

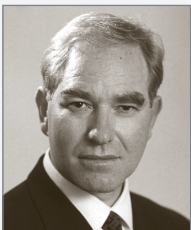


LinQ Capital Limited
Level 2
41-43 Ord Street
West Perth WA 6005

Telephone: (08) 9488 8888
Facsimile: (08) 9481 0666

Email: info@linqresources.com
Website: www.linqresources.com

A word from your Manager



LinQ Capital Limited ABN 66 098 197258, your Manager of the LinQ Resources Fund, ARSN 108 168 190 (the "Fund") is pleased to announce the following highlights for the June 2009 quarter:

- The quarter saw a renewed appreciation of value in the resources sector and in the equities sector globally as signs of confidence continued to return to global markets. In light of this, the Fund's continued investment strategy resulted in the NTA increasing by 10% and the LRF unit price increasing 25% during the quarter.
- As a result of the plethora of investment opportunities in the current resources market, the Fund has become more actively involved in the control and management of some of its investments.
- The Fund announced an estimated annual distribution of 1.0 cent per unit, with a record date of 30 June 2009, subject to audit. This represents a yield of nearly 2% on the 30 June 2009 closing price. The estimated distribution in this difficult year underscores the Fund's position as Australia's leading specialist resources fund.
- The Fund's weighting to established higher quality producers and developers has once again resulted in significant capital growth, after sustaining losses earlier in the financial year. These investments include growth over the quarter from Atlas Iron of 78%, Riversdale Mining of 54%, Independence Group of 76% and Western Areas of 84%.
- The Fund continued to make new investments during the quarter including some exciting new gold and uranium opportunities to benefit from the significant growth seen in these commodities.
- During the quarter, some 57.3% of the Class B options were exercised by unitholders, raising \$2.65m for the Fund and reflecting unitholders' confidence in the Fund going forward.

Overview

Global financial markets continued to recover during the June quarter. Commodity prices continued to appreciate as LME stocks of many metals including copper and nickel continued to decline. Global market confidence is also gradually being restored by unprecedented global co-ordinated fiscal and monetary policy responses to the global economic situation, which we expect will assist in a faster and perhaps more sustainable global recovery.

During the June 2009 quarter, a sustained recovery in the resources sector was evident. The demand for base metals increased with prices rising sharply. Copper and nickel in particular looked strong, as were uranium prices, while gold prices remained robust as many investors continued to view the metal as the only credible currency.

Global equity markets appreciated significantly during the quarter. The S&P 500 Index experienced a rise of 15% during the quarter and other bourses across the world also experienced similar increases in value (the ASX200 Index increased 10%; the FTSE 100 increased 8%). Locally, the ASX has continued to experience a marked increase in capital raisings, especially in the finance and resources sectors. The 2009 financial year saw capital raisings of \$90bn, a significant increase on the previous year as companies successfully shored up their cash positions and reduced gearing levels. However, initial public offerings fell by 83% in 2009, reflecting investors' continued desire to support lower risk established businesses. Your Manager expects the current volatility to continue for some time to come as markets juggle positive signs of recovery against more negative lagging measures such as unemployment.

Over the quarter, the Fund's NTA increased by AUD\$0.08 (increase of 10%) from AUD\$0.79 in March 2009 to AUD\$0.87 in June 2009. The quarter continued to see a marked increase in investment in the junior resources sector with significant upside to a number of companies in the Fund's portfolio. The unit price discount to the NTA has improved quarter on quarter. It is envisaged that this discount will narrow over time as the market gradually returns to normality.

During the quarter, your Manager announced the Fund's intention to become more active in the management of some of its investments. This will allow the Fund to take advantage of numerous opportunities in undervalued assets in current volatile market conditions. As a result of these changes the Fund's tax status has changed to that of a public trading trust for tax purposes. This means that going forward from the year end of 30 June 2009, the Fund will be taxed at the company tax rate of 30%. The Fund will continue to pay distributions, but these may be franked depending on the franking credits available to the Fund at the time of the distribution.

Your Fund is pleased to announce that despite the financial turmoil of the 2009 financial year, it expects to pay out a 1.0 cent per unit distribution to unitholders, subject to completion of the year end audit. This represents a yield of nearly 2% per unit based on the 30 June 2009 closing unit price. The Fund has paid distributions every year since listing and this year represents the fifth year in succession that the Fund is intending to pay out a distribution, underlining its position as Australia's leading specialist resources fund. The 2009 distribution will be unfranked as the Fund has not made any tax payments at this time.

During the quarter, one of the Fund's strategic longer term holdings, Atlas Iron, successfully raised \$117m to support its expanding Pilbara iron ore projects. Your Fund supported this raising and maintained its position as a significant share holder in Australia's newest iron ore producer. The company is now able to fast track development at its recently discovered Wodgina project where it successfully added a 500% increase to the DSO resource of 43mt during the quarter. Atlas Iron also completed a successful preliminary feasibility study on its 970mt Ridley magnetite reserve confirming the quality and size potential of the project.

