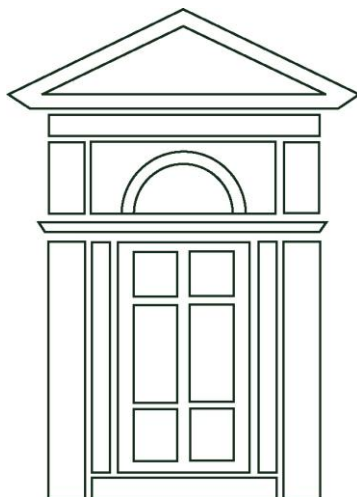


Lowell Resource Fund No.2

(ARSN 153 330 977)

A Specialist Fund Investing in Emerging
Mining & Energy Companies



Managed Investment Fund

Responsible Entity
& Investment
Manager:

**Lowell Resources Funds
Management Ltd.**
(ABN 36 006 769 982)
(AFS Licence No. 345674)

**Product Disclosure Statement
Dated 1 November, 2011.**

Contacting Us

Contacting us: For information about the Lowell Resource Fund No.2, call our Client Service Advisor on 03 9815 2444 during business hours or write to:

Lowell Resources Funds Management Limited
P.O. Box 1136
South Melbourne Vic 3205

This Product Disclosure Statement (“PDS”) is issued by Lowell Resources Funds Management Ltd as responsible entity for the Lowell Resource Fund No.2 (“the Fund”) and is dated 1st November, 2011.

Neither Lowell Resources Funds Management Limited ABN 36 006 769 982 (“Lowell” or the “Responsible Entity”), or any other related party or executive of the group, guarantees the repayment of capital or the performance of the Fund.

The Lowell Resource Fund No.2 is a registered Managed Investment Scheme within the meaning of the Corporations Act and has Lowell Resources Funds Management Limited as its Responsible Entity and manager of the investment decisions of the Fund under policies and guidelines approved by Lowell.

This PDS may be used by investors who wish to access the Lowell Resource Fund No.2 through an Investor Directed Portfolio Service (“IDPS”, or “IDPS-like scheme”) or a nominee or custody service (collectively referred to as “master trusts” or “wrap accounts”) in this Product Disclosure Statement.

Lowell issues units in the Fund under the terms and conditions described in this PDS and the Constitution. You should read this PDS because you will be bound by it if you become a Fund unitholder.

A copy of the Constitution and the Compliance Plan relating to the Lowell Resource Fund No.2, have been lodged with ASIC and may be viewed or a copy obtained from any ASIC office. A copy is also available from Lowell Resources Funds Management Limited at Level 1, 183 Bank Street, South Melbourne VIC 3205 or by writing to Lowell Resources Funds Management Limited at PO Box 1136, South Melbourne 3205, or by telephoning 03 9815 2444 during normal business hours.

General Advice Disclaimer

This PDS is prepared for your general information only. It is not intended to be a recommendation by the Responsible Entity or any other related party of the Responsible Entity. The general information in this PDS does not take into account the investment objectives, financial situation or needs of any particular investor.

Consequently, you should consider, with or without the advice of an investment adviser, whether the Fund is appropriate for you in view of your financial situation, investment objectives and needs. Only information and representations contained in this PDS may be relied upon as being authorised by the Responsible Entity. No person is authorised to give any information or make any representation in connection with the offer that is not contained in this PDS.

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What is the Lowell Resource Fund No.2?

For some years, Lowell has been the investment manager for Lowell Resources Fund. Lowell seeks to issue Lowell Resource Fund No.2 (“LRF2”) with the intention of developing the same investment portfolio and strategy as the existing Fund in order to admit new investors, both wholesale and retail.

LRF2 is a unit trust that is focused on shares and other financial products issued by resources companies listed or seeking to list on Australian and overseas stock exchanges.

Each investor in LRF2 receives units that confer an equal undivided interest in the investments and assets of the Fund.

Unitholders may buy additional units or redeem units at prices that reflect the underlying asset values at the time. The ability to invest and withdraw from the Fund is more fully described on page 13.

In addition, each unit on issue at the end of a distribution period participates equally in any income distributions generated by these investments. This income may occur as a result of the realisation of capital gains generated by selling the Fund’s investments, or from dividend distributions received by the Fund from its investments, or from interest received on cash balances.

Why Invest in Resources?

Australia is a major producer and exporter of iron ore, coal, liquified natural gas (“LNG”), non-ferrous and precious metals, diamonds, uranium and other rarer metals. It has world-class deposits of all these materials and still retains outstanding exploration potential. The growth in the value of Australia’s mineral exports is illustrated in the table below.

Table 1 - Australian Mineral Exports, Financial Years 2005 to 2010

Exports	2005-06	2006-07	2007-08	2008-09	2009-10
Total (\$A million)	105,591	110,559	116,178	118,032	122,514

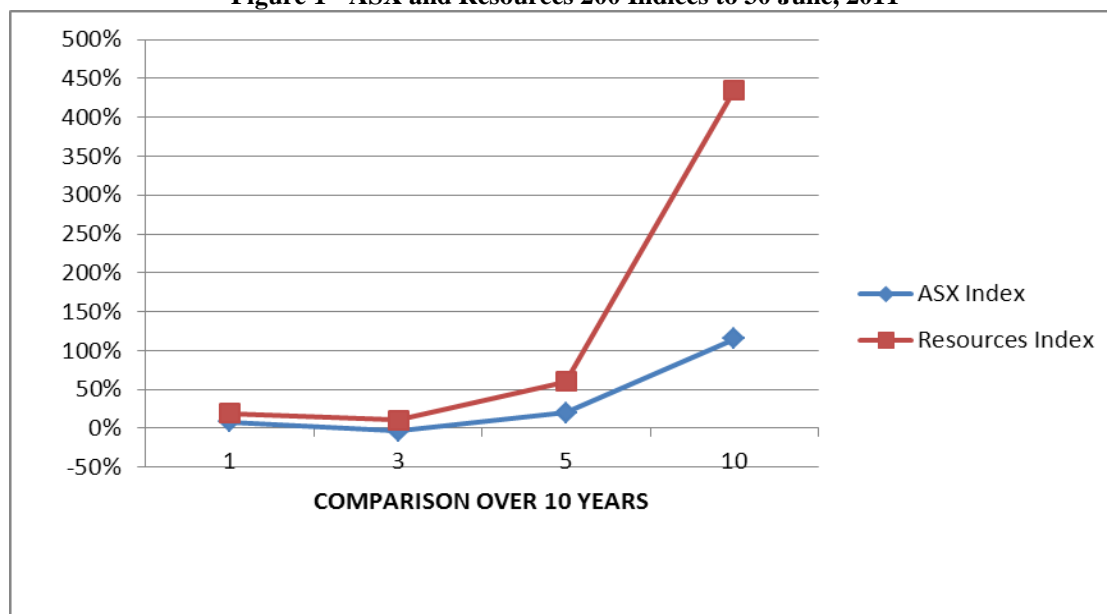
Source: www.ABARE.gov.au

Coal in various forms (thermal, coking, briquettes) and iron ore are the standout performers, but with a number of large new projects underway, the strong growth in LNG exports is expected to continue.

Apart from domestic mineral production, a number of Australian companies listed on the Australian Securities Exchange (ASX) or on overseas exchanges, are active in other parts of the world and have undertaken major international resource development projects. Australian technology and expertise have often been at the forefront. Coupled with growing global demand from Asian economies and higher resource prices, LRF2 provides an opportunity for investors to capitalise on growth in the resource sector. An investment in mining and energy shares represents a stake in a major Australian industry which is well placed to supply expanding global demand.

As illustrated in Figure 1 below, the Australian Resources Index has significantly outperformed the broad ASX Index over the past decade.

Figure 1 - ASX and Resources 200 Indices to 30 June, 2011



Source: S&P Indices

Why Invest in the Lowell Resource Fund No.2

Lowell Resource Fund No.2 is a specialist Managed Investment Fund that focuses its stock selection on absolute returns from “junior” resource companies. The scope, objectives and investments of LRF2 will be identical to those implemented for the original Lowell Resources Fund, and will be managed by Lowell Resources Funds Management Ltd, the same professionals that have managed the Lowell Resources Fund since January 2004.

Table 2 shows on-going outperformance by the Lowell Resources Fund relative to the Resources Index. Further information relating to the investment strategy and process is presented below.

Table 2 – Comparison of Performance of unit trusts managed by Lowell Resources Funds Management with the ASX Resources 200 Index, to 30 June 2011

