corporate.

Bidder's Statement means the bidder's statement to be issued by the Bidder in respect to the Takeover Bid.

Board means the board of directors of LinQ Capital.

Break Fee means the amount of \$800,000.

Business Day means a day on which the banks are open for business in Perth, Western Australia, excluding a Saturday, Sunday or public holiday.

Claim includes actions, suits, causes of action, debts, dues, costs, claims, liabilities, demands, damages, losses, costs and expenses of any description, decisions, judgments and orders either at law or in equity or arising under any statute.

Competing Proposal means any expression of interest, proposal, offer, transaction or arrangement by or with any person pursuant to which, if the expression of interest, proposal, offer, transaction or arrangement is entered into or completed substantially in accordance with its terms, would result in a Third Party:

- (a) directly or indirectly acquiring an interest, a Relevant Interest in or becoming the holder of:
 - (i) more than 20% or more of the LRF1 Units; or
 - (ii) the whole or a substantial part or a material part of the business or property of any LinQ Fund Group Entity or the LinQ Fund Group (in either case when considered in aggregate);
- (b) acquiring Control of any LinQ Fund Group Entity;
- (c) replacing LinQ Capital as the responsible entity of LRF1; or
- (d) otherwise directly or indirectly;
 - (i) acquiring or merging with any LinQ Fund Group Entity, or having the right to so acquire or merge with; or
 - (ii) acquiring a significant economic interest in any LinQ Fund Group Entity or all or significant part of the business or assets of any LinQ Fund Group Entity,

in each case whether by way of takeover bid, scheme of arrangement, security holder-approved acquisition or resolution, reverse takeover bid, capital reduction, security buy-back, sale or purchase of assets, joint venture, dual listed company and/or trust structure, or other transaction or arrangement.

Control has the meaning given in section 50AA of the Corporations Act.

Corporations Act means *Corporations Act 2001 (Cth)*.

Director means a director of LinQ Capital.

Exclusivity Period means the period commencing on the date of this Agreement and ending on the earlier of:

- (a) termination of this Agreement; or
- (b) the end of the Offer Period.

FATA means the *Foreign Acquisitions and Takeovers Act 1975 (Cth)*.

Government Agency means any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.

Independent Director means each of Mr Bruno Camarri, Mr Nicholas Lattimore and Mr Graham Fariss.

Investment Management Agreement means the investment management agreement between LinQ Capital and LinQ Management dated on 11 October 2004.

LinQ Capital 2 means LinQ Capital No. 2 Pty Ltd ACN 128 289 065.

LinQ Fund Group means LRF1, LRF2, and their Subsidiaries, where the context requires, LinQ Capital and LinQ Capital 2 as responsible entity or trustee of LRF1 and LRF2 respectively.

LinQ Fund Group Entity means any member of the LinQ Fund Group.

LinQ Group means LinQ Capital (in its own capacity and not in its capacity as the responsible entity of LRF1) and its Related Bodies Corporate and Associates (excluding Bruno Camarri, Graham Fariss, Nicholas Lattimore, Richard Proctor and Simon Durack) including (without limitation) LinQ Management, Ashdon Nominees Pty Ltd and Woodcross Holdings Pty Ltd and each of their Related Bodies Corporate and Associates (excluding Bruno Camarri, Graham Fariss, Nicholas Lattimore, Richard Proctor and Simon Durack).

LinQ Indemnified Parties means the respective officers, employees and advisers of LinQ Capital, LinQ Capital 2 and the LinQ Group.

LinQ Management means LinQ Management Pty Ltd ACN 107 455 649.

LRF1 means LinQ Resources Fund ARSN 108 168 190.

LRF1 Constitution means the constitution that established LRF1 dated 8 March 2002, as amended from time to time prior to the date of this Agreement.

LRF1 Unit means a fully paid ordinary unit in LRF1.

LRF1 Unitholder means a registered holder of a LRF1 Unit.

LRF2 means LinQ Resources Fund No. 2 being a unit trust whose units are wholly owned by LRF1.

LRF2 Trust Deed means the trust deed that established LRF2.

NTA means the net tangible assets of LRF1 determined on the same basis as disclosed in the announcement made by LRF1 to ASX on 6 September 2012.

Offer has the meaning given in clause 2.1(c).

Offer Period means the period that the Offer is open for acceptance.

Parties mean the parties to this Agreement and **Party** means any one of the parties.

Register means the register of LRF1 Unitholders maintained by LRF1 in accordance with the Corporations Act.

Registry means Computershare Investor Services Pty Limited ACN 078 279 277.

Related Bodies Corporate has the meaning given in section 50 of the Corporations Act.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Replacement Responsible Entity means a person nominated by the Bidder to be appointed as the new responsible entity of LRF1 in place of LinQ Capital, who holds the necessary Australian Financial Services Licence and who is ready willing and able to act as the new responsible entity of LRF1.

Representatives means, in respect to a person, the person's directors, officers, employees, agents, consultants and advisors.

Retirement Resolution has the meaning given in clause 5.1(a).

Subsidiary has the meaning given in section 46 of the Corporations Act, except that:

- (a) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share; and
- (b) a company or trust may be a Subsidiary of a trust if it would have been a Subsidiary if the trust was a company.

Superior Proposal means a bona fide Competing Proposal which the Directors have determined, in good faith after consultation with their external legal and financial advisors, is likely to be:

- (a) reasonably capable of being valued, taking into account all aspects of the Competing Proposal and the person making it;
- (b) reasonably capable of being completed on a timely basis; and
- (c) more favourable to LRF1 Unitholders (as a whole) than the Takeover Bid, taking into account all the terms and conditions of the Competing Proposal.

S&P/ASX 300 Resources Index means the S&P/ASX 300 resources index published by Standard and Poor's.

Takeover Bid has the meaning given in clause 2.1(b).

Target's Statement means the target's statement to be issued by LinQ Capital in respect of the Takeover Bid.

Termination Payment means \$4,500,000 (plus any applicable GST) less:

- (a) any fees, amounts or other entitlements paid or payable (in each case excluding any applicable GST) directly or indirectly out of LRF1 or LRF2 to any member of the LinQ Group between the date of this Agreement and the date of payment of the Termination Payment in accordance with clause 5.2,

but not less:

- (b) any amounts for which LinQ Capital is entitled to be reimbursed in accordance with Part 3 of Schedule 5 of the LRF1 Constitution and which amounts are not paid to and retained by a member of the LinQ Group for their own benefit,

between the date of this Agreement and the date of payment of the Termination Payment in accordance with clause 5.2.

Third Party means a person other than a member of the Bidder Group.

Treasury Units means the LRF1 Units held by LinQ Capital 2 as trustee for LRF2.

Unacceptable Circumstances means as in section 657A of the Corporations Act.

