



LEAF RESOURCES LIMITED
Sustainable products from plant biomass

28 October 2015

Shareholder Update

Dear Shareholder,

Your company continues to progress the commercialisation of its proprietary Glycell™ process and details are provided in this update.

Our most recent announcement gave details of a scoping study for the production of a “typical” renewable chemical from biomass. The study, done by independent consultants ResourceInvest Pty Ltd, showed an internal rate of return after tax of 81% and a net present value after tax of US\$720 million. Impressive economics!

This shareholder update is accompanied by a Share Purchase Plan Offer document which details an opportunity for each eligible shareholder to take up to \$15,000 worth of Leaf Resources shares at \$0.13, the same price at which our recent placement was done. If you are below a marketable parcel then this is a good opportunity to top up your shareholding at current prices or maybe just to acquire more shares at an attractive price. Directors and management intend to participate in the share purchase plan.

Edison report

During September Edison Investment Research released their Initiation report on Leaf Resources. Edison Investment Research Ltd is a leading European independent investment research company, with offices in London, New York and Sydney.

Engaging Edison is an important first plank in our strategy of taking the Leaf Resources story to a broader global investment market. We are working with companies from all around the world with our Glycell™ process and it is important our investment story is also highlighted in world markets. Some of the key comments Edison made in the report are:

- **Game-changer technology for bio-based products**
- **Glycell™ has the potential to change the face of global renewable production,**
- **The Glycell™ process has enormous valuation upside because of its potential global application.**

One paragraph from the report is worth reproducing in this update:

“LER's Glycell™ process is a disruptive technology that dramatically reduces the costs of bio-based chemicals, plastics and fuel produced from biomass. The process has the potential to change the face of global renewable production. The cost advantage is partly driven by higher process yields, the simplicity of the process and additional revenue from co-products. The quality of its co-products offers another dimension, unlocking high-value opportunities in new growth areas such as the renewable aromatic resource for the chemical industry offered by lignin.”

and the report's summary concludes;

“Leaf Resources' (LER) Glycell™ technology dramatically cuts the cost of producing cellulosic sugar from biomass. It also produces 'clean' sugars, with low degradation, for higher-value bio-based chemicals and plastics manufacture. Its quality co-products open up high-value global growth opportunities. The shares are trading well below our valuation range.”

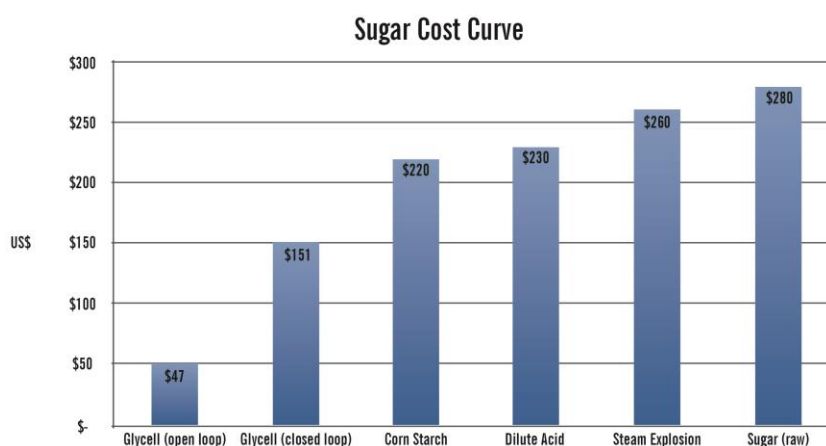
Renewable chemicals using the Glycell™ process

Over the last 4 months we have published two key announcements highlighting the attractive economics of the Glycell™ process to produce renewable chemicals.

The first announcement in late June 2015 detailed the company's new recovery process for glycerol and the impact that has on the cost of cellulosic sugars produced. The study concluded that the Glycell™ process can produce cellulosic sugars for under \$50/tonne, based on the assumptions of the study.

This low cost has been achieved because we can now recover the glycerol used at a higher purity than what is input and this higher purity glycerol has a higher value. This means that our main reagent glycerol now becomes an additional co-product delivering a fourth revenue stream to our process (the others being cellulose, hemicellulose and lignin). The cost benefit this delivers make our Glycell™ cellulosic sugars very competitive against rival processes such as dilute acid and steam explosion and sugars either from sugar cane or corn starch.

