



Appendix 4E -Preliminary Final Report

30 June 2016

ABN 18 074 969 056

Leaf Resources Limited

ABN 18 074 969 056

1. Reporting period: Year Ended 30 June 2016
Previous reporting period: Year Ended 30 June 2015

2. Results for announcement to the market

Key Information					\$'000
Revenue from ordinary activities	Up	540%	to		50
(Loss) from ordinary activities after tax attributable to members	Up	36%	to		(2,606)
(Loss) for the period attributable to members	Up	36%	to		(2,606)

The Group's operating loss after the R&D income tax refund for the year ended 30 June 2016 amounted to \$2,606,254 (30 June 2015 – loss of \$1,913,485).

	Amounts per share Cents	Franked amount per share Cents
Dividends		
Final	Nil	N/A
Interim	Nil	N/A

Record date for determining entitlements N/A

3. – 6. Additional Appendix 4E disclosures (items 3 – 6) can be found in the following financial statements for the year ended 30 June 2016 and accompanying notes.

7. No dividends or distributions payments have been made during the year.

8. No dividend or distribution reinvestment plans are in operation.

9. Net Tangible Assets

	Current Year	Previous Year
Net tangible asset backing per ordinary share	1.24 cents	0.67 cents

10. Details of entities over which control has been gained or lost

Control gained over entities	N/A
Control lost over entities	N/A

11. Details of associates and joint venture entities

No associates or joint venture entity transactions

12. Going concern note / Significant information

The financial report has been prepared on a going concern basis.

Since the end of the reporting period, the Company has:

- entered into a joint venture to develop five projects with world-class project developer Claeris, LLC
- formed Leaf Development, LLC (a partly owned subsidiary of Leaf Resources Limited) in the USA as the joint venture entity with Claeris HoldCo, LLC
- formed Leaf Resources USA, LLC (a wholly owned subsidiary of Leaf Resources Limited) in the USA to hold shares in Leaf Development, LLC
- formed Leaf Performance Plan Pty Ltd to act as trustee of the Leaf Performance Plan Trust
- made private placements of shares in July 2016 to Australian investors and in August 2016 to US based investors and a UK based supplier.
- granted options to Claeris ManagementCo, LLC in accordance with the Share Option Agreement between Leaf Resources Limited and Claeris Management Co, LLC.

13. Foreign entities

N/A

14. Commentary on the results for the period

14.1 Earnings per share

	2016	2015
EPS (cents)	(2.07)	(1.80)
Dividends (cents/share)	-	-
Net profit/(loss) (\$)	(2,606,254)	(1,913,485)
Share price (\$)	0.115	0.16

14.2 Returns to shareholders including distributions and buy backs – refer to section above.

14.3 Significant features of operating performance – refer above and to shareholder update.

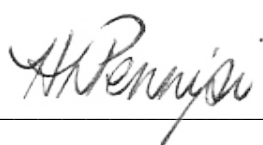
14.4 The results of segments that are significant to an understanding of the business as a whole are disclosed in note 6.

14.5 A discussion of trends in performance – refer above and to shareholder update

14.6 Unless otherwise explicitly stated above or in the notes to the financial statements there are no other significant factors that could not be quantified.

15. Audit

This report is based on the financial statements which are in the process of being audited; it is anticipated that the Audit Opinion will be unqualified with an emphasis of matter paragraph with respect to going concern.



Date: 31 August 2016

Helen Pennisi

Company Secretary

31 August 2016
Australian Securities Exchange Announcement

Shareholder update

Dear shareholders,

The last 12 months has been a period of significant progress for Leaf Resources as we are now in an ideal position to capitalise on the global shift away from traditional petrochemical manufacturing towards a more sustainable future.

Highlights for the year include the Claeris transaction and possible opportunities at ZeaChem's Boardman facility, which are detailed below.

Claeris

A new era for Leaf Resources was marked with the announcement of a joint venture (JV) agreement with US-based project developer Claeris LLC in July 2016. Claeris is world-class project developer, based in Dallas, Texas, with a track record of delivering large-scale, financially successful, renewable projects.

The JV, to develop up to five renewable chemical plants using our Glycell™ technology, will accelerate Leaf Resources' project development timeline and put the Company firmly on the path of our next phase of growth.

