



LEAF RESOURCES LIMITED

Sustainable products from plant biomass

Leaf Resources Limited

ABN: 18 074 969 056

NOTICE OF ANNUAL GENERAL MEETING

Wednesday 25th November 2015

9.00am (Brisbane Time)

88 Brandl St, Eight Mile Plains, Queensland, Australia

NOTICE OF ANNUAL GENERAL MEETING 2015

The Annual General Meeting of Leaf Resources Limited ("Leaf Resources" or "the Company") will be held at 9:00am (Brisbane time) on Wednesday 25 November 2015 at 88 Brandl Street, Eight Mile Plains, Brisbane, Queensland for the purpose of transacting the business set out in this notice.

ORDINARY BUSINESS

Item 1: Financial statements and reports

To receive and consider the financial report, directors' report and independent auditor's report for Leaf Resources and its controlled entities for the year ended 30 June 2015.

Note:

This item of business does not require shareholders to vote on a resolution or to approve these reports.

Item 2: Remuneration report (Resolution 1)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"To adopt the remuneration report of the Company for the year ending 30 June 2015 as set out on pages 21 to 26 of the Company's 2015 Annual Report."

Note:

Under the *Corporations Act 2001 (Cth)*, the vote on this resolution is advisory only and does not bind the Directors or the Company.

Item 3: Re-election of Director (Resolution 2)

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Charles Wilson, who retires by rotation and being eligible, be re-elected as a Director of the Company."

SPECIAL BUSINESS

Item 4: Approval of 10% Placement Facility (Resolution 3)

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on terms and conditions in the Explanatory Memorandum."

Item 5: Approval of share issues to Directors as part payment of Directors' fees

Resolutions 4(a) to 4(c)

To consider and if thought fit, to pass the following resolutions as ordinary resolutions:

"That, for the purposes of ASX Listing Rule 10.11 and or all other purposes, shareholders approve the issue of the following shares on the terms and conditions set out in the Explanatory Statement:

Resolution 4(a)

"That 416,213 shares be issued to Dr Jay Hetzel as settlement for director's fees due to him for the period 1 January 2015 to 31 December 2015."

Resolution 4(b)

"That 228,933 shares be issued to Mr Charles Wilson as settlement for director's fees owing to him for the period 1 January 2015 to 31 December 2015."

Resolution 4(c)

"That 228,986 shares be issued to Mr Matthew Morgan as settlement for director's fees owing to him for the period 1 January 2015 to 31 December 2015."

Item 6: Adoption of Employee Performance Rights Plan (Resolution 5)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, for the purpose of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled **The Leaf Resources Limited Performance Rights Plan** on the terms and conditions set out in the Explanatory Statement."*

Item 7: Approval of Performance Rights to Managing Director (Resolution 6)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.11 and or all other purposes, shareholders approve the issue of 1,444,447 performance rights to Mr Ken Richards on the terms and conditions set out in the Explanatory Statement."

DETERMINATION OF ENTITLEMENT TO ATTEND AND VOTE

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the Directors of Leaf Resources have determined that persons who are registered holders of shares in the Company as at 7:00pm (Brisbane time) on Monday 23 November 2015 will be entitled to attend and vote at the Annual General Meeting as a shareholder. Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

If more than one joint holder of shares is present at the Annual General Meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

On a poll, shareholders have one vote for every fully paid ordinary share held (subject to the restrictions on voting referred to on pages 4 and 5).

PROXIES

If you are a shareholder entitled to attend and vote, you may choose to appoint a proxy.

The proxy need not be a shareholder of the Company. A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

If you want to appoint one proxy, please use the form provided. If you want to appoint a second proxy, an additional voting form may be obtained from the Leaf Resources' share registry (refer to the contact details below) or you may copy the voting form.

To be effective, the voting form, together with the original or a certified copy of the power of attorney (if any) under which the voting form is signed, must be received no later than 9:00am (Brisbane time) on Monday 23 November 2015 (48 hours before the commencement of the meeting).

Please refer to the enclosed voting form for completion and lodgement instructions.

CORPORATE REPRESENTATIVES

A corporation may elect to appoint a representative in accordance with the *Corporations Act 2001 (Cth)* in which case the company will require written proof of the representative's appointment which must be lodged with or presented to the company before the meeting.

ADMISSION TO MEETING

Shareholders who will be attending the meeting, and not appointing a proxy, are asked to bring the voting form to the meeting to facilitate prompt admission.