The following table shows the cost advantage of Glycell™ process (closed loop is with recycling, open loop is with the glycerol being sold for a higher value).



The Industrialisation of Biology

The process of turning cellulosic sugars to valuable renewable chemical can take several forms but fermentation of the sugars (think wine or beer making) using microbial action (bacteria, yeast fungi etc.) is a major route.

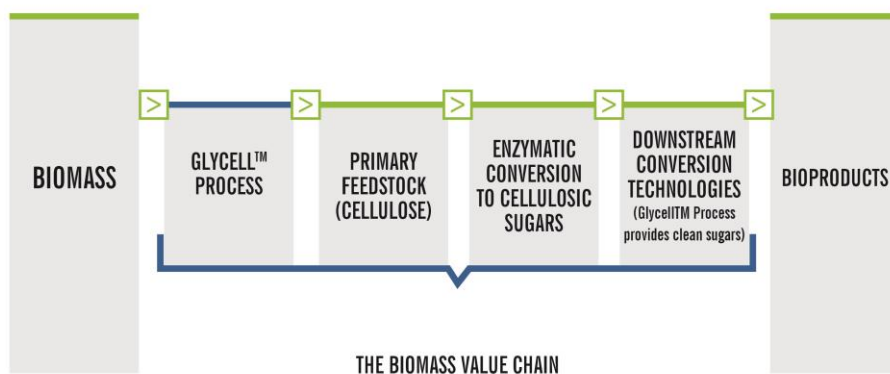
Cheap, clean cellulosic sugars are an essential feedstock to this route to enable the replacement of petroleum derived products and that is what the Leaf Resources' Glycell™ process produces. The USA National Academy of Sciences in a 2015 report entitled the "Industrialisation of Biology" commented:

"The industrialisation of biology will be as important in the next 50 years as semiconductors have been to economic growth over the last 50 years."

Renewable chemical project shows an IRR of 81% after tax

We undertook a scoping study to understand the economic impact of our Glycell™ process producing cheaper cellulosic sugars on a biorefining or renewable chemical project.

Biorefining is turning plant biomass into valuable renewable products. The diagram below shows the pathway the Glycell™ process takes to breakdown biomass into cellulose, hemicellulose and lignin and then to convert the cellulose to renewable chemicals. The hemicellulose and lignin are valuable by-products as is the glycerol that is recovered.



The scoping study showed that the returns for a project taking biomass through to a “typical” chemical are very attractive delivering a NPV for the project of over US\$720m after tax with after tax Internal Rates of Return (IRR) of 81%.

Leaf Resources' Glycell™ process improves the economics of producing renewable chemicals as it can produce cellulosic sugars, a significant input in their manufacture, for under \$50 per tonne, when co-products credits are included. This is achieved by the high recovery of cellulose and its fast conversion into sugars. The Glycell™ process also enables co-product revenue with the ability to produce lignin and 99.7% pure glycerol. Both of these co-products have attractive potential markets in downstream chemical processes.

The scoping study projects potential revenues from biomass derived chemicals that are now commercially viable and economically competitive against their petroleum-based equivalents. This study is important given the recent announcements detailing MOU's to develop feasibility studies for potential projects.

Monaghan's MOU

Monaghan Mushrooms is the second largest mushroom producer and parent company of Monaghan Biosciences. Monaghan Mushrooms produce a significant amount of spent mushroom substrate from their operations each year and both Monaghan Biosciences and Leaf Resources believe that this material could be an integral part of a viable biobased project.

Monaghan Biosciences also have proprietary enzyme technology and Leaf Resources provided cellulose produced by the Glycell™ process for testing with Monaghan Biosciences' enzyme technology under a material transfer agreement.

The results of the testing showed that Monaghan Biosciences' enzyme technology in combination with Leaf Resources' Glycell™ pretreatment produce superior performance versus other commercial enzymes and pretreatments.

These results were encouraging and initiated further discussions between the parties as to how they could be commercially exploited. The answer was to use the biomass (spent mushroom compost) from the mushroom business as the basis for a project that also utilised Leaf's Glycell™ process and Monaghan Biosciences' enzymes.

Most of Monaghan's Mushroom production sites are in Europe so the likelihood of any potential renewable chemical project being located in Europe is high.

