



LiNQ RESOURCES FUND

ASX ANNOUNCEMENT

LiNQ ANNOUNCES A MORE ACTIVE INVESTMENT STRATEGY

29 May 2009

LiNQ Capital Limited as the Responsible Entity for the LiNQ Resources Fund ('the Fund') has today announced that due to the excellent investment opportunities in the current Resources market, the Fund will become more actively involved in the control and management of some of its investments. Whilst this is in accordance with its existing investment strategy and guidelines, the enhanced emphasis on active management should be beneficial to the Fund in this current investment climate.

By taking a more active involvement in some of its investments, through either increased equity holdings or Board representation, the Fund is expecting to see a significant improvement in its returns from those investments.

The key implications of a more active investment strategy are the tax treatment of the Fund and the accounting treatment of investments. More specifically;

- The tax status of the Fund will change to a public trading trust for tax purposes from the year ended 30 June 2009 and the Fund will be taxed as though it were a company and pay income tax at the company tax rate of 30%, which will result in the Fund having a distribution policy similar to that of a company;
- The Fund will continue to pay distributions to unitholders, even though they will now be characterised as dividends in the hands of unitholders, with such distributions being either franked or unfranked, depending on the franking credits available to the Fund at the time of declaring the distribution;
- The 2009 distribution from the Fund, which is scheduled to be paid to unitholders in late August 2009, will be unfranked as the Fund will have made no tax payments to that time; and
- For accounting purposes, the Fund will, for the first time, have to consolidate those investments in which it has control.

The Fund believes that a greater emphasis on a more active investment strategy will provide enhanced returns to unitholders.

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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. A copy of the original Product Disclosure Statement for listing of the interests may be obtained from <http://www.linqresources.com/reports/> Past performance is not a reliable indicator of future performance.