



LEAF RESOURCES LIMITED

Sustainable products from plant biomass

Investor Presentation

September 2014

Forward Looking Statements

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Investment Highlights

Leaf Resources Glycell™ Process:

- ▶ A disruptive technology for the production of cellulose and cellulosic sugar
- ▶ Cellulose/cellulosic sugars are used in multiple fast growing billion dollar markets
- ▶ Has lower Capex, lower Opex and is a more environmentally friendly process
- ▶ Breaks down plant biomass at any scale opening up multiple commercial opportunities
- ▶ Significant advantages over current manufacturing techniques

Unlocking the potential of biomass

The carbon evolution

The future of materials



Coal was the industrial material of the 19th century



Oil was the industrial material of the 20th century



Cellulose will be the industrial material of the 21st century*

* Lüder Gerking, CEO, Nonoval GmbH & Co.KG

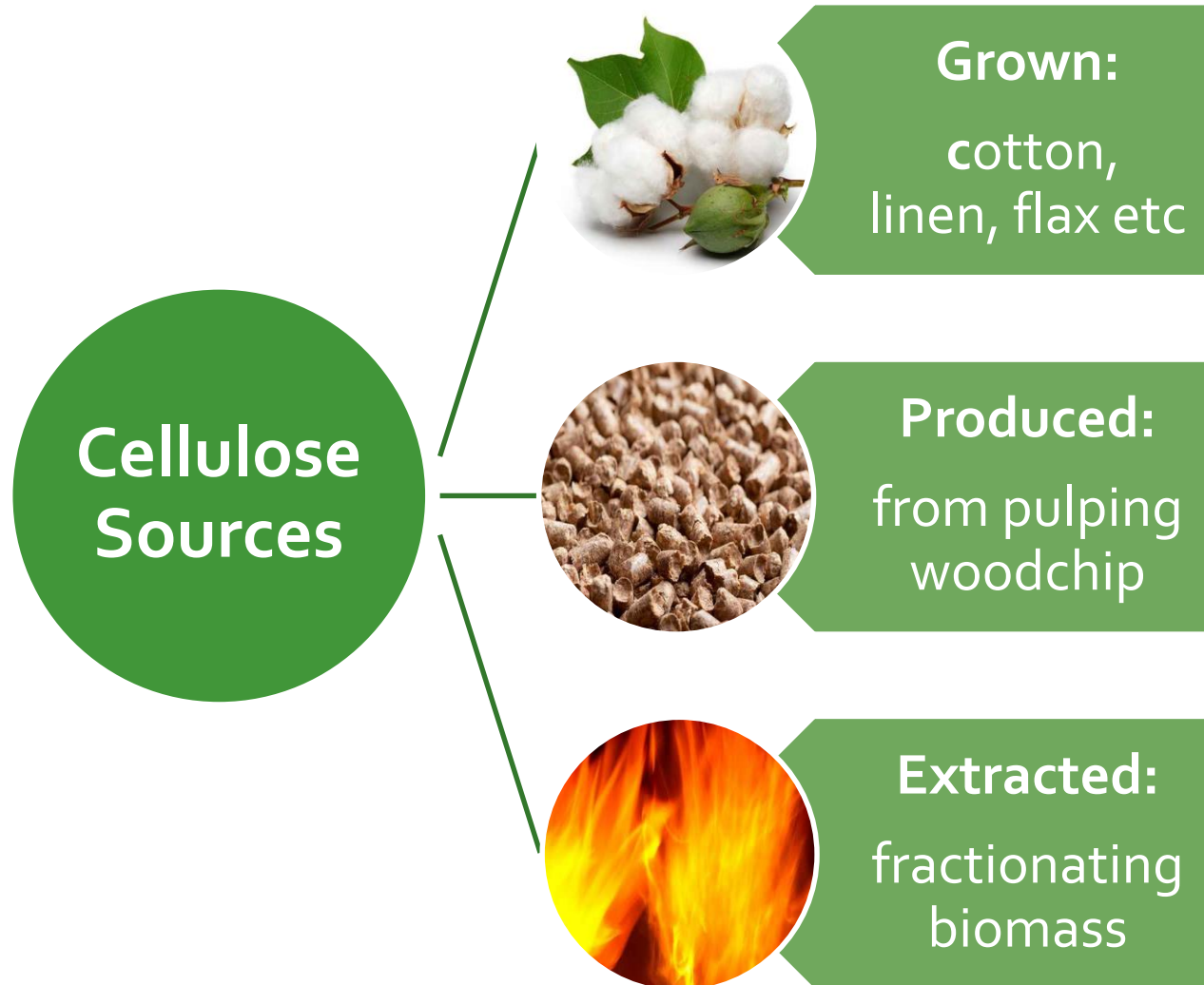
Cellulose

The most abundant organic material on the planet



What is Cellulose?

Cellulose is a fibre that is a major part of a plants



Cellulose Properties

Benefits and uses

Cellulose properties:

Strong,
lightweight,
absorbent,
viscose &
versatile

Traditional uses: Paper and Fabric (Cotton, Linen, Rayon, Viscose)

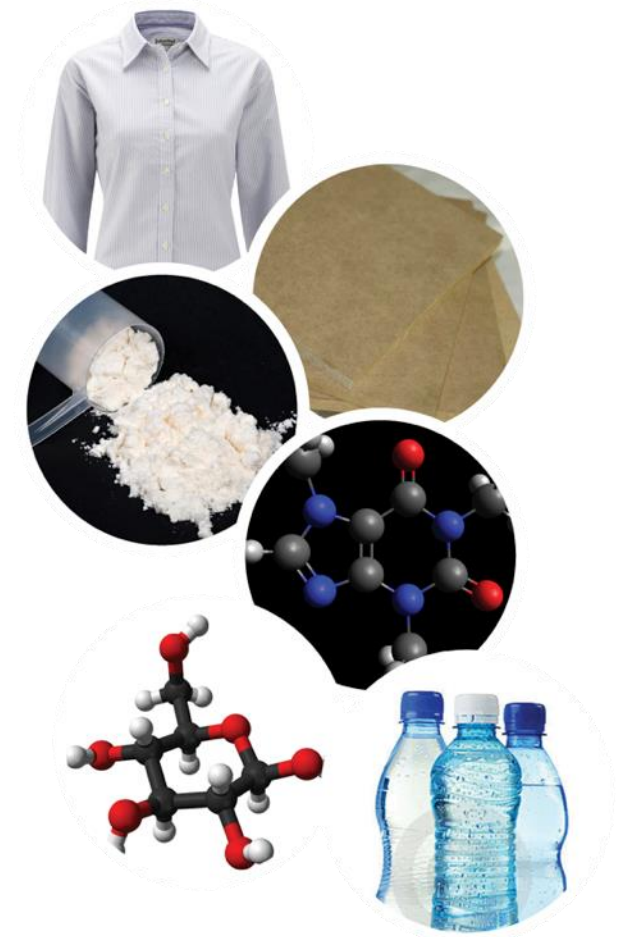
Fibre reinforced composites, bio-plastics

Cellulose derivatives: Industrial, food, cosmetic, pharmaceutical

Building block for other carbon molecules

Convert to sugars and bio-based products – green chemicals, biofuels, bio-plastics

New uses: 3D printing, bio-plastics, Nano-cellulose



Cellulose

The building block for bio-based products

Demand for cellulose increasing 84% by 2030¹



Cellulose derivatives

- Industrial – drilling mud, paint, adhesives and ceramics
- Food
- Cosmetic
- Pharmaceutical

Drilling mud market predicted to grow to \$15b by 2018 at CAGR of 7.5%²



Bioplastics

- Fibre reinforce composites
- Polyurethanes
- Packaging
- Engineered Plastics
- Resins
- Nano-cellulose
- 3D printing

Manufacture of bio-plastics is expected to rise by 140% to 9.2M tons by 2016³

Green chemicals

- Pharmaceutical
- Agricultural
- Manufacturing
- Nutraceuticals
- Detergent
- Source of carbon molecules

Green chemicals market expected to grow at 20% pa to exceed \$500BN by 2017⁴



The “Cellulose Gap”