Under this MOU both parties will initially own 50% of the project but as the project develops this level of ownership may be reduced to allow other parties to assist in the financing of the project.

The companies will explore options on processing of the cellulosic sugars produced into renewable chemicals. Both companies will look at the many possibilities that exist and open discussion with third parties about licensing/joint venture for their conversion technologies into the project. Leaf Resources in particular is in discussion with several companies but will look at all suitable partners. An off-take contract for the renewable chemical produced will be sought to deliver a complete project that is financeable.

Norske Skog

Leaf Resources recently announced an MOU with Norske Skog Industries Australia Ltd to work together to evaluate the yields from Radiata pine using Leaf Resources' Glycell™ process.

The work will investigate the suitability for conversion of softwood, Radiata Pine, to cellulosic sugars and the subsequent conversion of those sugars to biomass derived chemicals.

Large International Agricultural Company

Leaf Resources signed a research agreement with a large international agricultural company to create valuable bio-products from agricultural waste.

The research agreement funded by the other party contemplates testing the agricultural waste with Leaf's Glycell™ process and if successful, aims at working towards a feasibility study for a commercial operation using the Glycell™ process in Australia. The identity of the other party has not been disclosed at their request, this time due to the confidential nature of the agreement.

Sofinnova Awards

We announced in July 2015 that Leaf Resources, had been selected from an international field of 38 companies to be one of the five finalists for the Sofinnova Renewable Chemistry Start-up Award. This award recognises the most promising renewable chemistry start-ups. Unfortunately we were not the winner although we did gain considerably extra profile at the Bio World Congress on Industrial Biotechnology conference by being a finalist.

The Future

We have had a busy six months since the last update and as this update hits your in-tray our staff will be in all corners of the world. Alex Baker will be on his way to the Advanced Bioeconomy Leaders Conference (ABLCNext15) in San Francisco, Marc Sabourin will be presenting at the International Bioenergy and Bioproducts (TAPPI-IBBC) Conference in Atlanta, Georgia, Les Edey will be in Germany attending the International Energy Agency (IEA) conference and task 39 meeting and I will be attending the European Forum on Industrial Biotechnology in Brussels. Conferences such as these are an essential ingredient of our marketing and partnering programme.

Key goals for the immediate future out to 18 months are:

- Progress discussions for contracts to purchase the chemicals produced
- Finalise testing of the spent mushroom compost with Monaghan
- Using these results progress the feasibility study for the Monaghan's project
- Build a stronger presence in the USA
- Explore brownfield sites opportunities, e.g. newsprint mills to reduce the initial capital requirements
- Progress Asian opportunities as Asia has attractive advantaged feed stocks
- Progress licensing opportunities with various parties

Thank you

Thank you for being a shareholder, we value your support and we are working hard to progress your company. I am available if any shareholder wishes to contact me on +61 7 3188 9040.

Ken Richards (Managing Director)

Leaf Resources Limited

ABN 18 074 969 056

(**Leaf**)

Share Purchase Plan Offer

The Offer closes at 5.00pm (Sydney time) on Friday 13 November 2015

This is an important document and should be read in its entirety.

This document has been prepared by Leaf Resources Limited. The Offer is an initiative that provides Eligible Shareholders with the opportunity to purchase additional Leaf Resources Limited shares at a discount and without brokerage and transaction costs.

The Offer does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision whether or not to accept the Offer, you should consult your financial or other professional adviser.

This document is not a prospectus or other disclosure document under the Corporations Act.

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO
US PERSONS**

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1 Key offer information

Key dates

Event	Date
Record Date	7.00 pm (Sydney time) on 22 October 2015
Announcement Date	23 October 2015
Documents mailed to Eligible Shareholders	28 October 2015
Offer opens	Wednesday 28 October 2015
Offer closes	5.00 pm (Sydney time) on Friday 13 November 2015
Allotment Date	Thursday 19 November 2015
Dispatch of holding statements/ confirmation advices	Friday 20 November 2015

The timetable is indicative only and Leaf may, at its discretion, vary any of the above dates by making an announcement to ASX.

Defined terms and abbreviations used in this document are set out in **clause 18** of the Terms and Conditions in **section 4**.

Important notices

The offer contained in this document is not a recommendation to purchase Leaf shares. If you are in any doubt about the Offer, you should consult your financial or other professional adviser.

