

13 July 2017
Australian Securities Exchange Announcement

Non-renounceable Rights Issue to raise \$1.5 million

Leaf Resources (ASX:LER, "Leaf" or the "Company") today announces a non-renounceable rights issue ("Offer") to raise up to \$1.5 million.

Under the Offer, eligible shareholders will be able to subscribe for one new share for every 10 shares held, at an issue price of \$0.09 per share, which represents a 14.3% discount to Leaf Resources' last closing price of \$0.105 (as at 12 July 2017) and a 15.3% discount to the 3 month volume weighted average trading price (VWAP) of \$0.1062.

Eligible shareholders will also be entitled to apply for new shares in excess of their entitlement. Leaf Directors will support the Offer by each applying for their full entitlement of new shares available under the Offer.

Net proceeds will be used to progress the Company's strategy of commercialising the Glycell™ process, advancing the development of its first commercial-scale facility through potential projects in Malaysia and providing working capital.

"We recently concluded a further round of discussions with Malaysian Government agencies which has provided us with two attractive locations, in Sarawak and Johor, for the development of potential bio-refineries/second generation sugar (2G sugar) projects utilising the Glycell™ process," said Leaf Resources Managing Director Ken Richards.

"These funds will ensure that Leaf is well resourced to progress the Malaysian project and pursue these additional opportunities as we strive to build a robust global business around sustainable and renewable bio-based products."

The record date for participation in the Offer is 18 July 2017. Shareholders on the record date with a registered address in Australia or New Zealand will be eligible to participate in the rights issue and full details are set out in the Entitlement Offer Booklet.

The timetable for the rights Issue is as follows:

Announcement of Entitlement Offer	13 July 2017
Offer document lodged with ASX Appendix 3B lodged with ASX Cleansing notice lodged with ASX	13 July 2017
Notice of Offer sent to Option Holders	13 July 2017
Ex Date – The date that Shares start trading without the Entitlements to participate in the Offer	17 July 2017
Record Date to determine Entitlements of Eligible Shareholders to participate in the Offer	7.00 pm (Sydney time) on 18 July 2017
Opening Date of Entitlement Offer This Offer Document and Entitlement and Acceptance Forms despatched to Shareholders	21 July 2017
Closing Date – last date for lodgement of Entitlement and Acceptance Forms and payment of Application Money	5.00 pm (Brisbane time) on 3 August 2017
Trading of New Shares expected to commence on a deferred settlement basis	4 August 2017
ASX notified of under subscriptions	8 August 2017
Expected issue of New Shares (Deferred settlement trading ends) and despatch of Holding statements for New Shares	10 August 2017
Normal trading of New Shares expected to commence on ASX	11 August 2017

About Leaf Resources Ltd (ASX: LER)

Leaf Resources is one of the world's leading companies in converting plant biomass into fermentable sugars. Our proprietary process for converting biomass-to-functional industrial sugars enable a myriad of downstream technologies for the production of renewable chemicals that will substitute petrochemicals used in manufacturing today. With our project development and continued technical innovation we are building a robust global business centered on renewable carbon containing products to deliver environmental and economic benefits to our shareholders and our planet. More on www.leafresources.com.au

Contacts:

Ken Richards (Managing Director)
Jay Hetzel (Chairman)

M: +61 403 385 051
M: +61 413 045 478

Media Enquires:

Elise Hughan
E: elise.hughan@mcpartners.com.au
M: +61 458 855 500