



Leaf Resources Limited

ABN: 18 074 969 056

**NOTICE OF EXTRAORDINARY GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM**

Friday, 16 June 2017

10.00am (Brisbane Time)

Grant Thornton, Sir Samuel Griffith Boardroom,
Level 18, 145 Ann St, Brisbane, Queensland, Australia

LETTER FROM THE CHAIRMAN

Dear Member

I am pleased to invite you to a General Meeting of Leaf Resources Limited (ASX:LER). The meeting will be held at 10:00am (Brisbane time) on 16 June 2017 at Grant Thornton, Sir Samuel Griffith Boardroom, Level 18, 145 Ann St, Brisbane, Queensland.

Enclosed you will find the Notice of Meeting and Explanatory Memorandum detailing the business to be dealt with at the meeting. Items that will be voted on at the meeting are: the approval of previous issues of Shares and unlisted Options (Item 1); an increase in the Directors Remuneration Pool (Item 2); appointment of William Baum to the Board (item 3); and approval of an Option issue (Item 4).

The approval of the previous issues of Shares and unlisted Options on 17 November 2016 and 2 February 2017 will reinstate the Company's capacity to issue equity securities without the prior approval of shareholders, as permitted in accordance with Listing Rules 7.1 and 7.1A.

The increase in the Director's Remuneration is designed to move the remuneration to more closely align with current market practices and rates.

Importantly it will also allow for the appointment of an additional Director to the Board to ensure that the Company has the right mix of skills and experience in place as it continues to progress towards commercialisation of the Glycell™ process and the advancement of a potential project in Malaysia and the USA.

The last 12 months has been a transformational period for Leaf Resources during which the Company has moved rapidly along the path of commercial implementation of the Glycell process.

Through this period, Leaf has grown its international presence and now has a coalition of international partners, all of whom are leaders in their field, and who will play a significant role as the Company actively pursues commercial projects in South-East Asia, the US as well as in Europe.

As Leaf moves closer to these milestones it is important that it has the right skills and experience in place to execute on the opportunity ahead.

In order to guide the Company through this critical next phase, the Board wishes to appoint an additional director, Mr William Baum.

Mr Baum, who is based in the US, has a long and distinguished career in the biobased chemicals industry and has an extensive network across the globe. He has worked as an independent consultant, executive and Company Director and brings a wealth of knowledge in bio-chemical production as well as strategy and deal transactions.

The Board believes that Mr Baum's international experience and connections in the biobased chemicals industry will be invaluable as Leaf moves through its next phase.

Mr Baum's appointment will be subject to the approval of Item 2. Subject to this approval, shareholders are asked to approve the issue of 800,000 Options to Mr Baum. The terms and conditions of the Option issue are set out in the Explanatory Memorandum and as always, shareholders should consider the information provided in this letter and in the Notice of Meeting before making their voting decisions.

Yours sincerely



Dr Jay Hetzel
Chairman

NOTICE OF GENERAL MEETING

A General Meeting of Leaf Resources Limited (**Company**) will be held at 10:00am (Brisbane time) on 16 June 2017 at Grant Thornton, Sir Samuel Griffith Boardroom, Level 18, 145 Ann St, Brisbane, Queensland for the purpose of transacting the business set out in this notice.

SPECIAL BUSINESS

Item 1: Ratification of previous issue of Shares and unlisted Options under Listing Rule 7.1 and Listing Rule 7.1A

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Members approve the previous issue of the following:

Resolution 1(a)

"689,656 Shares at \$0.145 per Share on 17 November 2016 to the allottee, on the terms set out in the Explanatory Memorandum."

Resolution 1(b)

"17,241,380 Shares at \$0.145 per Share on 2 February 2017 to the allottees on the terms set out in the accompanying Explanatory Memorandum."

Resolution 1(c)

"11,120,690 unlisted Options (LEROPT06) at \$nil per Option on 2 February 2017 to the allottees) on the terms set out in the accompanying Explanatory Memorandum."