Riversdale Mining successfully increased its JORC resource at the Benga Project in Mozambique by 90% to 4bt of high quality hard coking coal. The company also announced the definition of 273mt of reserves during the reporting period. On the back of these results, Riversdale's share price has improved considerably over the period. Riversdale also announced the completion of a successful feasibility study at the Benga Project post-reporting period. This is further evidence of your Manager's ability to pick undervalued companies with robust early stage projects that are potentially able to move to emerging producers in a realistic timeframe.

Nickel saw a significant 70% appreciation in price over the quarter. The Fund's two major nickel investments, Western Areas and Independence Group, continued to return encouraging exploration results and performed well on market. Western Areas had a particularly successful quarter having completed an oversubscribed equity raising of \$35m through a private placement and also securing up to 25,000 tpa of nickel off take with the Jinchuan Group to complement its existing off take arrangements of 10,000 tpa with BHP Billiton.

In summary, your Manager has an excellent track record of operating in past difficult and volatile markets and the Fund's performance during this quarter underlines the resilience of its ongoing investment strategy.

The Fund continues to intensively pursue and capitalise on the substantial market investment opportunities and will also focus on convertible notes in this investment environment which should assist the Fund to reduce volatility and potentially mitigate or lower the down side risk in such investments whilst maintaining the equity upside. The convertible note strategy represents a significant and key comparative advantage for Fund investors, as convertible notes in particular are wholesale products not generally made available to the retail market. By participating in the Fund, investors will therefore participate in these instruments.

Market commentary

Commodity	USD price at 31 March 2009	USD price at 30 June 2009	Percentage change
Spot Gold	\$922.60	\$927.40	1%
Oil (WTI)	\$49.67	\$69.82	41%
Nickel (Tonne)	\$9,405.00	\$16,010.00	70%
Copper (Tonne)	\$4,035.00	\$5,108.00	27%
Zinc (Tonne)	\$1,300.50	\$1,555.00	20%

Gold prices have continued to perform solidly during the quarter. Gold has become increasingly attractive to investors as they search for sustained value in these times. The equities market as measured by the FTSE Gold Mines Index, a measure of the value of gold equities, continues to lag the gold price. Your Manager believes this is a great opportunity to invest in undervalued gold miners, particularly those with unhedged or under hedged commodity exposures to gold. The poor exploration record for gold discoveries in recent years and the depletion of existing mines has resulted in the replacement value of gold exceeding the current gold price; the investment case is very compelling. The Fund is selectively investing in a number of undervalued gold companies and added an additional high quality gold investment to its portfolio during the quarter.

Base metals have made an astonishing recovery during the June quarter, with nickel prices up 70% and copper prices up 27%, as China continued to restock its inventory. The significant supply cuts seen particularly in the nickel and zinc sectors have led to a fall in LME stocks of most base metals. The increased demand from China has further elevated prices in these commodities.

Nickel's dramatic price rise is the result of recent supply cuts from the likes of Xstrata, Norilsk and BHP Billiton, as well as the collapse of pig-iron production. The Fund's two relatively low cost nickel producers, Independence Group and Western Areas, have both performed well over this period as outlined on the previous page.

Zinc has continued to rise (20%) over the quarter as primary supply sources continue to fall. The supply backlash from the closure of a number of zinc mines such as Xstrata's McArthur River Mine and OZ Minerals Century Mine continues to bite. However, despite these initial positive signs, LME stocks remain flat and we believe zinc at this stage is unlikely to evidence a major recovery in the shorter term due to decreasing demand in the metal without the commensurate restocking.

Thermal coal remains the cheapest and most popular form of power generation and we expect that demand will continue strongly. Most analysts forecast a slight increase in thermal coal prices for 2009. Coking coal producer Caledon Resources Ltd and Riversdale Mining have both benefited from commodity price improvements as a result of global energy demand requirements.

Iron ore prices have also seen a dramatic rise in spot prices in recent months. The increase in spot prices has improved the new benchmark pricing levels set and agreed with Japan as we were anticipating a lower end price from the price cuts. Pilbara fines are now contracted at US\$97/t, just a 33% discount to last year's record contract prices. This is a good end result for the Australian iron ore companies.

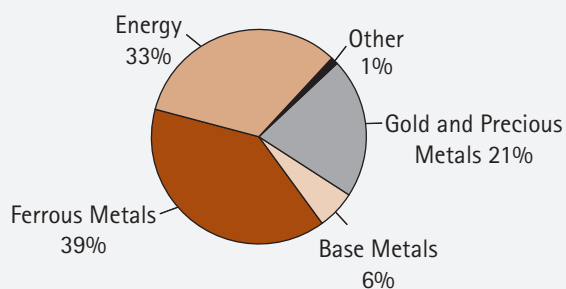
Uranium spot prices have seen a significant resurgence during the quarter. The gap between the long term contracted price of US\$65/lb and spot prices of US\$52/lb is expected to continue to close. As a result uranium equities have fared well during the quarter. Your Fund continued to support Australia's latest (and Federal Government approved) uranium developer, Alliance Resources through partaking in an oversubscribed \$44m placement and rights issue during the quarter.