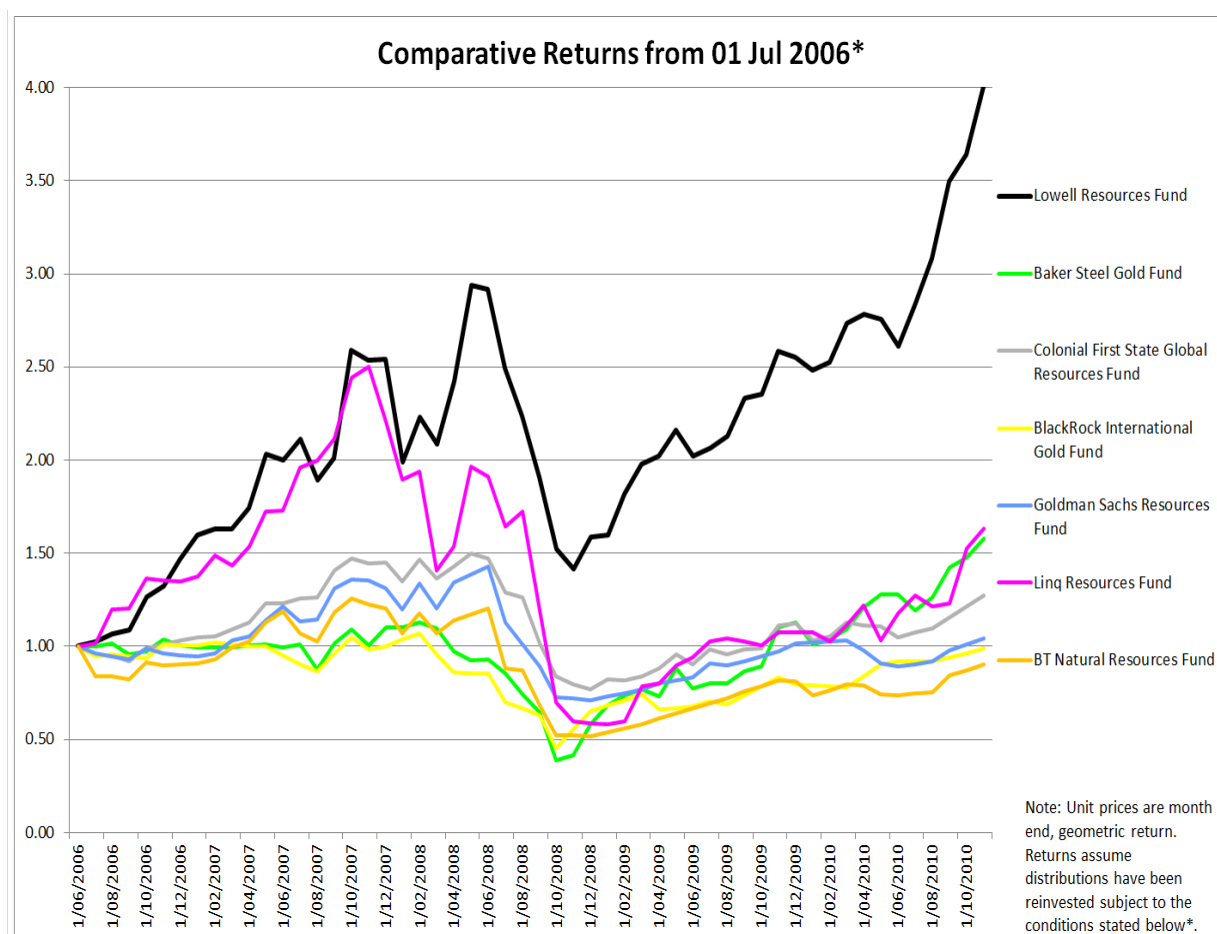
Period Year	Unit Trusts managed by Lowell*	ASX Resources 200 Index**
1 Year	55.8%	19.02%
3 Year	39.5%	10.76%
5 Year	307.0%	60.06%

Note that past performance is no guarantee of future performance.

* Returns are shown after Management fees and selling costs have been deducted from the calculation. Source is Lowell Resources Funds Management Limited.

** Standard & Poor's Reports S&P/ASX June 2010 Accumulation Index Returns

Figure 2 Relative performance of Resource Funds since 1 July 2006



Lowell Resources Fund has been managed by Lowell Resources Funds Management Limited since January 2004.

Note that past performance is no guarantee of future performance.

* Returns are based on exit to exit unit prices, are net of fees and assume re-investment of income.

- a) The Linq Resources Fund: Dividends are untaxed and reinvested via the dividend reinvestment plans, or when a DRP is not in place a 1% brokerage charge is used.
- b) Colonial First State: Distributions are reinvested with the application of a 4% reinvestment fee. This may not always apply.

Source : MLC Navigator 14 Dec 2010, Lowell Capital Ltd, www.linqresources.com, www.asx.com.au, www.colonialfirststate.com.au, www.selectfunds.com.au

Summary of Features of the Lowell Resource Fund No.2

Minimum initial investment	Minimum initial investment \$5,000 per unitholder.
Unit pricing	Variable unit price calculated at least weekly.
Distributions	When the Fund is in a position to make distributions, they will be made annually and may be reinvested, or deposited into a nominated account at a bank or other financial institution.
Management fee*	Management fee of 1.845% p.a. of Gross Assets (inclusive of GST post Reduced Input Tax Credit).
Responsible Entity Fee	Responsible Entity fee of 0.0615% p.a. of Gross Assets (inclusive of GST post Reduced Input Tax Credit).
Performance Incentive fee	Management fee 17.9375% of any return over 10% per annum (or pro-rata for part of a period), subject to a high water mark. Calculated and paid (if applicable) each six months). Please refer Management Costs on page 16.
Entry fee	No entry fee is payable on investments made directly to the Fund, or on additional investments made by existing Unitholders. An entry fee of 3% may be deducted from subscriptions made into the Fund where the subscriptions are made through a licensed advisor, with the 2.75% of the entry fee being paid to that advisor.
Buy/sell spread	0.35% either side of the net asset value unit price (for example, units can be bought at the net asset value unit price plus 0.35% and redeemed at the net asset value unit price minus 0.35%). This equates to \$18 for an application or redemption of \$5,000.
Performance information	<p>Accessed through weekly updates of the Lowell website (www.lrfm.com.au) or by contacting Lowell Customer Service on 1800 700 167 or 9815 2444 in the Melbourne area.</p> <p>Annual and half yearly audited statements for the Fund can be provided to investors.</p> <p>Annual Taxation Statements summarising income and capital gains components of distributions on one easy-to-read statement mailed to unitholders.</p>

* The amount of this fee can be negotiated by investors qualifying as wholesale investors under section 761G of the Corporations Act 2001 (see 'Ability to negotiate fees — Wholesale clients' under the heading 'Additional explanation of fees and costs' on page 18).

Lowell Resource Fund No.2

(ARSN 146 163 573)

History

Date Established

Established 20th September 2011

Responsible Entity

Investment Manager: Lowell Resources Funds Management Ltd.

Responsible Entity: Lowell Resources Funds Management Ltd

The ultimate holding company of Lowell Resources Funds Management Ltd. is Lowell Pty. Ltd (A.C.N. 004 963 375).

Assets Under Management

Start-up Fund. Initial offer of units.

Investment Strategy

To invest in low-capitalisation (“small-cap and micro-cap”) mining and energy companies that meet key investment criteria relating to: location, mineral sector, resource quality, size, management, markets and infrastructure, projected operating costs, and valuation measures. These projects will generally be at the late-exploration, feasibility, development or early production stage, with considerable upside potential for positive re-rating in the market.

Investment Objective

LRF2 aims to provide above-average absolute returns to the unitholders. Because the primary objective is capital growth, and targets a limited group of junior companies in the resources sector, Fund performance cannot be readily referenced to any comparable benchmark or market index.

The Investment Process

The investment process is built around detailed fundamental and technical analysis of companies identified as potential investments by Lowell and its networks. Investments are held for sufficient time for the operating company to expand and fully appraise the resource, and to commit to commercial development.

Key Portfolio Attributes

- A focus on those commodities, e.g. gold or oil that are expected to outperform the market.
- A portfolio comprising low-capitalisation resource companies that demonstrate the assets and management capabilities required to provide strong positive returns.
- Developing a balance of Australian and international resource exposure..
- Concentration of the investments in a portfolio of up to 20-30 junior mining and energy companies.
- Continual monitoring of the portfolio, with on-going adjustment to control risk and maximize returns.

Table 3 – Current Target Asset allocation

Market Sector	%
Gold	35 – 55
Copper	5 – 15
Multi-metal	10 – 30
Strategic Minerals including rare earths	0 – 10
Oil	5 – 15
Natural gas	5 – 15
Uranium	0 – 10
Iron ore & Coal	10 – 20
Cash	5 – 25

* Cash levels are expected to be increased during episodes of market uncertainty

Table 4 – Current Target Global diversity of operations

Main Projects	%
Australia	35 – 65
North America	5– 10
South America	5 – 15
Africa	10 – 25
Asia	5 – 10

The Lowell Resource Fund No.2

The Investment Manager

Lowell Resources Funds Management Ltd., is the responsible entity and investment manager of the Fund.

Lowell Resources Funds Management Ltd operates through an investment committee which concentrates the experience and knowledge of a group of individuals who have direct working experience in the oil & gas and minerals industries, broking, banking, applied research and funds management.

The Directors of the Investment Manager are:

David Hobday B.Sc. (Hons), M.Sc., Ph.D.

Dr. Hobday is a geologist with diverse experience in oil and mineral exploration, applied geological research, corporate finance and investment. He received his PhD degree from Louisiana State University and was a Research Fellow at Oxford. Dr. Hobday's petroleum and mineral exploration, appraisal and research activities over a period of 35 years have covered five continents. He was a 1984 recipient of the Wallace Pratt Memorial Award from the American Association of Petroleum Geologists "in recognition of significant contributions to petroleum geology".

As a fund manager with APA Oceanic during the 1980s, Dr. Hobday was responsible for investments in energy and gold equities. With Bank of America and then the Australian Bank he was involved in corporate finance, particularly applied to the resource sector. He has undertaken resource appraisal around the Caspian Sea, in Africa, South America, Australia, China and India, and explored for oil and gas in the United States. Dr. Hobday has served on the Boards of several oil and mining companies in Australia and North America.

Mike P. Chester B.Com, ACA

Mr. Chester is a Chartered Accountant and is currently a Director of Axiom Advisory Pty Ltd, an independent corporate advisory organisation. He has a total of 27 years' experience in the mining sector, initially as a gold analyst for 11 years with A. C. Goode, Smith New Court, McIntosh and County Natwest/Salomon Smith Barney, with a consistent top ranking for most of that period. These roles entailed detailed analysis of mining companies and industry trends and themes.

Over the past several years, Mr. Chester has had extensive advisory and equity raising/Initial Public Offering experience involving a broad range of mining and industrial companies. Mr. Chester serves on the Boards of several Australian companies that are active in Australia and overseas.

Steven O'Connell B.Bus, CPA, ACI

Mr O'Connell has over 25 years extensive finance industry experience in life insurance, asset management, custodial services, financial planning and superannuation (consulting, administration and trustee services). He has headed the compliance and risk management functions for several large multi-national asset managers. Mr O'Connell has been appointed company secretary for a number of asset managers, headed custodial operations for corporate actions, reconciliations and unlisted trust management and was a key person in the eventual sale of Mellon Australia's superannuation and administration consulting businesses in 2005. He has held Board positions at one of Australia's leading asset management companies, chairs Compliance Committees for leading asset managers and continues to be a Responsible Manager for a number of asset management companies.

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

Stephen Mitchell BA, MA

Mr. Mitchell has over 20 years' experience in the international resources sector with experience in management, corporate advisory and investment banking. As Managing Director, Mr. Mitchell developed Molopo Energy Limited, an ASX listed energy company, into a successful international oil and gas group with a market capitalisation that at times exceeded \$300m and with projects in Australia, Canada, the US, Asia and Africa. Previously he was Chairman of Lowell Capital Limited, the Responsible Entity for the Lowell Resources Fund, and had various corporate advisory/finance roles specialising in resources with Prudential Bache in New York and the Lowell group in Australia.