Demand rapidly outstripping supply

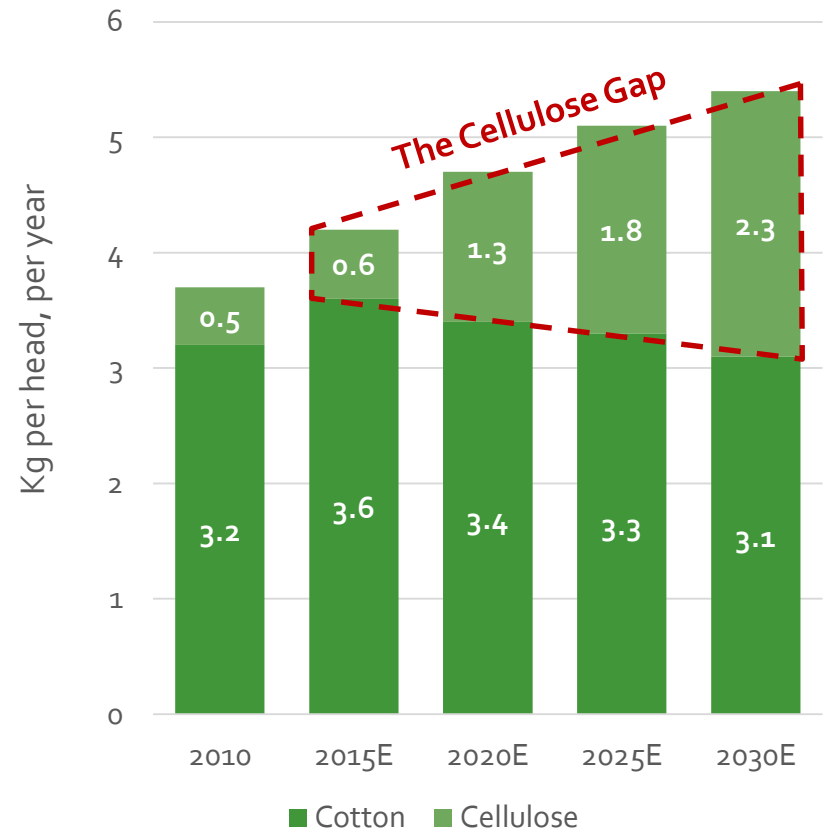
**Demand for
cellulose
increasing
84% by
2030**

- Population and prosperity increasing demand for fibre
- Properties, absorbent and breathable, give cellulosic fibre bigger market share
- Consumer desire to move away from oil based synthetics
- New uses/applications

**Supply side
issues**

- Cotton plantings down from 35.7 m ha to 28m ha in 2030- pesticide use, water use and competing land uses
- New pulp mills difficult (Gunn’s Tasmania)
- Difficult to access cellulose from biomass needs high temperature, high pressure

Estimated per capita consumption of
cellulosic fibres 2010-2030



Source: Lenzing, 2011

Leaf Resources Glycell™ Process

An innovative solution to the emerging need in the cellulose market;
a disruptive technology for cellulose production



The Glycell™ Process

Proprietary technology for cellulose production

The Glycell™ process has compelling advantages over traditional methods of cellulose extraction

Product benefits:

- ▶ Simple, innovative, low cost and effective
- ▶ Uses a waste reagent
- ▶ Low temperature and low pressure
- ▶ Operates continuously
- ▶ Quick processing time

