

14 July 2017

Dear Shareholder,

Leaf Resources Limited Entitlement Offer – notification to ineligible shareholders

Leaf Resources Limited (**Leaf Resources**) is in the process of raising up to approximately A\$1,582,985 through a non-renounceable pro rata entitlement offer (**Entitlement Offer**) to eligible shareholders. Further details of the offer are set out below. This letter is to notify you that you do not satisfy the eligibility requirements and as such are not eligible to subscribe for shares under the Entitlement Offer. Details are as announced to the Australian Securities Exchange (**ASX**) on 13 July 2017.

Eligibility to participate

Who are Eligible Shareholders?	Shareholders who are eligible to participate in the Entitlement Offer (Eligible Shareholders) are shareholders who: (a) were registered as a Leaf Resources shareholder on the Record Date; (b) have a registered address in Australia or New Zealand; (c) are not in the United States and are not "U.S. persons" (as defined under Regulation S under the <i>United States Securities Act of 1933</i> , as amended) (U.S. Persons) and are not acting for the account or benefit of U.S. Persons; and (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.
Do you meet the eligibility criteria?	Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Shareholder, you are not eligible to subscribe for shares under the Entitlement Offer and you will not be sent a copy of the Entitlement Offer Booklet or an entitlement and acceptance form. Leaf Resources wishes to advise that it will not be extending the Entitlement Offer to you.
Why are there restrictions on eligibility?	There are restrictions on eligibility because of: (a) the legal limitations in some countries; (b) the relatively small number of Leaf Resources shareholders in some countries; (c) the small number of shares those shareholders hold; and (d) the potential cost of complying with regulatory requirements in those countries. Leaf Resources has determined, pursuant to Listing Rule 7.7.1 (a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders outside Australia and New Zealand.
Do you need to do anything?	You are not required to do anything in response to this letter. This letter is to inform you about the details of the Entitlement Offer. It is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.
Questions	If you have any questions in relation to the Entitlement Offer or this letter, please seek professional advice or contact Leaf Resources +61 (7) 3188 9040.

Summary of the Entitlement Offer

Issue price	A\$0.09 per New Share
Entitlement (Eligible Shareholders may also apply for additional New Shares)	One New Share for every ten Shares held at 7.00 pm (Sydney time) on 18 July 2017
Approximate discount to the volume weighted average price of shares traded on ASX in the three months ending 12 July 2017	15.3%
Maximum number of New Shares which can be issued under the Entitlement Offer	17,588,727

Approximate amount which can be raised under the Entitlement Offer (before costs)	A\$1,582,985
Approximate number of shares that will be on issue if the Entitlement Offer is fully subscribed¹	201,945,960

¹ Assuming the Entitlement Offer is fully subscribed, no options are exercised and no further securities are issued.

Details about the Entitlement Offer

Under the Entitlement Offer, eligible shareholders are entitled to subscribe for one new Leaf Resources share (**New Share**) at an offer price of A\$0.09 per share for every ten shares held at 7.00 pm (Sydney time) on 18 July 2017 (**Record Date**). The Entitlement Offer is not underwritten. Eligible Shareholders may also apply for New Shares in excess of their entitlements, although any such application may be scaled back. The New Shares will be quoted on ASX.

The Entitlement Offer is not subject to a minimum amount being raised. The funds raised from the Entitlement Offer will be used by Leaf Resources to progress Leaf Resources strategy in commercialising the Glycell™ process, as well as providing Leaf Resources with working capital.

Key dates²

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

² Leaf Resources reserves the right to vary the timetable without notice, including by extending or bringing forward the Closing Date.

Yours faithfully
Leaf Resources Limited



Helen Pennisi
 Company Secretary