

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Leaf Resources Limited

ABN

18 074 969 056

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

- a) Fully paid ordinary shares
- b) Fully paid ordinary shares
- c) Fully paid ordinary shares
- d) Fully paid ordinary shares
- e) Fully paid ordinary shares
- f) Unlisted options exercisable at \$0.145 per option during the five years after the issue date and otherwise on the terms approved at the 15 December 2016 EGM (**Dec 2016 Options**)
- g) Unlisted options exercisable at \$0.22 per option during the five years after the issue date and otherwise on the terms approved at the 15 December 2016 EGM (**2016 Director Options**)

+ See chapter 19 for defined terms.

- | | |
|---|--|
| <p>2 Number of +securities issued or to be issued (if known) or maximum number which may be issued</p> | <p>a) 83,458
b) 689,656
c) 317,242
d) 103,448
e) 500,000
f) 3,000,000
g) 2,000,000</p> |
| <p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p> | <p>a) Fully paid ordinary shares
b) Fully paid ordinary shares
c) Fully paid ordinary shares
d) Fully paid ordinary shares
e) Fully paid ordinary shares
f) Unlisted options as approved by shareholders at 15/12/2016 EGM, exercisable at \$0.145 each and expire 23/12/2021 (Dec 2016 Options)
g) Unlisted options as approved by shareholders at 15/12/2016 EGM, exercisable at \$0.22 each and expire 23/12/2021 (2016 Director Options)</p> |
| <p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>a) Yes
b) Yes
c) Yes
d) Yes
e) Yes
f) The Dec 2016 Options hold no voting rights or rights to dividends until such time that they are exercised and at that time will rank equally with all other ordinary shares.
g) The 2016 Director Options hold no voting rights or rights to dividends until such time that they are exercised and at that time will rank equally with all other ordinary shares.</p> |

5	Issue price or consideration	a) 83,458 shares issued to a former director as approved by shareholders at the EGM on 15/12/2016 at \$0.155 per share b) 689,656 shares issued to Grapefull Pty Ltd as approved by shareholders at the EGM on 15/12/16 at \$0.145 per share c) 317,242 shares issued to consultants as approved by shareholders at the EGM on 15/12/16 at \$0.145 per share d) 103,448 shares issued to a sophisticated investor at \$0.145 per share e) 500,000 shares issued following the exercise of 500,000 options (expire 20/12/16) at exercise price of \$0.10 per option f) Nil g) Nil
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	a) As part payment of director's fees b) To provide additional working capital for the commercialisation of the Company's Glycell™ process. c) As part payment of consulting fees d) To provide additional working capital for the commercialisation of the Company's Glycell™ process. e) Pursuant to 500,000 options being exercised f) 3 million Dec 2016 Options issued as part payment of consulting and director's fees g) 2 million 2016 Director Options issued as part payment of directors' fees
5		
6a	Is the entity an *eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the *securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	25 October 2016
6c	Number of *securities issued without security holder approval under rule 7.1	103,448 shares

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	1,090,356 fully paid ordinary shares 3,000,000 Dec 2016 Options 2,000,000 2016 Director Options All approved by shareholders at 15 December 2016 EGM	
6f	Number of +securities issued under an exception in rule 7.2	500,000 shares	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements		
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	23 December 2016	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		167,115,853	Fully paid ordinary shares

Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable)	Number	⁺ Class
	2,625,000 Exercisable at \$0.10,	2013 Options Expire 17/12/17
	375,000 Exercisable at \$0.10	2014 Options Expire 2/9/18
	1,000,000 Exercisable at \$0.10	Options Expire 28/10/18
	1,557,052 Exercisable at \$0.1375	Options Expire 15/07/21
	869,608 Exercisable at \$nil	Performance rights Expire 15/01/21
	3,000,000 Exercisable at \$0.145	Dec 2016 Options Expire 23/12/21
	2,000,000 Exercisable at \$0.22	2016 Director Options Expire 23/12/21

- 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

N/A

Part 2 - Pro rata issue

- 11 Is security holder approval required?

N/A

- 12 Is the issue renounceable or non-renounceable?

N/A

- 13 Ratio in which the ⁺securities will be offered

N/A

- 14 ⁺Class of ⁺securities to which the offer relates

N/A

- 15 ⁺Record date to determine entitlements

N/A

- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

N/A

⁺ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A

30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1 (Fully paid shares only)

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

⁺ See chapter 19 for defined terms.

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

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39 +Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


~~Director~~/Company secretary)

Date: 30/12/2016

Print name:

Helen Pennisi

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	133,279,760
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period <i>Note:</i> - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	2,000,000 27,272,989
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	162,552,749

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	24,382,912
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: - Under an exception in rule 7.2 - Under rule 7.1A - With security holder approval under rule 7.1 or rule 7.4 <i>Note:</i> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i>	13/06/16 8,770,000 ordinary shares 01/08/16 1,557,052 options 17/11/16 689,656 ordinary shares 23/12/16 103,448 ordinary shares
“C”	11,120,156
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	24,382,912
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	11,120,156
Total [“A” x 0.15] – “C”	13,262,756 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	162,552,749
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	16,255,274
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	Nil
“E”	Nil

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	16,255,274
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	16,255,274 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.