Mr Mitchell completed a Master of Arts in International Economics and Politics at Johns Hopkins University in the US and is also a member of the Australian Institute of Company Directors.

Background to Investing in the Resource Sector

Markets in commodities and equities are dynamic and ever changing, and therefore need to be actively managed. To assist in monitoring investments, the Fund maintains a website at www.lrfm.com.au that provides updates on both unit pricing and information relating to this market segment. Copies of these reports are also available to investors on request (see page 27 for Contact Details).

In addition, it is equally important to note when assessing this background information, that the charts reflect historical information, and so do not necessarily reflect the future performance of the industrial metals, gold and silver, and oil sectors illustrated, or the investment performance of the Fund.

The Resource Cycle

Demand for mineral and energy resources is cyclic, with prolonged downturns alternating with periods of strong demand (e.g. 2004-2008). The shifting emphasis towards commodity markets in the East, especially China and India, has changed the dynamics of global trade and introduced a new level of demand-driven growth reinforced by speculative investment. Australia in particular has benefitted enormously from this trend, but may remain vulnerable to any future threats of a downturn in Chinese mineral imports.

Successful investment in resources requires a focus on the global “big picture”, market timing and stock selection. The magnitude and frequency of demand-driven resource cycles are primarily determined by changes in the underlying global economy and supply/demand balance, as well as by currency factors and inflationary expectations and the role of large scale speculation. The prices of different materials such as bulk commodities, industrial minerals, precious metals and petroleum do not necessarily move in tandem however, and are often out of phase with one another. Lowell therefore revises and updates its outlook for different minerals and energy resources on an ongoing basis.

In recent years, rampant speculation in crude oil, copper and to some extent in other commodities, has at times driven prices to levels far higher than the supply/demand balance would normally dictate. This has required keeping abreast of investor sentiment measures, as well as activity in commodity futures markets. Price trends can change abruptly, and this requires a rapid response from the Investment Manager to maximize and protect unitholder value.

Industrial minerals, which include bulk commodities, generally respond positively to economic growth and decline in value during economic slowdowns. Most assets are therefore positively correlated and therefore tend to follow more or less similar paths.

Gold is one asset that tends to buck the trend, with a low correlation coefficient with other markets, and can therefore remain strong while other assets decline in value, as demonstrated over the past decade. The gold price may be more volatile than most minerals, but at certain stages in the resource cycle it can eclipse other investments. Lowell anticipates that overall conditions will remain favourable for gold for at least another 3-5 years, but that prices will fluctuate despite a general uptrend. As a “safe haven” asset and store of value, gold responds positively to instability including global unrest, to a decline in the value of paper currencies, especially the US dollar, to rising inflationary expectations, or to declining faith in central banks.

Equally unpredictable have been the oil markets, with geopolitical events or weather-driven supply shortages alternating with global oil gluts, creating major price swings. As surplus global production capacity dwindles, however, we anticipate the oversupply may become a thing of the past, and that prices will increase to new highs. Natural gas prices, smoothed by longer-term sales contracts and driven by local demand, have tended to be lower and less volatile than oil in Australia, but are subject to pronounced seasonal price fluctuations in North America where gas usage is far higher.

Successful investment in the resources sector must therefore consider the stage and likely duration of the economic cycle as it relates to specific commodities or subsectors. The Investment Manager must then consider the individual stocks within those subsectors, their fundamentals and pricing, and identify entry positions and potential exit strategies for the investment targets.

Risk management and preservation of capital is always an important consideration. The LRF2 portfolio will be strongly biased towards the high-risk end of the spectrum, although avoiding the most speculative blue-sky explorers. However Lowell has adopted a strategy of minimising downside risk through early identification and disposal of potential loss-makers, while maintaining or adding to winning positions.

Despite efforts to manage downside exposure, this type of investment may be associated with elevated risk as discussed on the section below entitled “Risks”.

Investment Philosophy

Primary investment targets are junior Australian and overseas mining and energy companies that meet strict investment criteria. These companies will typically show evidence that they are approaching their primary growth phase, and are therefore expected to be positively re-rated by the market if they meet these objectives.

In addition to the primary task of selecting, monitoring and adjusting the core portfolio of medium to long-term stock holdings, Lowell may from time to time also invest opportunistically with a view to short-term profits arising from the cyclical nature of the resource sector. The overriding focus is stock selection and timing. Not all stocks will fulfil Lowell's price expectations, and in most cases will be exited immediately they breach well-defined technical support levels that indicate further downside risk.

Junior resource stocks are extremely volatile as a rule. They tend to be dormant over long periods, followed by a brief flurry of activity during which trading volumes are higher and the price moves rapidly, either up or down, often by significant amounts. Volumes then decline and the price typically retraces a proportion of its move, with 50-60% corrections being common, before resuming the original uptrend or downtrend.

Some profits may be taken in stocks in the Fund that enter a technically "overbought" condition, as indicated by key indicators reaching unsustainably high levels. At this stage, Lowell may sell a small proportion, say 5% to a maximum of 15% of the holding, in the expectation of future purchases of this same stock at lower price levels. Conversely, highly rated stocks may occasionally be viewed as "oversold" based on the same technical measures, which provides an opportunity to add to the position. Episodic price weakness therefore presents a buying opportunity to top-up core holdings, or to establish a new holding in an investment target. In this way, Lowell maintains a core holding, with opportunistic trading around highs and lows to crystallise gains and maximise growth.

The favoured procedure for an initial purchase is to "phase in" to the new stock rather than make a large initial entry. This allows Lowell to monitor performance and gain a better understanding of the stock and its market behaviour before acquiring further tranches at times when the price is below targeted thresholds

Share prices of these small resource companies typically react strongly to significant exploration discoveries and reserves upgrades as announced to the Stock Exchange. These "event-driven" price moves tend to be substantial and may result in a rapid doubling in share price, something that a large resource company is unlikely to achieve. This produces a volatile and erratic price reaction in junior mining and oil companies, which typically "overshoot" to the top in response to positive events, and to the bottom in response to negative announcements.

The early distinction between a brief drop in share price and the onset of a longer-lasting decline is important, as the former marks a chance to buy at a discount whereas the latter is a warning to exit the stock without delay. Lowell makes this distinction based on a combination of market sentiment analysis, seasonal factors, sector analysis, fundamental analysis of the company, and charting. A weekly overview of the market and review of the portfolio and the watch list is performed by the Investment Committee, and investment discussions are held as often as necessary. A lookout is maintained for placements and initial public offerings, which are reviewed against the Fund's investment criteria.

The Fund expects the companies in which it invests to meet the environmental, social, and labour standards set by the governments in the countries in which they operate. While the Fund does not use these criteria in selecting its investments, if an investee company were determined to have breached these standards or acted in a manner that was deemed unethical, Lowell would view this negatively, and would consider reducing or disposing of its investment in the company concerned.

Rationale

Lowell is of the opinion that government measures underway in many advanced economies that aim to address the global debt crisis will continue to benefit commodity prices, especially certain key minerals such as oil, gold and copper.

Sovereign debt is unsustainable, and in some countries may already be too high to service in the foreseeable future. Apart from default, the only other repayment option is via currency inflation. This process has already commenced through several phases of "quantitative easing" and excess monetary printing in the US and elsewhere, and has been exacerbated by the problems in Europe. This provision of monetary support is effectively diluting and devaluing currency already in circulation. Although the credit crunch in the US initially provided some semblance of deflation, the ultimate outcome is likely to be inflationary, which adds to the attraction of the resources sector.

Official CPI numbers are poor measures of true inflation, which is more readily apparent in decreasing purchasing power of paper currencies. Increasing inflation, or even expectations of an increase, temporarily boost the value of shares, real estate, and other hard assets, but the impact is most apparent in the rising price of food, oil and minerals. The primary beneficiaries of inflation will be the precious metals, most importantly gold. Over the past decade, gold has demonstrated its ability to preserve value while currencies continue to depreciate.

The strength of the resource sector is expected to continue for several more years at least, albeit with temporary reversals along the way. The reasons include the continued demand growth in Asia, growing recognition of inflationary risk and currency depreciation, and the sustained “safe haven” status of gold during times of geopolitical turmoil and global uncertainty. Continued growth of gold- and silver-backed securities and currencies will add to the attraction of precious metals. And environmental and technology-driven demand for rare earths and strategic metals is expected to expand, with the possibility of shortfalls in supply also contributing to higher prices.

Investment Criteria

During the process of stock selection, Lowell reviews all factors likely to affect operational management and financial performance of individual companies and their potential for share price appreciation. The qualities that are sought in Fund investments include:

- low to modest market capitalization;
- exposure to preferred commodities that are expected to appreciate within the investment timeframe;
- proven technical management performance and board calibre;
- large or high-grade resource with manageable capital expenditures;
- sound corporate financial structure, with particular regard to cash position and expenditure commitments;
- low projected operating costs and high cash operating profit margins;
- attractive valuations and earnings growth projections;
- an unhedged or relatively unhedged production sales policy;
- secure tenure of lease holdings;
- acceptable sovereign risk exposure.

In particular, Lowell has set a number of target criteria with respect to geological endowment and in-ground mineral resources. Core investment holdings will be in companies that have established the following:

Resource/Reserve Criteria

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

Production Expectations

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

- maiden production scheduled within a year or two, or;
- expectations of large increments to existing production;
- favourable markets and infrastructure;
- expectations of high profitability.

Other Favoured Situations

- junior players standing to benefit from key strategic alliances with larger companies,
- companies with the potential to attract high-premium takeover bids,
- companies with the ability to add significant value to primary production, e.g. by energy conversion or mineral processing,
- companies that stand to benefit significantly from the application of new technologies.

Investment Timing

The Fund seeks to capitalize on movements in the commodity cycle and the price fluctuations of small resource companies. Commodity price changes may be erratic and unpredictable, for example the response of crude oil price to hostile acts or other supply constraints. During commodity bull markets, resource stocks often appreciate in a stepwise manner, with uplegs and partial retracements or price consolidation before the next rise ensues. Identification of these price patterns is therefore an important consideration in timing Fund investment buy and sell decisions.