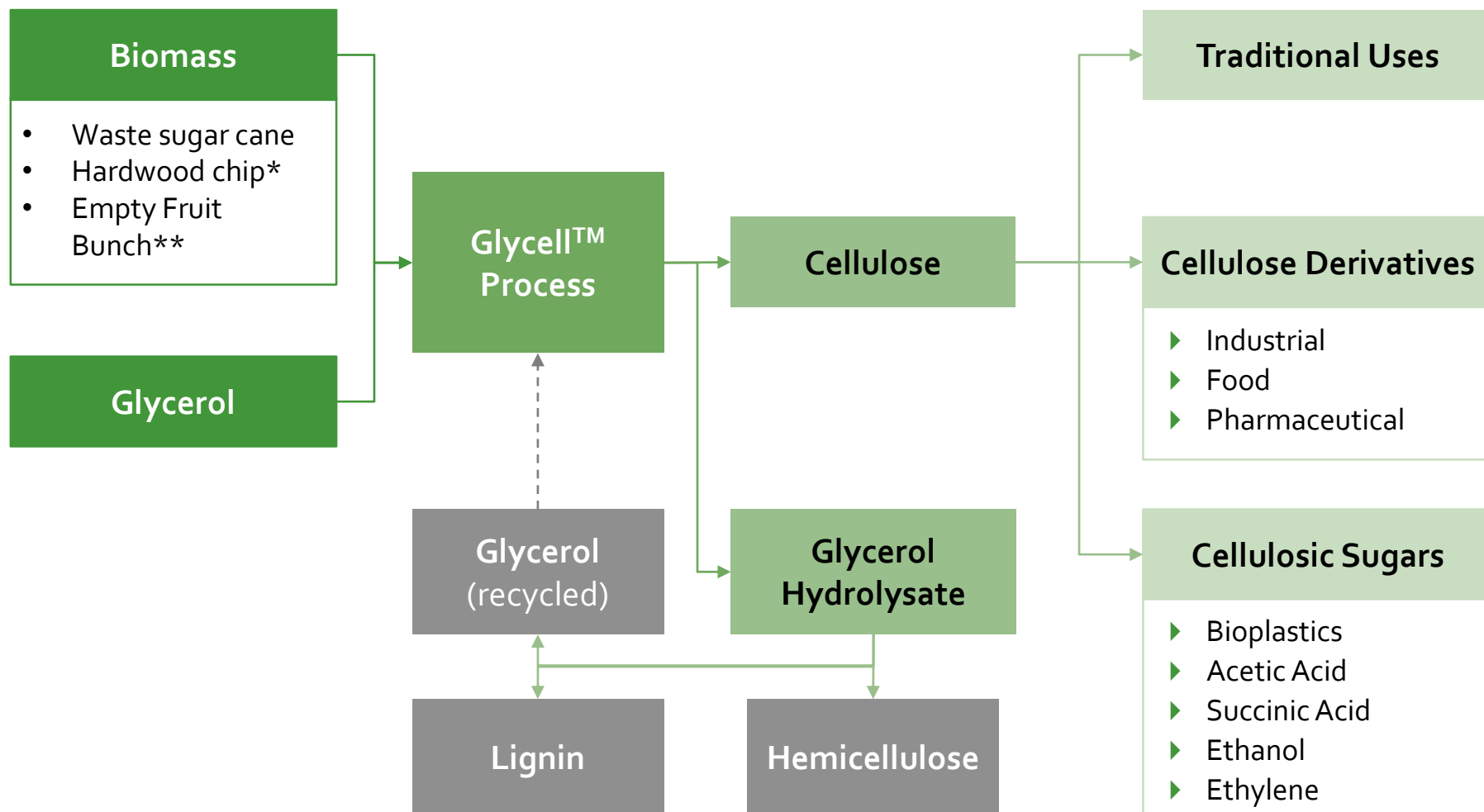
Economic benefits:

- ▶ Significantly lower capital costs¹
- ▶ Significantly lower operating costs
- ▶ “Off the shelf” equipment
- ▶ Operates at any scale
- ▶ High Cellulose recovery
- ▶ High conversion of Cellulose to Sugars²