Item 2: Increase in Directors' Remuneration

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

"That, in accordance with Listing Rule 10.17 and Articles 33(a) and 33(c) of the Company's Constitution and for all other purposes, the maximum aggregate amount payable by the Company by way of Directors' remuneration be increased by \$130,000 from \$220,000 per annum to an amount of \$350,000 per annum, on the terms and conditions set out in the accompanying Explanatory Memorandum."

Item 3: Appointment of William Baum as Director

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

"That, subject to resolution 2 being passed, and in accordance with Article 28.2 of the Company's constitution and for all other purposes, Members approve the appointment of William Baum as a Director of the Company on the terms and conditions set out in the Explanatory Memorandum."

Item 4: Approval of issue of Options to William Baum

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

"That, subject to resolutions 2 and 3 being passed and for the purposes of Listing Rule 10.11 and for all other purposes, Members approve the issue of 800,000 Options to Mr William Baum or his nominee, on the terms and conditions set out in the Explanatory Memorandum."

DETERMINATION OF ENTITLEMENT TO ATTEND AND VOTE

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the Directors have determined that persons who are registered holders of Shares in the Company as at 7:00pm (Brisbane time) on 14 June 2017 will be entitled to attend and vote at the Meeting as a Member. 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 Meeting (whether personally, by proxy, 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, Members have one vote for every Share held (subject to the restrictions on voting referred to on page 5).

PROXIES

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

The proxy need not be a Member of the Company. A Member 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 Member'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 Company's 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 10:00 am (Brisbane time) on 14 June 2017 (48 hours before the commencement of the Meeting).

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

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

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

Members 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.

Members who will not be attending the Meeting are encouraged to complete and return the voting form for each of their holdings of Shares.

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

QUESTIONS AND COMMENTS BY MEMBERS AT THE MEETING

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

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

In accordance with the Listing Rules, the Company will disregard any votes cast on:

Resolution 1(a) by Idalp Pty Ltd and any associate of Idalp Pty Ltd.

Resolution 1(b) by an allottee who participated in the issue of Shares and any associate of the allottee (or those allottees).

Resolution 1(c) by an allottee who participated in the issue of unlisted Options and any associate of the allottee (or those allottees).

Resolution 2 by:

- a) a director of the Company and any associate of a director; and
- b) a member of the key management personnel (**KMP**) or a closely related party (**CRP**) appointed as a proxy, unless the appointment specifies the way the person is to vote on resolution 2.

Resolution 3 by:

- a) William Baum and any associate of William Baum; and
- b) a member of the KMP or a CRP appointed as a proxy, unless the appointment specifies the way the person is to vote on resolution 3.

Resolution 4 by:

- a) William Baum and any associate of William Baum; and
- b) a member of the KMP or a CRP appointed as a proxy, unless the appointment specifies the way the person is to vote on resolution 4.

The Company need not disregard a vote if it is cast:

- a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- b) 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 MEMORANDUM

The accompanying Explanatory Memorandum 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 MEMORANDUM

This Explanatory Memorandum contains an explanation of, and information about, the Resolutions to be considered at the Extraordinary General Meeting of Shareholders of Leaf Resources Limited to be held on Friday, 16 June 2017. This Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed. Shareholders should read the Explanatory Memorandum in full. The Explanatory Memorandum forms part of the accompanying Notice of Meeting and should be read with the Notice of Meeting.

The Explanatory Memorandum does not take into account the individual investment objectives, financial situation and needs of individual Shareholders or any other person. If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

Capitalised words used in the Notice of Meeting and in the Explanatory Memorandum are defined in the Glossary section at the end of the Explanatory Memorandum.

The information contained in this Explanatory Memorandum has been prepared by the Company and is the responsibility of the Company. Other than the information set out in this Explanatory Memorandum, the Directors believe that there is no other information that could reasonably be required by Shareholders to consider Resolutions 1 to 4 (inclusive).