Equally importantly, the Fund seeks to capitalise on the success of individual exploration companies, from the time of an initial discovery through the appraisal, feasibility and development stages. Resource stocks selected as a result of exploration success will be sold once they approach the mature production stage that presages more modest growth.

Stocks held in the Fund may be also sold when there are changes in company outlook, valuations, risk exposure or ownership. Although investment decisions generally rely on company and industry fundamentals, technical analysis of stock and commodity charts will assist in providing objective criteria to help identify optimal entry and exit points.

Investment Duration

Primary price trends typically lasting 2-4 years or longer represent a reasonable investment time frame for individual stocks in the Fund. Superimposed on the primary trend may be countertrend reversals lasting as long as a year or more, as well as higher frequency oscillations spanning weeks or months. Day to day price variations or “noise” will generally be disregarded, apart from the opportunities that they may present for making adjustments to existing positions. Fluctuations on a weekly to monthly scale are monitored on charts reflecting technical performance and market sentiment, and these too are used to help balance portfolio stock weightings. But the major emphasis is on longer-term fundamentals and the growth potential that this represents.

Portfolio Mix

The portfolio comprises a mix of companies with attractive risk/reward characteristics. The portfolio will represent a range of commodities including gold, iron ore, coal, oil, gas, uranium, rare earths and strategic minerals, copper and other base metals.

Risks

The Fund should be regarded as high risk. In addition to the risks associated with investing in the share market, the resources sector is generally considered to be of higher risk than the overall equities market because of the volatility in commodity prices. Further, the Fund is investing at the small company end of the resources market where there is likely to be increased price volatility and decreased liquidity in the investments.

The Fund’s focus on microcap and small-cap stock companies can generate high rewards, but carry an added risk that the projects may fail to meet reserves growth or production expectations, or may face funding constraints.

Part of the Fund’s assets comprise investments in companies operating or domiciled outside Australia, with the additional sovereign risks of exchange rate, security of tenure, foreign legal systems, and more difficult monitoring of the investment.

Specifically, the resource sector is volatile and subject to unanticipated price weakness arising from potential risks such as:

- an unexpectedly weak, deflationary global economy that could arise from convergence of negative factors and a contraction in global credit;
- an economic slowdown in China that might have a negative impact on the Australian resource sector;
- sustained reversals in primary commodity prices;
- another bout of panic deleveraging resulting in an abrupt share market downturn;
- market crisis such as a major sovereign debt default, insurrection or acts of terrorism;
- accelerated central bank gold sales or disposal of other metal inventories;
- continued currency appreciation in Australia, decreasing the local value of commodities priced in US dollars;
- potential adverse tax, regulatory and royalties changes in Australia and overseas countries;
- unfavourable changes in taxation regime.

The Fund aims to acquire stocks with perceived upside potential that substantially exceeds downside price risk. Lowell will maintain a close watch on the changing geopolitical environment, as well as leading market indicators, to help anticipate potential price weakness and make preemptive adjustments to the portfolio.

This investment strategy is reliant upon Lowell successfully assessing and managing the investments. There is risk inherent in any investment strategy of this nature, and consequently there is a risk that unit values in the Fund may decrease.

The Investment Process

The investment strategy is directed at selecting from a watch-list comprising relatively small companies that are expected to show strong growth. Substantial research is undertaken by Lowell beyond simply a clear understanding of the actual resource endowment and stage of exploration and development. Management abilities and strategies of the target companies and their economic viability, risk factors, and financing capabilities are also considered.

Following a review of all available data the Investment Manager first screens all possible investments to determine whether they meet specific criteria. In some cases this involves site inspections by Lowell or its associates, and discussions with the target company's management. Once an investment is made, Lowell will continuously review and evaluate new data and progress and will, to the extent possible, maintain a close relationship with the investee company's management and independent local experts. All of these procedures are aimed at maintaining and adding value to the Fund's investment in the smaller corporate entities.

How to Invest or Withdraw

Investing: To invest in the Fund simply follow the instructions on page 28 and complete the Application Form at the back of this Product Disclosure Statement and attach your cheque made payable to "EQT ATF Lowell Resource Fund No.2 Application Account" crossed "Not Negotiable" or EFT to National Australia Bank account BSB 083-054 Account Number 121 578 933, Account Name EQT ATF Lowell Resource Fund No.2. The Form, together with your cheque for the initial investment, should then be sent to Lowell Resources Funds Management Ltd. at the following address:

Lowell Resources Funds Management Ltd.
P.O. Box 1136
South Melbourne Vic. 3205

Applications can only be made on the attached Application Form. If you are investing through a master trust or a wrap account, please consult the operator of that service on how to invest as the terms and conditions may be different to those stated in this Product Disclosure Statement. For further information on indirect investments please see Master Trusts and Wrap Accounts on page 23 or consult your investment adviser.

If Lowell receives and accepts your completed Application at its Melbourne office at or before 5.00pm Melbourne time on a business day, it will be processed using the Application Price (see below) calculated in respect of that business day. If received and accepted after 5.00pm, your Application will be processed as if it were received before 5.00pm on the next business day.

The Application Price for the Fund is determined each business day and is generally calculated by dividing the net asset value of the Fund plus transaction costs by the total number of units on issue that day. Transaction costs include disbursements, commissions, brokerage and other usual fees that would have been incurred on purchase or acquisition of investments in the Fund.

Additional Application Forms can be obtained by ordering another Product Disclosure Statement by calling Client Service during business hours on 03 9815 2444, or by email on info@lowell.net.au, or by fax on 03 9815 2355, or by writing to:

Lowell Resources Funds Management Limited
P.O. Box 1136
South Melbourne Vic. 3205

Withdrawing: To withdraw an amount you simply give a signed notice to Lowell in writing of your request.

When requesting a withdrawal, please remember to:

- provide your Client Number;
- state your full account name;
- stipulate the number of units or dollar amount you wish to withdraw from the Fund and how you would like to be paid;
- include your daytime telephone number; and
- sign your request.

If you have invested through a master trust or a wrap account, please consult the operator of the service on how to withdraw as it may be different to what is stated in this Product Disclosure Statement. For further information on master trusts and wrap accounts please see page 23 or consult your investment adviser.

The Fund is principally invested in realisable assets such as cash and listed shares which can be sold. The Constitution allows a maximum period for payment of 30 days but Lowell will endeavour to redeem units within a shorter timeframe.

Under the Corporations Act and the Constitution, the Responsible Entity may only redeem units if the Fund is liquid. Given the nature of the investments in smaller mining and oil/gas companies, and in overseas companies, there could be a situation arise that results in the Fund being unable to liquidate investments and so process an application for redemption in the 30 days provided for in the Constitution. In such circumstances, Lowell will give effect to the redemption request as soon as practically possible, and in accordance with the Constitution.

If Lowell receives and accepts your withdrawal request at its Melbourne office at or before 3.00pm Melbourne time on a business day, your withdrawal will be processed using the Exit Price (see below) calculated in respect of that business day. If received and accepted after 3.00pm, your withdrawal will be processed as if it were received before 3.00pm on the next business day.

The Exit Price for each Fund is determined for each business day and is generally calculated by dividing the net asset value of the Fund less transaction costs by the total number of units on issue that day. Transaction costs include disbursements, commission, brokerage and other usual fees that would have been incurred on sale or disposal of investment in the Fund on that business day.

The withdrawal amount will be paid by cheque sent to your postal address or, by prior arrangement, paid into your nominated bank account.

The Corporations Act also provides eligible investors with a cooling off period of 14 days after the confirmation of an investment is made by the Fund as detailed on page 22. In general, this means that if you notify us within the 14 days the redemption of units issued or the withdrawal of money invested prior to the issue of the units will be processed subject to the payment of any tax, administrative expenses and adjusted for any price movements in the units of the Fund since the date of the original application. If you wish to exercise this cooling off right, please notify us immediately on 03 9815 2444.

Income Distribution

The Fund distributes all its realised trading profits and dividend income, in excess of costs, as income. Distributions are calculated at 30 June each year and are usually paid within about 30-35 business days and under the Constitution, must be paid within 60 days.

You can choose to have your distributions automatically reinvested back into the Fund, or paid directly to your nominated bank account. You may choose to automatically reinvest your distributions by ticking the box on the Application Form or advise us later by letter. Your letter must show your Client Number, be signed by you and be provided at least 30 days before the end of a distribution period. Further distributions will be reinvested until you notify Lowell that you do not want to have your distributions reinvested at least 14 days before the end of a distribution period.

The distributable income of the Fund will be determined in accordance with ordinary accounting principles and will generally be calculated by adding up the income of the Fund for the period, taking into account taxable gains and losses and then deducting expenses permitted by this Product Disclosure Statement and the Constitution.

Each unit holder's proportion of the income distributions will be determined by reference to the number of units of the Fund held by the unit holder at the end of a distribution period as a proportion of the total number of units on issue in the Fund at the end of the distribution period.

Once a distribution is declared, the unit price usually falls by the same amount as the cents per unit distribution, because the total value of the Fund has been reduced. If an investor invests just before a distribution, they may receive some of their investment back immediately as income, because the unit price at which the investor invested in the Fund includes income of the Fund that had not been distributed. From a tax viewpoint, the investor has converted part of their capital investment into taxable income. Conversely, if an investor withdraws units just before a distribution they might be turning income into a capital gain. Additional information on the tax position of investors is provided in pages 25 – 26.

Any distributions received by an underlying investor in a master fund or wrap account may be calculated in a different way and received at a different time than that referred to above. Underlying investors should refer to the master fund or wrap account Product Disclosure Statement, guide or other agreements for full details.

Fees and Charges

Consumer Advisory Warning

The following Consumer Advisory Warning is required by government regulations to be displayed at the beginning of the Fees and Charges section of this PDS in the form which it appears. Detailed information about the fees and other costs related to the Fund described in this PDS are provided in the section following the Consumer Advisory Warning.

DID YOU KNOW?

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

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

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

TO FIND OUT MORE

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

Management and other fees as well as expenses that are payable by the Fund are detailed in the Constitution of the Fund.

The following table shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole. Tax information is set out in another section of this PDS.