¹ see announcement lodged ASX 7th July 2014

² See announcement lodged ASX 14th July 2014

Leaf Energy's Glycell™ Process



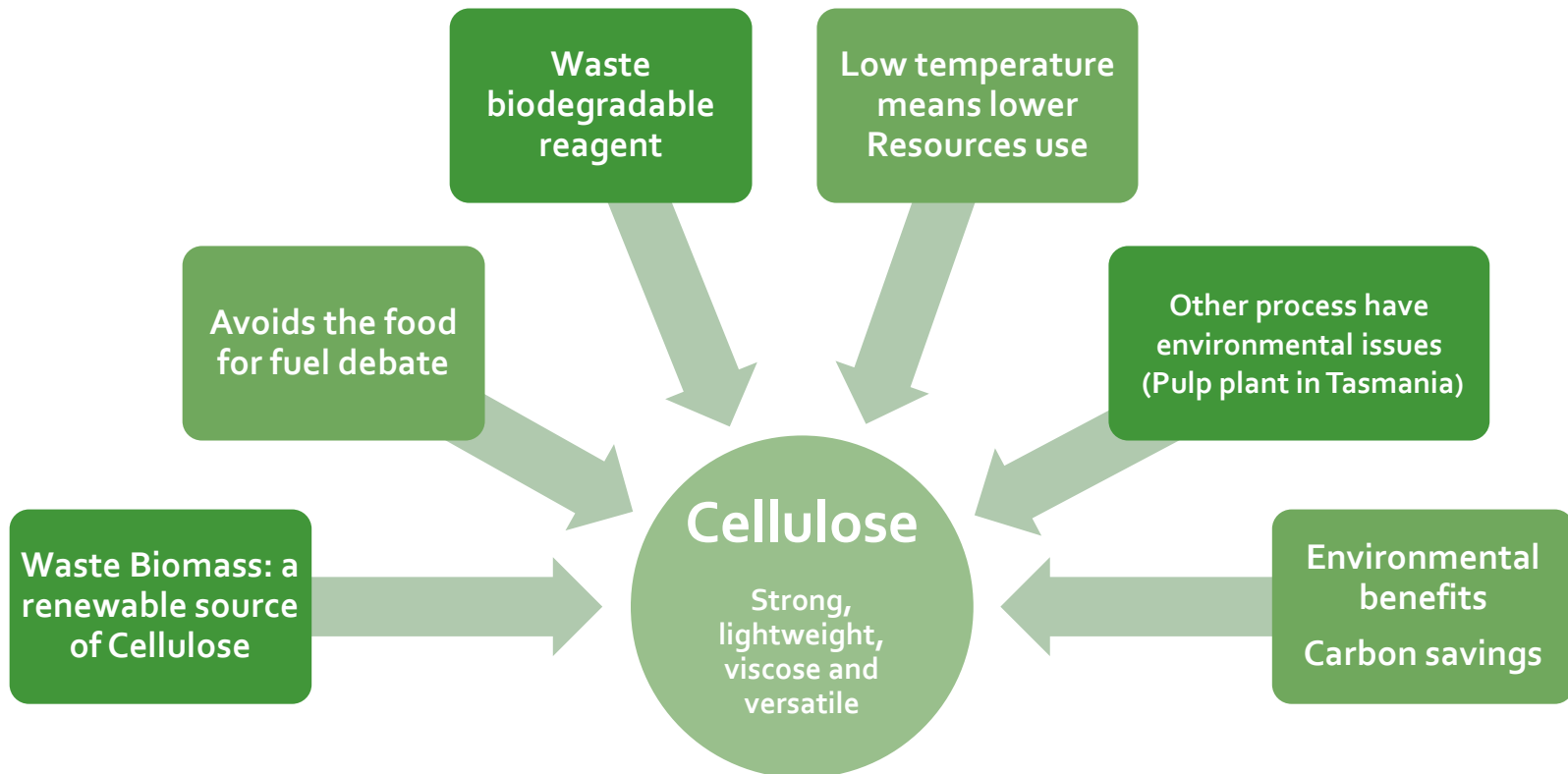
*Eucalyptus globulus – Tasmanian Blue Gum

**African Oil Palm

Environmental benefits

Utilising waste biomass at low impact

The Glycell™ process can produce cellulose at any scale eliminating capital expenditure as a barrier to entry



Pathway to commercialisation

Where are we at?

Robust Commercial path for Glycell™ process:

Andritz equipment
base case design
on
20 BDT per hour

Potential for the
production of
cellulose
Established

Process
demonstrated
effective on
Bagasse,
Eucalyptus at
tonne scale

Softwood and
Palm Oil waste (lab
scale)

