

18 December 2020

### **PRE-QUOTATION DISCLOSURE - STATEMENT OF CONFIRMATIONS**

Leaf Resources Limited (ACN 074 969 056) (**Company**) provides the following confirmations to satisfy conditions for reinstatement of the Company's securities to quotation on ASX.

Capitalised terms used in this announcement have the meaning given in the Company's prospectus dated 17 November 2020 (**Prospectus**).

#### **Completion of Public Offer**

The Company confirms that all conditions to the Public Offer under the Prospectus have been satisfied and the Company has issued 150,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) to raise \$3,000,000.

In addition, the Company confirms it has issued the following securities under the Secondary Offers in connection with the Acquisition (defined below):

- (a) 34,455,861 options to acquire Shares (**Options**) under the Options Offer; and
- (b) 33,000,000 performance rights in the capital of the Company (**Performance Rights**) under the Performance Rights Offer.

#### **Completion of acquisition of Essential Queensland Pty Ltd**

The Company confirms that all conditions precedent to the acquisition of 100% of the issued capital of Essential Queensland Pty Ltd (ACN 617 150 320) (**EQ**) (the **Acquisition**) have been satisfied and the Company has completed the Acquisition in accordance with the Acquisition Agreements.

In accordance with the Acquisition Agreements, the Company has now issued an aggregate of 1,017,258,033 Shares pro-rata to the shareholders of EQ (**EQ Shareholders**) in consideration for the acquisition by the Company of all of the EQ Shares held by them and has issued an aggregate of 34,455,861 Options and 33,000,000 Performance Rights to certain EQ Shareholders in consideration for the cancellation of options and or performance rights in the capital of EQ held by those EQ Shareholders.

Upon completion of the Acquisition, the following persons were appointed to the board of the Company (**Board**):

- (a) Ramon (Ray) Mountfort – Managing Director;
- (b) Grant Yeatman – Executive Director and Chief Operating Officer; and
- (c) Terence Gray – Non-Executive Director.

In addition, the following persons resigned as directors of the Company:

- (a) Mr Alex Baker – Managing Director
- (b) Mr Bill Baum - Non-Executive Director; and
- (c) Mr Matthew Morgan - Non-Executive Director.

Accordingly, the Board is now comprised of the following:

- (a) Mr Ken Richards – Chairman;
- (b) Mr Ramon (Ray) Mountfort – Managing Director;
- (c) Mr Grant Yeatman – Executive Director and Chief Operating Officer;
- (d) Mr Doug Rathborne – Non-Executive Director; and
- (e) Mr Terence Gray – Non-Executive Director.

The Company thanks the outgoing directors for their service to the Company, and notes that Mr Alex Baker and Mr Bill Baum will continue to provide services to the Company in a consultancy capacity.

### Issue of securities

In addition to the securities issued pursuant to the Public Offer and the Acquisition, the Company confirms that, as approved by the Company's shareholders on 27 November 2020, the Company has also issued the following securities:

- (a) 10,000,000 Shares in lieu of corporate advisory services provided to the Company to Tegis Pty Ltd (**Tegis**) (an entity controlled by Director, Mr Terence Gray); and
- (b) an aggregate of 11,754,400 Shares in lieu of conversion of debt to the following:
  - (i) 4,101,850 Shares to Mr Doug Rathbone;
  - (ii) 4,646,350 to Mr Ken Richards;
  - (iii) 1,506,200 Shares to Mr Alex Baker;
  - (iv) 1,041,650 Shares to Mr Bill Baum; and
  - (v) 458,350 Shares to Mr Matthew Morgan.

### Statement of Capital Structure

The capital structure of the Company following completion of the Acquisition and the issue of securities pursuant to the Prospectus is set out below.