If you apply to participate in the Offer by making a BPAY^{®1} payment or completing and returning the Application Form with a cheque or money order, you are accepting the risk that the market price of Shares may change between the date of the Offer and the Allotment Date. This means it is possible that, up to or after the Allotment Date, you may be able to buy Shares at a lower price than the Offer Price.

Participation in the Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person. This document and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of, a US Person.

Leaf recommends that you monitor its announcements and the Share price, which can be found on its website at www.leafresources.com.au and on the ASX website at www.asx.com.au (ASX code: LER). The Share price can also be found in the financial pages of major Australian metropolitan newspapers.

Questions

If you have any questions in relation to the Offer or how to complete the Application Form, please call Leaf Resources Limited on +61 7 3188 9040, or consult your financial or other professional adviser.

¹ [®] Registered to BPAY Pty Limited ABN 69 079 137 518
New Zealand based shareholders cannot apply using BPAY[®] unless they have an Australian bank account.

2 Letter from the Chairman

Dear Shareholder,

Leaf Resources Limited Share Purchase Plan Offer

On behalf of the Board, I am pleased to offer you the opportunity to apply for New Shares in Leaf under this Share Purchase Plan Offer.

The Offer will open on Wednesday 28 October 2015 and will remain open until 5.00 pm (Sydney time) on Friday 13 November 2015.

Under the Offer you can acquire up to A\$15,000 worth of New Shares without paying any brokerage or other charges.

The Offer Price is A\$0.13, representing a discount of 13.33 % Discount to Leaf's closing share price on ASX on Tuesday 20 October (being the last trading day before the details of the Offer were announced).

Full details of the Offer and how to participate are contained in the Terms and Conditions in section 4 of this document which I encourage you to read and consider carefully.

If you have any questions, please contact the company's Managing Director, Mr Ken Richards, on +61 7 3188 9040, or consult your financial or other professional adviser.

Thank you for your continued support of Leaf.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jay Hetzel', with a stylized, cursive script.

Jay Hetzel
Chairman

3 Frequently asked questions

Set out below are answers to some key questions that you may have about the Offer. This table is qualified by and should be read in conjunction with the Terms and Conditions in **section 4**.

Question	Answer
What is the Offer?	The Offer enables Eligible Shareholders to apply to purchase up to A\$15,000 worth of ordinary shares in Leaf without paying any brokerage or other charges.
Am I eligible to participate?	<p>You are eligible to participate if you fulfil the criteria set out in clause 2 of the Terms and Conditions.</p> <p>You must have been a holder of Leaf Shares at [7.00 pm (Sydney time)] on 22 October 2015 (Record Date) and your registered address must be in Australia or New Zealand for you to be eligible to participate.</p> <p>If you are a nominee, trustee or custodian holding Shares on behalf of one or more beneficial holders, you may also apply to purchase up to A\$15,000 worth of New Shares on behalf of each beneficial holder, subject to complying with the criteria set out in clause 7.2 of the Terms and Conditions.</p>
Do I have to participate?	Participation is optional.
Can I transfer my entitlement to participate?	You cannot transfer your right to purchase New Shares under the Offer to anyone else.
How do I apply?	<p>To apply for New Shares you can either:</p> <p>Option 1: Pay by BPAY®</p> <p>Make payment by BPAY as shown on the Application Form. New Zealand based shareholders cannot apply using BPAY unless they have an Australian bank account.</p> <p>Option 2: Pay by cheque or money order</p> <p>Complete and return the enclosed Application Form together with a cheque or money order made payable to 'Leaf Resources Limited Share Purchase Plan' as shown on the Application Form.</p>
What is the maximum investment for each shareholder?	<p>The maximum investment for each shareholder that is not a nominee, trustee or custodian is A\$15,000. If you receive more than one offer (eg due to multiple registered holdings), you may only apply for a maximum of A\$15,000 of New Shares in aggregate across those offers. For example, you may apply for one maximum parcel of A\$15,000 for one holding or, alternatively, apply for parcels of New Shares across multiple holdings so long as the aggregate total amount applied for across those holdings does not exceed A\$15,000.</p> <p>Nominees, trustee and custodians may apply for a maximum of A\$15,000 on New Shares on behalf of each beneficial holder, subject to complying with the criteria set out in clause 7.2 of the Terms and Conditions.</p>
How many shares will I receive?	<p>You may apply for a parcel of New Shares under the Offer with one of the application amounts set out in clause 6.2 of the Terms and Conditions. The Offer Price is A\$0.13 per New Share. This is a discount of 13.33% to Leaf's closing share price on ASX on Tuesday 20 October 2015 (being the last trading day before the details of the Offer were announced). This is also less than the VWAP of Shares of A\$0.145 over the 30 day trading period of 8 September 2015 to 20 October 2015.</p>
When will I receive my shares?	New Shares will be allotted on Thursday 19 November 2015 (Allotment Date). Holding statements/confirmation advices are expected to be sent to successful applicants on Friday 20 November 2015.
When can I trade allocated shares?	You can trade your New Shares after the Allotment Date (ie from Friday 20 November 2015 onwards). However, you should confirm your holding on or after the Allotment Date before trading any New Shares you believe you have acquired under the Offer.