Claeris' selection of Leaf Resources as its JV partner and subsequent US\$500,000 investment, provides further validation of the Glycell™ process.

The Glycell™ process continues to gain traction across the world at a time when there is an ever growing demand for environmentally friendly alternatives to the use of fossil fuels. Details on the Claeris transaction can be found in our ASX announcement dated 20th July 2016.

ZeaChem

Leaf Resources continues to explore opportunities with ZeaChem Inc. to combine ZeaChem's biorefinery engineering experience and our Glycell™ renewable chemical technology. Leaf Resources currently owns 13% of ZeaChem with the potential to increase its stake to 45%.

Leaf Resources has proposed a solution for utilising fermentation capacity at ZeaChem's Boardman plant that could see that plant become a small, profitable commercial chemical plant. This opportunity is currently being explored in more detail.

The next 12 months

Leaf Resources has a clearly defined, profitable and secure path to commercialisation. The next 12 months will see us focus on delivering a series of identifiable renewable chemical projects with the following two key milestones identified:

Claeris JV project 1: Development work has already commenced for the location of a site, biomass sources, end molecules and key project partners. A scoping study is expected to be completed by the end of calendar 2016.

ZeaChem Boardman: The establishment of Boardman as a small commercial chemical plant is the key priority, as it will provide a sound base for the growth of ZeaChem.

The Team

One of Leaf Resources' great strengths is the expertise of our technical team who continues to demonstrate their innovation capabilities to provide ever growing opportunities to commercialise the Glycell™ process.

There is no better example of this than the recently lodged patent application for extracting silica from rice husk. The development demonstrates great innovative science with practical nous, leading to a process that can extract commercially valuable silica from rice husk, together with valuable byproducts.

After the silica has been extracted, the rice husk can be used as a cheap input for the Glycell™ process to produce green chemicals. This technology presents another exciting opportunity for our Company.

Conclusion

This year has seen considerable progress in our commercialisation strategy. The highlight is our deal with Claeris, which gives us the access to project skills to deliver on our technology's promise on a worldwide basis.

None of this would be possible without the Leaf Resources team. I would like to thank all the staff for their efforts over the last twelve months. Leaf Resources is fortunate to have a team with the right skills for the task, an enthusiasm to succeed and an ability to deliver results.

I also like to thank shareholders for the support they have given the Company and the team. This new financial year promises to be a big year that will see your Company make significant strides towards commercialisation and profitability.



Ken Richards

Managing Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue	1	50,000	7,809
Other income	3	107,842	15,711
Mining lease expenses		(9,904)	(5,915)
Depreciation, amortisation and impairment	4	(4,585)	(3,180)
Employee benefits expense	4	(995,945)	(645,267)
Directors' & officers' fees & CEO		(571,548)	(484,786)
Office administration		(208,038)	(122,130)
Professional fees		(209,990)	(131,283)
Corporate and investor costs		(238,951)	(218,123)
Travel and accommodation		(223,291)	(227,087)
Research and development		(762,243)	(566,535)
Patent and licence fees		(14,667)	(10,999)
Other expenses		(71,780)	(40,680)
Loss before income tax		(3,153,100)	(2,432,465)
Income tax benefit	5	546,846	518,980
Loss for the year from continuing operations		(2,606,254)	(1,913,485)
Loss from discontinued operations		-	-
Loss for the year		(2,606,254)	(1,913,485)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(2,606,254)	(1,913,485)

Earnings Per Share from Continuing Operations

Basic loss per share (cents)	(2.07)	(1.80)
Diluted loss per share (cents)	(2.07)	(1.80)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	7	1,045,551	698,725
Trade and other receivables	8	164,594	65,960
Current tax assets	6	542,107	405,830
Total Current Assets		1,752,252	1,170,515
Non-Current Assets			
Property, plant and equipment	9	28,685	20,804
Other financial assets	10	567,687	24,783
Intangible assets	11	-	-
Total Non-Current Assets		596,372	45,587
Total Assets		2,348,624	1,216,102
Current Liabilities			
Trade and other payables	12	313,089	119,346
Employee benefits	13	119,440	234,640
Provisions	14	125,000	100,000
Total Current Liabilities		557,529	453,986
Non-Current Liabilities			
Employee benefits	13	17,686	-
Total Non-Current Liabilities		17,686	-
Total Liabilities		575,215	453,986
Net Assets		1,773,409	762,116
Equity			
Issued capital	15	40,826,866	37,401,914
Reserves	16	270,617	78,022
Accumulated losses	17	(39,324,074)	(36,717,820)
Total Equity		1,773,409	762,116