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

Table 5 Fees

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Application Fee: This is a fee to set up your account in the Fund	Not Applicable	Not Applicable
Contribution Fee: This is a fee for the initial and every subsequent investment you make to the Fund.	Not Applicable	Not Applicable
Withdrawal Fee: This is the fee charged for each withdrawal you make from the Fund	Not Applicable	Not Applicable
Termination Fees: This is the fee when you close out your account in the Fund	Not Applicable	Not Applicable

MANAGEMENT COSTS

Investment Management Fee: These are the fees for managing your Investment.	Management fee (Note 1) 1.845% pa (e.g. up to \$1,050 p.a. on an average balance of \$50,000)	Calculated daily and payable from the assets of the Fund on a monthly basis in arrears.
	Responsible Entity fee 0.0615% pa (e.g. up to \$31 p.a. on an average balance of \$50,000)	Calculated daily and payable from the assets of the Fund on a monthly basis in arrears.
	Performance fee 17.9375% of the amount (in percentage terms) by which the change in the Net Asset Value of the Fund including distributions for the Fee Calculation Period (minus the management fee for the period) adjusted for applications, redemptions, reinvestments, and other capital adjustments during the Performance Fee Calculation Period exceeds the pre-incentive increase, subject to a high-water mark.	Calculated daily and payable from the assets of the Fund on a six-monthly basis in arrears.
	Other Fund Costs (based on similar funds) (Note 2) Up to 0.74% pa (e.g. up to \$370 p.a. on an average balance of \$50,000)	Where such costs can be reliably estimated they are accrued throughout the financial year, reflected in unit price and deducted from the Fund at time of payment. Otherwise they are reflected in the unit price upon invoice and deducted from the Fund at time of payment.

- 1 The amount of this fee can be negotiated by investors qualifying as wholesale investors under section 761G of the Corporations Act 2001 (see 'Ability to negotiate fees — Wholesale clients' under the heading 'Additional explanation of fees and costs').
- 2 This is an estimate of the out-of-pocket expenses Lowell are entitled to recover from the Fund as Responsible Entity. The estimated expense recoveries shown in the Table are based on the latest available figures as at the date of this PDS and whilst this may be a useful guide to future expenses, the actual expenses recovered may increase or decrease over time. Expenses are generally accrued daily in the unit price of the Fund.

Important Note: The Fees in the above Table include GST less any Reduced Input Tax Credit attributable to the Fund.

ADDITIONAL EXPLANATION OF FEES AND COSTS

Performance Fees

The management costs for the Fund include a performance fee. Full details of the calculation of the performance fee are set out in the Fund's constitution. In general terms, for each performance fee calculation period, a performance fee of 17.5% of the amount (in percentage terms) by which the change in the Gross Asset Value of the Fund including distributions (minus the management fee payable for the period) adjusted for applications, redemptions, reinvestments, and other capital adjustments during the Performance Fee Calculation Period exceeds the change in the pre-incentive increase, subject to a high-water mark, is calculated and accrued on a daily basis and payable each six months in arrears.

The performance of the Fund is calculated from the day of the inception of the Fund to the end of the fee calculation period on 31 December and 30 June and thereafter for each six months ending 31 December and 30 June. The pre-incentive increase is 10% pa (5% for each 6 months).

The effective performance fee of 17.9375% includes the additional amount charged on account of GST (in accordance with the Fund's constitution) and the Fund's assumed entitlement to a reduced input tax credit of 75% in respect of its payment of the performance fee.

Example

The following examples are provided for illustrative purposes only. The estimate is not an indication of future performance. The actual performance fee and management costs will vary depending on the actual return of the Fund.

Examples of Performance Fees	Balance of \$50,000
The return of the Fund for the 6 month period net of management fees is 3%.	No performance fee incurred by the Fund.
The return of the Fund for the 6 month period net of management fees is 6% and the carry-forward high-water mark underperformance is -1.5%.	No performance fee incurred by the Fund.
The return of the Fund for the period net of management fees is 7%, and the carry-forward high-water mark underperformance is -1.5%.	$0.5\% \times 17.5\% \times \$50,000 = \$43.75$ of performance fees incurred by the Fund (net of the effects of GST) at the end of the performance fee calculation period.
The benchmark performance is 5% and the return of the Fund for the period net of management fees is 7%, and there is no carry-forward high-water mark underperformance.	$2\% \times 17.5\% \times \$50,000 = \$175.00$ of performance fees incurred by the Fund (net of the effects of GST) at the end of the performance fee calculation period.

Buy and Sell Spread

A buy and a sell spread apply when a contribution or a withdrawal is made in the Fund. In the case of the Lowell Resource Fund No.2 a 0.35% spread applies either side of the unit values. This spread aims to compensate the other investors in the Fund as the purchase and liquidation of share portfolios incur costs such as brokerage, security settlement charges, government taxes and possibly foreign exchange costs. It does not represent a fee or income to Lowell.

Example of Transaction Charge

If you were investing \$50,000 and the Current Unit Value of a Unit in the Fund was \$1.00, the Issue Price of a Unit would be \$1.0035 ($\$1.00 + 0.35\%$) and you would receive 49,825 Units ($\$50,000 \div 1.0035$).

If you wished to redeem \$50,000 from the Fund and the Current Unit Value of a Unit was \$1.00, the Withdrawal Price would be \$0.9965 ($\$1.00 - 0.35\%$) per Unit and you would need to redeem 50,175 Units ($\$50,000 \div 0.9965$) to obtain proceeds of \$50,000.

The Transaction Charge example above is provided for illustrative purposes only.

Ability to Negotiate Fees – Wholesale Clients

If you are classed as a wholesale client (such as a professional investor) under the Corporations Act 2001, in accordance with Australian Securities and Investments Commission (ASIC) policy, all fees described in this PDS may be individually negotiated. There is no set manner or method of negotiating fees. Wholesale clients who wish to negotiate these fees should contact us on the phone number listed in the Directory. This fee reduction will not adversely affect the fees that are paid or to be paid by other Investors.

Other Fund Costs

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

Example of Annual Fees & Costs for Retail Unitholders

The worked examples in this section are illustrative only.

This Table gives an example of how fees and costs for this product can affect your investment over a one year period.

You should use this Table to compare this product with other managed investment products.

Example		Balance of \$50,000 with a contribution of \$5,000 during the year.
Contribution Fee	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management Costs	2.6465%	And , for every \$50,000 you have in the fund you will be charged \$1,323.25 each year.
PLUS Performance Fee	17.5% of the amount (in percentage terms) by which the change in the Net Asset Value of the Fund including distributions for the Fee Calculation Period (minus the management fee for the period) adjusted for applications, redemptions, reinvestments, and other capital adjustments during the Performance Fee Calculation Period exceeds the pre-incentive increase, subject to a high-water mark.	If the requirements to pay a Performance Fee are not met then no Performance Fee will be paid. If this occurs you will be charged \$0.
EQUALS Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during the year, you would be charged fees of \$1,323.25 excluding performance fees.

Monitoring Your Investment

To keep track of your investment, Lowell will provide information on a regular basis. This will include:

- Acknowledgments confirming an investment;
- Regular updates of the website www.lrfm.com.au;
- Distribution Statements;
- Withdrawal Confirmations;
- Annual Transaction Statement;
- Annual Tax Statement.

The Client Service Advisor can provide up-to date information on items such as investment balance, transaction details, distributions, and unit prices on request. The Client Service Advisor can be contacted on (03) 9815 2444 if telephoning from Victoria.

Indirect investors should consult the operator of their investment scheme on the information that they may receive. For further information please see page 24 or consult your investment advisor.

Changing Details: To change your details, you can notify Lowell by fax or in writing. (See page 27 for contact details)

However, banking details can only be changed upon receipt of an original written request.

When requesting a change, please remember to:

- provide your client number;
- state your full account name;
- outline the changes you are requesting and sign your request; and
- include your daytime telephone number

General Information

Available Information on the Fund

The Lowell Resource Fund No.2 is a disclosing entity so has regular reporting and disclosure obligations. Copies of these documents have been lodged with the Australian Securities and Investments Commission ("ASIC") and may be obtained from or inspected at the offices of ASIC. Included among these documents are the annual and half yearly audited accounts, reports to unit holders, the Constitution and amendments thereto, compliance plans, associated reports, and continuous disclosure notices to ASIC.

In addition, information on the Lowell Resource Fund No.2 is available from Lowell through contacting us at Lowell Resources Funds Management Limited, Level 1, 183 Bank Street, South Melbourne VIC 3205 or by writing to Lowell Resources Funds Management Limited at P.O. Box 1136, South Melbourne 3205, or by telephoning 03 9815 2444 during normal business hours.

Some of this information is also published on the website at the www.lrfm.com.au and news releases, reports and continuous disclosure notices will be maintained on this website, together with regular updates on the latest unit prices for the Lowell Resource Fund No.2.

Constitution of the Fund

The Lowell Resource Fund No.2 is governed by a Constitution dated 1 September, 2011. The Fund has been registered with the Australian Securities and Investments Commission ("ASIC") as a managed investment scheme under Chapter 5C of the Corporations Act and is regulated by this Act.

The rights and obligations of investors and Lowell acting as the Responsible Entity are therefore governed by the Constitution of the Fund and the Corporations Act. A Compliance Plan has been approved for the Lowell Resource Fund No.2 which sets out operating procedures under the Constitution and Corporations Act and the process by which the Compliance Committee oversees the Fund's compliance.

A copy of the Constitution and the Compliance Plan relating to the Lowell Resource Fund No.2, have been lodged with ASIC and may be viewed or a copy obtained from any ASIC office. A copy is also available from Lowell Resources Funds Management Limited Level 1, 183 Bank Street, South Melbourne VIC 3205 or by writing to Lowell Resources Funds Management Limited at P.O. Box 1136, South Melbourne 3205, or by telephoning 03 9815 2444, during normal business hours.

Nature of Units in the Fund

The beneficial interest in the Fund is divided into Units. Each Unit confers an equal undivided interest in the Fund. A Unit confers an interest in the Assets as a whole, subject to the Liabilities. It does not confer an interest in a particular Asset. Members may transfer Units in the Fund, although the Responsible Entity may refuse a transfer without giving reasons. Units in the Fund may be issued in fractions.

Applications for Units

Applicants must complete an application for Units in the Fund in a form provided with the Product Disclosure Statement. This is covered in more detail on Page 28.

The Responsible Entity has the discretion to reject an application in whole or in part without reason. Unless the Responsible Entity determines to reject an application in whole or in part, an application received by the Responsible Entity prior to the Specified Time on a business day will be deemed to be accepted by the Responsible Entity at the Specified Time on that business day. An application received after the Specified Time on a business day or received on a day which is not a business day will be deemed to be received immediately prior to the Specified Time on the next business day.