1.2 Interpretation

In this Agreement, headings and bold text are for convenience only and do not affect the interpretation of this Agreement and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Agreement have a corresponding meaning;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency;
- (e) a reference to any thing (including, but not limited to, any right) includes a part of that thing but nothing in this clause 1.2(e) implies that performance of part of an obligation constitutes performance of the obligation;
- (f) a reference to a clause or schedule is a reference to a clause of, or schedule to, this Agreement and a reference to this Agreement includes any schedule;
- (g) a reference to a statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or by laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (h) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assigns;
- (j) a reference to an agreement other than this Agreement includes an undertaking, deed, agreement or legally enforceable arrangement or understanding whether or not in writing;
- (k) a reference to any time is a reference to that time in Perth;
- (l) an expression defined in, or given a meaning for the purpose of, the Corporations Act in a context similar to that in which the expression is used in this Agreement has the same meaning or definition; and
- (m) unless stated otherwise and as provided for in clause 1.3, references to LinQ Capital are references to LinQ Capital in its capacity as responsible entity of LRF1 and not in its own capacity.

1.3 Capacity of LinQ Capital

- (a) LinQ Capital enters into this Agreement in its capacity as responsible entity of LRF1 and in no other capacity save and except in respect to clauses 5.1, 5.2, 7, 8.1, 8.4 and 9.1 (inclusive) which apply to LinQ Capital in its capacity as responsible entity of LRF1 and in its own capacity.
- (b) Subject to clause 1.3(c), a liability of LinQ Capital arising under or in connection with this Agreement in its capacity as responsible entity of LRF1 is limited to and can be enforced against LinQ Capital only to the extent to which it can be satisfied out of the assets of LRF1 out of which LinQ Capital is actually indemnified for the liability. This limitation of LinQ Capital's liability as the responsible entity of LRF1 applies despite any other provision of this Agreement and extends to all liabilities and obligations of LinQ Capital as the responsible entity of LRF1 in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this Agreement.
- (c) The provisions of clause 1.3(b) will not apply to any obligation or liability of LinQ Capital to the extent that it is not satisfied because, under the LRF1 Constitution or by operation of law:
 - (i) there is a reduction in the extent of LinQ Capital's indemnification from the assets of LRF1, as a result of LinQ Capital's fraud, negligence, wilful misconduct, breach of law or breach of trust; or
 - (ii) LinQ Capital failed to exercise any right of indemnity it has under the LRF1 Constitution in respect of that obligation or liability.

2. The Takeover Bid

2.1 Making of the Takeover Bid

The Bidder agrees to:

- (a) without limiting this clause 2.1, via the Announcement, publicly announce a proposal to make Offers under the Takeover Bid, immediately after both Parties have executed this Agreement;
- (b) make a takeover bid to acquire all of the LRF1 Units under Chapter 6 of the Corporations Act on terms no less favourable to LRF1 Unitholders than the Bid Terms (**Takeover Bid**); and
- (c) make offers for the LRF1 Units pursuant to the Takeover Bid on terms no less favourable to LRF1 Unitholders than the Bid Terms (**Offer**) and dispatch the Offers to the LRF1 Unitholders as soon as practicable and in any event no later than 21 days after the date of this Agreement (unless otherwise agreed in writing by the Parties).

2.2 Bidder may use members of Bidder Group

The Bidder may satisfy its obligations under clause 2.1 by causing a member of the Bidder Group to perform the obligations referred to in clause 2.1, in which case references to:

- (a) the Takeover Bid are references to the takeover bid by that entity; and

- (b) the Bidder making the Takeover Bid or the Offer are references to the Bidder causing that entity to make the Takeover Bid or the Offer (as applicable).

2.3 LinQ Capital's assessment of the Takeover Bid

LinQ Capital represents and warrants that:

- (a) the Independent Directors have met and considered the possibility of the Bidder agreeing to make the Takeover Bid;
- (b) all of the Independent Directors have informed LinQ Capital that, if the Bidder complies with clause 2.1, they will unanimously recommend that LRF1 Unitholders accept the Offer, subject only to the qualification that there is no Superior Proposal; and
- (c) all of the Directors have informed LinQ Capital that, if the Bidder complies with clause 2.1, they will accept, or procure the acceptance of, the Offer, in respect of all LRF1 Units that they or their Associates own or Control (excluding the Treasury Units) within 10 Business Days from dispatch of the Target's Statement, subject only to the qualification that there is no Superior Proposal.

2.4 LinQ Capital's announcement

Immediately following the execution of this Agreement, LinQ Capital will make an announcement to ASX which is substantially in the form of the Announcement, and which must, amongst other things, state that subject only to the qualification that there is no Superior Proposal:

- (a) the Independent Directors unanimously recommend that LRF1 Unitholders accept the Offer; and
- (b) it is the current intention of each Director to accept the Offer in respect of all LRF1 Units that they own or Control.

2.5 Maintenance of recommendation

LinQ Capital must procure that, from the date of this Agreement until the end of the Offer Period:

- (a) the Independent Directors maintain their unanimous recommendation that LRF1 Unitholders accept the Offer; and
- (b) each Director maintains their current intention to accept the Offer in respect of all LRF1 Units that they own or Control (excluding the Treasury Units),

subject only to the qualification that there is no Superior Proposal.

3. Facilitation of Offer

3.1 Bidder's Statement and Target's Statement

- (a) The Bidder will, to the extent practicable, give LinQ Capital a reasonable opportunity to review an advanced draft of the Bidder's Statement before the Bidder lodges the Bidder's Statement with ASIC, and will consult in good faith with LinQ Capital with respect to any of LinQ Capital's comments.

- (b) LinQ Capital will, to the extent practicable, give the Bidder a reasonable opportunity to review an advanced draft of the Target's Statement before LinQ Capital lodges the Target's Statement with ASIC, and will consult in good faith with the Bidder with respect to any of the Bidder's comments.
- (c) LinQ Capital must provide any assistance and information reasonably requested by the Bidder to enable the Bidder to prepare and finalise the Bidder's Statement.
- (d) The Bidder must provide any assistance and information reasonably requested by LinQ Capital to enable LinQ Capital to prepare and finalise the Target's Statement.

3.2 Early Dispatch of Documents

- (a) LinQ Capital agrees, and represents and warrants that the Directors have agreed, that the Bidder's Statement may be sent to LRF1 Unitholders on a date nominated by the Bidder that is earlier than the date for sending under Item 6 of section 633(1) of the Corporations Act.
- (b) At the request of the Bidder, LinQ Capital must use its best endeavours to ensure that the Target's Statement is dispatched to LRF1 Unitholders together with the Bidder's Statement unless prevented from doing so by prevailing law or regulations.
- (c) If the Bidder requests that the Target's Statement be dispatched to LRF1 Unitholders together with the Bidder's Statement, the Bidder must provide LinQ Capital with an advanced draft of the Bidder's Statement not less than 7 days before the intended dispatch date.

3.3 Promote the Takeover Bid

During the Offer Period, in the absence of a Superior Proposal the Directors will support the Takeover Bid and, to the extent consistent with their fiduciary duties, participate in efforts reasonably required by the Bidder to promote the merit of the Takeover Bid, including meeting with key LRF1 Unitholders if requested to do so by the Bidder.