Scoping study
shows after tax IRR
of 42% with
glycerol
consumed*

*see announcement 7th
July 2014 for details

Cellulosic sugars via
enzymatic hydrolysis
confirmed

Path to Bio-based
products

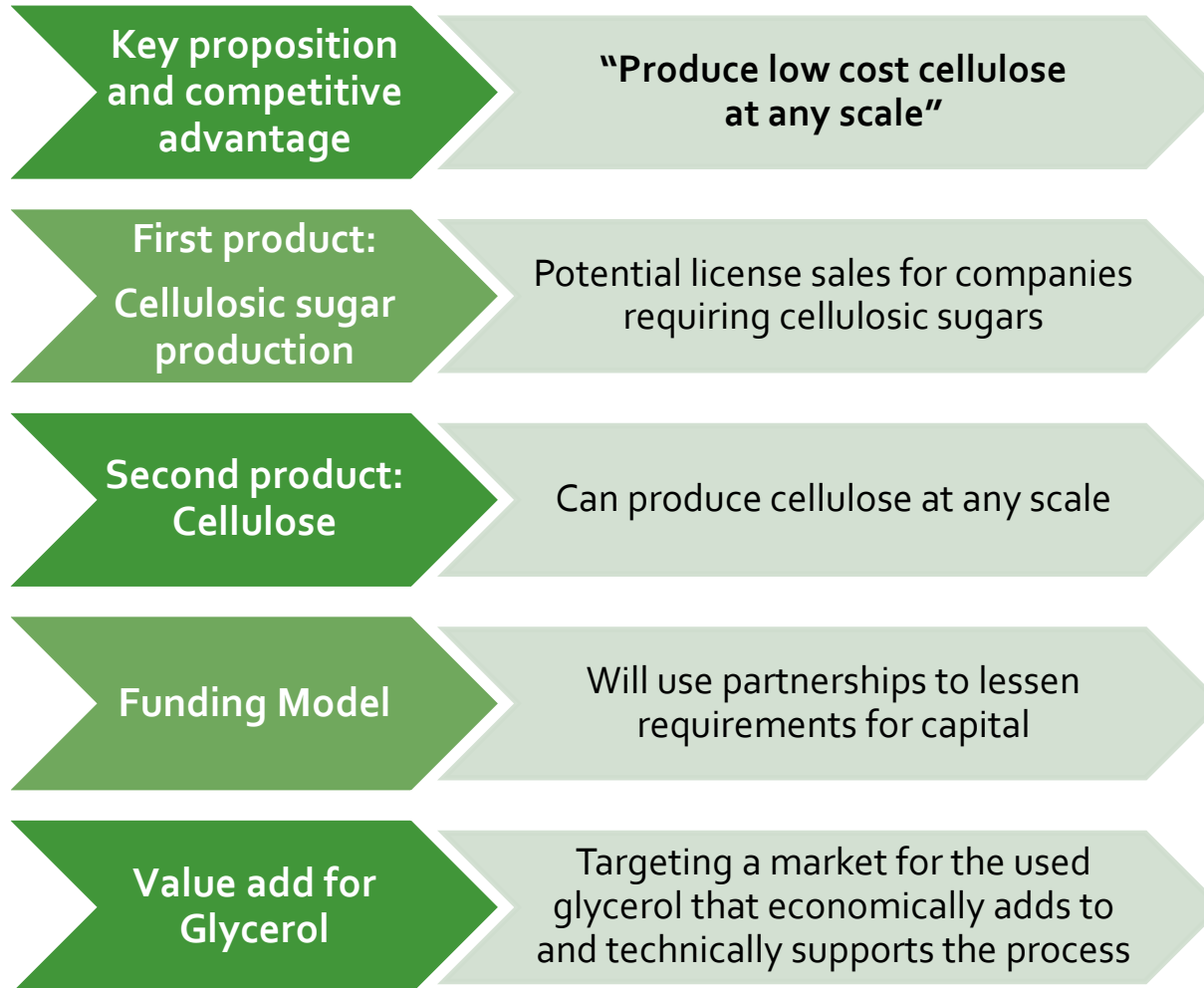
Commercialisation

Monetising waste biomass



Strategic Direction

From technology development to business development



First product: Clean cellulosic sugars

Opportunity for licensing

Glycell™ Process produces more clean sugars faster*

**Cheap clean
sugars...**

**Proprietary technology owned by
others converts the sugars to**

**Renewable chemicals and
green sustainable products.**

Bio-based
chemical markets
to grow by 20%
and exceed \$500B
by 2017

- ▶ Zeachem
- ▶ Bioamber
- ▶ Myriant
- ▶ Avantium
- ▶ Baskem
- ▶ Renovia
- ▶ Multiple
- ▶ Others