Item 1: Ratification of previous issue of Shares and unlisted Options under Listing Rule 7.1 and Listing Rule 7.1A

Listing Rule 7.1 generally restricts listed companies from issuing equity securities in any 12 month period, in excess of 15% of the number of issued securities of the company at the beginning of the 12 month period, without prior Member approval or under an exception in Listing Rule 7.2.

Listing Rule 7.1A enables an eligible entity to seek Shareholder approval to issue equity securities up to 10% of its issued share capital by passing a special resolution at its annual general meeting. The additional 10% placement capacity may be utilised during the 12 month period from the date of the annual general meeting and is in addition to the 15% placement capacity under Listing Rule 7.1.

The Company obtained approval from Shareholders to issue equity securities under Listing Rule 7.1A at its annual general meeting on 25 October 2016.

Listing Rule 7.4 provides that where the holders of ordinary securities in a company subsequently approve a previous issue of securities, those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 provided the previous issue did not breach Listing Rule 7.1.

A note under Listing Rule 7.4 allows issues made with approval under Listing Rule 7.1A to be ratified under Listing Rule 7.4. If shareholders approve the issue of securities under Listing Rule 7.4, the issue will not reduce the company's placement capacity under Listing Rule 7.1A.

Resolution 1(a)

Background

This Resolution seeks ratification of the issue of 689,656 Shares to the allottee set out below on 17 November 2016.

The placement was made under the Company's annual 15% placement capacity under Listing Rule 7.1. The issue of the Shares did not result in the Company breaching the 15% limit referred to in Listing Rule 7.1 and therefore does not depend upon shareholders passing Resolution 1(a). The purpose of Resolution 1(a) is to obtain shareholder approval for the purpose of Listing Rule 7.4 and for all other purposes.

If shareholders approve the issue of the Shares for the purpose of Listing Rule 7.4, the issue of the Shares will not count towards determining the number of equity securities which the Company can

issue in any 12 month period. If however, shareholders do not approve the issue of the Shares for the purpose of Listing Rule 7.4, the issue of the Shares will count towards the number of equity securities which the Company can issue in any 12 month period.

Listing Rule disclosure

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the issue of Shares on 17 November 2016:

Number of Shares issued	689,656 Shares were issued under the Company's annual 15% placement capacity under Listing Rule 7.1.
Issue price	\$0.145 per Share, which represented a 12.2% discount to the 30-day volume weighted average price (VWAP) and a 14.7% discount to the last closing price of \$0.17 prior to the raise being announced on 26 th October.
Terms of the Shares	The Shares were issued as fully paid ordinary shares ranking equally with existing Shares of the Company quoted on the official list of the ASX.
Allottee	Idalp Pty Ltd as trustee for the Ray Malone Superannuation Fund
Use of funds	To provide additional working capital for the commercialisation of the Company's Glycell™ process.

Recommendation

The Board recommends that Members vote in favour of resolution 1(a) and the Chairman of the Meeting intends to vote undirected proxies in favour of this resolution.

Resolution 1(b)

Background

This Resolution seeks ratification of the issue of 17,241,380 Shares to the allottees set out below on 2 February 2017.

The Placement was made under Listing Rule 7.1 and Listing Rule 7.1A as follows:

- i. 986,106 Shares were issued under the Company's annual 15% placement capacity under Listing Rule 7.1; and
- ii. 16,255,274 Shares were issued under the Company's additional 10% placement capacity under Listing Rule 7.1A.

The issue of the Shares in (i) above did not result in the Company breaching the 15% limit referred to in Listing Rule 7.1. If shareholders ratify the issue of these Shares, the issue will not count towards the Company's annual 15% placement capacity under Listing Rule 7.1

The issue of the Shares in (ii) above did not result in the Company breaching the additional 10% limit referred to in Listing Rule 7.1A. If shareholders ratify the issue of these Shares, the issue will not count towards the Company's additional 10% placement capacity under Listing Rule 7.1A.

