

ASX RELEASE

5 APRIL 2022

Sale and purchase agreement to buy equipment for the Apple Tree Creek site.

Leaf Resources Limited (ASX: LER) ("**Leaf**" or "**Company**"), is pleased to provide an interim update following the previous announcement dated 17th March 2022 requesting a continuing suspension while certain critical business matters were attended to. Leaf has been progressing its business development plans on several fronts since the last announcement, including working with its insurance agent and insurers to progress the plant insurance claim and after extensive analysis of multiple replacement options has entered a sales and purchase agreement to acquire replacement equipment for the Apple Tree Creek site.

The directors are pleased to advise that it has received confirmation from its insurance broker that Leaf has been indemnified by the insurers for the damaged equipment, with estimated coverage up to \$4.6m.

While final determination is still pending the insurer has advised progress payments are to begin with the first installment to be released by the end of the week. This advice has allowed the company to place a deposit to secure the replacement equipment, which is fully functional and with a 16,000 tonnes per annum capacity at a capital cost of NZ\$2.25m.

The Company is now assessing its funding options to fully fund the cost of the replacement plant and equipment, and the related transportation and installation costs.

Determination of the availability and timing of funding will directly impact the likely downtime; viability of and timeframes for remediation and repair program. Until these items can be determined with clarity, the Company will continue to seek to have the voluntary suspension remain in place (in accordance with its announcement dated 17th March 2022).

AUTHORISATION STATEMENT

This update has been authorised to be given to ASX by the Board of Leaf Resources Limited.

--ENDS--

KEN RICHARDS

Chairman

Mob: 0408 891 491

ken.richards@leafresources.com.au