Examples

- Acetic Acid, Ethyl Acetate
- Succinic Acid
- Succinic Acid
- PET replacement
- Polyethylene
- Adipic and Lactic acid
- Ethanol
- Many uses

Used by companies such as:

- ▶ Toyota
- ▶ Dow
- ▶ Dupont
- ▶ Mitsui
- ▶ Johnson and Johnson
- ▶ Proctor and Gamble
- ▶ Coca-Cola
- ▶ Plus many others

* See announcement 14th July 2014

Second Product: Cellulose

Multiple opportunities



Biomass



Cellulose



Other



Potential Opportunities

Australian biomass
regional opportunities

South East Asia
Palm oil waste

North America
(1b tonnes study)

Northern Europe

Plus many others

Multiple cellulose markets

Cellulose derivatives

Industrial: Drilling mud,
Detergents, ceramics,
adhesives & others

Food: Multiple uses

Pharmaceutical/Cosmetics

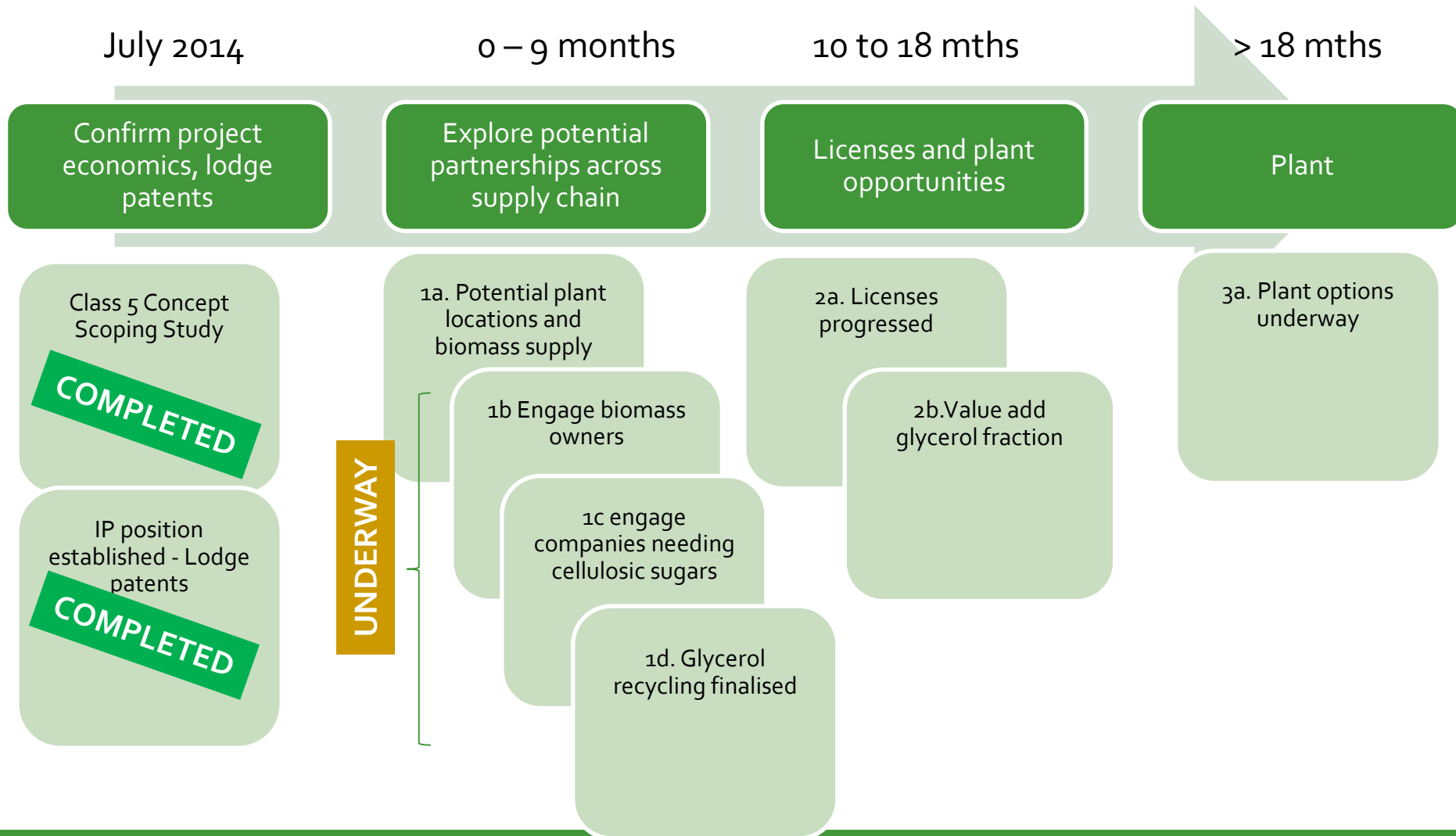
Retrofit to cellulosic sugar
plants

Add- on/retrofit to existing
pulping companies

Add- on to existing sugar
and ethanol plants

Value Creation

Steps leading to Commercialisation



Intellectual Property and Strategy

- ▶ Two patent applications lodged:
 - ▶ Production of cellulose from biomass
 - ▶ Production of sugars from biomass
- ▶ Leaf Resources has received a Freedom to Operate report for the Glycell™ process assessed on an Australian law.
- ▶ National Phase application for PCT countries - July 2015
- ▶ PCT covers all the major market countries: USA, Europe, Canada, India, Indonesia, Brazil, China, Malaysia and others
- ▶ Leaf Resources has developed significant knowledge regarding the Glycell™ process and the company owns trade secret and significant know how regarding the Glycell™ Process .
- ▶ Continuing to broaden the IP portfolio.

Experienced Executive Team

Domain expertise and influence

| | |
|---|---|
| Dr. Jay Hetzel Chairman | <ul style="list-style-type: none"> ▶ Background in biotechnology R&D and commercialisation ▶ Co-founder of Catapult Genetics (sold to Pfizer) ▶ Numerous board & executive positions; Biotechnology advisory roles to government and industry |
| Ken Richards Managing Director | <ul style="list-style-type: none"> ▶ Track record in managing, growing and transitioning high growth ASX and private companies ▶ As CEO of Norgard Clohessy Equity Ltd → took from a start up with capitalisation of \$60,000 to \$50M |