The Specified Time is stated as 5.00pm or such other time as the Responsible Entity may from time to time determine. The Responsible Entity has determined that the Specified Time until further notice is 5.00pm.

Redemption of Units

A Member may make a request for the redemption of some or all of their Units in the Fund in any manner approved by the Responsible Entity. If the Fund is "liquid", the Responsible Entity must satisfy the redemption request within 30 days of receipt of the request or such longer period as allowed under the Constitution of the Fund. If the Responsible Entity gives effect to a redemption request and this results in a Member holding less than the current minimum holding amount, the Responsible Entity may redeem all of the Member's Units in the Fund.

While the Fund is not liquid a Member of the Fund may only withdraw from (redeem Units from) the Fund pursuant to a withdrawal offer made by the Responsible Entity in accordance with the Corporations Act. The Responsible Entity is not at any time obliged to make a withdrawal offer. If it does, the withdrawal offer must specify, among other things, the fixed period during which the offer will remain open and the assets that will be used to satisfy the redemption request. If there is an insufficient amount of money available from the assets specified to satisfy the redemption requests received the requests must be satisfied pro rata according to the funds available to meet such requests.

Income Distributions

The Responsible Entity must determine the distributable income for the Fund on the last day of each financial year, and on such other days as the Responsible Entity designates.

The Responsible Entity of the Fund must allocate to each Member the Member's share of distributable income of the Fund for a distribution period based upon the member's number of units held at the end of the distribution period as a proportion of the total units in the Fund at that date.

Tax may also be withheld by the Fund in certain circumstances (see reference to Tax File Numbers and Non-resident Investors on Page 26).

Subject to constitutional limitations, the Responsible Entity may transfer capital to enable distribution to Members of the Fund of the minimum amount necessary to avoid the Responsible Entity as trustee of the Fund becoming assessable to pay tax under the tax law. Subject to constitutional limitations, the Responsible Entity may at any time distribute any amount of capital or income to Members of the Fund pro rata according to the number of Units held at a time decided by the Responsible Entity.

Powers of the Responsible Entity

Under the Constitution and the Corporations Act, the Responsible Entity retains certain powers including, but not limited to:

- the power to borrow money and to incur all types of obligations and liabilities;
- the power to invest in, dispose of, or otherwise deal with property and rights in its absolute discretion;
- the power to appoint agents or delegates; and
- the discretion to choose how and when to exercise its power.

Meetings of Members

Meetings of Members of the Fund are primarily extensively regulated under the Corporations Act. The Corporations Act contains provisions dealing with calling meetings, unit holder requisitioning of meetings, quorum requirements, voting entitlements, polls, proxies and the manner in which meetings must be held.

Rights and Liabilities of the Responsible Entity

The Responsible Entity may: hold Units in the Fund, as may any associate of the Responsible Entity; and subject to the Corporations Act deal with itself, an associate or any Member; including:

- enter into any contract or transaction with itself, an associate or a Member and retain any profits derived from such contract; or
- act in the same or a similar capacity in relation to any other managed investment scheme;
- take and act upon an opinion or advice from experts, or act on documents believed in good faith to be originals or a copy without liability.

Limitation of Liability and Indemnity

The Constitution provides that the Responsible Entity is not liable in contract, tort or otherwise, to Members for any loss suffered in any way relating to the Fund except to the extent that the Corporations Act imposes such liability. The liability of the Responsible Entity to any person other than a Member in respect of the Fund (including any contracts entered into as Responsible Entity of the Fund or in relation to any assets of the Fund) is limited to the Responsible Entity's ability to be indemnified from the assets of the Fund.

The Responsible Entity is entitled to be indemnified out of the assets of the Fund for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by the Corporations Act, the indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity.

Liability of Members

The Responsible Entity is entitled to be indemnified by a Member to the extent that the Responsible Entity incurs any liability for tax as a result of the Member's action or inaction. Joint Members are jointly and severally liable in respect of all payments including payments of tax and to any other such extent.

The Constitution contains a provision limiting other liabilities of Members of the Fund to the Member's investment in the Fund and accordingly neither the Responsible Entity nor any creditor under the terms of the Constitution has any claim against that Member beyond this. The effectiveness of such provisions in the Constitution limiting the liability of a Member to creditors of the Fund has not been tested in the courts.

Duration of Fund

The Fund terminates on the earliest of:

- (a) the 80th anniversary of the day before the Fund commenced, i.e., 31st August 2091);
- (b) the date specified by the Responsible Entity as the date of termination of the Fund in a notice given to Members; and
- (c) the date on which the Fund terminates by law.

Amendments to the Constitution of the Fund

The Responsible Entity may by deed amend the Constitution of the Fund subject to the Corporations Act. Any material change to the constitution, that will adversely affect the unit holder's rights, requires the approval of unit holders. The Constitution of the Fund is deemed to incorporate provisions of the Corporations Act and relief from these provisions as granted by ASIC.

Valuation of Assets of the Fund

The Responsible Entity may cause an asset of the Fund to be valued at any time and must do so as and when required by the Corporations Act as the Corporations Act applies. The Responsible Entity may determine the Net Asset Value of the Fund at any time and the value of an asset for the purpose of calculating the Net Asset Value will be its market value. The Responsible Entity may determine the valuation methods and policies for each category of assets in the Fund and change them from time-to-time.

Notices to Members

Subject to the Corporations Act:

- notices required under the Constitution to be given to a Member will be issued in writing by mail, fax or such other manner as determined by the Responsible Entity to the last advised physical or electronic address;
- cheques may be posted to Members, handed to Members in person or handed to a person authorised in writing by a Member.

Notices to the Responsible Entity

Notices required under a Constitution of the Fund to be given to the Responsible Entity must be given in writing, or by other means as the Responsible Entity determines. Notices are only effected at the time of receipt. Notices must bear an actual, facsimile or electronic signature of the Member or their authorised officer or representative unless otherwise stipulated by the Responsible Entity.

Custodian

Equity Trustees Limited ABN 46 004 031 298 ("Equity Trustees") has been appointed as an independent custodian to hold all the assets of the Fund on behalf of unit holders. Equity Trustees may use a number of nominees or sub-custodians to carry out its custodial duties. The responsibilities of the Custodian include holding and dispersing assets and money in the name of the Fund. Lowell retains the discretion to appoint or replace the Custodian from time to time.

Compliance Plan

The Compliance Plan for the Fund sets out how Lowell will ensure compliance with both the Corporations Act and the Constitution when operating the Fund, and provides the mechanism for monitoring compliance with the relevant laws and the constitution. It further sets out the procedures to be followed by the Responsible Entity if an event occurs.

Compliance Committee

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

Anti-Money Laundering

Your investments are subject to the requirements of applicable anti-money laundering and counter terrorism financing laws and Lowell's requirements. Applications will not be accepted into the Fund until the requirements of the applicable anti-money laundering laws and any additional requirements are met. You will be notified on our website or in writing if our verification requirements change.

To ensure compliance with these requirements, Application Monies must be given by cheque or electronic funds transfer originating from an Australian bank. If you wish to pay for your investment with a cheque drawn on a bank in another country or to transfer funds from a foreign bank, additional documentation may be requested and the Application will not be processed until satisfactory documentation has been provided to us. Application Monies provided by a third party on behalf of an Applicant will be subject to anti-money-laundering procedures. We reserve the right to reject an Application. The Responsible Entity intends to apply the same process to a transferee prior to processing a transfer of Units to an investor (other than a current Unitholder).

Cooling Off Period

Under the Corporations Act eligible investors (i.e. not wholesale investors) have a cooling off right which in general means you can have your application money repaid subject to adjusting the repayment for any tax, administration expenses, and movement in prices of units in the period since the date of application.

The cooling off period lasts 14 days and commences from the date you receive confirmation of your investment from us or five days after the units are issued, whichever is the earlier. Your cooling off right may be lost if for example you receive a distribution of income from the fund through a reinvestment in the fund, or you reinvest in the fund.

Should you wish to exercise your cooling off rights please contact us immediately on 03 9815 2444, or as detailed in the Contact information on page 27.

Complaints

The Constitution contains procedures for complaints handling. In most cases, a complaint can be handled by contacting the Client Service Advisor on 03 9815 2444.

If Investors are dissatisfied with the response by the Client Service Team, Investors may lodge any complaints in relation to Lowell's conduct in its management or administration of the Fund, in writing to Lowell at the address shown on the inside front cover.

If an investor is not satisfied with the response from Lowell, investors can complain to an independent complaints handling scheme:

Financial Ombudsman Service
GPO Box 3,
Melbourne VIC 3001
Tel: (03) 8623 2000
Toll free: 1300 780 808

Master Trusts and Wrap Accounts

Investors investing in the Fund indirectly through an IDPS or IDPS-like scheme do not become investors nor do they acquire the rights of an Investor. The operator of that service acquires those rights and can exercise, or decline to exercise, them on behalf of indirect Investors. Indirect Investors do not receive income or reports directly from Lowell, nor do they directly participate in Investor meetings or winding up of the Fund. They do not complete applications included in this Product Disclosure Statement. Withdrawal times depend on the withdrawal times of the operator of that service. You should consult your investment adviser if you have any questions on investing in the Fund through a master trust or wrap account, nominee or custody service.

Instructions

Subject to the requirements outlined, or as stipulated by us, you or persons authorised by you can provide instructions by any method, including in writing, fax, telephone, by a specific form, or by any other method allowed from time to time by Lowell.

You authorise us to accept instructions provided by these methods. We retain the right to require written instructions or confirmations before acting on your instructions.

You acknowledge that there are risks associated with using various channels such as, but not limited to, fraud, loss, misappropriation, failure in technology or any other cause. You or persons authorised by you, agree to indemnify us against any claims, damage, loss, cost or expense that we suffer or incur because of us acting or not acting on instructions purporting to be from you or any person authorised by you.

We are not required to make enquiries as to the genuineness or validity of any instruction.

A person is taken to be you or a person authorised by you if that person quotes your Investor Number and the name in which the investment is held. A person is also taken to be a person authorised by you to give instructions if you have held out that person to us as a person authorised by you to give instructions and have not yet notified us in writing that such a person has ceased to be authorised.

