

31 July 2019

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\$500,000 through a non-renounceable pro rata entitlement offer (**Entitlement Offer**) to eligible shareholders. Further details of the offer are set out below. In accordance with Listing Rule 7.7.1 (b), 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 30 July 2019.

Eligibility to participate

Who are Eligible Shareholders?	Shareholders who are eligible to participate in the Entitlement Offer (Eligible Shareholders) are shareholders who: <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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\$0.025 per New Share
Entitlement (Eligible Shareholders may also apply for additional New Shares)	One New Share for every fourteen Shares held at 7.00 pm (Sydney time) on 2 August 2019
Approximate discount to the volume weighted average price of shares traded on ASX in the three months ending 26 July 2017	20.0%
Maximum number of New Shares which can be issued under the Entitlement Offer	21,061,375
Approximate amount which can be raised under the Entitlement Offer (before costs)	A\$526,534
Approximate number of shares that will be on issue if the Entitlement Offer is fully subscribed¹	326,268,049

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\$0.025 per share for every fourteen shares held at 7.00 pm (Sydney time) on 2 August 2019 (**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 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.

Key dates²

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

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



Tim Pritchard

Company Secretary