Capital Structure	Shares	Options	Performance Rights
Securities on issue as at date of Prospectus	301,811,316	10,602,665 <sup>1</sup>	Nil

Capital Structure	Shares	Options	Performance Rights
Securities issued under the Public Offer	150,000,000	-	-
Securities issued to the EQ Shareholders (including, under the Options Offer and Performance Rights Offer)	1,017,258,033	34,455,861 <sup>2</sup>	33,000,000 <sup>3</sup>
Securities issued to Tegis, an advisor to the Company	10,000,000	-	-
Securities issue to directors in lieu of debt conversion	11,754,400	-	-
<b>TOTAL</b>	<b>1,490,823,749</b>	<b>45,058,526</b>	<b>33,000,000</b>

**Notes:**

1. Comprising:
  - (a) 1,323,495 unlisted Options each exercisable at \$0.1618 each on or before 15/07/21;
  - (b) 2,550,000 unlisted Options each exercisable at \$0.1706 each on or before 23/12/21;
  - (c) 1,700,000 unlisted Options each exercisable at \$0.2588 each on or before 23/12/21;
  - (d) 680,000 unlisted Options each exercisable at \$0.2588 each on or before 03/07/22;
  - (e) 283,334 unlisted Options each exercisable at \$0.1765 each on or before 19/3/23;
  - (f) 665,834 unlisted Options each exercisable at \$0.1765 each on or before 22/5/23;
  - (g) 1,275,000 unlisted Options each exercisable at \$0.1765 each on or before 14/09/23;
  - (h) 1,275,000 unlisted Options each exercisable at \$0.1765 each on or before 01/02/24; and
  - (i) 850,002 unlisted Options each exercisable at \$0.2941 each on or before 01/04/24.
2. Comprising:
  - (a) 9,705,861 Options exercisable at \$0.03 on or before 31 October 2021; and
  - (b) 24,750,000 Options exercisable at \$0.023 on or before 1 March 2025.
3. The full terms and conditions of the Performance Rights are set out in section 10.4 of the Prospectus.

## Statement of Commitments (based on actual funds raised)

The Company intends to apply funds raised from the Offer over the first two years following re-admission of the Company to the official list of ASX as follows:

Allocation of Funds <sup>1</sup>		Percentage of Funds (%)
Optimisation of the Apple Tree Creek Plant <sup>2</sup>	\$2,054,360	68.48%
Supply security bond <sup>3</sup>	\$300,000	10.00%
Expenses of the Offer <sup>4</sup>	\$422,804	14.09%
Working capital and administration and corporate costs	\$222,836	7.43%
<b>Total</b>	<b>\$3,000,000</b>	<b>100%</b>

### Notes:

1. Refer to the Financial Information set out in section 6 of the Prospectus for further details. The Company intends to apply these funds towards the purposes set out in this table.
2. Comprising, capital expenditure on optimisation equipment. This includes automation and expansion of the process equipment to enhance throughput rates, improve yield control, and increasing production output.
3. To be paid to the pine log supplier to allow payment terms of 30 days credit rather than cash on delivery.
4. Refer to section 10.10 of the Prospectus for further details.

The above table is a statement of current intentions as of the date of this announcement. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

## Restricted Securities

The Company confirms that following reinstatement to quotation of the Company's securities on the ASX, the following securities will be subject to restriction pursuant to the ASX Listing Rules for the period outlined below.

Class	Number	Restriction Period
Fully Paid Ordinary Shares	642,666,851	24 months from date of quotation
Class A Options <sup>1</sup>	9,705,861	24 months from date of quotation
Class B Options <sup>2</sup>	24,750,000	24 months from date of quotation
Performance Rights <sup>3</sup>	33,000,000	24 months from date of quotation

### Notes:

1. The Class A Options are exercisable at \$0.03 on or before 31 October 2021.

2. The Class B Options are exercisable at \$0.023 on or before 1 March 2025.
3. The terms and conditions of the Performance Rights are set out in section 10.4 of the Prospectus

### **No material subsequent events**

The Company confirms there have been no material subsequent events to alter the Company's statement of financial position as detailed in the Prospectus.

### **No impediments**

The Company confirms there are no legal, regulatory or contractual impediments to the Company undertaking the activities the subject of the commitments disclosed in the Prospectus.

### **Compliance with Listing Rules**

The Company is in compliance with the Listing Rules and in particular Listing Rule 3.1.

This ASX Announcement has been authorised for release by the Board.

### **Contact:**

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