

30 July 2019

Australian Securities Exchange Announcement

Non-renounceable Rights Issue to raise approximately \$500,000

- Non-renounceable pro rata rights issue
- Offered on basis of 1 New Share for every 14 Shares held, at an Issue Price of \$0.025 per New Share with a shortfall facility which may be utilised at the directors' discretion
- All eligible directors intend to take up their entitlements under the Rights Issue
- Substantial shareholders including directors and managers representing approximately **35%** of the share capital, have indicated their intention to support the rights issue
- Funds to be deployed for ongoing project development, general working capital and expenses associated with the Rights Issue

Leaf Resources (ASX:LER, "Leaf" or the "Company") is pleased to announce a non-renounceable rights issue ("Offer") to raise approximately \$500,000. The Offer is aligned to a revised strategy driven by the Company's focus on near term priorities that will continue to advance the Company's business objectives in particular the development of the first Glycell™ project in Malaysia.

As part of this strategy, the directors will continue to run low cash liquidity levels for the next 12 months to ensure that shareholder value is protected and instigate further capital markets initiatives as required, based on the achievement of clear project-related milestones.

Under the Offer, eligible shareholders will be able to subscribe for 1 new share for every 14 shares held, at an issue price of \$0.025 per share, which represents a 24.2% discount to Leaf Resources' last closing price of \$0.033 (as at 29 July 2019) and a 20.0% discount to the 3 month volume weighted average trading price ("VWAP") of \$0.0312.

All new shares will rank equally with existing shares of the Company from the date of issue. Any new shares not taken up by eligible shareholders will be shortfall shares and can be applied for by other eligible shareholders under the shortfall facility in addition to their entitlement of new shares. The directors reserve the right to issue (or to not issue) the shortfall shares to any one or more eligible shareholders or third parties at their discretion (subject always to the Listing Rules and the Corporations Act). Proceeds of the Offer will be used to fund ongoing project development, general working capital and expenses associated with the Rights Issue.

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

"The Glycell™ process utilises renewable inputs in an energy efficient process to produce low carbon alternative feedstocks to enable production of non-petroleum based chemicals, plastics and fuels," said Leaf Resources Managing Director Alex Baker. "These funds will ensure that Leaf is able to progress the Malaysian project and pursue additional opportunities as we strive to build a robust business around renewable bio-based product and process technologies."

The record date for participation in the Offer is 2 August 2019. 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 indicative timetable for the Rights Issue is as follows:

Announcement of Entitlement Offer	30 July 2019
Offer document lodged with ASX Appendix 3B lodged with ASX Cleansing notice lodged with ASX	30 July 2019
Notice of Offer sent to Option Holders	30 July 2019
Ex Date – The date that Shares start trading without the Entitlements to participate in the Offer	1 August 2019
Record Date to determine Entitlements of Eligible Shareholders to participate in the Offer	7.00 pm (Sydney time) on 2 August 2019
Opening Date of Entitlement Offer This Offer Document and Entitlement and Acceptance Forms despatched to Shareholders	7 August 2019
Closing Date – last date for lodgement of Entitlement and Acceptance Forms and payment of Application Money	5.00 pm (Brisbane time) on 21 August 2019
Trading of New Shares expected to commence on a deferred settlement basis	22 August 2019
ASX notified of under subscriptions	26 August 2019
Expected issue of New Shares (Deferred settlement trading ends) and despatch of Holding statements for New Shares	28 August 2019
Normal trading of New Shares expected to commence on ASX	29 August 2019

Further details about the Rights Issue, including how eligible shareholders may apply for their entitlement and apply for additional new shares under the shortfall facility, will be set out in an offer document to be sent to eligible shareholders on or about the date referred to in the indicative timetable above.

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 producing low carbon alternative feedstocks to enable production of non-petroleum based chemicals, fuels and plastics to deliver environmental and economic benefits to our shareholders and our planet. More on www.leafresources.com.au

Contacts:

Alex Baker (Managing Director)
Doug Rathbone (Chairman)

M: +61 419 028 372
M: +61 411 258 987