3.4 Bid conditions

- (a) Subject to clause 3.4(c), each Party must use all reasonable endeavours to satisfy the Bid Conditions as soon as practicable after the date of this Agreement. The Bidder shall provide notification under FATA in order to satisfy the Bid Condition at paragraph (d) of item 3 of Schedule 1 of this Agreement within 7 Business Days of the date of this Agreement and must provide LinQ Capital with a reasonable opportunity to comment on an advanced draft of the notification and take reasonable comments of LinQ Capital into account in finalising the notification.
- (b) Subject to clause 3.4(c), each Party agrees not to do, or omit to do, anything which will, or is reasonably likely to, result in any of the Bid Conditions being breached.
- (c) Nothing in this clause 3.4 prevents LinQ Capital from taking, or failing to take, action where to do otherwise would or would reasonably be likely to, in the reasonable opinion of the Board (determined in good faith and after receiving

written legal advice from external lawyers), constitute a breach of the Directors' fiduciary or statutory duties.

- (d) Each Party must keep the other promptly and reasonably informed of the steps it has taken and its progress towards satisfaction of the Bid Conditions, and promptly notify the other if it becomes aware that any Bid Condition has been fulfilled or breached. If any event occurs or becomes apparent which would or would reasonably be likely to cause any of the Bid Conditions to be breached or cause fulfilment of any of them to be materially delayed, each Party must, to the extent that the Party is actually aware of such information, notify the other Party of that event as soon as reasonably practicable.
- (e) A reference in this clause 3.4 to a Bid Condition being breached includes a reference to the Bid Condition not being, or not being capable of being, fulfilled.

3.5 Conduct of LinQ Capital

- (a) From the date of this Agreement until the end of the Offer Period, LinQ Capital must, and must procure that LRF1 and each other LinQ Fund Group Entity:
 - (i) conduct their business in the usual and ordinary course and on a basis consistent with the manner in which their business was conducted immediately before the date of this Agreement; and
 - (ii) use reasonable endeavours to preserve and maintain the value of its and their business and assets, and its and their relationships with financiers, customers, suppliers, employees and others with whom it and they have business dealings; and
 - (iii) not enter into any lines of business or other activities in which it and they are not engaged as at the date of this Agreement.
- (b) From the date of this Agreement until the end of the Offer Period unless the Bidder agrees otherwise in writing, LinQ Capital will promptly notify the Bidder of anything of which it becomes aware that:
 - (i) makes any material information publicly filed by LinQ Capital (either on its own account or in respect of LRF1 or any other LinQ Fund Group Entities) to be, or reasonably likely to be, incomplete, incorrect, untrue or misleading in any material respect; or
 - (ii) makes any warranty or representation of LinQ Capital in this Agreement false, inaccurate, misleading or deceptive in any material respect.

3.6 Government Approvals

Each Party must provide all reasonable assistance and information as required by a Government Agency to process any applications for approvals required from Government Agencies in relation to the Offer.

3.7 Register

LinQ Capital must:

- (a) provide all reasonably necessary information about the Register to the Bidder that the Bidder reasonably requires to implement the Takeover Bid and solicit acceptances under the Takeover Bid; and
- (b) provide all necessary directions to the Registry promptly to provide any information that the Bidder reasonably requests in relation to the Register, including any sub-register, and, where requested by the Bidder, LinQ Capital must procure such information to be provided to the Bidder in such electronic form as is reasonably requested by the Bidder and reasonably able to be provided by the Registry.

3.8 ASIC Relief

- (a) LinQ Capital acknowledges that the Bidder:
 - (i) has applied to ASIC for a declaration pursuant to section 669(1)(b) of the Corporations Act to modify or vary section 661A(1)(b) of the Corporations Act so as to allow the Bidder to compulsorily acquire the LRF1 Units, if the Bidder and its Associates:
 - (A) have Relevant Interests in at least 90% (by number) of the LRF1 Units, excluding the Treasury Units; and
 - (B) have acquired at least 75% (by number) of the LRF1 Units, excluding the Treasury Units, under the Offer,

(ASIC Relief); and
 - (ii) has provided a copy of the application to it.
- (b) LinQ Capital agrees to provide submissions to ASIC in support of the ASIC Relief, but may make corrections of matters of factual accuracy in respect of the Bidder's submissions where necessary.

3.9 Obligation to announce on ASX

Upon the request of the Bidder, LinQ Capital will send to ASX any notice issued to it by the Bidder in respect to the Takeover Bid, and shall ensure that a copy of such notice is lodged on the ASX platform of LRF1.

3.10 No material acquisitions, disposals or changes in the conduct of business

- (a) Between the date of this Agreement and the end of the Offer Period:
 - (i) LinQ Capital shall not, and shall procure that the LinQ Fund Group Entities shall not, without prior consultation with the Bidder in accordance with clause 3.10(b), undertake, or agree to undertake a transaction valued at greater than \$2 million, including, but not limited to:
 - (A) an acquisition or disposal of an asset;
 - (B) the entry into or provision of funds under new funding arrangements;
 - (C) the exercise of material discretions in relation to, waiving rights in respect of, or making material modifications to,

- existing commitments (including under existing funding arrangements); or
- (D) entry into a joint venture or partnership.
- (ii) LinQ Capital shall not, and shall procure that the LinQ Fund Group Entities shall not, without prior written consent of the Bidder:
- (A) enter into a corporate transaction which would or would be likely to involve a material change in the manner in which any LinQ Fund Group Entity conducts its business, the nature (including balance sheet classification), extent or value of any LinQ Fund Group Entity's assets, or the nature (including balance sheet classification) extent or value of the liabilities of the LinQ Fund Group; or
- (B) enter, agree to enter into or renews any contract of service or agree to vary any existing contract of service with any current or proposed responsible entity or trustee, director or manager or make or agree to make any substantial change to the basis or amount of remuneration.
- (b) Where required under clause 3.10(a)(i), LinQ Capital must consult with the Bidder in a timely manner and in good faith and take into account the views of the Bidder during the consultations, in accordance with the following process, provided always that the Bidder shall act in a timely manner and in good faith in respect to such consultation:
- (i) the Bidder contact for consultation is:
- (A) Mr John Morton (a representative of the Bidder); or
- (B) if Mr Morton is not immediately available, Mr Michael Chye, (together the **Bidder Contacts**) contact details for which have been provided to LinQ Capital prior to the date of this Agreement.
- (ii) consultation includes contacting the Bidder Contacts:
- (A) initially by telephone (with Mr Morton to be contacted first and if Mr Morton is not available, then Mr Chye should be contacted); and
- (B) if neither of them are available by telephone, by email to both of the Bidder Contact;
- (iii) if LinQ Capital seeks to consult the Bidder via the Bidder Contacts as set out above, but the Bidder Contacts are not available to respond, or do not reply in a timely manner (having regard LinQ Capital's requirement for the timing of a response as provided in the initial contact by LinQ Capital), then LinQ Capital will be deemed to have satisfied its obligation to consult under clauses 3.10(a)(1) and 3.10(b); and
- (iv) LinQ Capital is not required to consult with the Bidder where LinQ Capital's duties to LRF1 Unitholders require an immediate response to a matter and as a result it would be impracticable to consult the Bidder. In that case, if, in the view of LinQ Capital having regard to its

duties as responsible entity of LRF1 circumstances are emerging where it may be necessary for it to act in accordance with this 3.10(b)(iv), LinQ Capital will use reasonable endeavours to keep the Bidder briefed on relevant matters.

- (c) The Bidder acknowledges that whilst LinQ Capital is required to consult with the Bidder in accordance with this clause 3.10(b), LinQ Capital has duties to LRF1 Unitholders and at all times the final decision in relation to the matters the subject of the consultation will be made by LinQ Capital.

3.11 Indemnities

On and from the date upon which the Offer becomes unconditional, the Bidder must not amend the LRF1 Constitution to remove the indemnity granted to members of LRF1's compliance committee under rule 28.3 of the LRF1 Constitution.

3.12 LinQ Indemnified Parties

The Bidder releases its rights, and agrees with LinQ Capital that it will not make a Claim, against any LinQ Indemnified Party in connection with:

- (a) any breach of any representations, covenants and warranties given by LinQ Capital in this Agreement; or
- (b) any disclosures made to the Bidder in connection with, or for the purpose of implementing the Takeover Bid containing any statement which is false or misleading whether in content or by omission,

except where the LinQ Indemnified Party has not acted in good faith or has engaged in wilful misconduct.

3.13 Bidder Indemnified Parties

LinQ Capital releases its rights, and agrees with the Bidder that it will not make a Claim, against any Bidder Indemnified Party in connection with:

- (a) any breach of any representations, covenants and warranties given by Bidder in this Agreement; or
- (b) any disclosures made to the LinQ Capital in connection with, or for the purpose of implementing the Takeover Bid containing any statement which is false or misleading whether in content or by omission,

except where the Bidder Indemnified Party has not acted in good faith or has engaged in wilful misconduct.

4. Takeover Offer – Variation and Waiver

4.1 Variation

The Bidder may vary the terms and conditions of the Takeover Bid in any manner which is permitted by the Corporations Act provided that the varied terms and conditions are not less favourable to LRF1 Unitholders than the Bid Terms.

4.2 Waiver of conditions and extension

- (a) Subject to the Corporations Act, the Bidder may declare the Takeover Bid to be free from any Bid Condition at any time.
- (b) Subject to the Corporations Act, the Bidder may extend the Offer Period at any time.

5. Retirement of LinQ Capital

5.1 Appointment of new responsible entity

- (a) At any time after the earlier to occur of:
 - (i) if the Offer is unconditional, the Bidder acquiring a Relevant Interest in at least 50.1% of the LRF1 Units; and
 - (ii) if the Bidder acquires a Relevant Interest in at least 50.1% of the LRF1 Units before the Takeover Bid becomes unconditional, the Offer becoming unconditional,

LinQ Capital must retire as responsible entity of LRF1 and for the purposes of section 601FL of the Corporations Act, call a meeting of LRF1 Unitholders to vote on a resolution to appoint the Replacement Responsible Entity as responsible entity of LRF1 in place of LinQ Capital (**Retirement Resolution**).

- (b) Prior to the Offers being dispatched to LRF1 Unitholders, the Bidder must notify LinQ Capital of full details regarding the process to identify and nominate the Replacement Responsible Entity.
- (c) Within two weeks after the opening the Offer, the Bidder must notify LinQ Capital of the identity of the Replacement Responsible Entity, whose appointment must at that time be subject only to finalising the terms and conditions of such appointment.
- (d) The Bidder must engage the Replacement Responsible Entity as soon as practicable and in any event, no later than the Offer becomes unconditional.
- (e) The Bidder must include appropriate disclosures in the Bidder's Statement about the Retirement Resolution and that the Bidder will vote in respect of the LRF1 Units held by it in favour of the Retirement Resolution.
- (f) In connection with its retirement, LinQ Capital must:
 - (i) comply with all applicable provisions of the Corporations Act in connection with its retirement as responsible entity and the appointment of the new responsible entity including the provisions in sections 601FR, 601FS and 601FT of the Corporations Act; and
 - (ii) act, subject to law, in accordance with the reasonable directions of the Bidder in respect of matters relating to LRF1.
- (g) If the Retirement Resolution is passed, in addition to complying with all obligations imposed upon LinQ Capital as retiring responsible entity under the Corporations Act, LinQ Capital must:

- (i) as soon as practicable following its retirement, deliver to the new responsible entity of LRF1 all assets of LRF1 and documents of title relating to the assets of LRF1 so that all the assets of LRF are vested in the new responsible entity;
- (ii) immediately upon request, execute any transfer or do anything necessary to allow the new responsible entity to gain title to the assets of LRF1 and fulfil the obligations of the trustee under the LRF1 Constitution;
- (iii) as soon as practicable, give the new responsible entity of LRF1, any books in LinQ Capital's possession or control kept in relation to LRF1; and
- (iv) for a period of three months following its retirement, subject to the Bidder reimbursing LinQ Capital for the cost of doing so, give all other reasonable assistance (including procuring assistance from third parties) to the new responsible entity of LRF1 that is reasonably required in connection with and to facilitate the change of responsible entity.

5.2 Termination Payment

- (a) Subject to clause 5.2(b), on the date on which the Retirement Resolution is passed in accordance with clause 5.1, LinQ Capital shall be paid the Termination Payment, out of the assets of LRF1 in full and final satisfaction of all fees and other entitlements payable to:
 - (i) LinQ Capital in accordance with the provisions of Part 1 of Schedule 5 of the LRF1 Constitution and LinQ Capital shall have no further Claims out of the assets of LRF1 in respect of fees and entitlements payable to LinQ Capital in accordance with the provisions of Part 1 of Schedule 5 of the LRF1 Constitution; and
 - (ii) all members of the LinQ Group arising under or in connection with:
 - (A) the LRF1 Constitution;
 - (B) the Investment Management Agreement; or
 - (C) any other contract or arrangement between LinQ Capital (in its capacity as the responsible entity of LRF1) and any member of the LinQ Group in respect to LRF1 or LRF2 which is in existence on the date of the retirement of LinQ Capital.
- (b) On the date of payment of the Termination Payment, LinQ Capital shall:
 - (i) execute a deed of termination with LinQ Management in relation to the termination of the Investment Management Agreement;
 - (ii) execute a deed of release with each other member of the LinQ Group which provides for the irrevocable and unconditional release and discharge of LinQ Capital (in its capacity as a responsible entity of LRF1) and any new responsible entity of LRF1 from all Claims in respect of all fees and other entitlements arising under or in connection with the documents and arrangements referred to in clauses 5.2(a)(ii)(A) to 5.2(a)(ii)(C) (inclusive);

- (iii) procure that LinQ Capital 2 execute a deed release with each member of the LinQ Group which provides for the irrevocable and unconditional release and discharge of LinQ Capital 2 (in its capacity as a trustee of LRF2) and any new trustee of LRF2 from all Claims in respect of all fees and other entitlements arising under or in connection with any agreements and arrangements between LinQ Capital 2 and any member of the LinQ Group; and
- (iv) pay an amount equal to the Termination Payment to LinQ Management.

6. Break Fee

6.1 Payment of costs incurred by Bidder

LinQ Capital undertakes to pay the Break Fee to the Bidder if:

- (a) during the Exclusivity Period any Independent Director fails to recommend that LRF1 Unitholders accept the Takeover Bid in the absence of a Superior Proposal or, having made such a recommendation, makes a public statement which withdraws, revises, or qualifies that recommendation, except in circumstances where LinQ Capital has validly terminated this Agreement under clause 9.1(a);
- (b) during the Exclusivity Period, the Board or any Director recommends that LRF1 Unitholders accept, vote in favour of or otherwise support (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of units a Director owns, controls or otherwise has a Relevant Interest in) a Competing Proposal of any kind which is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period;
- (c) a Competing Proposal of any kind is announced during the Exclusivity Period (whether or not such proposal is stated to be subject to any pre-condition) and within 6 months from the date of such announcement, the Third Party or any Associate of that Third Party:
 - (i) completes a Competing Proposal of a kind referred to in any of paragraphs (a) to (d) (inclusive) of the definition of Competing Proposal (excluding paragraph (a)(i)); or
 - (ii) without limiting 6.1(c)(i), acquires (either alone or together with any Associate or Associates) a Relevant Interest in more than 50% of the LRF1 Units;
- (d) LinQ Capital or any of its Directors does (or omits to do) anything (whether or not it may be permitted by the terms of this Agreement) which results in any of the Bid Conditions being breached or incapable of being fulfilled and the Bidder declares the Takeover Bid free of the breached conditions (which the Bidder is under no obligation to do); or
- (e) during the Exclusivity Period, there is a material breach of this Agreement by LinQ Capital and that breach is not remedied within 10 Business Days after the Bidder gives LinQ Capital written notice requesting the cessation of the breach.

6.2 Payment of costs incurred by Bidder

The Bidder undertakes to pay the Break Fee to LinQ Capital if there is a material breach of this Agreement by the Bidder and that breach is not remedied within 10 Business Days after LinQ Capital gives the Bidder written notice requesting the cessation of the breach.

6.3 Timing of payment

- (a) The Bidder may demand payment of the Break Fee under clause 6.1 in writing stating the circumstances which give rise to payment.
- (b) LinQ Capital must pay the Break Fee without set-off or withholding within 2 Business Days of receipt of the demand in accordance with clause 6.1.
- (c) LinQ Capital may demand payment of the Break Fee under clause 6.2 in writing stating the circumstances which give rise to payment.
- (d) The Bidder must pay the Break Fee without set-off or withholding within 2 Business Days of receipt of the demand in accordance with clause 6.2.

6.4 Basis of Break Fee

The Break Fee has been calculated to reimburse the Bidder or LinQ Capital (as applicable) for the following:

- (a) fees for legal and financial advice in planning and implementing the Takeover Bid;
- (b) reasonable opportunity costs incurred in engaging in the Takeover Bid or in not engaging in other alternative acquisitions or strategic initiatives;
- (c) in the case of LRF1 Unitholders, the opportunity cost incurred as a result of accepting the Offer and being unable to deal in their LRF1 Units following that acceptance;
- (d) costs of management and directors' time in planning and implementing the Takeover Bid;
- (e) out of pocket expenses incurred by the Bidder's or LinQ Capital's (as applicable) employees, advisers and agents in planning and implementing the Takeover Bid; and
- (f) any damage to the Bidder's or LinQ Capital's (as applicable) reputation associated with a failed transaction and the implications of those damages if the Bidder seeks to execute similar transactions in the future,

in each case, incurred by the Bidder or LinQ Capital (as applicable) directly or indirectly as a result of pursuing the Takeover Bid.

6.5 Quantification

Each Party acknowledges and agrees that the loss actually incurred by it under clause 6.4 will be of such nature that it cannot accurately be ascertained and that the amount of the Break Fee is a genuine and reasonable pre-estimate of those fees, costs and losses.

6.6 Compliance with law

If:

- (a) it is found by the Takeovers Panel or a Court that all or any part of the payment required to be made under clauses 6.1 or 6.2 is unlawful, involves a breach of director's duties or constitutes Unacceptable Circumstances and the period for lodging an application for review or a notice of appeal (as applicable) has expired without such an application or notice having been lodged; or
- (b) an application for review or a notice of appeal having been lodged with the Takeovers Panel or a Court within the prescribed period, it is found by the relevant review panel or appeal Court that all or any part of the payment required to be made under clauses 6.1 or 6.2 is unlawful, involves a breach of director's duties or constitutes Unacceptance Circumstances,

(Challenged Amount) then:

- (c) the undertaking under clauses 6.1 or 6.2 (as applicable) does not apply to the extent of the Challenged Amount; and
- (d) in the case any Challenged Amount relates to a payment required to be made under clause 6.1, the Bidder must immediately refund that Challenged Amount; and
- (e) in the case any Challenged Amount relates to a payment required to be made under clause 6.2, LinQ Capital must immediately refund that Challenged Amount.

6.7 Other claims

- (a) Notwithstanding any other provision of this Agreement, where a Break Fee becomes payable by LinQ Capital to the Bidder (or would be payable if a demand was made), the Bidder cannot make any claim (or seek other remedy or compensation) against LinQ Capital in relation to an event referred to in clause 6.1.
- (b) Notwithstanding any other provision of this Agreement, where a Break Fee becomes payable by the Bidder to LinQ Capital (or would be payable if a demand was made), LinQ Capital cannot make any claim (or seek other remedy or compensation) against the Bidder in relation to an event referred to in clause 6.2.

7. Exclusivity

7.1 Cease existing discussions

LinQ Capital warrants that, as at the time of execution of this Agreement, it is not in any discussions or negotiations, and has ceased any discussions or negotiations with any Third Party in respect of:

- (a) any Competing Proposal; or
- (b) any transaction that is reasonably likely to reduce the likelihood of the success of the Takeover Bid.

7.2 Prohibition

During the Exclusivity Period, LinQ Capital must not, and must ensure that each of its Representatives does not, directly or indirectly:

- (a) **(No shop)** solicit, invite, encourage or initiate (including, without limitation, by the provision of non-public information) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, a Competing Proposal, or communicate any intention to do any of those things (whether from a person with whom LinQ Capital or any of its Representatives has previously been in discussions or not); and
- (b) **(no talk)** subject to clause 7.3:
 - (i) participate in any negotiations or discussions or provide any information to any person with respect to any inquiry, expression of interest, offer or proposal by any person to make a Competing Proposal;
 - (ii) accept or enter into, or offer to accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal; or
 - (iii) disclose any non-public information about the business or affairs of any LinQ Fund Group Entity to a Third Party (other than a Government Agency) with a view to obtaining or which may reasonably be expected to lead to receipt of a Competing Proposal, other than in the ordinary course of business or as required by law; or
 - (iv) communicate to any person an intention to do anything referred to in this clause 7.2(b).

Nothing in this clause 7.2 prevents the Company from continuing to make normal presentations to brokers, investors and analysts in the ordinary course of business or promoting the merits of the Takeover Bid.

7.3 Fiduciary exception

Clause 7.2(b) does not prohibit any action or inaction by LinQ Capital or any of its Representatives if compliance with clause 7.2(b) would, in the opinion of the Board, formed in good faith in reliance on specific written advice from its external advisers constitute, or would be likely to constitute, a breach of any of the fiduciary or statutory duties of the Directors, provided that the Competing Proposal was not directly or indirectly brought about by, or facilitated by, a breach of clause 7.2(a).

7.4 Notification of approaches

- (a) During the Exclusivity Period, LinQ Capital must immediately notify the Bidder if it or any of its Representatives receives written notice of a bona fide and credible Competing Proposal from any Third Party, with such notification to include:
 - (i) the identity of that Third Party; and
 - (ii) all other material terms and conditions of the actual, proposed or potential Competing Proposal, including but not limited to the details

of the proposed or implied value of the Competing Proposal, conditions, timing and break fee (if any).

- (b) LinQ Capital must:
- (i) not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) in relation to the Competing Proposal with a Third Party; and
 - (ii) must use its best endeavours to procure that none of its Directors change their recommendation in favour of the Takeover Bid to publicly recommend a Competing Proposal,
- unless, LinQ Capital has:
- (iii) complied with its notification obligation under clause 7.4(a); and
 - (iv) has given the Bidder at least 5 Business Days after the provision of the information referred to in clause 7.4(a) to provide a matching or superior proposal to the terms of the Competing Proposal.

8. Representations and Warranties

8.1 Representations and Warranties by all Parties

Each Party represents and warrants to the other that, at the date of this Agreement:

- (a) it is duly incorporated under the laws of the place of its incorporation;
- (b) it has the power and authority to sign this Agreement and perform and observe all its terms;
- (c) this Agreement has been duly executed and is a legal, valid and binding agreement, enforceable against it in accordance with its terms;
- (d) it is not bound by any contract which may restrict its right or ability to enter into or perform this Agreement;
- (e) no resolutions have been passed and no other step has been taken or legal proceedings commenced or threatened against it for its winding up or deregistration or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets, and no regulatory action of any nature has been taken, which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this Agreement; and
- (f) it is not aware of any act, omission, event or fact that would result in one or more of the conditions in Schedule 1 being triggered, except as disclosed by the Party to the other Party in writing prior to the date of this Agreement.

8.2 Representations by LinQ Capital

In addition to the warranties set out in clause 8.1, LinQ Capital represents and warrants to the Bidder that, at the time of this Agreement:

- (a) it is the only trustee or responsible entity of LRF1 and other than as contemplated in this Agreement, no action is underway or is proposed to remove it as trustee or responsible entity of LRF1;
- (b) it has the power under the terms of the LRF1 Constitution and the Corporations Act to enter into and comply with its obligations under this Agreement;
- (c) as far as it is aware, it is not, and has never been, in default under the terms of the LRF1 Constitution;
- (d) no action is underway or is proposed to terminate LRF1;
- (e) as far as it is aware, it and its Directors and other officers have complied with their obligations in connection with LRF1;
- (f) LRF1 is validly established and registered as a "registered scheme" under Chapter 5C of the Corporations Act;
- (g) LRF1 is not in breach of its continuous disclosure obligations under the Listing Rules and other than for the matters and transactions contemplated by this Agreement, it is not relying on the carve-out in Listing Rule 3.1A to withhold any information from public disclosure;
- (h) as far as it is aware, each LinQ Fund Group Entity has complied in all material respects with all applicable laws, regulations, binding policies and requirement of any Government Agency which are material to the conduct of each of the LinQ Fund Group's business in the context of LinQ Fund Group as a whole and have all material licences, permits and franchises necessary for that LinQ Fund Group Entity to conduct its business as presently being conducted;
- (i) no LinQ Fund Group Entity is in default under any document, agreement, or instrument binding on it or its assets which is material to the conduct of LRF1 and its Controlled Entities' business in the context of the LinQ Fund Group as a whole;
- (j) the securities issued or granted by LRF1 as at the date of this Agreement consist of 183,579,209 LRF1 Units and those securities comprise the whole of the issued and outstanding equity capital of LRF1 and it has not issued or agreed to issue any other securities or instruments which are still outstanding and which may convert into, be exchangeable for or entitle the holder to LRF1 Units;
- (k) the terms and conditions of the Investment Management Agreement are based on the terms and conditions in the standard investment management agreement published by the IFSA in or about October 2000 and any material variations to the Investment Management Agreement since that date have been disclosed to ASX;
- (l) the term of the Investment Management Agreement does not extend beyond 11 October 2014;
- (m) excluding any matters expressly contemplated in this Agreement, no person has the right to exercise or has stated an intention to exercise a right (whether subject to conditions or not) under any provision of any agreement or other instrument to which any LinQ Fund Group Entity is a party, or by or to which any LinQ Fund Group Entity or any of its assets may be bound or be subject,

which could result, to an extent which is material in the context of the LinQ Fund Group taken as a whole, in:

- (i) any such agreement, or other instrument being terminated, varied or modified or any action being taken or arising thereunder;
- (ii) any payment by way of termination fee, break fee, cost reimbursement or any other fee or amount being payable by any LinQ Fund Group Entity;
- (iii) the interest of any LinQ Fund Group Entity in any firm, joint venture, trust, corporation or any entity (or any arrangements relating to such interest) being terminated, varied or modified; or
- (iv) the business of any LinQ Fund Group Entity with any other person being adversely affected,

as a result of the Offer, the acquisition of the LRF1 Units by the Bidder, LinQ Capital ceasing to be the responsible entity of LRF1, the appointment of another entity as the new responsible entity of LRF1, LinQ Capital 2 ceasing to be the trustee of LRF2 or the appointment of another entity as the new trustee of LRF2;

- (n) no document has been filed by or on behalf of LinQ Capital, or by or on behalf of an Associate of LinQ Capital, with ASX or ASIC which contains a statement which is incorrect or misleading in a material particular or from which there is a material omission which have or could reasonably be expected to have a material adverse financial effect on the value of LRF1;
- (o) no break fee, inducement fee or cost reimbursement is payable to any person, in connection with a proposal by a Third Party for:
 - (i) a takeover bid for, or a trust scheme in respect to, LRF1 under the Corporations Act;
 - (ii) the acquisition by that Third Party or their Associate of substantially all of the assets and operations of any LinQ Fund Group Entity; or
 - (iii) any transaction having a similar economic effect; and
- (p) all shares in LinQ Capital 2 are beneficially owned by LRF1 and no other parties have any beneficial interest in the shares in LinQ Capital 2.

8.3 Representations by the Bidder

In addition to the warranties set out in clause 8.1, the Bidder represents and warrants that, as at the date of this Agreement:

- (a) it will have available to it sufficient cash amounts to enable it to perform its obligations to pay the total cash consideration payable to LRF1 Unitholders under the Takeover Bid;
- (b) other than as contemplated by the Bid Terms, no approvals are required to be obtained by the Bidder under any law, rule or regulation to perform and observe its obligations under this Agreement and to consummate the transaction contemplated by this Agreement; and

- (c) it will comply during the Offer Period with its obligations under Part 6.9 of the Corporations Act.

8.4 Notification

Each Party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstances that constitutes or may constitute a breach of any of the representations and warranties given by it under clauses 8.1, 8.2 and 8.3.

9. Termination

9.1 Termination rights

This Agreement may be terminated by a Party if:

- (a) the other Party is in material breach of this Agreement and, to the extent that the breach is capable of remedy, that breach is not remedied by that other Party within 10 Business Days of it receiving notice from the first Party of the details of the breach and the first Party's intention to terminate;
- (b) the Bidder withdraws the Takeover Bid or the Takeover Bid lapses for any reason including non-satisfaction of a Bid Condition; or
- (c) the Independent Directors change their recommendation in relation to the Takeover Bid as a result of the Board determining that it has received a Superior Proposal,

by immediate notice to the other Party.

9.2 Effect of termination

If this Agreement is terminated by another Party under this clause 9:

- (a) each Party will be released from its obligations under this Agreement except its obligations under clauses 1, 5, 6, 8, 9.2, 10, 11.1, 11.2 and 11.6 (inclusive).
- (b) each Party will retain the rights it has or may have against the other Party in respect of any past breach of this Agreement; and
- (c) in all other respects, all future obligations of the parties under this Agreement will immediately terminate and be of no further force or effect, including without limitation any further obligations in respect of the Takeover Bid.

10. GST

10.1 Interpretation

In this clause 10, a word or expression defined in the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* has the meaning given to it in that Act.

10.2 GST gross up

- (a) Subject to clause 10.2(b), if a Party makes a supply under or in connection with this Agreement in respect of which GST is payable, the consideration for the supply but for the application of this clause 10.2 (GST exclusive

consideration) is increased by an amount equal to the GST exclusive consideration multiplied by the rate of GST prevailing at the time the supply is made.

- (b) Clause 10.2(a) does not apply to any consideration that is expressed in this Agreement to be inclusive of GST.
- (c) Any consideration or payments that are not expressed to be inclusive of GST are exclusive of GST.

10.3 Reimbursements and indemnifications

If a Party must reimburse or indemnify another Party for a loss, cost or expense, the amount to be reimbursed or indemnified is first reduced by any input tax credit the other Party is entitled to for the loss, cost or expense, and then increased in accordance with clause 10.2.

10.4 Tax invoice

A Party need not make a payment for a taxable supply made under or in connection with this Agreement until it receives a tax invoice for the supply to which the payment relates.

11. General

11.1 Notices

Any notice, demand, consent, approval or other communication (**Notice**) under or in connection with this Agreement:

- (a) must be in writing and signed by the sender to a person duly authorised by the sender;
- (b) must be addressed and delivered to the intended recipient by prepaid post (if posed to an address in another country, by registered airmail) or by hand, fax or email to the address, fax number or e-mail address below (or the address, fax number or email address last notified by the intended recipient to the sender):

- (i) LinQ Capital:

Name:	LinQ Capital Limited
Address:	Level 1, LinQ House 17 Ord Street, West Perth, WA, 6005
Fax no:	+61 8 9481 0666
Email:	bruno.camarri@freehills.com
For the attention of:	Bruno Camarri (Chairman)

with an additional copy to be provided by email to:

Name:	Mr Justin Mannolini
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Email: jmannolini@gresham.com.au.

(ii) The Bidder:

Name: IMC Resources Holdings Pte Ltd

Address: 7 Temasek Boulevard
Level 37, Suntec Tower One,
Singapore 038987

Fax no: +65 6411 9848

Email: michaelchye@imcpaa.com

For the attention of: Mr Michael Chye

with an additional copy to be provided by email to:

Name: Mr Michael Ashforth

Email: michael.ashforth@macquarie.com.

(c) will be conclusively taken to be duly given or made:

- (i) in the case of delivery in person, when delivered;
- (ii) in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country); and
- (iii) in the case of facsimile, on receipt by the sender of a transmission control report from the despatching machine showing the relevant number of pages and the correct destination fax number or name of recipient and indicating that the transmission has been made without error;
- (iv) in the case of email, on the first to occur of:
 - (A) receipt by the sender of an email acknowledgment from the recipient's information system showing that the email has been delivered to the email addressed stated above;
 - (B) the time that the email enters an information system which is under the control of the recipient; and
 - (C) the time that the email is first opened or read by an employee or officer of the recipient,

but if the result is that a Notice would be taken to be given or made on a day that is not a business day in the place to which the Notice is sent or is later than 5pm (local time) it will be conclusively taken to have been duly given or made at the start of business on the next business day in that place.

11.2 Governing law and jurisdiction

- (a) This agreement is governed by the laws of Western Australia.

- (b) LinQ Capital and the Bidder irrevocably submit to the non-exclusive jurisdiction of the courts of Western Australia.

11.3 Prohibition and enforceability

- (a) Any provision of, or the application of any provision of, this Agreement or any power which is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of, this Agreement which is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.
- (c) Where a clause is void, illegal or unenforceable, it may be severed without affecting the enforceability of the other provisions in this Agreement.

11.4 Waivers

- (a) Waiver of any right, power, authority, discretion or remedy arising from a breach of this Agreement must be in writing and signed by the Party granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of a right, power, authority, discretion or remedy arising from a breach of this Agreement does not result in a waiver of that right, power, authority, discretion or remedy.

11.5 Variation

A variation of any term of this Agreement must be in writing and signed by the parties.

11.6 Costs and expenses

Each Party must pay its own legal costs and expenses in respect of the negotiation, preparation, completion and stamping of this Agreement.

11.7 Assignment

Neither Party may assign or otherwise transfer any of its rights arising under this Agreement without the prior written consent of the other Party.

11.8 Further assurances

Each Party must do all things and execute all further documents necessary to give full effect to this Agreement.

11.9 Time of the essence

Time is of the essence of this Agreement.

11.10 Severability

Any provision in this Agreement that is invalid or unenforceable in any jurisdiction is to be read down for the purpose of that jurisdiction, if possible, so as to be valid and enforceable, and otherwise shall be severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of that provision in other jurisdiction.

11.11 No merger

The rights and obligations of the Parties do not merge on completion of any transaction under this Agreement. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

11.12 Counterparts

- (a) This Agreement may be executed in any number of counterparts and exchanged in the form of electronically scanned, executed counterparts.
- (b) Each Person executing this Agreement warrants that he or she is duly authorised to bind the Party (as applicable) to this Agreement.

11.13 Attorneys

Each of the attorneys executing this Agreement (if any) states that the attorney has no notice of the revocation of the power of attorney appointing that attorney.

Schedule 1 – Bid Terms

1. Offer Price

\$0.70 per LRF1 Unit.

2. Offer Period

One month from the date the Offer opens, subject to the Bidder's right to extend the period.

