



Dear Shareholders,

I am pleased to provide you with an overview of Linear Gold Corp's activities and accomplishments and some insight looking forward to 2009. At Linear we are committed to responsible and methodical mineral exploration while carefully managing risk through selective, well funded partnerships.

During the past year, there have been a number of significant highlights and accomplishments to further build long term value for shareholders.

The joint venture partnerships secured by Linear during the year ensure that our core gold exploration properties will be advanced while at the same time enabling Linear to reduce its cash burn and overall expenditures. With a strong balance sheet, tight share structure and substantial cash position, Linear is well positioned to pursue select growth opportunities and acquisitions in order to build value moving forward.

Effective October 26, 2007, Linear granted Kinross Gold Corporation an option to earn up to a 70% interest in our flagship Ixhuatán Project located in Chiapas, Mexico. Using a 1.0 gram cut off grade, Ixhuatán is host to the 1.2 million ounce Campamento gold deposit.

Under the terms of an Option Agreement, Kinross became the project operator and is committed to funding exploration expenditures of US\$15 million over a two-year period. Kinross paid Linear US\$1 million upon signing the Option Agreement and may earn an interest in the Ixhuatán Project by making the following payments to Linear:

- US\$45 million to earn an initial 60% interest;
- an additional US\$55 million to increase its interest to 70%, within 90 days of a production decision by Kinross; and
- up to US\$15 million as an additional fee if a production decision is made and the proven and probable gold equivalent ounce reserves of the project exceed 2.0 million ounces.

Kinross' drilling and exploration activities thus far have expanded the Cerra La Mina mineralized zone while also identifying a new offset gold zone at the San Isidro target. A soil sampling program was undertaken in areas with sparse historical sampling and surface sampling programs have continued. Road construction has commenced to access areas to the northwest of the Cerro la Mina zone. At present, Kinross has two drill rigs working at the Ixhuatán Project to test new targets while defining past discoveries.

In April 2007, Linear announced an agreement to grant an option to Everton Resources to earn up to a 65% interest in each of Linear's three properties in the Dominican Republic, two of which (Amplacion Pueblo Viejo and Loma el Mate) are directly adjacent to Barrick Gold's world class 20.4 million ounce Pueblo Viejo gold deposit. Everton may earn its interest by incurring all exploration expenditures up to the completion of a feasibility study and by making a series of cash and share payments to Linear over a three year period. During Fiscal 2008, under the terms of the option, Linear received cash payments of US\$150,000 and was issued 250,000 Everton common shares.

In the third quarter, Linear announced its strategic entry into Brazil. Brazil is a historic gold producing country and is mineral rich with abundant exploration potential, with skilled mining labour and a favourable political infrastructure. Linear is focused on a large under-explored region with strong gold potential known as the Alta Floresta gold belt.

Linear entered into a series of option agreements with a private Brazilian company to acquire up to 100% interest in four gold focused properties (El Filão, Serrinha, Trairão, Apaicás) in the Mato Grosso state of Brazil. To date, a drilling and soil sampling program has been completed at the El Filão project, with assay results pending. Soil sampling and mapping programs have commenced at the Serrinha and Trairão projects.

With fully funded joint ventures in place for both of our core gold exploration projects, Linear is well positioned to build upon its asset base and deliver shareholder value moving forward. Our objectives for Fiscal 2009 are to:

- Build and maintain a pipeline of quality gold properties while disposing of, on a timely basis, those properties that do not meet our criteria;
- Carry out rigorous and thorough due diligence in the pursuit of new acquisition opportunities on a select basis;
- Collaborate with Linear's joint venture partners, Kinross Gold and Everton Resources, as they advance their respective exploration programs on Linear's properties in Mexico and the Dominican Republic; and
- Maintain a strong balance sheet and attractive corporate structure while minimizing project and equity dilution in order to ensure that shareholders maintain maximize leverage and exposure to future exploration success.

Linear Gold Corp.

2000 Barrington St., Suite 501, Halifax, NS, Canada B3J3K1

Telephone: (902) 422-1421 Facsimile: (902) 491-4281 Internet: www.lineargoldcorp.com



The bull market in precious metals strengthened throughout 2007 and has continued in 2008. Despite the fact that gold bullion prices reached record high prices of over \$1,000 per ounce recently, there has been a disconnect within the industry as many of the gold focused exploration companies such as Linear experienced challenging market conditions and weak share price performance.

We believe in the value of gold and gold related equities as an important part of a well diversified and balanced investment portfolio. Because economic gold deposits are rare and new gold discoveries of significance are increasingly becoming difficult to find, careful and systematic exploration is required to discover new deposits in order to replace declining gold reserves industry wide. Gold exploration companies such as Linear will continue to have an important role to play in the gold mining industry.

The team at Linear is focused and committed to maintaining and enhancing its portfolio of quality gold properties to further build shareholder value for the long term. We are poised for an exciting and successful 2009. I look forward to sharing our accomplishments with you in the coming year and I invite you to follow our progress by visiting our website at www.lineargoldcorp.com.

On behalf of our board of directors, management and employees, I thank you for your continued and committed support.

Respectfully,

Wade K. Dawe
President & CEO

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