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	Attributable to equity holders of the parent			
	Issued Capital \$	Accumulated Losses \$	Other Reserves \$	Total Equity \$
Balance at 1 July 2014	34,830,856	(34,804,335)	54,530	81,051
Loss for the year ended 30 June 2015	-	(1,913,485)	-	(1,913,485)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	(1,913,485)	-	(1,913,485)
Transactions with owners in their capacity as owners				
Shares issued	2,406,206	-	-	2,406,206
Share issue transaction costs	(149,633)	-	-	(149,633)
Cost of share-based payments	311,061	-	26,916	337,977
Transfer relating to options expired	3,424	-	(3,424)	-
Total transactions with owners	2,571,058	-	23,492	2,594,550
Balance at 30 June 2015	37,401,914	(36,717,820)	78,022	762,116
Balance at 1 July 2015	37,401,914	(36,717,820)	78,022	762,116
Loss for the year ended 30 June 2016	-	(2,606,254)	-	(2,606,254)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	(2,606,254)	-	(2,606,254)
Transactions with owners in their capacity as owners				
Shares issued	3,469,346	-	-	3,469,346
Share issue transactions costs	(151,730)	-	-	(151,730)
Cost of share-based payments	107,336	-	192,595	299,931
Total transactions with owners	3,424,952	-	192,595	3,617,547
As at 30 June 2016	40,826,866	(39,324,074)	270,617	1,773,409

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Net cash flows from operating activities			
Receipts from customers		36,757	11,457
Payments to suppliers & employees		(2,770,332)	(2,215,941)
Interest received		9,961	12,844
R&D tax incentive refund		410,569	203,654
Net cash used in operating activities	18	(2,313,045)	(1,987,986)
Cash flows from investing activities			
Payment for plant & equipment		(12,466)	(20,278)
(Payments for)/proceeds from other financial assets		(542,904)	(24,783)
Net cash provided by investing activities		(555,370)	(45,061)
Cash flows from financing activities			
Proceeds from issue of shares		3,366,970	2,406,206
Share issue transaction costs		(151,730)	(149,635)
Net cash provided by (used in) financing activities		3,215,240	2,256,571
Net (decrease)/increase in cash and cash equivalents		346,825	223,524
Cash and cash equivalents at the beginning of the financial year		698,726	475,201
Cash and cash equivalents at the end of the financial year	18	1,045,551	698,725

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1: Basis of Preparation

This preliminary final report has been prepared in accordance with ASX listing rule 4.3A and the disclosure requirements of ASX Appendix 4E. This preliminary final report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the last annual report issued for the period ended 30 June 2015 and any public announcements made by Leaf Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

2: Revenue

	2016 \$	2015 \$
Gravel sales	-	7,809
Research fees	50,000	-
	50,000	7,809

3. Other income

	2016 \$	2015 \$
Interest income	9,961	12,844
Other	97,881	2,867
	107,842	15,711

4. Expenses

	2016 \$	2015 \$
Depreciation, amortisation and impairment expense		
Depreciation of property, plant and equipment	4,585	3,180
	4,585	3,180
Employee Benefits Expense		
Salaries, wages & bonus	803,610	586,686
Superannuation	53,389	43,143
Share based payments	99,319	6,918
Other employee benefits	39,627	8,520
	995,945	645,267
Rental expense relating to operating leases		
Minimum lease payments	-	40,789
Net foreign exchange differences	(49,644)	(10,958)

5. Income tax

Reconciliation between the income tax benefit and the expected tax expense (income) based on the Group's applicable income tax rate is as follows:

	2016 \$	2015 \$
Loss before income tax	(3,153,100)	(2,432,465)
Income tax at 30% (2015: 30%)	(945,930)	(729,739)
Expenditure not allowable for income tax purposes	467,346	337,310
Temporary differences (deferred tax)	2,822	(48,592)
Unrecognised/ (recognised) tax losses	475,762	440,622
R&D tax incentive cash refund current year	(542,107)	(405,830)
Adjustment in respect of prior year's R&D tax incentive	-	(113,150)
Actual income tax benefit	(542,107)	(518,980)
Income tax refund comprises:		
Current tax expense (income)	(542,107)	(518,980)
Deferred tax expense (income)	-	-
Income tax benefit, current year	(542,107)	(518,980)
Under provision for income tax benefit, prior year	(4,739)	-
Income tax benefit	(546,846)	(518,980)

6. Segment information for the reporting period is as follows:

	Gravel 2016 \$	R&D 2016 \$	Total 2016 \$	Gravel 2015 \$	R&D 2015 \$	Total 2015 \$
Revenue (external)						
Australia – research fees	-	50,000	50,000	-	-	-
Australia – gravel sales	-	-	-	7,809	-	7,809
Segment & group revenue	-	-	-	7,809	-	7,809
Interest income	467	-	467	2,817	-	2,817
Other income	-	-	-	-	-	-
Cost of sales	(9,904)	-	(9,904)	(5,916)	-	(5,916)
Employee benefits expense	-	(424,276)	(424,276)	-	(261,677)	(261,677)
Office administration	(120)	(10,529)	(10,649)	(216)	(36,379)	(36,595)
Professional fees	(37,574)	-	(37,574)	(11,366)	-	(11,366)
Statutory fees	(246)	-	(246)	(243)	-	(243)
Travel and accommodation	-	(66,912)	(66,912)	(26)	(46,988)	(47,014)
Research and development	-	(702,965)	(702,965)	-	(546,711)	(546,711)
Patent and licence fees	-	(72,271)	(72,271)	-	(10,090)	(10,090)
Other	(25,000)	-	(25,000)	-	-	-
Segment operating profit or loss	(72,377)	(1,226,953)	(1,299,330)	(7,141)	(901,845)	(908,986)
Segment assets	681,905	11,260	693,165	729,282	16,700	745,982
Segment liabilities	142,634	1,591,948	1,734,582	117,634	1,532,068	1,649,702

7. Cash and cash equivalents

Cash and cash equivalents include the following components:

	2016 \$	2015 \$
Cash at bank and in hand		
Cash held in \$AUD	987,351	480,236
Cash held in \$USD (converted to \$AUD)	5,059	218,489
Cash held in EURO (converted to \$AUD)	53,141	-
Cash and cash equivalents	1,045,551	698,725

8. Trade and other receivables

	2016 \$	2015 \$
Trade receivables	46,360	-
Impairment allowance	-	-
Net trade receivables	46,360	-
Other debtors	89,066	18,860
GST receivable	11,649	4,368
Prepayments	15,423	34,036
Deposit landlord	-	6,600
Accrued income	2,096	2,096
Total Trade and other receivables	164,594	65,960

9. Property, plant and equipment

Property, plant and equipment are included in the accounts, at cost, on the following basis:

	2016 \$	2015 \$
Plant and equipment		
Cost	41,207	28,741
Accumulated depreciation	(12,522)	(7,937)
Total property, plant and equipment	28,685	20,804

Movements in carrying amounts

	2016 \$	2015 \$
Plant and equipment		
Opening written down value	4,732	3,705
Additions	8,558	3,849
Disposals	-	-
Depreciation	(3,401)	(2,822)
Closing written down value, plant & equipment	9,889	4,732
Leasehold improvements		
Opening written down value	16,072	-
Additions	674	16,430
Disposals	-	-
Depreciation	(1,150)	(358)
Closing written down value, leasehold improvements	15,596	16,072
Laboratory equipment		
Opening written down value	-	-
Additions	3,234	-
Disposals	-	-
Depreciation	(34)	-
Closing written down value, laboratory equipment	3,200	-
Total property, plant and equipment	28,685	20,804

Movement in the carrying amounts for each class of property, plant and equipment between the

All depreciation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets.

10. Other Financial assets

	2016 \$	2015 \$
Available for sale financial asset	567,687	24,783

During the year the Company made a financial investment in ZeaChem Inc. The investment has been initially recorded at fair value, being the cost of the investment. In the current period, the lack of observable data has resulted in the Group determining that it is unable to reliably measure the fair value of the investment and therefore the investment has been carried at cost. Leaf Resources and ZeaChem have also entered into a Joint Venture and have signed collaboration agreements in place.

11. Intangible assets

Leaf Resources has a focused intellectual property (IP) strategy in which it regularly reviews all of its research activities and is proactive in identifying new intellectual property and building strength around its ongoing core IP assets.

The Company's management have extensive IP experience and work closely with patent attorneys and lawyers in Australia and abroad to build and maintain the intellectual property portfolio.

During the reporting period the Company filed one patent application:

Australian provisional patent application number 2016901959 "Method for Extracting Silica" relates to methods for extracting silica from organic material and more particularly plant material, such as rice hulls, rice straw and sugarcane bagasse. Lignin may also be produced by the method.

The patent application is held by Leaf Research Pty Ltd, a wholly owned subsidiary of Leaf Resources.

Another wholly owned subsidiary of Leaf Resources, Leaf Sciences Pty Ltd has previously filed the following patent applications:

- PCT/AU2015/050390 - "Methods for hydrolysing lignocellulosic material" relating to the conversion of plant biomass to cellulose and then to cellulosic sugars and;
- PCT/AU2015/050389 - "Methods for treating lignocellulosic material" relating to the conversion of plant biomass into cellulose for cellulose fibre and;
- Australian provisional patent no. 201500826 "Apparatus system and method for treating lignocellulosic material" relating to the Hybritech™ platform that enables the production of either pulp or cellulosic sugars from the same equipment line.

The Group has expensed all internal research and development expenditure incurred during the year as the costs relate to the research of products and processes. The intellectual property cannot be recognised as an asset under Accounting Standards at this time as the generation of future economic benefits are still to be quantified.

The Company, through its management of previous programs has executed termination agreements finalising the previous collaboration and the licensing arrangements with QUT Bluebox, QUT and Syngenta. There are minimal ongoing obligations for Farmacule Bioindustries Pty Ltd, Leaf Resources' wholly owned subsidiary.

12. Trade and other payables

Trade and other payables consist of the following:

	2016 \$	2015 \$
Trade payables	69,094	59,538
Accruals	213,390	45,689
Other payables	30,605	14,119
Total trade and other payables	313,089	119,346

All amounts are short-term. The carrying values of trade and other payables are considered to be a reasonable approximation of fair value.

13. Employee benefits

The liabilities recognised for employee benefits consist of the following amounts:

	2016 \$	2015 \$
Current		
Leave entitlements	100,036	112,264
Accrued directors' salaries	19,404	122,376
Total employee benefits	119,440	234,640
Non-Current		
Leave entitlements	17,686	-
Total non-current employee benefits	17,686	-
Total employee benefits	137,126	234,640

The current portion of these liabilities represents the Group's obligations to its current employees that are expected to be settled during the year ended 30 June 2017. Refer to the remuneration report for further information regarding the accrued components of employee benefits as they relate to directors and executives and refer to Note 23 for share based payment information.

14. Provisions

All provisions are considered current. The carrying amounts and movements in the mining rehabilitation provision during the financial year are set out below:

	2016 \$	2015 \$
Carrying amount opening	100,000	100,000
Additional provision	25,000	-
Amount utilised	-	-
Reversal	-	-
Carrying amount closing	125,000	100,000

Leaf Resources' subsidiary AQL Mining Pty Ltd is required to restore the mining leases held in Karratha, Western Australia, to the extent required by the mining approvals. A provision for rehabilitation has been recognised for the present value of the estimated expenditure required to restore the ground site on cessation of mining. Restoration of the mining leases has commenced.

15. Issued capital

The current issued share capital of Leaf Resources Limited consists only of fully paid ordinary shares; the shares do not have a par value. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Group, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

	2016 Number	2016 \$	2015 Number	2015 \$
Movements in ordinary share capital				
Balance at beginning of financial year	113,357,067	37,401,914	73,737,292	34,830,856
Net share issue	27,385,227	3,217,026	31,357,320	2,256,573
Net issue under share based payments	1,307,466	194,334	8,262,455	311,061
Exercised / expired employee options	700,000	13,592	-	3,424
Total contributed equity	142,749,760	40,826,866	113,357,067	37,401,914

The Company issued shares at multiple times throughout the year to increase the working capital of the Group to further the development and commercialisation of the Glycell™ process.