4 Terms and conditions

1 Offer

The Offer entitles eligible Leaf shareholders to apply to purchase up to A\$15,000 worth of Shares in Leaf.

2 Eligibility to participate

- 2.1 You are eligible to participate in the Offer if you were a registered holder of Shares at 7.00 pm (Sydney time on 22 October 2015 (**Record Date**)) with a registered address in Australia or New Zealand, unless:
- (a) you hold Shares on behalf of another person who resides outside Australia or New Zealand; or
 - (b) you are, or are acting for the account or benefit of, a US Person.
- 2.2 Leaf has determined that it is either unlawful or impracticable for holders of Shares with registered addresses in jurisdictions outside Australia and New Zealand to participate in the Offer.
- 2.3 If you are the only registered holder of a holding of Shares, but you receive more than one offer (for example, due to multiple registered holdings), you may only apply for a maximum parcel of A\$15,000 of New Shares in aggregate across those holdings unless you are a Custodian (see **clause 2.5**).
- 2.4 Joint holders of Shares will be taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and a certification under **clause 7.1(j)** by one joint holder will be effective in respect of the other joint holder(s).
- 2.5 If you are a Custodian for a beneficiary or beneficiaries, you may apply for one maximum parcel of New Shares for each beneficiary (or if you are a Custodian for two or more joint beneficiaries, for each such holding as if it was held by a single person). Further information in relation to how Custodians may apply for New Shares is set out in **clause 7.2**.
- 2.6 Directors and employees of Leaf who hold Shares may be Eligible Shareholders.

3 Rights are non-renounceable

If you are an Eligible Shareholder, your rights under the Offer are personal to you and are non-renounceable, which means that you cannot transfer your rights to another person.

4 Offer price

- 4.1 The Offer Price for each New Share is A\$0.13, representing a discount of 13.33% to Leaf's closing share price on ASX on 20 October 2015 (being the last trading day before the details of the Offer were announced).
- 4.2 This is also less than the VWAP of Shares of A\$0.145 over the 30 day trading period of 8 September 2015 to 20 October 2015.
- 4.3 The Offer Price is fixed, regardless of any changes in the market price of Shares during the Offer period.

5 Timing

- 5.1 The Offer opens on Wednesday 28 October 2015 and closes at 5.00 pm (Sydney time) on Friday 13 November 2015 unless extended. Leaf proposes to allot New Shares on Thursday 19 November 2015 and send confirmations to shareholders by Friday 20 November 2015.
- 5.2 Leaf reserves the right to extend the Offer, or the proposed Allotment Date at any time by making an announcement to ASX.

6 Applying for New Shares

- 6.1 You may apply for a parcel of New Shares under the Offer with one of the application amounts set out in the table below. The maximum investment under the Offer is A\$15,000.
- 6.2 The number of New Shares you will receive, at each of the available levels, is set out below. Where applicable, the number of New Shares for each parcel has been rounded up to the nearest whole number of New Shares:

Application amount	Number of New Shares
A\$1,000	7,693
A\$2,500	19,231
A\$5,000	38,462
A\$10,000	76,924
A\$15,000	115,385

