



LEAF RESOURCES LIMITED

Sustainable products from plant biomass

Leaf Resources Limited

ABN 18 074 969 056

3 November 2014

Patrick McCarthy
Adviser
Listings Compliance
ASX Compliance Pty Ltd
Email: Patrick.McCarthy@asx.com.au

Re: ASX 'Aware Query'

Dear Sir

We have reviewed and considered your 'Aware Query' letter of 31 October 2014 and in response to the direct questions in your letter:

1. No, on the 27th October 2014 the Directors did not consider the information contained in the placement announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities for the reasons detailed below. Yes, the directors did consider the information in the announcement to be price sensitive after 6pm AEDT on the 28th October 2014 when the Mandate Letter was signed. The Company subsequently entered a trading halt prior to the market opening on 29 October 2014.
2. Given the above information and the timeline of activities detailed below, the Directors of Leaf Resources are firmly of the belief that the Company is, and always has been, fully compliant with its continuous disclosure obligations set out in Listing Rule 3.1.

For clarity the directors hold these views based on the following:

- Leaf Resources is typical of many small listed companies that are pre revenue in that they are always conscious of the need to raise capital. The Company is regularly in contact with its corporate adviser about the potential to raise funds for working capital purposes.





LEAF RESOURCES LIMITED

Sustainable products from plant biomass

- The Company's share price had risen significantly, a fact highlighted by your price query on Monday 27th October 2014. The Directors are firmly of the view that the recent price rises were a direct response to our announcement of the 16th October 2014 detailing the collaboration with ZeaChem. This announcement follows a number of previous announcements over the course of the year disclosing the successful validation of Leaf's GlycellTM technology.
- On Tuesday 28th October 2014, our corporate advisers Lodge Corporate Pty. Ltd., advised that they believed a placement at \$0.15 was possible. This was the first time that definite terms and conditions re a placement had been detailed.
- A Mandate Letter between Lodge Partners and the Company was signed shortly after 6pm AEDT on Tuesday 28th October 2014.
- The Company requested a trading halt after the Mandate Letter was signed and prior to the market opening on Wednesday 29th October 2014.
- The placement was finalized early on 31 October, and the Company announced the placement prior to the start of trading on ASX and the trading halt was lifted.

Yours sincerely

Charles Furness
Company Secretary
Leaf Resources Ltd



ASX Compliance Pty Limited
ABN 26 087 780 489
20 Bridge Street
Sydney NSW 2000
PO Box H224
Australia Square NSW 1215

Telephone 61 2 9227 0135
www.asx.com.au

31 October 2014

Charles Furness
Company Secretary
PO Box 4037
Eight Mile Plains
QLD 4113

By email

Dear Mr Furness,

Leaf Resources Ltd (the "Company"): ASX aware query

ASX Limited ("ASX") refers to the following:

1. The Company's announcement entitled "Response to ASX Price Query" lodged with ASX Market Announcements Platform and released at 2:01 pm AEDT on Monday, 27 October 2014 (the "Response to ASX Price Query") confirming that the Company was not aware of any information concerning it that could explain the recent increased trading price and volume in the Company's securities.
2. The Company's announcement entitled "\$1.7 million raised from placement" lodged with ASX Market Announcements Platform and released at 9:43 am AEDT on Friday, 31 October 2014 (the "Placement Announcement"), disclosing the Company will be conducting a placement of 11,380,000 shares with the intention of raising \$1,707,000.
3. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
4. The definition of "aware" in Chapter 19 of the Listing Rules. This definition states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information"*.

5. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*

- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

5. ASX's policy position on the concept of "confidentiality" which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "Listing Rule 3.1A.2 – the requirement for information to be confidential"*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Company consider the information contained in the Placement Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. If the answer to question 1 is "yes", when did the Company first become aware of the information?
4. If the answer to question 1 is "yes" and the Company first became aware of the information before lodgement of the announcement of the Response to ASX Price Query on 27 October 2014, did the Company make any announcement prior to that date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time (or mentioned in the Response to ASX Price Query), commenting specifically on when you believe the Company was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Company took to ensure that the information was released promptly and without delay.
5. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 a.m AEDT) on Monday, 3 November 2014. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at patrick.mccarthy@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Patrick McCarthy
Adviser, Listings Compliance