16. Reserves

	Note	2016 \$	2015 \$
Employee equity-settled benefits reserve		78,022	78,022
Movements:			
Balance at beginning of the financial year		78,022	54,530
Cost of share-based payment		206,187	26,916
Value of exercised & expired options under ESOP		(13,592)	(3,424)
Balance at the end of the financial year		270,617	78,022

This reserve records the value of equity benefits, i.e. share based payments, provided to employees and directors as part of their remuneration. Refer to Note 23 Share Based Payments for further details of these plans.

17. Accumulated losses

	2016 \$	2015 \$
Opening balance at the beginning of the financial year	(36,717,820)	(34,804,335)
Loss for the year	(2,606,254)	(1,913,485)
Closing balance at the end of the financial year	(39,324,074)	(36,717,820)

18. Notes to the statement of cash flows

a) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks, net of outstanding bank overdrafts.

Cash and cash equivalents at the end of the year as shown in the statement of cash flow is reconciled to the related item in the statement of financial position as follows:

	2016 \$	2015 \$
Cash and cash equivalents	1,045,551	698,725

b) Reconciliation of net loss for the period to cash flows provided by operating activities

	2016 \$	2015 \$
Net loss for the period	(2,606,254)	(1,913,485)
Adjustments for:		
Depreciation	4,585	3,180
Share based payments	339,931	241,429
Profit on sale of equipment included in investing activities	-	-
Net changes in working capital:		
Change in trade and other receivables	(98,633)	(12,846)
Change in current tax assets	(136,277)	(315,326)
Change in trade and other payables	193,741	9,514
Change in employee benefits	(35,138)	(452)
Change in provisions	25,000	-
Net cash used in operating activities	(2,313,045)	(1,987,986)

c) Non-cash investing and financing activities

Settlement of some directors' fees, employee bonus and supplier payments by shares and employee options issued are non-cash transactions excluded from the statement of cash flows.

19. Share based payments

During the year the Group undertook share based payment arrangements for directors, employees and suppliers. All arrangements settled in equity are set out below.

Share based payment expense

Total expenses arising from share based payment transactions recognised during the period as part of total comprehensive income for the year were as follows:

	2016 \$	2015 \$
Shares issued to employees	25,000	-
Shares issued to directors	68,744	109,700
Employee share option plan – employees	40,424	6,918
Employee share option plan – directors and officers	5,846	19,998
Employee performance rights plan	159,917	-
Subtotal	299,931	136,616
Shares issued to suppliers	40,000	104,813
	339,931	241,429

All transactions have been included in equity reserves during the period.

20. Events subsequent to balance date

Since 30 June 2016 the following matters have arisen which may significantly affect the operations of the Group:

- the Company signed a global partnership agreement with Claeris LLC of Dallas, a successful renewables project developer, to build up to five biorefineries.
- Leaf Development, LLC was formed in Texas and became a partly owned subsidiary of Leaf Resources Limited. Claeris HoldCo, LLC is the minority shareholder in Leaf Development, LLC.
- Leaf Resources, LLC was formed in Delaware, is a wholly owned subsidiary of Leaf Resources Limited and holds equity in Leaf Development, LLC.
- Leaf Performance Plan Pty Ltd was incorporated to act as trustee of the Leaf Performance Plan Trust.
- a private placement of shares was made to US based investors, raising \$784,314
- a share based payment of \$23,760 was made to a UK based supplier
- 869,608 performance rights vested
- 1,557,052 options were granted to Claeris ManagementCo, LLC in accordance with the Share Option Agreement between Leaf Resources and Claeris ManagementCo, LLC.

21. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy on consolidation. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the parent of the Group, and the proportion of ownership interests held equal the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name Unlisted:	Principal activities	Country of incorporation	Class of shares	Ownership interest	
				2016 %	2015 %
AQL Mining Pty Ltd	Mining of gravel and general fill	Australia	Ord	100	100
Farmacule BioIndustries Pty Ltd	Research & development	Australia	Ord	100	100
Leaf Sciences Pty Ltd	Intellectual property owner	Australia	Ord	100	100
Leaf Research Pty Ltd	Research & development	Australia	Ord	100	100