- 6.3 You may not apply for more than A\$15,000 of New Shares in aggregate under the Offer, even though you may receive more than one offer, or offers in more than one capacity, under the Offer.
- 6.4 If you wish to apply for New Shares under the Offer you should either:
- (a) pay directly via BPAY[®] on the internet or by telephone, using the details on the Application Form (New Zealand based shareholders cannot apply using BPAY unless they have an Australian bank account).² The Application Form does not need to be returned in this case; or
 - (b) complete the Application Form and forward it with your payment by cheque (or money order) in Australian dollars made payable to 'Leaf Resources Limited Share Purchase Plan' to the Share Registry, at the address set out on the Application Form. A reply paid envelope is enclosed for the convenience of Australian shareholders.
- 6.5 Do not forward cash. Receipts for payment will not be issued.
- 6.6 Funds paid via BPAY or Application Forms (with application payments) must be received by the Share Registry by **7.00 pm (Sydney time) on Friday 13 November 2015**. Leaf may reject applications received after this time. If your cheque does not clear, your application will not be accepted and you agree to be responsible for any dishonour fees or other costs incurred.

² Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should take this into consideration when making any electronic payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received in time.

- 6.7 If your Application Form or application is incomplete, contains errors or is otherwise invalid or defective, Leaf may, in its sole discretion, accept, reject, correct or amend your application, issue such number of New Shares to you as it considers appropriate, refund your application money, or take any combination of these actions. Any necessary refund will be paid to you shortly after the close of the Offer. No interest will be paid on any refunded money.
- 6.8 You cannot withdraw or revoke your application once you have sent in an Application Form or paid via BPAY.

7 Effect of making an application

- 7.1 If you submit a BPAY payment or complete and return the Application Form:
- (a) you will be deemed to have represented and warranted that you are an Eligible Shareholder, you have read and understood these Terms and Conditions and you subscribe for New Shares in accordance with these Terms and Conditions;
 - (b) you authorise Leaf to correct or amend your Application Form as contemplated by **clause 6.7**;
 - (c) you acknowledge that the market price of Shares may rise or fall between the date of the Offer and the Allotment Date and that the Offer Price you pay for the New Shares may exceed the market price of the Shares on the Allotment Date;
 - (d) you accept the risk associated with any refund that may be dispatched to you at your address as shown on the Share register;
 - (e) you are responsible for any dishonour fees or other costs Leaf may incur in presenting a cheque for payment which is dishonoured;
 - (f) you acknowledge that the New Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand, and accordingly, the New Shares purchased under the Offer may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
 - (g) you represent and warrant that you are not a US Person, and are not applying under the Offer for or on behalf of a US Person;
 - (h) you represent and warrant that you have not and will not send any materials relating to the Offer to any person in the United States that is, or is acting for the account or benefit of, a US Person;
 - (i) you acknowledge that you have not been provided with investment advice or financial product advice by Leaf or the Share Registry; and
 - (j) you certify that you have not applied for, or instructed a Custodian to apply on your behalf for, New Shares with an application price which, when aggregated with the application price for any Shares issued to you or a Custodian on your behalf under the Offer or any similar Leaf arrangement in the 12 months prior to your application, exceeds A\$15,000. This certification by one joint holder of Shares will be effective in respect of the other joint holder(s).

- 7.2 If you are a Custodian, you certify:
- (a) that as at the Record Date, you hold Shares on behalf of one or more beneficiaries, and that those beneficiaries have instructed you to apply for New Shares;
 - (b) details of the number of beneficiaries who have instructed you to apply for New Shares on their behalf, their names and addresses, the number of Shares you hold on their behalf and the number of New Shares they have instructed you to apply for are correct;
 - (c) you have not applied for New Shares on behalf of any beneficiary with an application price which, when aggregated with the application price for any Shares issued to you on behalf of that beneficiary under the Offer or any similar Leaf arrangement in the 12 months prior to your application, exceeds A\$15,000; and
 - (d) you:
 - (i) hold an Australian financial services licence that covers the provision of a custodial or depositary service (within the meaning given by section 766E of the Corporations Act) or covers the operation of an IDPS (as defined in ASIC class order CO 13/763); or
 - (ii) do not hold an Australian financial services licence as described in the Class Order and are exempt from the requirement to hold such a licence; or
 - (iii) otherwise meet the definition of Custodian in the Class Order.
- 7.3 Custodians wishing to participate on behalf of one or more beneficiaries should contact the Share Registry to obtain more information on how to apply and the form of certification to be given.
- 7.4 Please note that if you hold Shares in the capacity of a trustee or a nominee for another person but you do not meet the definition of Custodian in the Class Order, you cannot participate for beneficiaries in the manner outlined in **clause 7.2** above. In this case, the rules for multiple registered holdings as described in **clause 2.3** apply.