| Charles Wilson Non-executive Director | <ul style="list-style-type: none"> ▶ Project Management Engineer ▶ Extensive project and construction management experience ▶ Former Chairman Aquacarotene Ltd |
| Matthew Morgan Non-executive Director | <ul style="list-style-type: none"> ▶ Background in private equity funded high growth companies ▶ Former venture capitalist (QIC BioVentures, part of \$60B funds manager QIC Limited) ▶ Non executive Director at BCT:ASX, DVA:ASX |
| Alex Baker Chief Operating Officer | <ul style="list-style-type: none"> ▶ More than 20 years industry experience, science and technology commercialisation professional including waste stream value creation ▶ As CEO lead Maverick Biosciences into the bio-medical product field via transformational business strategy |

Leaf Resources Ltd (LER)

Capital structure and shareholdings



Leaf Resources's cash in bank position together with its IP portfolio indicates there is considerable room for growth in its Enterprise Value

| | |
|------------------------|----------|
| Ord Shares on Issue | 101.5m |
| Options (10c exercise) | 4.8M |
| Current Price | \$0.068 |
| Market Cap | \$6.9M |
| Top 20 Shareholders | 62.8% |
| Board & Management | 28.5% |
| Cash ¹ | \$1,150K |
| Enterprise Value | \$5.750M |



Source: ASX Trading Platform, 29th August 2014

1. Based on 4c for 30th June 2014 with 3b 23/7/2104 and 3b 15/8/2014

Investment Rationale

**Strong
Technology
Unique Process**

**Produces low
cost cellulose
at any scale**

**Cellulose has
many uses in
many markets**

**Rapid path to
market**

**Capitalising on
the switch to
the green
economy**

**Highly focused
Management
team – domain
expertise**

**Scalable
Business Model**

**Ground floor
entry point for
investment**

Expressions of Interest

Participate in the future of biomaterials

Ground Floor entry point into an Australian company that can commercialise products in the fast-growing bio-based products market

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