We are optimistic that commodity prices will continue to remain reasonably steady and possibly rise further as the global credit markets settle down and China in particular continues to feed its purchasing appetite for commodities.

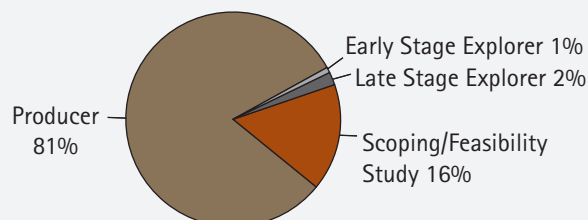
Linq Resources Fund key market statistics as at 30 June 2009

Unit Price (LRF) at 31 March 2009	\$0.44
Unit Price (LRF) at 30 June 2009	\$0.55
NTA at 31 March 2009	\$0.79
NTA at 30 June 2009	\$0.87
Discount to NTA	37%
Units on Issue ¹	170.1m

Commodity²



Stage of Project



¹ Excludes LRF 2 units which are excluded on a consolidated basis.

² Compositions are calculated excluding the amount of cash held by the Fund at 30 June 2009.

Linq Resources Fund top 5 investments as at 30 June 2009

Company	Key project domicile	Commodity focus
Atlas Iron Ltd	Australia	Iron Ore
Riversdale Mining Ltd	Southern Africa	Coal
Ferrous Resources Ltd	Brazil	Iron Ore
Lihir Gold Limited	PNG	Gold
Continental Capital Limited	Southern Africa	Coal

ATLAS IRON LIMITED

Atlas Iron is an iron ore producer in the Pilbara region of Western Australia. Atlas Iron is aiming to produce 1mtpa during the first 12 months ramping up to 6mtpa in 2010 and 12mtpa in 2012. Atlas Iron continues to produce solid exploration results with new discoveries at Wodgina and Abydos, and continuing solid results from the Pardoo project.

RIVERSDALE MINING LIMITED

Riversdale is an anthracite coal producer in South Africa with a large coking coal project in Mozambique.

The company's large land holding in Mozambique in the Moatize Basin has been identified as a world class coking coal deposit. Within a small area of this tenement (<5%), the company has identified a 4bt JORC inferred resource. Initial test work confirms that the Benga Deposit in Mozambique will produce a premium coking and thermal coal product. The South African, Zululand Anthracite Colliery continues to produce circa 850kt ROM coal per year.

FERROUS RESOURCES LIMITED

Ferrous Resources is a large unlisted Brazilian iron ore company. Ferrous has a number of projects located within the world class Iron Quadrilateral region in Brazil. These projects have a current JORC resource of over 2bt and over 2bt in exploration potential.

LIHIR GOLD LIMITED

Lihir Gold is an ASX-listed gold producer in the S&P/ASX 50. Lihir has operations primarily in Papua New Guinea, Australia and the Ivory Coast. The Fund acquired units in Lihir following a merger by scheme of arrangement with one of the Fund's long term investments, Equigold. During the quarter Lihir successfully closed out its hedge book and is now able to take full advantage of current gold prices. The former Equigold mine, Bonikro is now running at nameplate capacity of 2.4mtpa.

CONTINENTAL COAL LIMITED (formerly Continental Capital Ltd)

Continental Capital is an ASX-listed emerging mining company which acquired a 74% interest in over 370mt of thermal coal in South Africa during the quarter. The projects are well located in the Ermelo and Highveld coal fields with good access to rail and port infrastructure. The Witbank and Vlakvarkfontein projects are expected to commence production in 2009.

About the LinQ Resources Fund

The LinQ Resources Fund is a registered managed investment scheme, which successfully completed an initial public offer and listed on the Australian Stock Exchange on 20 January 2005 (ASX code LRF). The Fund's net asset value at 31 December 2008 was \$115.1m. LinQ Capital Limited is the Responsible Entity of the Fund.

LinQ Resources Fund is an actively-managed resources Fund which specialises in investments in resources companies both in Australia and overseas.

Further information about the LinQ Resources Fund can be found on the website www.linqresources.com or by contacting info@linqresources.com

Any financial product advice contained in this quarterly report is general advice only. Any such advice has been prepared without taking into account your objectives, financial situation or needs. Accordingly, before acting on this advice, you should consider whether the advice is appropriate having regard to your objectives, financial situation and needs. Full details of remuneration and other benefits received by LinQ Capital Limited AFSL 239785, its Directors, associates and any related body corporate are contained in the Product Disclosure Statement dated 11 October 2004 and lodged with ASIC for the offer of units and options in the Fund. Past performance is not necessarily indicative of future performance. Interests in the LinQ Resources Fund may be purchased on the ASX through a licensed securities broker.