8 Rights attached to the New Shares

New Shares issued under the Offer will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements as at the Allotment Date. Leaf will apply for the New Shares to be quoted on ASX.

9 Costs of participation

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and allotment of, New Shares under the Offer.

10 Refunds

- 10.1 Refunds under the Offer may be paid under various circumstances. For example, if applications are made incorrectly the entire payment may be refunded, or if allocations are scaled back a partial refund may be made.
- 10.2 If a refund is made, payment will be by cheque mailed to your address as shown on Leaf's Share register.

- 10.3 You will not receive any interest on funds refunded to you.
- 10.4 Any refund made to you is dispatched at your risk.

11 United States

- 11.1 Participation in the Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person. This document and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of, a US Person. Participation in the Offer, directly or indirectly, in violation of these restrictions is not permitted, and any such participation will be invalid.
- 11.2 This document is not an offer of securities for sale in the United States or to any person that is, or is acting for the account or benefit of, a US Person. Leaf's Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or delivered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person, except in accordance with an available exemption from registration.
- 11.3 Because of the legal restrictions summarised above, you must not send copies of any Offer materials to any of your clients (or any other person) in the United States or to any person that is, or is acting for the account or benefit of, a US Person. Consistent with the warranties set out above, you are also advised not to submit any Application Form or make payment by BPAY or otherwise in respect of the purchase of New Shares under the Offer on behalf of any of your clients (or any other person) in the United States or that is, or is acting for the account or benefit of, a US Person. Failure to comply with these restrictions may result in violations of applicable securities laws.

12 Dispute resolution

Leaf reserves the right to settle in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Offer and the decision of Leaf will be conclusive and binding on all shareholders and other persons to whom the determination relates.

13 Waiver, amendment, suspension and termination

- 13.1 Leaf may, in its discretion, waive compliance with any provision of these Terms and Conditions, amend or vary these Terms and Conditions or suspend, withdraw or terminate the Offer at any time. Any such waiver, amendment, variation, suspension, withdrawal or termination will be binding on all Eligible Shareholders even where Leaf does not notify you of the event.
- 13.2 Leaf is not liable for loss, cost or expense arising out of any exercise of its discretions under these Terms and Conditions.

14 ASIC relief

- 14.1 The Offer is made in accordance with the Class Order. The Class Order grants relief from the requirement to prepare a prospectus for the offer of New Shares up to A\$15,000 under the Offer, subject to certain terms and conditions.
- 14.2 In accordance with the terms of the Class Order, Leaf has lodged a notice with ASX on 23 October 2015 that complies with section 708A(6) of the Corporations Act.

15 **Governing law**

These Terms and Conditions are governed by the laws in force in New South Wales.

16 **Binding terms**

By accepting the offer to purchase New Shares under the Offer, you agree to be bound by these Terms and Conditions and the constitution of Leaf.

17 **No underwriting**

The Offer is not underwritten.

18 **Definitions**

In this document the following terms have these meanings:

Definition	Meaning
Allotment Date	The date the New Shares are allotted, expected to be Thursday 19 November 2015.
Application Form	The application form which accompanies this document.
ASIC	The Australian Securities & Investments Commission.
ASX	ASX Limited or the Australian Securities Exchange, as the context requires.
Class Order	ASIC class order CO 09/425.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Custodian	The meaning given in the Class Order.
Eligible Shareholder	A person who is eligible to participate in the Offer in accordance with clause 2 of the Terms and Conditions.
Leaf	Leaf Resources Limited ABN 18 074 969 056.
New Shares	The Shares offered in this document.
Offer	The offer of New Shares in this document.
Offer Price	A\$0.13 per New Share.
Record Date	The record date for the Offer being Thursday 22 October 2015.
Share Registry	Link Market Services Ltd.
Shares	Fully paid ordinary shares in Leaf.
Terms and Conditions	The terms and conditions of the Offer set out in section 4 .
US Person	A 'U.S. person' as defined in <i>Regulation S</i> under the US Securities Act.
US Securities Act	<i>US Securities Act of 1933</i> , as amended.
VWAP	Volume weighted average price.

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