These issues therefore do not depend upon shareholders passing Resolution 1(b). The purpose of Resolution 1(b) is to obtain shareholder approval for the purpose of Listing Rule 7.4 and for all other purposes.

Listing Rule disclosure

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the issue of Shares on 2 February 2017:

Number of Shares issued	Total of 17,241,380 Shares were issued, where: (i) 986,106 Shares were issued under the Company's annual 15% placement capacity under Listing Rule 7.1; and
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	(ii) 16,255,274 Shares were issued under the Company's additional 10% placement capacity under Listing Rule 7.1A
Issue price	\$0.145 per Share which represented a 6.4% discount to the last closing price of \$0.155 per share (without consideration of the value of the options attached).
Terms of the Shares	The Shares were issued as fully paid ordinary shares ranking equally with existing Shares of the Company quoted on the official list of the ASX. For every two placement shares, allottees received one unlisted Option on the terms set out in Resolution 1 (c) below.
Allottees	The Shares were issued to the following parties on the following noted allocations: <ul style="list-style-type: none"> 17,241,380 Shares to professional and sophisticated investors identified by the Company or its brokers as an investor who qualifies for one or more of the exemptions specified in section 708 of the Corporations Act (for example "sophisticated investors" or "professional investors" within the meaning given by those terms under the Corporations Act.
Use of funds	To provide additional working capital for the commercialisation of the Company's Glycell™ process and to advance potential projects in Malaysia and the USA with its joint venture partner Claeris, LLC.

Recommendation

The Board recommends that Members vote in favour of resolution 1 (b) and the Chairman of the Meeting intends to vote undirected proxies in favour of this resolution.

Resolution 1(c)

Background

This Resolution seeks ratification of the issue of 11,120,690 unlisted Options to the allottees set out below on 2 February 2017.

The placement was made under the Company's annual 15% placement capacity under Listing Rule 7.1. The issue of the unlisted Options did not result in the Company breaching the 15% limit referred to in Listing Rule 7.1 and therefore does not depend upon shareholders passing Resolution 1 (c). The purpose of Resolution 1 (c) is to obtain shareholder approval for the purpose of Listing Rule 7.4 and for all other purposes.

If shareholders approve the issue of the unlisted Options for the purpose of Listing Rule 7.4, the issue of the unlisted Options will not count towards determining the number of equity securities which the Company can issue in any 12 month period. If however, shareholders do not approve the issue of the unlisted Options for the purpose of Listing Rule 7.4, the issue of the unlisted Options will count towards the number of equity securities which the Company can issue in any 12 month period.

Listing Rule disclosure

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the issue of unlisted Options on 2 February 2017:

Number of unlisted Options issued	11,120,690
Issue price	\$nil
Terms of the unlisted Options	<ul style="list-style-type: none"> Total of 8,620,690 unlisted Options (LER OPT06) were issued under the placement of 17,241,380 Shares on 2 February

	<p>2017 (see Resolution 1(b) above) with allottees receiving one unlisted Option for every two placement shares allotted</p> <ul style="list-style-type: none"> • Total of 2,500,000 unlisted Options (LER OPT06) were issued as part payment of professional fees • Unlisted Options (LER OPT06) are exercisable at \$0.20 each • Unlisted Options (LER OPT06) expire 15/03/2018. • Unlisted Options (LER OPT06) hold no voting rights or rights to dividends until such time that they are exercised and at that time will rank equally with existing ordinary Shares of the Company quoted on the official list of the ASX.
Allottees	<p>The unlisted Options were issued to the following parties on the following noted allocations:</p> <ul style="list-style-type: none"> • 8,620,690 unlisted Options to professional and sophisticated investors identified by the Company or its brokers as an investor who qualifies for one or more of the exemptions specified in section 708 of the Corporations Act (for example "sophisticated investors" or "professional investors" within the meaning given by those terms under the Corporations Act. • 2,500,000 unlisted Options to brokers associated with the issue on 2 February 2017.
Use of funds	No funds were received on the issue of the unlisted Options.