Shareholders who will not be attending the meeting are encouraged to complete and return the voting form for each of their holdings of Leaf Resources' shares.

If necessary a replacement voting form may be obtained from the Leaf Resources' share registry (refer to the contact details below).

QUESTIONS AND COMMENTS BY SHAREHOLDERS AT THE MEETING

In accordance with the *Corporations Act 2001 (Cth)*, a reasonable opportunity will be given to shareholders to direct questions to the Chairman about, or to make comments on, the management of Leaf Resources at the meeting.

Similarly, a reasonable opportunity will be given to shareholders to ask Leaf Resources' external auditor, Grant Thornton, questions relevant to:

- a) The conduct of the audit;
- b) The preparation and content of the auditor's report;
- c) The accounting policies adopted by Leaf Resources in relation to the preparation of its financial statements; and
- d) The independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to Grant Thornton if the question is relevant to the content of the audit report or the conduct of its audit of Leaf Resources' financial report for the year ended 30 June 2015. Relevant written questions for Grant Thornton must be received no later than 5:00pm (Brisbane time) on Wednesday 18 November 2015. A list of any such questions will be made available to shareholders attending the meeting, and Grant Thornton will either answer the questions or table written responses at the meeting. If written responses are tabled at the meeting they will be made available to shareholders as soon as practicable after the meeting.

Please send any written questions for Grant Thornton:

- To Leaf Resources' share registry – refer to the contact details below, or
- To Leaf Resources – by fax: +61 (7) 3188 9087, or by email: info@leafresources.com.au by no later than 5:00pm (Brisbane time) on Wednesday 18 November 2015.

CONTACT DETAILS FOR SHARE REGISTRY

Mail: Leaf Resources Limited
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

Telephone: + 61 (2) 8280 7454

Facsimile: +61 (2) 9287 0309

Email: registrars@linkmarketservices.com.au

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on:

Resolution 1 by, or on behalf of:

- a) a member of the key management personnel as disclosed in the remuneration report;
- b) a closely related party (such as close family members and any controlled companies) of those persons, unless the vote is cast by a person as proxy for a person who is entitled to vote in accordance with the direction on the Proxy Form, or by the Chairman of the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 by:

- a) Charles Wilson and any associate of Charles Wilson; and
- b) proxy by Charles Wilson and any associate, and any closely related party of Charles Wilson

Resolution 3 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

Resolutions 4 (a) by Jay Hetzel and any associate of Jay Hetzel; and

- proxy by Jay Hetzel and any associate, and any closely related party of Jay Hetzel

Resolutions 4(b) by Charles Wilson and any associate of Charles Wilson; and

- proxy by Charles Wilson and any associate, and any closely related party of Charles Wilson

Resolutions 4(c) by Matthew Morgan and any associate of Matthew Morgan; and

- proxy by Matthew Morgan and any associate, and any closely related party of Matthew Morgan

Resolution 5 by:

- a) Ken Richards (being the only director of the Company who is eligible to participate in the long term incentive plan for staff) and any associate of Ken Richards;
- b) proxy by Ken Richards and any associate, and any closely related party of Ken Richards;
- c) any other person who might obtain a benefit from being eligible under the rules of the long term incentive plan for staff, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

Resolution 6 by:

- a) Ken Richards (being a director of the Company and the employee for whom approval is sought for the issue of performance rights) and any associate of Ken Richards; and
- a) proxy by Ken Richards and any associate, and any closely related party of Ken Richards

The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

Please refer to the important information about the appointment of proxies.

EXPLANATORY STATEMENT

The accompanying Explanatory Statement forms part of this Notice and should be read in conjunction with it.

By order of the Board of Directors



Helen Pennisi
Company Secretary

EXPLANATORY STATEMENT

Item 1- Financial statements and reports

The *Corporations Act 2001 (Cth)* requires the company to lay before the Annual General Meeting the financial report, directors' report and the independent auditor's report for the previous financial year. Copies of these reports have been sent to shareholders and are available on the company's website at

http://www.leafresources.com.au/UserFiles/files/Documents/Leaf_Resources_Annual_Report_2015_online%20reduced%20MB.pdf

A printed copy of the Leaf Resources Limited Annual Report 2015 has been sent only to those shareholders who have elected to receive a printed copy.

No resolution is required for this item, but shareholders will be provided with a reasonable opportunity to ask questions or make comments in relation to these reports. The company's auditor will also be present at the meeting and shareholders will be given the opportunity to ask the auditor questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the company and the independence of the auditor.

Item 2 - Remuneration report (Resolution 1)

A resolution for the adoption of the remuneration report is required to be considered and voted on in accordance with the *Corporations Act 2001 (Cth)*. The remuneration report is set out on pages 21 to 26 of the company's 2015 annual report and identifies Leaf Resources' key management personnel. They include all directors of the company and those other persons having authority and responsibility for planning, directing and controlling the activities of Leaf Resources, directly or indirectly.

This remuneration report:

- explains the principles used to determine the nature and amount of remuneration paid to key management personnel of Leaf Resources;
- explains the link between the remuneration of key management personnel and Leaf Resources' performance;
- provides details of the actual remuneration elements paid to key management personnel;
- provides a summary of the terms of employment of the Managing Director and other key management personnel.

A reasonable opportunity will be provided for discussion of the remuneration report at the meeting. The resolution is advisory only and does not bind the company or the directors. The directors will consider the outcome of the vote and comments on the remuneration report made by shareholders at the meeting when reviewing the company's remuneration policies.

If you choose to appoint a proxy you are encouraged to direct your proxy how to vote on this item.

As a result of recent amendments to the *Corporations Act 2001 (Cth)*, the Chairman of the meeting is entitled to vote undirected proxies on this resolution which is connected with the remuneration of the company's key management personnel. If you appoint the Chairman as your proxy and wish to support this resolution, please mark an "X" in the box at Step 1 on the voting form.

Any undirected proxies held by other key management personnel or any of their closely related parties will not be voted on this item.

As Resolution 1 relates to matters including the remuneration of the directors, the board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) of the *Corporations Act 2001 (Cth)*, makes no recommendation regarding Resolution 1.

Item 3: Re-election of Mr Charles Wilson (Resolution 2)

Charles Wilson has served as a non-executive director of Leaf Resources Limited since 2007. Charles is required to retire by rotation at the 2015 Annual General Meeting, and being eligible, stands for re-election in accordance with the company's constitution. The board has determined that Charles continued to be independent.

Biography of Mr Charles Wilson

Charles has over 40 years of experience in senior project and construction management roles primarily in the infrastructure sector, associated with major building and development projects. He holds a B. Eng in Civil Engineering from the University of New Zealand, which has now been restructured to separate major universities in NZ.

Recommendation

The board recommends that shareholders vote in favour of Resolution 2, and the Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

Item 4 - Approval of 10% Placement Facility (Resolution 3)

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements in the 12 month period after the annual general meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalization of \$300 million or less. The Company is an eligible entity as its market capitalisation at the date of this notice is \$16,436,775.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer below).

The Company may use the 10% Placement Facility to fund ongoing development.

Recommendation

The board believes Resolution 3 is in the best interest of the Company and its Shareholders and unanimously recommend that shareholders vote in favour of this Resolution.

Description of Listing Rule 7.1A

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting.

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of the Notice, the company has on issue one class of quoted Equity Securities i.e. Ordinary Shares.

a) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Current share issue capacity	Dilution when compared with the current issued share capital	Issue of 10% of the enlarged share capital		
		\$0.075 per share (50% decrease in issue price)	\$0.15 per share (Issue price)	\$0.30 per share (100% increase in issue price)
113,357,067 Current issued share capital	10% issue	11,335,706 shares	11,335,706 shares	11,335,706 shares
	Funds raised	\$850,178	\$1,700,356	\$3,400,712
170,035,600 50% increase in issued share capital	10% issue	17,003,560 shares	17,003,560 shares	17,003,560 shares
	Funds raised	\$1,275,267	\$2,550,534	\$5,101,068
226,714,134 100% increase in issued share capital	10% issue	22,671,413 shares	22,671,413 shares	22,671,413 shares
	Funds raised	\$1,700,356	\$3,400,712	\$6,801,424

The table has been prepared on the following assumptions:

- The issue price is \$0.15 based on the closing price of shares on 30 September 2015.
- The current issued share capital has been calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at 30 September 2015.
- The Company issues the maximum number of equity securities available under the share issue mandate under ASX Listing Rule 7.1A.
- No options are exercised or converted into Shares.
- The table shows only the effect of issues of the Company's equity securities under the 10% Placement Facility, not under the Company's 15% placement capacity.

Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- the date on which the price at which the Equity Securities are to be issued and agreed; or
- if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

b) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

c) Listing Rule 7.1A

The effect of Item 5 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

In addition to issue under rule 7.1, an ⁺eligible entity which has obtained the approval of the holders of its ⁺ordinary securities under this rule 7.1A may issue or agree to issue during the period of the approval a number of ⁺equity securities calculated in accordance with the following formula:

$(A \times D) - E$

A= The number of fully paid "ordinary securities on issue 12 months before the issue date or date of agreement to issue,

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in rule 7.2
- plus the number of partly paid ordinary securities that became fully paid in the 12 months
- plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under rule 7.1 or rule 7.4.
- less the number of fully paid ordinary securities cancelled in the 12 months

D=10%

E=The number of ⁺equity securities issued or agreed to be issued under rule 7.1A.2 in the 12 months before the ⁺issue date or date of agreement to issue that are *not* issued with the approval of holders of ⁺ordinary securities under rule 7.1 or 7.4.

Item 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued

- b) If Item 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:
- i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of the consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.
- c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Item 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- d) The Company may seek to issue the Equity Securities for the following purposes:
- i) non-cash consideration for the acquisition of the new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under the Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- a) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- b) the effect of the issue of the Equity Securities on the control of the Company;
- c) the financial situation and solvency of the Company; and
- d) advice from corporate, financial and broking advisers (if applicable).

Previous Approval under ASX Listing Rule 7.1A

- i) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its AGM on 16 October 2014
- ii) The Company has not issued any equity securities In the 12 months preceding the date of the meeting

3.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder or an identifiable class of existing Shareholders to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

The board recommends that shareholders vote in favour of Resolution 3, and the Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

Item 5: Approval of share issues to Directors as part payment of Directors' fees

In order to conserve the company's working capital, each non-executive director has agreed to accept payment of his director's fees (net of statutory superannuation guarantee amounts) for the period 1 January 2015 to 31 December 2015 in the form of shares.

Resolutions 4(a) to 4(c)

The following amounts will be owing by the company in relation to directors' fees for the period 1 January 2015 to 31 December 2015:

- a) In relation to director's fees owing to Jay Hetzel, the sum of \$62,432.00
- b) In relation to director's fees owing to Charles Wilson, the sum of \$34,340.00
- c) In relation to director's fees owing to Matthew Morgan, the sum of \$34,348.00

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the proposed grants involve the issue of Shares to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required.

The following information is provided in relation to the proposed Participation:

1. The related parties are Messrs Hetzel, Wilson & Morgan. They are related parties by virtue of being Directors;
2. The maximum number of Shares (being the nature of the financial benefit being provided) to be issued to the Directors is set out in the table below:

Director	Total number of Shares held by each Director as at the date of this Notice	Maximum number of Shares to be issued to each Director pursuant to Resolutions 4(a) to 4(c)	Total number of Shares and % voting power ¹ if Shareholder approval for Resolutions 4(a) – 4(c) obtained
Jay Hetzel	3,548,332	416,213	3,964,545 – 3.4%
Charles Wilson	9,029,642	228,933	9,258,575 – 8.0%
Matthew Morgan	882,286	228,986	1,111,272 – 1.0%
TOTAL	13,460,260	874,132	14,334,392 – 12.4%

¹ Voting power % calculation is based on Shareholder approval also being obtained for Resolution 6.

3. The Shares will be issued to the Directors no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;

4. The issue price is Nil. The Shares will be deemed to be issued at 15 cents per share. The value of shares to be approved (at 15 cents per shares) compared to director remuneration foregone is set out as follows:

Director	Remuneration Foregone	Value of shares to be approved
Jay Hetzel	\$62,432	\$62,431.95
Charles Wilson	\$34,340	\$34,339.95
Matthew Morgan	\$34,348	\$34,347.90

5. The Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
6. The relevant interests of the Directors in securities of the Company as at the date of this Notice are set out below:

Director	Shares and % voting power ¹	Options
Jay Hetzel	3,548,332 – 3.1%	750,000
Charles Wilson	9,029,642 – 8.0%	375,000
Matthew Morgan	882,286 – 0.8%	375,000

¹ Voting power % calculation is based on shareholdings at 8 October 2015.

7. The remuneration and emoluments from the Company to the Directors for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Director	Current Financial Year (FY15/16)	Previous Financial Year (FY14/15)
Jay Hetzel	\$71,479	\$66,291
Charles Wilson	\$41,288	\$35,150
Matthew Morgan	\$41,290	\$44,544

8. The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.23	7 November 2014
Lowest	\$0.07	14 October 2014
Last	\$0.145	8 October 2015

9. The primary purpose of the grant of Participation of the Directors is to preserve cash resources of the company and in lieu of payment of Director's fees as set out above. No funds will be raised from this share issue.

10. Each Director, other than Mr Ken Richards, declines to make a recommendation to Shareholders in relation to Resolutions 4 (a) – 4 (c) due to their material personal interest in the outcome of the Resolution on the basis that each Director is to be issued should Resolutions 4 (a) – 4 (c) be passed. Mr Richards recommends that shareholders vote in favour of Resolution 4, and the Chairman of the meeting intends to vote undirected proxies in favour of this resolution.
11. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 4 (a) – 4 (c).

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Directors (or their nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

Item 6: Adoption of Employee Performance Rights Plan (Resolution 5)

The board recognises the contribution that the staff of Leaf Resources' make to the on-going success of the company and have approved the introduction of a long term incentive plan for staff. Details of the plan which complies with rule 39.13 of the company's constitution and is in accordance with Listing Rule 7.2 (exception 9), can be viewed on the company's website at www.leafresources.com.au. A summary of the plan rules follow.

The Board may, from time to time, invite eligible staff members, including directors, to participate in the LTI Plan in accordance with its Rules and Applicable Law and subject to a limit of 5% of the issued capital of the Company. The eligible staff member may apply for performance rights, up to the number of set out in the invitation and in accordance with the terms set out in the invitation. The invitation will set out:

- a) the number of performance rights to be granted
- b) how to apply for the performance rights under the invitation
- c) the vesting date for the performance rights
- d) the expiry date for the performance rights
- e) the exercise price (if any)
- f) any applicable performance conditions and measurement period
- g) any conditions or restrictions attached to the shares upon exercise of the performance rights.

The Board may vest all performance rights at a date earlier than the vesting day if:

- a) a takeover bid occurs, or
- b) the application of s 414 or Chapter 6A of the Corporations Act, or
- c) the Company enters into a reconstruction or amalgamation with another Company or if

Performance rights can be exercised at any time from the vesting date until such time that the performance right lapses.

A performance right will lapse, if not exercised, at the earliest of:

- a) the expiry date
- b) if the performance conditions are not achieved within the specified measurement period
- c) the date a resolution to wind up the Company is passed
- d) in relation to a performance right that has not vested
 - i. The date the staff member ceases to be employed by the company (for a reason other than a qualifying reason)
 - ii. 5 days after the last measurement period applying to the performance right
 - iii. The date on which the Board may determine that the staff member has acted fraudulently or dishonestly, or has breached his or her obligations to the Company
- e) in relation to a performance right that has vested
 - i. 30 days after the date the staff member ceases to be employed by the company (if for a qualifying reason)
 - ii. 5 days after the date the staff member ceases to be employed by the company (if for a reason other than a qualifying reason)

Shares acquired through exercising performance rights:

- a) may at the Board's discretion have a restriction placed on the transfer of the shares for a period of up to seven years from the Grant Date.
- b) will rank equally with shares of the same class

Directors' recommendation

The Directors, with the managing director abstaining, recommend that Members vote in favour of Resolution 5.

Item 7: Approval of Performance Rights to managing director (Resolution 6)

In accordance with listing rule 10.11, the managing director, Mr Ken Richards has agreed to accept 1,444,447 performance rights in lieu of payment of the following amounts, owing to him:

- a) Short-term incentive bonus for the 2014/2015 year - \$50,000
- b) Part payment of salary for the period 1 September 2015 to 30 June 2016 - \$66,667
- c) Entitlement under the LTI Plan - \$100,000

The vesting conditions to be met for entitlement to the above share based payments are:

- d) Continuation of employment until 1 July 2016 – 777,780 performance rights (reflecting amounts described in (a) and (b) above
- e) An increase in Leaf Resources' share price from July 2015 VWAP of \$0.18 to July 2016 VWAP of two times the July 2015 VWAP i.e. \$0.36, with a pro-rata entitlement for a July 2016 VWAP of between \$0.27 and \$0.36 – 666,667 performance rights

ASX Listing Rule 10.13 requires certain information to be given to Members. This information is supplied in the table below.

