



LINQ RESOURCES FUND

ASX ANNOUNCEMENT

Linq Announces 2010 Annual Result

31 August 2010

Highlights

- The LinQ Resources Fund ('the Fund') has recorded a NPAT of \$35.3 million for the year
- Net tangible assets per unit increased 19%, with the Fund's share price up 25%
- The Fund remains debt free and continues record of paying consistent distributions every year since listing
- Consistent with its investment strategy, the Fund has taken a more active role in select investee companies to help improve the Fund's earnings stream
- Core investments included Ferrous Resources, Riversdale Mining, Atlas Iron, and Lihir Gold

The LinQ Resources Fund (ASX:LRF) today lodged its 2010 annual report to unitholders, which highlights the strong rebound experienced by the Fund since the impact of the GFC. NPAT of \$35.3 million compares with a net loss of \$193.5 million in the previous year, which positively contributed to NTA growth of 19%, and unit share price growth of 25%.

LRF NTA per unit and LRF unit price Performance

| | 30 June 2010 | 30 June 2009 | % Change |
|-----------------|-----------------|--------------|----------|
| LRFNTA per unit | \$1.04 | \$0.87 | +19 |
| LRF unit price | \$0.69 | \$0.55 | +25 |

The Fund paid a distribution of 3c per unit for the financial year, representing a yield of approximately 4.3% on the 30 June 2010 closing unit price. This year's distribution continues to highlight the Fund's strategy to pay distributions to unitholders every year since listing in 2005. The distribution was paid on 30 August 2010.

Chairman of LinQ, Mr Gordon Toll said: "During the year we announced the Fund would be taking a more active role in its investments, and we have already started exercising this policy successfully with some of the Fund's investments.

The Board is continually looking to enhance investor returns, and this more pro-active hands-on approach towards the Fund's investments forms the basis for the Board convening a unitholder meeting later this year to revise the investment strategy of the Fund.

Whilst we will continue to offer investors a diversified investment portfolio, we will seek to increase the mix of the Fund's earnings stream to more annuity income from taking larger stakes in companies,

including JV positions. This will assist in positioning the fund valuation more to a valuation based on earnings rather than NTA."

Outlook

The favourable growth outlook for Asia and more specifically in the developing countries and markets such as China, India, Russia and Brazil saw the resources sector rebound from the lows of the GFC.

The longer term prognosis for the resources sector remains very positive despite the current volatility in the key equity markets.

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About LinQ Resources Fund ('LRF') ARSN 108 168 190

LRF is a registered managed investment scheme.

LRF is an actively-managed resources fund listed on the ASX, which specialises in investments in small to medium resources companies both in Australia and overseas. The Fund may invest in companies at all stages of development from exploration through to production, although the focus on pre cash flow companies is in the later stage exploration and economic evaluation phases between discovery and completion of bankable feasibility studies. The Fund aims to provide both yield and capital growth for its investors. Interests in the Fund have been issued by LinQ Capital Ltd. More information on the Fund may be obtained at <http://www.linqresources.com>. Past performance is not a reliable indicator of future performance.