Recommendation

The Board recommends that Members vote in favour of resolution 1(c) and the Chairman of the Meeting intends to vote undirected proxies in favour of this resolution.

Item 2: Increase in Directors' Remuneration

Listing Rule 10.17 and Articles 33(a) and 33(c) of the Company's Constitution provide that the Company must first obtain Shareholder approval before it is able to increase the maximum aggregate remuneration payable by the Company or its subsidiaries to Directors. Resolution 2 has been proposed so that Shareholders can consider and, if thought fit, approve an increase to the maximum aggregate remuneration which is available to the Company to secure the services of its Directors.

At the Company's General Meeting held on 31 May 2010, Shareholders last approved an increase in the maximum aggregate remuneration that can be paid to its Directors, setting it at the current level of \$220,000 per annum. The Company proposes that, after consideration of current market practices and rates, and to allow for an additional Board member to strengthen the Board as the Company continues along its progression to commercialisation of its Glycell™ process, it is appropriate that the funds available for Directors' remuneration be increased by \$130,000 to \$350,000 per annum.

Shareholders should note that this amount relates only to the remuneration paid to Directors for their services as directors of the Company and will not, for example, include remuneration paid to the Company's Managing Director.

Should this resolution be passed, it is anticipated that Mr William Baum will be appointed as non-executive director. Mr Baum, who is based in the US, has a long and distinguished career in the biobased chemicals industry and has an extensive network across the globe. The appointment of non-executive directors significantly enhances the independence of the Board and the Board considers it important to maintain the ability to remunerate competitively and attract and retain high calibre directors. The Directors' remuneration pool value has not been increased in the past seven years and it is currently insufficient to provide remuneration for an additional Director.

Technical information required by Listing Rule 10.17

If Shareholders approve the proposed Resolution, the maximum aggregate amount which can be paid to non-executive directors of the Company will increase by \$120,000 per annum, resulting in an increase in that amount from the current level of \$220,000 to a new level of \$350,000 in any financial year.

The following table sets out details of all securities in the Company issued to a non-executive director after obtaining Shareholder approval under Listing Rule 10.11 or 10.14 during the past 3 years.

Non-executive Director	Type of security	Number	Listing Rule	Date of issue	Price
Dr Jay Hetzel	Options	1,200,000	10.11	23 December 2016	\$nil
Mr Matthew Morgan	Options	800,000	10.11	23 December 2016	\$nil
Mr Matthew Morgan	Shares	172,414	10.11	23 December 2016	\$25,000
Mr Doug Rathbone	Options	1,000,000	10.11	23 December 2016	\$nil
Mr Doug Rathbone	Options	2,000,000	10.11	23 December 2016	\$nil
Mr Doug Rathbone	Shares	144,828	10.11	23 December 2016	\$21,000
Mr Doug Rathbone	Shares	689,656	10.11	23 December 2016	\$100,000
Mr Charles Wilson	Shares	83,458	10.11	23 December 2016	\$12,936
Mr Charles Wilson	Shares	161,700	10.11	8 November 2016	\$19,404
Dr Jay Hetzel	Shares	416,213	10.11	1 December 2015	\$62,432
Mr Matthew Morgan	Shares	228,986	10.11	1 December 2015	\$34,348
Mr Charles Wilson	Shares	228,933	10.11	1 December 2015	\$34,340
Mr Matthew Morgan	Options	375,000	10.11	3 September 2014	\$nil
Dr Jay Hetzel	Shares	864,857	10.11	3 September 2014	\$30,270
Mr Matthew Morgan	Shares	382,286	10.11	3 September 2014	\$13,380
Mr Charles Wilson	Shares	458,571	10.11	3 September 2014	\$16,050
Dr Jay Hetzel	Shares	864,857	10.11	22 July 2014	\$30,270
Mr Charles Wilson	Shares	458,571	10.11	22 July 2014	\$16,050

A voting exclusion statement is included in the Notice of Meeting in respect of Resolution 2.

