

LinQ Capital Limited ACN 098 197 258

("Responsible Entity")

LinQ Resources Fund ARSN 108 168 190 ("Trust")

Distribution Reinvestment Plan

Version date: 28 August 2006

Overview of the Distribution Reinvestment Plan

To enable Unit Holders in the Trust to invest cash distributions in new units in the Trust, a Distribution Reinvestment Plan ("**Plan**") has been established by the Responsible Entity for the Trust.

The principal features of the Plan are summarised as follows:

- (a) At each distribution payment date, the cash distribution in relation to the units participating in the Plan is automatically reinvested in the acquisition of new units in the Trust.
- (b) Participation in the Plan in respect of distributions can be either full or partial. Full participation will result when the Responsible Entity accepts an application from a Unit Holder where the nominated percentage of that Unit Holder's holding which participate in the Plan is 100%. Partial participation will result when the Responsible Entity accepts an application from a Unit Holder where the nominated percentage of that Unit Holder's holding which participate in the Plan is less than 100%.
- (c) All units allotted under the Plan are allotted at an issue price which is determined in accordance with the requirements of the Scheme Constitution, which may include a discount (if any) determined by the Responsible Entity up to 20 per cent.
- (d) Participants pay no brokerage, commission or other transaction costs on the new units acquired under the Plan. On issue, the units rank equally with the then existing fully paid units in the Trust.
- (e) Participants may join, vary their participation or withdraw from the Plan at the times provided under the Rules of the Plan.
- (f) To join or vary participation in the Plan, Unit Holders must complete the application form provided and return it to the Responsible Entity, as set out on that form.

The Responsible Entity may seek to have the Plan underwritten.

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RULES OF THE DISTRIBUTION REINVESTMENT PLAN
(“PLAN”)

1 Interpretation

“Business Day” has the meaning given to that term by the Listing Rules of the Australian Stock Exchange Limited.

“Distribution Calculation Date” has the meaning given to that term in the Scheme Constitution.

“Distribution Date” has the meaning given to that term in the Scheme Constitution, being the date for payment of a distribution.

“Register” has the meaning given to that term in the Scheme Constitution.

“Scheme Constitution” means the scheme constitution dated 8 March 2002 governing the Trust, as amended from time to time.

“Unit Holder” means a person recorded in the Register for the Trust as a holder of a Unit.

“Unit” has the meaning given to that term in the Scheme Constitution.

2 Reinvest

The Plan provides Unit Holders with a method of reinvesting all or part of their distributions in Units.

3 Participation in the Plan

Participation in the Plan is optional but is not transferable.

Participation in the Plan is open to all Unit Holders except those who are resident in, or subject to the laws of, any country in which the offer or issue of Units to them under this Plan would be unlawful.

Participation may, subject to any restrictions in these Rules, be varied or terminated by a participant in the Plan at any time.

4 Applications to Participate in the Plan

A Unit Holder may request to participate in the Plan on the prescribed application form which must be signed by the Unit Holder in accordance with the instructions on that form.

Participation in the Plan will commence from the next Distribution Date which is at least 10 Business Days after the date of receipt by the Responsible Entity of a correctly completed application form. Accordingly, to be effective in relation to a particular distribution, the Unit Holder must therefore return a correctly completed application form to the Responsible Entity no later than 10 Business Days before the Distribution Date for that distribution. Unitholders will be kept informed about the proposed Distribution Date by way of ASX Market Release.

5 Degree of Participation

Participation in the Plan in respect of distributions can be either full or partial.

Full participation will result when the Responsible Entity accepts an application from a Unit Holder where the nominated percentage of that Unit Holder's holding of Units which participate in the Plan is 100%.

Partial participation will result when the Responsible Entity accepts an application from a Unit Holder where the nominated percentage of that Unit Holder's holding of Units which participate in the Plan is less than 100%. Under partial participation, the provisions of the Plan apply to all cash distributions payable on the percentage of the participant's Units nominated as participating in the Plan. If the number of Units held is varied, then the nominated percentage will apply to the varied holding of Units.

The number of Units of a participant which are participating in the Plan in relation to a cash distribution is determined by multiplying the participant's nominated percentage against the total number of Units recorded in the Register as held by that participant as at the end of the day on the Distribution Calculation Date relating to that cash distribution. If a participant purports to transfer a Unit, the Unit will remain recorded in the Register as held by the participant unless and until a transfer of the Unit has been recorded in the Register.

If a duly signed application form is received by the Responsible Entity and it does not indicate the degree of participation, then it will be deemed to be an application for full participation.

6 Disposal of Full Holding of Units

Where a participant disposes of its full holding of Units the participant will be deemed to have withdrawn from the Plan without the need for any notification to the Responsible Entity.

7 Operation of the Plan

Each cash distribution which is payable to a participant in respect of the number Units which are participating in the Plan in relation to that cash distribution will

be applied by the Responsible Entity on the participant's behalf in subscribing for additional Units.

In respect of each cash distribution payable to a participant, the Responsible Entity will, for each participant:

- (a) Determine the amount of the cash distribution payable in respect of the number of Units of that participant which are participating in the Plan in relation to that cash distribution;
- (b) Determine the number of Units to be allotted.

All Units allotted under the Plan will be allotted at an issue price which is determined in accordance with the requirements of the Scheme Constitution, which may include a discount (if any) determined by the Responsible Entity up to 20 per cent.

Where the number of Units to be allotted is not a whole number, the number of Units will be rounded up or down to the nearest whole number at the discretion of the Responsible Entity. Any excess money or property which results from a rounding becomes an asset of the Trust for the benefit of all Unit Holders; and

- (c) Allot that number of additional Units to the participant.

8 Units to be allotted under the Plan

Units to be allotted under the Plan will be allotted on, or as soon as practicable after, the relevant Distribution Date.

Units allotted under the Plan will, from the date of issue, rank equally with all other fully paid allotted Units.

9 No Transaction Costs to the Unit Holder

No brokerage, commission, stamp duty or other transaction costs will be payable by participants in respect of applications for or allotments of Units under the Plan. However, participants will be required to pay any income or other taxes payable arising from the receipt of distributions or allotments of Units under the Plan.

The Responsible Entity may pay underwriting fees and commissions to an underwriter in relation to the underwriting of all or part of the Plan.

10 Participants' Statements

The Responsible Entity will send to each Unit Holder participating in the Plan after each relevant Distribution Date a statement setting out the details of their participation in the Plan.

11 Variation or Termination of Participation

A participant may, at any time, give notice to the Responsible Entity to:

- (a) increase or decrease the percentage of Units participating in the Plan; or
- (b) terminate participation in the Plan.

The notice must be given in writing on the prescribed form which must be signed by the Unit Holder of the Units, in accordance with the instructions on that form. The notice will take effect from the next Distribution Date which is at least 10 Business Days after the date of receipt by the Responsible Entity of a correctly completed notice. Accordingly, to be effective the notice must be received by the Responsible Entity no later than 10 Business Days prior to the Distribution Date for a distribution in order to take effect for that distribution.

Death of a participant will not automatically terminate participation.

12 Applications and Notices

Applications and notices must be in accordance with these Rules and will only be effective as and when received by the Responsible Entity.

13 Modification, Variation, Suspension, Re-introduction or Termination of the Plan

The Responsible Entity may modify, suspend, re-introduce or terminate the Plan at any time by the Responsible Entity by giving 14 days prior notice to Australian Stock Exchange Limited. The modification, suspension, re-introduction or termination of the Plan will take effect from the date specified by the Responsible Entity which date must be a date which is on or after the expiry of the 14 days notice period to Australian Stock Exchange Limited.

The Responsible Entity reserves the right to waive strict compliance with any provisions of these Rules.

14 Official Quotation

The Responsible Entity will apply for Units allotted under the Plan to be granted official quotation by the Australian Stock Exchange Limited.

15 Governing Law

These Rules will be governed by the laws of the State of Western Australia.