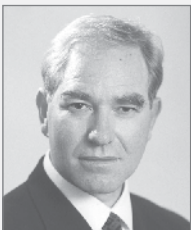


A word from your Manager



LinQ Capital Limited, your Manager of the LinQ Resources Fund ARSN 108 168 190 (the "Fund") is pleased to announce the following highlights for the June Quarter 2008¹:

- Record fourth successive estimated distribution of 23.75 cents per unit announced, up 178% from 2007 distribution of 8.54 cents
- Strong performance for the quarter:
 - NTA up 12% to \$2.06 per unit net of the proposed distribution
 - Unit market price up 36% to \$1.36 per unit²
 - Outperformance of major share market indices
- Exercise of Class A bonus options, raising \$10.7 million for new investments
- New capital management strategy implemented in the 2008/2009 financial year

Overview

This Quarter the Fund announced an estimated distribution for the 2008 financial year of 23.75 cents per unit. The amount of this distribution exceeds the sum of all three prior distributions and provides unitholders with an estimated yield of over 17% based on the 30 June market closing price. The distribution will be paid in late August 2008.

Unitholders will be given an opportunity to participate in the Distribution Reinvestment Plan as highlighted in the recently announced Capital Management Strategy. This Plan will provide unitholders with a cost effective means to reinvest in the Fund.

This Quarter the Fund continued its strong performance. Despite the generally softening global equity markets, the Fund's NTA per unit increased by 12% during the Quarter. This compares favourably with the 1% drop in the S&P/ASX All Ordinaries Index over the same period. The unit price of the LinQ Resources Fund over this period has also increased by 36%.

Unitholders were issued with the free 1 for 5 bonus options during the Quarter. In total, 89% of the Class A bonus options were exercised. This has provided the Fund with an additional \$10.7 million of new capital that will be used to make further investments.

The Fund has reduced its position in a number of smaller investments over the Quarter and made a number of new investments in energy, bulk commodities and platinum metals.

The Board of LinQ Capital Limited announced to the market a Capital Management Strategy for the Fund in July 2008. This includes:

- implementation of a twice annual Off-Market Withdrawal Facility
- re-commencement of the On Market Buy Back
- re-introduction of the Distribution Reinvestment Plan
- targeted marketing initiatives
- improvements to NTA announcements.

¹ All figures in this investment update are unaudited.

² Measured by change in market close price from 31 March 2008 to 30 June 2008.

The Off-Market Withdrawal Facility in particular is a relatively new concept in Australia which the Board believes will assist in lowering the discount to NTA. This facility will allow unitholders to withdraw up to 5% of their holdings twice annually at a 9.9% discount to NTA subject to certain criteria being satisfied. Unitholders will now have the option to sell a portion of their holdings at prices closer to the Fund's NTA than may otherwise be achievable through an on market sale.

The combination of these initiatives in the Capital Management Strategy is likely to benefit unitholders by increasing liquidity and narrowing the unit price discount to NTA.

Two independent research reports on the Fund were released in early June by Austock Securities, a leading Sydney-based stockbroker. The first report maintained a buy recommendation and concluded that unitholders could benefit from an increasing NTA and a narrowing of the discount. The second report highlights the Board's focus on capital management, the forecast 2008 distribution and the strong expected distribution yield of 17%.



Market Commentary

Commodity	USD Price at 31 March 2008	USD Price at 30 June 2008	Percentage Change
Spot Gold (oz)	\$971.50	\$930.25	-4%
Oil (WTI)	\$101.54	\$140.75	39%
Nickel (Tonne)	\$29,800.00	\$21,793.00	-27%
Copper (Tonne)	\$8,519.00	\$8,693.00	2%
Zinc (Tonne)	\$2,302.00	\$1,903.00	-17%

Subsequent to the Quarter end there has been a major global equity sell down stemming from US credit issues and fears of a wider global slowdown. Whilst this has impacted Australian equities across the board (including the resource sector) we do not expect the current situation to have a significant impact on the long term fundamentals of the resource sector which still remains robust with solid demand and a positive commodity outlook.

Oil has been the standout commodity of the Quarter with prices for the West Texas Intermediary increasing by nearly 40% over the Quarter. Limited supply, coupled with rising demand from emerging economies and geopolitical tensions in the Middle East, continues to increase prices.

The Fund remains bullish on other energy sources. Whilst thermal coal prices have dropped off subsequent to the Quarter end, they remain substantially up for the year. Demand for thermal coal has been driven by tight supply coupled with increasing demand from China and India. Leading market analysts believe that coal will continue to be the major source of base load power in both these countries and indeed worldwide for the foreseeable future.

Nickel fell 27% over the Quarter. This fall is largely attributed to a softening of stainless steel demand as well as an increased supply of nickel and pig iron. We believe that conventional nickel sulphide producers are currently better placed than nickel laterite producers who generally have higher production costs.

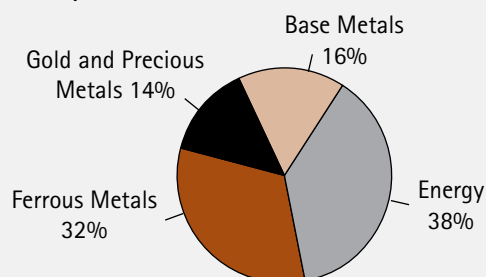
Iron ore continues to perform exceptionally well, with Rio Tinto and BHP achieving a historic freight premium in their negotiated contract prices. This had the effect of increasing the average contract iron ore price by 85% over the past Quarter's price. The increase in the contracted prices should result in enhanced returns from emerging and producing iron ore companies. The Fund is well placed in the iron ore sector.

Gold continues to attract attention as a hedge against inflation and a store of value in times of uncertainty.

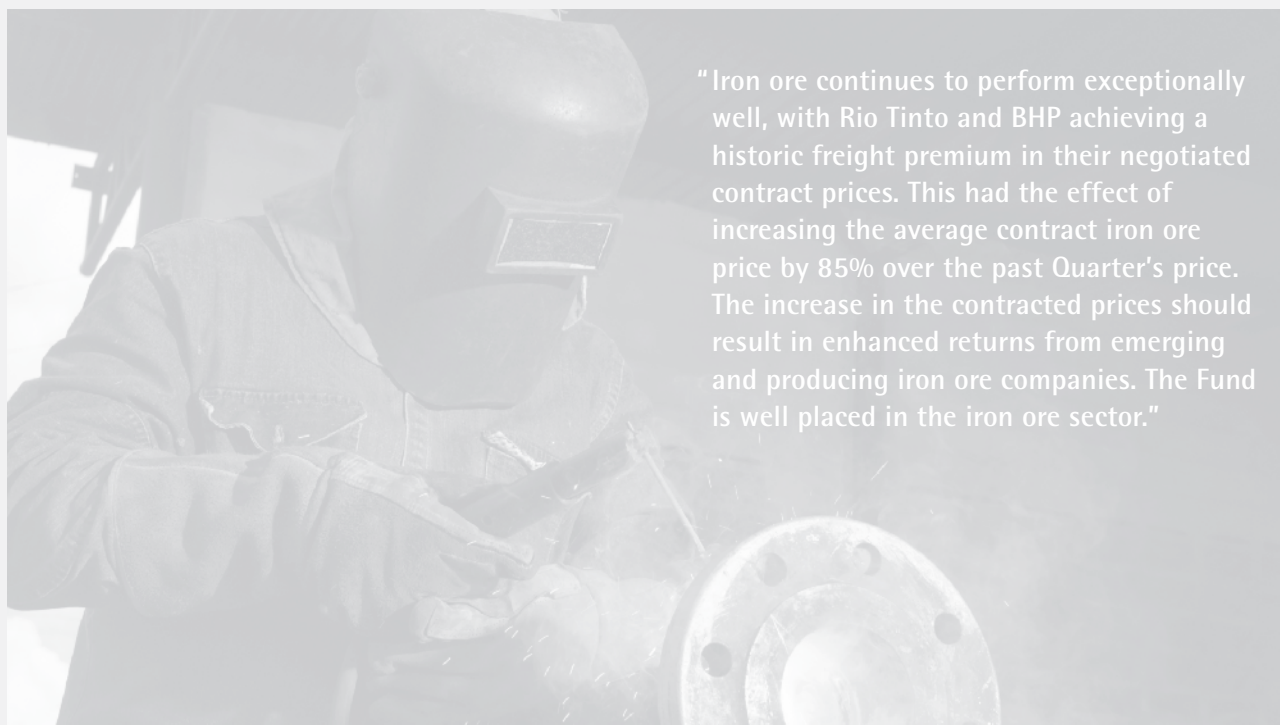
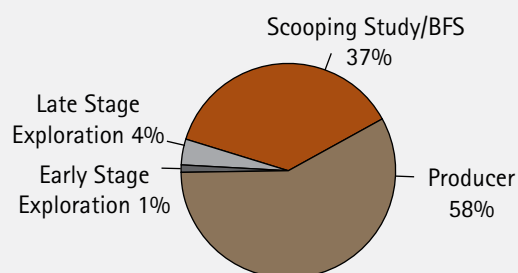
LinQ Resources Fund Key market statistics as at 30 June 2008

Unit Price (LRF) 31 March 2008	\$1.00
Unit Price (LRF) 30 June 2008	\$1.36
NTA at 31 March 2008	\$1.84
NTA at 30 June 2008	\$2.06
Prem/(Disc) to NTA (pre-tax)	-34%
Market Capitalisation	\$217M ³
Units on Issue	159.6M ³

Commodity



Stage of Project



"Iron ore continues to perform exceptionally well, with Rio Tinto and BHP achieving a historic freight premium in their negotiated contract prices. This had the effect of increasing the average contract iron ore price by 85% over the past Quarter's price. The increase in the contracted prices should result in enhanced returns from emerging and producing iron ore companies. The Fund is well placed in the iron ore sector."

³ Excludes LRF No.2 units which are excluded on a consolidated basis.

LinQ Resources Fund Top 5 Investments as at 30 June 2008

Company	Key project domicile	Commodity focus
Riversdale Mining Limited	Southern Africa	Coal
Atlas Iron Limited	Australia	Iron Ore
CopperCo Limited	Australia	Copper
Lihir Gold Limited	Australia/PNG/Ivory Coast	Gold
Ferrous Resources Limited	Brazil	Iron Ore

Riversdale Mining Limited

Riversdale is an anthracite coal producer in South Africa with an additional emerging coking coal project in Mozambique. The company produces circa 350,000 tonnes of anthracite a year from the Zululand Anthracite Colliery in South Africa. The company has a large land holding in Mozambique in the Moatize Basin which has been identified as a potential world class coking coal deposit. Within this tenement the company has identified a 1.9Bn tonne JORC inferred resource. Initial test work confirms that the Benga Deposit in Mozambique will produce a premium coking and thermal coal product. A target valuation of \$20 has been placed on this stock by Hartleys stockbrokers.

Atlas Iron Limited

Atlas Iron is a significant tenement holder in the Pilbara and an emerging iron ore producer. Atlas has a total resource of close to 40mt DSO and a further 1.3Bn tonne magnetite resource. The company is intending to produce up to 6mtpa by 2010 and 12mtpa by 2012 from its Pardoo and Abydos DSO Projects. Atlas has been subject to much interest in the broking community of late with brokers placing target prices in the \$5-\$6 range.

CopperCo Limited

CopperCo is a copper producer in the Mount Isa region of Northern Queensland. The company is on schedule to ramp up production from its Lady Annie Operations to 20,000 tonnes per annum by December 2008 and 30,000 tonnes per annum by mid 2009. The company has had a very successful Quarter with copper cathode production up 24% and net revenue up 92%. The current merger with Mineral Securities will increase the company's suite of assets and diversifies the company significantly. Diversification, strong copper prices and increasing production give CopperCo an attractive outlook.

Lihir Gold Limited

Lihir Gold is a large gold producer with 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. The company's flagship project on Lihir Island, PNG is large by world standards with an estimated 40 million ounce resource and a planned increase in plant capacity to produce over a million ounces of gold per year. Equigold's Ivory Coast assets complement Lihir's existing assets and provide it with further exploration potential and diversification. This will allow the company to continue to benefit from the strong outlook for gold.

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 in total an estimated non-JORC resource of over 3.5Bn tonnes. The Company is currently looking to aggressively develop these projects and list on an international exchange. The current market for iron ore, combined with a proposed international listing, could lead to substantial growth in the investment.

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 30 June 2008 was \$329.8M (unaudited). 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 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.