Recommendation

Mr Ken Richards, being the Company's only executive Director, recommends that Members vote in favour of resolution 2 and the Chairman of the Meeting intends to vote undirected proxies in favour of this resolution.

Item 3: Appointment of William Baum as Director

Rule 28.2 of the Constitution provides for a Director to be appointed by resolution at a general meeting. Subject to Resolution 2 being passed, the Board proposes that Mr William Baum, who has offered himself for election, be appointed as a non-executive Director of Leaf Resources Ltd.

Mr Baum is widely recognised as a leader in the renewable and biobased chemicals industry where he has held a number of executive, director and consultancy positions throughout a forty-year career. Currently, he is an independent consultant to the biobased chemicals and biofuels sectors where he advises companies on strategy, commercial partnerships and mergers and acquisitions.

He has been on the Board of Genomatica Inc, a US-based leader in the development and production of sustainable biobased chemicals since 2006 and has previously served as Executive Chairman and Chief Business Development Officer. Bill has also served as a

Director of ZeaChem; and currently serves as a Director of Gevo Inc. a NASDAQ listed biofuels company.

Prior to joining Genomatica, Mr. Baum held executive roles at Verenum Corporation (previously Diversa Corporation). In his industrial biotech career, he executed JV's with Dow Chemical, Syngenta and BP Biofuels; in addition to major partnerships with Cargill, Bunge, BASF, DSM, Versalis, Novamont and DuPont.

Recommendation

The Board recommends that Members vote in favour of resolution 3, and the Chairman of the Meeting intends to vote undirected proxies in favour of this resolution.

Item 4: Approval of issue of Options to Mr William Baum

Members are asked to approve the issue of 800,000 Options to Mr William Baum or his nominee. It is proposed that Mr Baum be appointed as a Director of Leaf Resources, subject to resolution 2 being passed. The terms of the Options are detailed below and are the same as issued to Directors Dr Jay Hetzel and Mr Matt Morgan in December 2017.

The Directors believe that the quantum and terms of Options to be issued to William Baum, subject to approval by the Members, is reasonable compared to several of its peers in the Australian technology sector and is consistent with Options issued to other personnel.

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of the Board in seeking to achieve growth of the Share price and in the creation of value for Members. In addition, the Board also believes that incentivisation with Options is a prudent means of conserving the Company's available cash as is customary in the technology sector.

Listing Rule 10.11 requires Member approval to be obtained where an entity issues, or agrees to issue, securities to a related party.

As the proposed grant involves the issue of Shares to a related party of the Company, Member approval under Listing Rule 10.11 is required.

The following information is provided in relation to the terms of the proposed Options issue:

Holder of Options	William Baum or his nominee
Relevant relationship	Subject to Resolution 2 being passed, William Baum will be appointed as a Non-Executive Director.
Total Options to be granted	800,000
Issue Date	No later than one month after approval has been given at the Meeting and subject to the appointment of William Baum as a Non-Executive Director.
Price	The Options will be issued for nil consideration. The Options will have an exercise price of \$0.22, which will be payable on exercise of each Option for one Share in the Company.
Expiry date	5 years after the issue date.
Entitlement to Shares	Each Option confers an entitlement to subscribe for and be issued one ordinary share in the capital of the Company, credited as fully paid, on payment of the Exercise Price specified below.

Vesting	The Options will vest and become fully exercisable from the issue date. All Options which have not vested at the time periods described above, automatically lapse.
Exercise Period	Each vested Option is exercisable at any time after the date on which they are first vested (the Vesting Date) and on or before 5pm (Brisbane time) on the date which is 5 years after the Grant Date (the Last Exercise Date). