

ASX RELEASE

10 March 2023

FURTHER UPDATE ON CAPITAL RAISING AND BOARD CHANGES

Leaf Resources Limited (ASX: LER) ("**Leaf**" or "**Company**"), a leading natural and renewable pine chemicals company, wishes to advise an update to previous announcements in relation to its proposed capital raising.

Share Placement and Rights Issue

The Company has varied the firm commitments from the two Australian private companies, **Formosa Group Australia Pty Ltd** ("**FGA**") and **Formosa Technologies Pty Ltd** ("**FT**"), which were to jointly invest ~A\$5.4 million into Leaf via the issue of approximately 452.3 million fully paid ordinary shares in the Company and one attaching option with an exercise price of \$0.045 expiring on 31 December 2025 for every share subscribed.

FGA will now invest A\$2.52 million in the Company by subscribing for 210 million shares ("**Placement Shares**") at \$0.012 per Placement Share, representing ~10.4% of the Company's issued shares, and one free-attaching option for every Placement Share subscribed, with an exercise price of \$0.045 expiring on 31 December 2025 ("**Placement Options**") ("**Placement**").

Furthermore, Dr Maurizio (Maurice) Fabiani will invest A\$480,000 in the Company by subscribing for 40,000,000 fully paid ordinary shares in the Company at \$0.012 per share ("**Shares**"), and one free-attaching option for every Share subscribed, on the same terms as the Placement Options to be issued under the Placement ("**Options**").

Leaf advises that FGA and Dr Fabiani have signed a firm offer letter to subscribe for the above securities, which will settle on or around 4 April 2023. The Placement Shares will be issued pursuant to the Company's current placement capacity under ASX Listing Rule 7.1 and 7.1A, and the Placement Options will be issued, subject to shareholder approval, following an Extraordinary General Meeting ("**EGM**") of the Company anticipated to be held mid-May 2023. The Shares and Options to be issued to Dr Fabiani will be issued pursuant to the Company's current placement capacity under ASX Listing Rule 7.1 and prior to the appointment of Dr Fabiani as a director of the Company.

Moreover, Leaf advises that FT will not proceed with its investment pursuant to the existing subscription agreement between the Company and FT in relation to the subscription of securities in the Company.

Additionally, Leaf will not proceed with the previously announced rights issue.

Changes to Board

Leaf is pleased to announce the appointment of two new directors to the Board, namely, Mr Henry Cheng and Dr Maurice Fabiani.

Mr Pai-Heng (Henry) Cheng BBus MBA

Mr Henry Cheng is a senior management and board executive with over 35 years of extensive experience in international business, resources, insurance, investment, finance and banking.

Henry has developed strong global networks, having travelled extensively and worked in many countries. He has forged well established and influential relationships at senior executive and board level with publicly-listed and private companies as well as leading financial institutions and government entities across Asia, USA, Europe and UK.

Henry is a Graduate of the National Taiwan University and holds a Bachelor of Business and Master of Business (International Finance).

Henry currently serves as Executive Chairman of Formosa Group Australia, Executive Chairman of Formosa Resources and Executive Chairman of Arizona Global Transaction Management Services. He was previously the Managing Director of Manulife Insurance and General Manager of Halifax as well as a Director of the Australian Patients Association (APA).

Dr Maurizio (Maurice) Fabiani PhD MBA GAICD

Dr Maurice Fabiani is a senior management and board executive with over 30 years' experience in international business as well as the biomedical field and related health areas. He has an extensive professional background, having held senior roles in business, academia, biomedical/biotechnology industry and the not-for-profit sector.

Dr Fabiani is a Graduate of the University of Melbourne and holds a PhD (Medicine/Pharmacology) as well as MBA (Finance and Strategy) from the Melbourne Business School. He is also a Graduate of the Australian Institute of Company Directors.

Dr Fabiani is currently the Chief Executive Officer of Formosa Group Australia. He was previously a Senior Research Fellow in the Department of Medicine, University of Melbourne, and head of an internationally recognised medical research group. He is also a published author of many international peer-reviewed scientific and medical research publications. Dr Fabiani has served as CEO and Managing Director of biotechnology companies as well as a Founding Director and Chairman of the Australian Patients Association (APA).

Mr Cheng and Dr Fabiani have already been working closely with the Company's Managing Director, Mr Ray Mountfort, in relation to the Company's operations and strategic focus.

The Chairman, Mr Ken Richards, and Independent Non-Executive Director, Mr Douglas Rathbone, will step down from the board at the later of the completion of the Placement and the new directors joining the Board.

The Board wishes to thank Mr Richards and Mr Rathbone for their service and tireless work during a challenging period for the Company.

The Company welcomes both Mr Cheng and Dr Fabiani to the Board of Directors and looks forward to their strategic guidance and positive contribution to the Company's growth and business goals.

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AUTHORISATION STATEMENT

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

ABOUT LEAF RESOURCES

Leaf is positioning itself to become a leading global supplier of natural and renewable pine chemicals. It has developed a proprietary process to naturally extract pine chemicals by employing the trees own solvent chemicals to extract rosin and terpenes. These products are commonly used in industrial manufacturing and are a key input to everyday end products. These products include adhesives, gum, inks, paint, car tyres and perfume.