Benefits to Lowell and Others

Except for fees, remuneration and interest disclosed in this Product Disclosure Statement, Lowell Resources Funds Management Limited and its directors and employees have received no benefit from subscription for units in the Fund from the Fund's inception to the lodgement of this Product Disclosure Statement. Lowell receives fees as described on pages 15 - 16 of this Product Disclosure Statement.

Subject to law, Lowell and its directors and related parties may hold units in the Fund. The directors of Lowell may be remunerated for carrying out their functions as directors.

Auditor

The Auditor of the Fund is Hayes Knight Audit Pty Ltd.

Miscellaneous

Subject to the Corporation Act or any rule of law, nothing shall prevent Lowell and its directors from subscribing to or dealing in the Fund.

Lowell may provide financial assistance out of its own funds (for seminars, client mailings, cooperative advertising, postage, etc.) to licensed financial intermediaries. Whether or not payments are made and the sizes of any payments are matters in which Lowell has absolute discretion.

Privacy

The information requested in the attached application form is used by us for the primary purpose of establishing and administering your investment with us. We are unable to process your application and provide you with the requested information.

You may request access to the information held by us about you and your investment, and we ask that you advise us of any changes to such information you have provided.

We may disclose your information (or parts thereof) to external parties who act on our behalf in the operation of our business from time to time. We may also disclose your information to external parties on your behalf, such as your financial adviser, unless you have instructed otherwise.

Lowell and its related bodies corporate may use your information on occasion to advise you about other services or products offered by us or them, but you may elect to stop receiving such information at any time.

Please contact our Client Service Advisor on 03 9815 2444, if you wish to update or request access to your information or if you have any queries regarding our Privacy Policy.

Consents

Lowell Accounting Services Pty Limited has given, and at the date of this PDS has not withdrawn, its consent to be named in this PDS in both its paper and electronic form as the Fund Administrator in the form and the context in which it is named.

Equity Trustees Limited has given, and at the date of this PDS has not withdrawn, its consent to be named in this PDS in both its paper and electronic form as the Custodian of the Fund in the form and the context in which it is named.

Hayes Knight Audit Pty Ltd has given, and at the date of this PDS has not withdrawn, its consent to be named in this PDS in both its paper and electronic form as the Auditor of the Fund in the form and the context in which it is named.

Lowell Accounting Services Pty Ltd, Equity Trustees Limited and Hayes Knight Audit Pty Ltd:

- do not make this Offer;
- have not authorised or caused the issue of this PDS or any electronic version of this PDS;
- do not make, or purport to make, any statement in this PDS or any electronic version of this PDS, nor is any statement based upon a statement made by Lowell Accounting Services Pty Ltd, Equity Trustees Limited and Hayes Knight Audit Pty Ltd other than as set out above; and
- to the maximum extent permitted by law expressly disclaim and take no responsibility for any part of this PDS or any electronic version of this PDS, other than as set out above.

Your Investment and Tax

The following information is a summary only of current taxation legislation. You should obtain your own professional advice regarding your position as tax and social security laws are complex and subject to change, and each investor's circumstances may be different, particularly if monies are borrowed to acquire units.

Goods and Services Tax ("GST")

GST will generally be incurred on each of the fees and charges that apply to the Fund. GST for which the Fund is liable in respect of any matters arising under the Constitution including the performance of any obligations, will be deducted from the assets of the Fund. In specified circumstances, the Fund may receive a credit from the Australian Taxation Office of 75% of the GST amount paid. Any of these payments and credits will be reflected in the unit price of the Fund.

Tax Position of the Fund

Under the Constitution, the Fund is required to distribute to investors the distributable income, calculated in accordance with generally accepted accounting principles (and at least equal to the taxable income of the Fund for tax purposes).

To the extent that investors are presently entitled to the entire distributable income of the Fund, no Australian income tax will be payable by the Fund.

An amount to cover the Fund's other Australian tax obligations will be withheld from certain distributions to non-resident investors and resident investors who do not provide a Tax File Number or an Australian Business Number (for further information, please refer to the section Tax Position of Non-Resident Investors below).

Tax Position of Australian Investors

If you are an Australian resident you will be required to include your share of the Fund's net income for tax purposes in your assessable income for the year in which you become entitled to distributions. This is the case even if payment is not received in that year or if income is reinvested in additional units.

Dividends received by the Fund from Australian companies may include credits (called imputation credits) for income tax paid by the company. These imputation credits are distributed to you and are included in your assessable income if you are an individual, company, trust or superannuation fund. They can then be used to reduce your tax liability or, in some cases, create a tax refund. The availability of imputation credits is, however, subject to various anti-avoidance measures, including the requirement to hold units at risk for at least 46 days.

Australian Capital Gains Tax ("CGT") provisions will apply to any gains and losses on the disposal of your investment in the Fund. As noted above, the Fund is not a taxed entity, but instead distributes to its unit holders, all its realised gains from the sale of investments, net of costs, as taxable income in the hands of unit holders. The tax treatment for the flow through of capital gains generated by the fund and distributed as income, by the Fund is complicated. Broadly speaking, the capital gain component of the Fund's distribution must be included in the investor's calculation of their net capital gain. Where the distributed capital gain includes a discounted capital gain component, the discount will, in effect, be non-taxable to individual unit holders and partially non-taxable to complying superannuation fund unit holders.

As the application of the CGT rules and Australian tax is complex, investors should consult their advisers to determine how the rules and tax apply in their particular circumstances.

Tax When You Withdraw

If you withdraw, switch or transfer units this will constitute a disposal for tax purposes. The tax consequences of a disposal depend on your particular circumstances. Generally, any profit you make on disposal will be subject to CGT. If disposal results in a capital loss, it can only be used to offset against capital gains derived in the current or a future tax year. However, if you are regarded as a trader or speculator, any profits or losses may be taxed as ordinary income.

Under the CGT rules, concessions are available for investors who are individuals, trusts or complying superannuation entities. The concessions are subject to anti-avoidance rules.

Individual investors and trusts who hold their units for at least 12 months before disposing of them, are assessed on only half of any capital gain made on disposal of their units. The amount of the capital gain is calculated without adjustment for inflation. If the units were not held for at least 12 months then the whole of the capital gain is assessable.

For investors who are complying superannuation entities, the same rules apply but two thirds of any capital gain is assessable.

For investors who are not individuals, trusts or complying superannuation entities, the whole of any capital gain on the disposal of units will be assessable, without adjustment for inflation.

Tax Position of Non-Resident Investors

If you are a non-resident Investor, Australian tax will be withheld at appropriate rates from the Australian sourced portion of unfranked dividends and interest. Withholding tax does not apply to the franked dividend component of your distributions.

You are not subject to Australian CGT on disposal of your units unless you and your associates held, or had an option or right to hold, 10% or more of the units in a trust at any time during the 5 years prior to disposal.

Tax File Numbers

The collection of Tax File Numbers is authorised and their use is strictly regulated by tax and privacy laws. It is not compulsory to give your Tax File Number or exemption details but if you do not, tax is required to be deducted by Lowell from your distributions at maximum personal marginal rates (including Medicare levy).

Under the new Pay As You Go (“PAYG”) tax regime, investors that hold units as part of a business may quote their Australian Business Number instead of their Tax File Number.

Non-resident Investors are not required to quote a Tax File Number.

Australian Social Security

You should be aware that an investment in the Fund could affect your entitlement to Social Security benefits. You should seek your own professional advice on any taxation matters.

Authorisation by Directors

This Product Disclosure Statement has been duly authorised by the directors of Lowell.

Contacting Us

General Enquiries

Telephone : (03) 9815 2444

Email: info@lowell.net.au

Website: www.lrfm.com.au

Responsible Entity

Lowell Resources Funds Management Limited

ABN 36 006 769 982

Level 1, 183 Bank Street

South Melbourne VIC 3205

Tel (03) 9815 2444

Fax (03) 9815 2355

Directors of the Responsible Entity

Mike Chester

David Hobday

Stephen Mitchell

Steven O'Connell

Responsible Managers of the Responsible Entity

Steven O'Connell

David Hobday

Administration & Unit Registry

Lowell Accounting Services Pty Ltd

Level 1, 183 Bank Street

South Melbourne VIC 3205

Tel (03) 9815 2444

Fax (03) 9815 2355

Custodians Services

Equity Trustees Limited

ABN 46 004 031 298

575 Bourke Street

Melbourne VIC 3000

Tel (03) 8623 5000

Fax 03 8623 5200

Applying For Your Investment

To invest, simply complete the following steps:

- complete all relevant details on the Application Form (including identification requirements);
- sign and date the Application Form;
- attach your cheque* to the Application Form;
- send the completed Application Form and cheque* to:

Lowell Resources Funds Management Limited
PO Box 1136
South Melbourne VIC 3205

Please make cheques payable to:

Lowell Resource Fund No.2 Application Account
Cheques should be crossed "Not Negotiable"

- * Alternatively, you may elect to make your payment of application monies by EFT. Please complete the above steps but instead of attaching a cheque to your application:

For EFT applications, please send application monies to National Australia Bank account BSB 083-054 Account Number 121 578 933, Account Name EQT ATF Lowell Resource Fund No.2. Please ensure that you include the surname and initials (or company or trust name) in the EFT references field.

If making subsequent applications please quote your Holder Identification Number in the EFT references field.

Investment Details. Simply fill in the amount that you wish to invest.

Declaration. It is important that you read and understand this Declaration and the information to which it refers. When signing the Application Form you are acknowledging, agreeing and consenting to the following:

- to be bound by the provisions of the Fund Constitution as amended from time to time;
- all details in the Application Form are true and correct;
- that Lowell will be entitled to deduct monies payable on withdrawal of any or all units on account of all taxes or duties paid or payable by them in respect of the investment application or withdrawal;
- for joint investors, to hold the units as joint tenants;
- you have the legal authority to invest in the Fund.

Step-by Step Guide to Completing Your Application Form

1. **Existing Investors.** For additional investments to an existing account please write down your Client Number.
2. **Investor Details.** All investors (individuals, trustees and companies) should complete this section. If your investment is as trustee for a Trust or Superannuation fund, please write the name of the Trust or Superannuation fund in the space provided at the bottom of this question. If you are an adult investing for a child under 18, provide your personal details, not the child's. You may however write the words "as trustee" next to or below your name.
3. **Contact Details.** All investors should complete this section.
4. **Distributions.** Please indicate how you would like to receive your distributions. If you do not tick a box, your distributions will be reinvested in additional units.
5. **Tax File Number.** Giving your Tax File Number is not compulsory. Please see note on the Application Form. You can give your ABN instead of your Tax File Number.

