

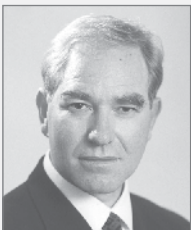


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A word from your Manager



LinQ Capital Limited ABN 66 098 197 258, your Manager of the LinQ Resources Fund ARSN 108 168 190 (the "Fund"), is pleased to announce the following highlights for the March quarter 2009:

- The quarter saw a renewed appreciation of value in the resources sector and in the equities sector globally as some modest signs of confidence began to return to global markets. In light of this, the Fund's continued investment strategy resulted in the NTA increasing by 11% during the quarter and has continued to do so beyond the reporting period.
- The Fund's strategy of also investing in high yielding structured investment opportunities has resulted in a substantial investment of \$6M in Continental Capital Ltd through a convertible note structure coupled with attached options and a royalty stream.
- 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 Riversdale Mining of 47%, Atlas Iron of 37%, Independence Group of 20% and Lihir Gold of 31%.
- Whilst the Fund remains debt free it is well positioned to utilise its cash position to maintain the financial latitude it needs to take advantage of the opportunities in the current market.
- The Fund also invested in a number of gold investments during the quarter as the sector saw significant growth in investment as a hedge against paper currencies.

Overview

Global financial market sentiment continued to be hampered by the worsening real-world economy. Global investment was hit particularly strongly with business investment contracting markedly. External trade has been severely affected by the collapse in global demand, which is also starting to weigh heavily on emerging economies. However, a few global indicators have seen very modest signs of improvement in February and March but more solid evidence is needed before concluding that the economy is recovering. Global market confidence is also gradually being restored by unprecedented policy responses to the global economic crisis—including the recent expansion of financial resources for international institutions and the IMF's enhanced lending framework. This is very positive and should assist global recovery.

By the end of the March 2009 quarter, a noticeable recovery in the resources sector was evident. The demand for base metals increased with prices rising sharply. Copper in particular looked strong, as were gold equities, which continued to appreciate as many investors viewed the metal as the only credible currency.

Global equity markets appreciated significantly during the quarter. The S&P 500 index experienced a rise of 8% during March and other bourses across the world have also experienced similar increases in value (the ASX200 index increased 10%, the FTSE 100 increased 8%). Locally the ASX has experienced a marked increase in capital raisings, especially in the finance and resources sectors.

Over the quarter, the Fund's NTA increased by AUD\$0.08 (increase of more than 11%) from AUD\$0.71 in December 2008 to AUD\$0.79 in March 2009. The quarter has seen a marked increase in investment in the junior resources sector. 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 slowly gets back to normality amongst the world financial turmoil.

During the quarter, the Fund received 100% of the principal plus all accrued interest from its AUD\$5M secured convertible note in CopperCo Limited despite it falling into receivership. This highlights the Manager's ability to manage its investment risk through convertible notes in adverse conditions. The Fund also received the principal and interest from two convertible notes for AUD\$0.6M from Millennium Minerals Ltd. Millennium Minerals is one of the Fund's longer term investments which is looking to develop the Nullagine gold project in the Pilbara region of Western Australia. The company completed a successful capital raising and rights issue during the quarter and is well set to progress the resource towards development and production.

During the quarter, one of the Fund's strategic longer term holdings, Atlas Iron, which commenced mining only in October 2008, was able to successfully secure 100% off-take for its Pardoo Project in the Pilbara. Atlas Iron also completed an encouraging infrastructure sharing agreement at its Wodgina project with Talison Wodgina Pty Ltd. The company is now able to fast track development at Wodgina.

Riversdale Mining announced that the coking coal from the 4 Billion tonne JORC resource at the Benga Project in Mozambique is of the highest quality hard coking coal. The company also announced a doubling of the resource and the definition of significant reserves post reporting period. On the back of these results, Riversdale's share price has improved considerably over the period.

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 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.

Market commentary

Commodity	USD price at 31 December 2008	USD price at 31 March 2009	Percentage change
Spot Gold	\$865.00	\$922.60	7%
Oil (WTI)	\$44.60	\$49.67	11%
Nickel (Tonne)	\$10,810.00	\$9,405.00	-13%
Copper (Tonne)	\$2,902.00	\$4,035.00	39%
Zinc (Tonne)	\$1,120.50	\$1,300.50	16%

Gold prices have continued to perform well during the quarter. Gold has become increasingly attractive to investors as they search for sustained value in this uncertain economic period. The quarter has seen a significant number of capital raisings from gold explorers and producers as these companies have taken advantage of positive investor sentiment in the sector. The equities market is still playing "catch up" with the gold price increase and 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. Also, capital and operating costs are coming down, whilst the gold price remains at a significant high; the investment case is very compelling. The number of recent successful capital raisings in the gold mining sector in Australia reflects that investors understand this. The Fund has selectively invested in a number of these companies through placements at discounts to market pricing during the quarter.

Base metals have made a slight recovery during the March quarter as China begins to re-stock its inventory. In addition, China has been quoted as using commodity stocks as a 'physical currency' alternative to the US dollar. In fact, explorers have been spending more money exploring for base metals than for gold in 2008, according to the Metals Economics Group. In the current pricing environment companies need to focus on reducing operating costs in order to ensure competitive margins, even if this comes at the expense of some production.

Copper has been the star performer rising 39% in value over the quarter. It seems market sentiment for the metal has increased amid concerns for additional supply.

Nickel has performed poorly over the quarter with the commodity falling a further 13%. The fall in nickel prices stems from heavy declines in stainless steel production (nickel's main end use). However, recent supply cuts from the likes of Xstrata, Norilsk and BHP Billiton, as well as the collapse of pig-iron production has led to a significant recovery post reporting period. The Fund's two low cost nickel producers, Independence Group and Western Areas, have both performed well over this period.

Zinc has risen 16% 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 is starting to bite. However, despite these initial positive signs, we believe zinc is unlikely to stage a major recovery due to demand decreasing at a far greater rate than the supply of the commodity.

Thermal coal remains the cheapest and most prolific form of power generation and demand will not disappear. Most analysts forecast a slight increase in thermal coal prices for 2009. The recent takeover activity in the coal sector has renewed investor interest in the Fund's coal investments.

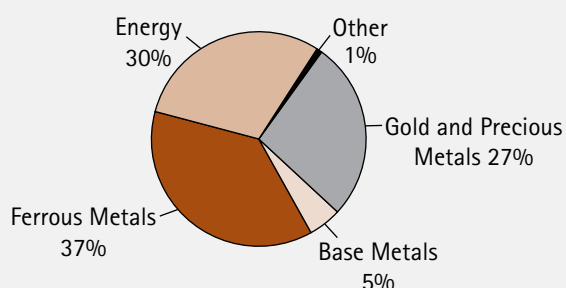
Iron ore prices have eased but recent signs are that demand from India and China for iron ore is starting to pick up with improved spot prices. As a consequence, Atlas Iron recently agreed off take terms with medium sized Chinese steel producers and Sundance Resources successfully raised funding and was able to increase its iron ore resource base in Africa. Despite the increase in spot prices, the current pricing negotiations between the main producers and buyers of iron ore are expected to conclude with a fall in contract pricing from those agreed last year. This has, however, already been factored into their share prices.

We are quietly optimistic that commodity prices will continue to rise as the global credit markets settle down and China in particular resumes its purchasing appetite for commodities.

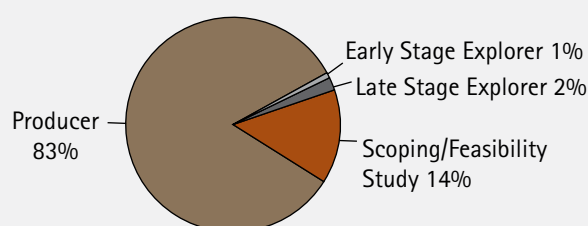
Linq Resources Fund key market statistics as at 31 March 2009

Unit Price (LRF) 31 December 2008	\$0.345
Unit Price (LRF) 31 March 2009	\$0.44
NTA at 31 December 2008	\$0.71
NTA at 31 March 2009	\$0.79
Discount to NTA	44%
Units on issue ¹	164.4m

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 31 March 2009.

Linq Resources Fund top 5 investments as at 31 March 2009

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

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 2 billion tonnes and over 2 billion tonnes in exploration potential.

Lihir Gold Limited

Lihir Gold is an Australian 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. For the quarter, Lihir announced record production of 318,000 ounces at low cash costs of US\$329/oz. During the quarter Lihir successfully raised US\$325M to support the million ounce upgrade of the Lihir island mine, which continues to run on budget and on schedule. The former Equigold mine, Bonikro is now running at nameplate capacity of 2.4mtpa.

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 (2%), the company has identified a 4 billion tonne 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.

Atlas Iron Limited

Atlas Iron is an iron ore producer in the Pilbara region of Western Australia. During the quarter Atlas Iron secured 100% off-take from its producing Pardoo project to mid-sized Chinese steel mills. 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.

Continental Capital Limited

Continental Capital is an ASX listed emerging mining company which acquired a 74% interest in over 370 million tonnes 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 Vlakkfontein 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 \$115.1 m. LinQ Capital Limited is the Responsible Entity of the Fund.

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 the 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.