3. Bid Conditions

The Offer is subject to the fulfilment of the following conditions:

(a) Minimum acceptance

If ASIC Relief is:

- (i) obtained prior to the end of the Offer Period and during, or at the end of the Offer Period, the Bidder and its Associates together have:
 - (A) Relevant Interests in such number of LRF1 Units which represent at least 90% (by number) of the LRF1 Units, excluding the Treasury Units; and
 - (B) acquired at least 75% (by number) of the LRF1 Units, excluding the Treasury Units, that the Bidder offered to acquire under the Offer; or
- (ii) not obtained prior to the end of the Offer Period and during, or at the end of the Offer Period, the Bidder and its Associates together have:
 - (A) Relevant Interests in such number of LRF1 Units which represent at least 90% (by number) of the LRF1 Units (disregarding any Relevant Interests that the Bidder has merely because of the operation of section 608(3)(a) of the Corporations Act); and
 - (B) acquired at least 75% (by number) of the LRF1 Units that the Bidder offered to acquire under the Offer.

(b) ASIC Relief – Compulsory Acquisition and acceptance by LinQ Capital 2

Within 3 weeks after the opening of the Offer:

- (i) the Bidder obtains the ASIC Relief; or
- (ii) LinQ Capital 2 accepts the Offer in respect to the Treasury Units.

(c) Index

Between the date of this Agreement and the end of the Offer Period, the S&P/ASX 300 Resources Index does not close below the level which is 85% of the level as at the close of trading on the date of this Agreement, for 3 consecutive trading days.

(d) Foreign Acquisitions and Takeovers Act

If required under the FATA, before the end of the Offer Period, the Treasurer of the Commonwealth of Australia either:

- (i) issues a notice stating that the Commonwealth Government does not object to the Bidder acquiring 100% of the LRF1 Units under the Offer; or
- (ii) is precluded from making an order in respect of the entry into or completion by the Bidder of this Agreement under the FATA.

(e) No action by Government Agency adversely affecting the Offer

Between the date of this Agreement and the end of the Offer Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Government Agency;
- (ii) no action or investigation is instituted by any Government Agency; and
- (iii) no application is made to any Government Agency (other than by the Bidder), or action or investigation is announced, threatened or commenced by a Government Agency,

in consequence of, or in connection with, the Offer, which:

- (iv) restrains, prohibits or impedes or otherwise materially adversely impacts upon, the making of the Offer or the rights of the Bidder in respect of the LRF1 Units to be acquired under the Offer; or
- (v) requires the divestiture by the Bidder of any LRF1 Units or the divestiture of any assets of LRF1.

(f) No material adverse change

Between the date of this Agreement and the end of the Offer Period, none of the following occurs:

- (i) an event, change, condition, matter or thing occurs;
- (ii) information is disclosed or announced by LRF1 concerning any event, change, condition, matter or thing; or
- (iii) information concerning any event, change, condition, matter or thing becomes known to the Bidder (whether or not becoming public),

which (excluding matters contemplated by this Agreement) result in LRF1 being unable to continue to operate as an investment fund, or LinQ Capital being unable to continue to operate as the responsible entity of LRF1 and which could reasonably be expected to have or which evidences that there has been a material adverse financial effect on the business, assets, liabilities, financial position and performance, material contracts (taken as a whole), profitability or prospects of the LinQ Fund Group, since 30 June 2012 (except for such events, changes, conditions, matters or things disclosed to ASX or the Bidder by LinQ Capital prior to the date of this Agreement).

(g) NTA

Between the date of this Agreement and the end of the Offer Period, the NTA per LRF Unit does not fall below \$0.765.

(h) No prescribed occurrences

Between the date of this Agreement and the end of the Offer Period, none of the following events occurs:

- (i) LRF1 converts all or any of the LRF1 Units into a larger or smaller number of the LRF1 Units;
- (ii) any LinQ Fund Group Entity resolves to reduce its capital in any way;
- (iii) any LinQ Fund Group Entity:
 - (A) enters into a withdrawal offer or buy-back agreement; or
 - (B) resolves to approve the terms of a withdrawal offer under the Corporations Act or the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) LRF1 (acting through LinQ Capital) issues LRF1 Units or other securities or grants an option over the LRF1 Units, or agrees to make such an issue or grant such an option;
- (v) LRF2 (acting through LinQ Capital 2) issues securities or grants an option over its securities, or agrees to make such an issue or grant such an option;
- (vi) any LinQ Fund Group Entity issues, or agrees to issue, convertible notes or convertible units;
- (vii) any LinQ Fund Group Entity disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (viii) any LinQ Fund Group Entity grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property.
- (ix) any LinQ Fund Group Entity resolves to be wound up;
- (x) a liquidator or provisional liquidator of any LinQ Fund Group Entity is appointed;
- (xi) a court makes an order for the winding up of any the LinQ Fund Group Entities;
- (xii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of any of the LinQ Fund Group Entity;
- (xiii) LRF1 announces, makes, declares or pays any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) to the LRF1 Unitholders;
- (xiv) a person announces, commences or threatens any litigation against a LinQ Fund Group Entity (whether in aggregate or for any single

litigation) which may or may reasonably result in a judgement against a LinQ Fund Group Entity of more than \$1 million;

- (xv) any LinQ Fund Group Entity pays or agrees to pay any retirement benefit or allowance to any responsible entity or trustee, current or proposed director, executive officer, manager or other employee, or makes or agrees to make any substantial change to the basis or amount of remuneration or the terms of redundancy and other employee entitlements or any current or proposed director, executive officer, manager or other employee (except as required by law or provided under any superannuation, provident and retirement scheme in effect on the date of this Agreement); and
- (xvi) LRF2 or LinQ Capital 2 sells, assigns, transfers, conveys, encumbers, or otherwise disposes of, or grants any interest in, the Treasury Units, other than to accept the Offer in respect to the Treasury Units.

(i) Amendment to LRF1 Constitution and LRF2 Trust Deed

Between the date of this Agreement and the end of the Offer Period, none of the following events occurs:

- (i) LRF1 makes any amendment to LRF1 Constitution or a meeting is convened to consider a resolution to amend the LRF1 Constitution; or
- (ii) LRF2 makes any amendment to LRF2 Trust Deed or a meeting is convened to consider a resolution to amend the LRF2 Trust Deed.

4. Payment terms

The Bidder must state in the Bidder's Statement that it will pay the consideration under the Offer:

- (a) to LRF1 Unitholders who have accepted the Offer at the time it becomes unconditional, within 7 days of the Offer becoming unconditional; and
- (b) to LRF1 Unitholders who have not accepted the Offer at the time it becomes unconditional, within 7 days of their acceptance of the Offer.

Executed as an Agreement.

Executed by IMC Resources Holdings)
Pte Ltd in accordance with its)
constituent documents and place of)
incorporation:)

Signature of Authorised Signatory

Name of Authorised Signatory in full

Executed by LinQ Capital Limited)
ACN 098 197 258 in accordance with)
section 127 of the *Corporations Act*:)
)

Signature of Director

Name of Director in full

Signature of Secretary/other Director

Name of Secretary/other Director in full