Identification requirements

Each applicant and any authorised agent on the account must provide an original or certified photocopy of primary photographic identification documents in order to verify either name and address or name and date of birth. These documents must also carry the signature of the person being identified.

In most circumstances it is anticipated that verification will be achieved by either a Driver's Licence or Passport. Where these documents are not held by an applicant, please contact the Fund Administrator for further assistance.

Originally certified identification is not required in the case of an existing client who has previously met Lowell's identification requirements.

For a new client or existing client who has not previously provided identification:

Type of identification required

Individual or joint account holder and each signatory of other accounts:

- Driver's Licence; or
- Passport

OR Existing client

Existing Lowell account number (on which identification requirements have previously been met)

Trusts:

Certified extract of Trust Deed must be attached, showing:

- Trust name;
- Trustee's names; and
- Trustee's signatures with witness' signatures.

Originally certified documents

An originally certified copy is a copy of a document that has been certified as a true copy of an original document by a person who is authorised by law to do so.

IMPORTANT NOTE:

Photocopies or facsimiles of certified documents will not be accepted.

Copies of identification documents may be certified by a person who, under a law in force in a State or Territory, is currently licensed or registered to practise in an occupation listed in Part 2 of Schedule 2 of the Statutory Declarations Regulations 1993. A list of some of the authorised persons is set out below. Each page must be certified if the document consists of more than one page. The person must sight both the original and the copy and certify that they are identical as set out below:

I certify that this is a true copy of the original, which I have sighted

<Signature>

<Date>

<Print full name>

Qualification for Certifying Documents

Please state the qualification which describes you (e.g. Australia Post employee)

Who can certify documents?

- 1 the client's Adviser, - where the Adviser has 2 or more continuous years of service with one or more financial institutions (for the purposes of the Statutory Declaration Regulations 1993);
- 2 Australia Post employee - a permanent employee of the Australia Post with 2 or more years of continuous service who is employed in an office supplying postal services to the public;
- 3 Australia Post agent - an agent of the Australia Post who is in charge of an office supplying postal services to the public;
- 4 Officer of a financial institution (e.g. a bank) - an officer with 2 or more continuous years of service with one or more financial institutions (for the purposes of the Statutory Declaration Regulations 1993);
- 5 Officer/Authorised Representative of AFSL holder- an officer with, or authorised representative of, a holder of an Australian Financial Services Licence, having 2 or more continuous years of service with one or more licensees;
- 6 Finance company employee - a finance company officer with 2 or more continuous years of service with one or more finance companies (for the purposes of the Statutory Declaration Regulations 1993);
- 7 Accountant - a member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with 2 or more years of continuous membership;
- 8 a Justice of the Peace;
- 9 a Police Officer;
- 10 a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a Legal Practitioner (however described);
- 11 a Judge of a court;
- 12 a Magistrate;
- 13 a Chief Executive Officer of a Commonwealth court;
- 14 a Registrar or Deputy Registrar of a court;
- 15 a Notary Public (for the purposes of the Statutory Declaration Regulations 1993); or
- 16 an Australian Consular Officer or an Australian diplomatic officer (within the meaning of the Consular Fees Act 1955).

Lowell Resource Fund No.2

Application Form

Lowell Resources Funds Management Limited (AFSL 345674) has issued a PDS dated 1 November, 2011, offering units in the Lowell Resource Fund No.2. The PDS contains important information in respect of investing in the Fund. Units will only be issued on receipt of an Application Form issued together with the PDS. Before signing the Application Form you should read the PDS in its entirety. Applications should be completed and lodged in accordance with the instructions on Page 28. A person who gives another person access to the Application Form must give that person access to the PDS (and any supplementary document) at the same time and by the same means. Paper copies of the PDS (and any supplementary document) and this Application Form are available free of charge, upon your request, from Lowell Resources Funds Management Limited until the expiry of the PDS.

PLEASE USE BLOCK LETTERS TO COMPLETE THIS APPLICATION FORM

1. Existing Investor Are you an existing unit holder in the Fund? (tick one) Yes No

If Yes, please state your Holder Identification Number

1A. Investor Type

<input type="checkbox"/>	Individual	<input type="checkbox"/>	Joint	<input type="checkbox"/>	Trust	<input type="checkbox"/>	Company	<input type="checkbox"/>	Superannuation Fund	<input type="checkbox"/>	Partnership
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Other (please specify)

2. Investor Details

Investor 1 Surname Title

First Name(s) Date of Birth / /

Investor 2 Surname Title

First Name(s) Date of Birth / /

Trust/Company Investor Company/Trustee ABN

Contact Name Type of Company

3. Contact Details

Unit Street Number PO Box

Street Name Suburb/Town

State Postcode Country

Work Phone () Home Phone ()

Fax Number () Mobile ()

Email Address

If you are an overseas investor, what is your country of residence for tax purposes?

All correspondence to be e-mailed to the above address Yes No

OR

I do not wish to receive an annual report by mail. I can access the report at Lowell's web-site Yes No

To keep the costs of the Fund down, if no election is made, all correspondence will be e-mailed and annual reports will be available on our web-site.

3A. Specific Investor details		
Proprietary Companies		
Please list the names of ALL Directors		
Title	Given Name(s) (Do not use initials)	Surname
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
If there are more directors, please provide a separate sheet.		
<p>If there are more directors, please provide a separate sheet.</p> <p>Please list the name and address of each beneficial owner (if any) of a proprietary or private company who, through one or more shareholdings own beneficially more than 25% of the issued capital of the company (other than a proprietary company that is licensed and subject to the regulatory oversight of a Commonwealth, State or Territory statutory regulator in relation to its activities as a company, e.g. AFS Licence Holder, an entity regulated by APRA).</p>		
Full Name	Residential Address	
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	
Trusts or Superannuation Funds		
Trust name / Superannuation Fund name/ Trust beneficiary:		
<input style="width: 95%;" type="text"/>		
Country of Establishment: <input style="width: 95%;" type="text"/>		
Certified extract of trust deed must be attached, showing the trust name, trustee's names and trustee's signatures with witness' signatures.		
<i>Beneficiaries of the Trust</i>		
Please provide a list of beneficiaries of the Trust or, if the terms of the trust identify the beneficiaries by reference to membership of a class, details of the class.		
Title	Given Name(s) (Do not use initials)	Surname
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
If there are more beneficiaries, please provide a separate sheet.		
4. Income Distributions	How would you like to receive your income distributions? (please tick one of the following)	
Reinvest in the Fund	<input type="checkbox"/>	Direct to Bank Account <input type="checkbox"/>
Bank/Financial Institution	<input style="width: 95%;" type="text"/>	
Account Name	<input style="width: 95%;" type="text"/>	
BSB Number	<input style="width: 40%;" type="text"/>	Acct. Number <input style="width: 40%;" type="text"/>

5. Tax File Number

(TFN)

Investor TFN

Investor 2 TFN

Please note that it is not against the law if you choose not to give your TFN or exemption, but if you do not, tax may be taken out of your distributions at the highest marginal tax rate (plus Medicare levy).

TFN Exemption: I/We do not want to quote a TFN for this investment (please tick)

If you have a TFN Exemption, please provide exemption details.

Pensioner

Child under 18 (date of birth)

 / /

Organisation not required to lodge a tax return (please state reason)

Other

6. Investment Details

Minimum Application \$5,000

Application amount

\$

Payment Method

Cheque*

Bank Deposit / EFT**

* Make your cheque payable to "Lowell Resource Fund No.2 Application Account". Please ensure that this page of this application is completed and signed in the box marked Signature. Post your Application Form and cheque to:

Lowell Resources Funds Management Limited
PO Box 1136
South Melbourne Vic 3205

** For EFT applications, please send application monies to National Australia Bank account BSB 083-054 Account Number 121 578 933, Account Name EQT ATF Lowell Resource Fund No.2. Please ensure that you include the surname and initials (or company or trust name) in the EFT references field.

If making subsequent applications please quote your Holder Identification Number in the EFT references field.

7. Declaration

Before signing this Application Form, it is important that you have read and understood the Product Disclosure Statement.

I/We declare that all statements made in this application are complete and accurate. I/We wish to invest the amount or amounts detailed above in the Fund which I/we have nominated as described in the Product Disclosure Statement dated 1 November, 2011. I/We have obtained this Application Form from the Product Disclosure Statement dated 1 November, 2011, which I/we have read. I/We acknowledge that neither Lowell Resources Funds Management Limited nor Lowell Pty. Ltd nor any other related party guarantees the performance of the Fund or the repayment of capital or any particular rate of return or any distribution. For joint applications all parties must sign. If signed under power of attorney, the attorney encloses a Certified Copy of the Power of Attorney and declares that he/she has not received notice of revocation of that power.

When signing the Application Form you are acknowledging, agreeing and consenting to the following:

- i. to be bound by the provisions of the Fund Constitution as amended from time to time,
- ii. that all details in the Application Form are true and correct;
- iii. that Lowell will be entitled to deduct monies payable on redemption of any or all units on account of all taxes or duties paid or payable by them in respect of the investment application or redemption;
- iv. for joint investors, to hold the units as joint tenants; and
- v. that you have the legal authority to invest in the Fund.
- vi. that you have provided the relevant identification requirements as stated in the Product Disclosure Statement dated 1st November, 2011.

Investor 1, Individual / Director/ Secretary/ Trustee

Signature (please sign)

Date

 / /

Name

Investor 2, Individual / Director/ Secretary/ Trustee

Signature (please sign)

Date

 / /

Name

Important Notes

This application must not be handed to any person unless accompanied by this Product Disclosure Statement dated 1 November, 2011. Lowell may in its absolute discretion refuse any application of units. Persons external to Lowell or other entities who market Lowell products are not agents of Lowell but are independent investment advisors. Lowell will not be bound by representations or statements which are not contained in information disseminated by Lowell. Application monies paid by cheques from investment advisors will only be accepted if drawn from a trust account maintained in accordance with the Corporations Law.

8. Adviser Details

Adviser Full Name

Adviser Firm

Adviser Telephone

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