Name of Director	Ken Richards
Maximum number of performance rights (Securities)	1,444,447
Date by which the Securities will be issued	Within one month of the resolution being passed
Issue price	Nil, with a deemed value of \$0.15 per share
Use of funds	N/A – to be issued in satisfaction of Directors' fees payable

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the proposed grants involve the issue of Securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required.

The following information is provided in relation to the proposed Participation:

- 1. The related party is Mr Ken Richards who is a related parties by virtue of being a Director;
- 2. The maximum number of Securities (being the nature of the financial benefit being provided) to be issued to Ken Richards is set out in the table below:

Total number of Shares held at the date of this Notice	Total number of Options held as at the date of this Notice	Maximum number of Securities to be issued pursuant to Resolution 6	Total number of Shares and % voting power ¹ if Shareholder approval for Resolution 6 obtained
12,678,571	1,500,000	1,444,447	12.2%

¹ Voting power % calculation is based on Shareholder approval also being obtained for Resolutions 4(a) – 4 (c)

- 3. The Securities will be issued to the Director no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the securities will be issued on one date;

4. The issue price is Nil. The value of the Securities to be approved (at a deemed issue price of \$0.15) compared to director remuneration foregone is set out as follows:

Director	Remuneration Foregone	Value of securities to be approved
Ken Richards	\$216,667	\$216,667.05

5. The Securities issued will be performance rights;
6. The remuneration and emoluments from the Company to the Directors for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Director	Current Financial Year (FY15/16)	Previous Financial Year (FY14/15)
Ken Richards	<p>\$535,800</p> <p>Includes Performance Bonuses (conditional upon meeting KPI's set by the board)</p> <ul style="list-style-type: none"> • Short term: \$100,000 • Long term: \$100,000 	\$262,800

7. The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.23	7 November 2014
Lowest	\$0.07	14 October 2014
Last	\$0.145	8 October 2014

8. The primary purpose of the grant of Participation of the Director is to preserve cash resources of the company and in lieu of payment of Director's fees as set out above. No funds will be raised from this issue of Securities;
9. The board, excluding Mr Ken Richards, recommends that shareholders vote in favour of Resolution 6, and the Chairman of the meeting intends to vote undirected proxies in favour of this resolution.
10. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 6.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Securities to Ken Richards (or their nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

Glossary

In this Explanatory Statement, and in the Notice, the following terms have the following meaning unless the context otherwise requires:

ASX means ASX Limited or the securities exchange operated by it, as the context requires.

ASX Listing Rules means the listing rules of ASX.

Board means the board of directors.

Closely Related Party of a member of Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company that the member controls; or
- (f) a person described by the Corporations Regulations 2001(Cth).

Company means Leaf Resources Limited.

Corporations Act means Corporations Act 2001 (Cth).

Director means a director of the Company.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company and its subsidiaries, directly or indirectly, including any Director (whether executive or not).

Meeting means the general meeting of the Members convened pursuant to the Notice for the purposes of considering the resolutions set out in the Notice.

Member means a holder of Shares.

Notice means the notice in Part 1 pursuant to which the General Meeting is convened.

Options means an option to acquire fully paid ordinary shares in the Company at the specified Exercise Price.

Placement means the issue of Shares the subject of items 4 and 5 of this Notice.

Shares means fully paid ordinary shares in the Company

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LEAF RESOURCES LIMITED

Sustainable products from plant biomass

ABN 18 074 969 056

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Leaf Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Leaf Resources Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **9:00am on Wednesday, 25 November 2015 at 88 Brandl Street, Eight Mile Plains, Brisbane, Queensland (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

For Against Abstain*

For Against Abstain*

1 Remuneration Report

☐ ☐ ☐

4(b) Approval of share issue to Mr Charles Wilson

☐ ☐ ☐

2 Re-election of Director – Mr Charles Wilson

☐ ☐ ☐

4(c) Approval of share issue to Mr Matthew Morgan

☐ ☐ ☐

3 Approval of 10% Placement Facility

☐ ☐ ☐

5 Adoption of Employee Performance Rights Plan

☐ ☐ ☐

4(a) Approval of share issue to Dr Jay Hetzel

☐ ☐ ☐

6 Approval of Performance Rights to Mr Ken Richards

☐ ☐ ☐

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

LER PRX501C

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **9:00am on Monday, 23 November 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Leaf Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**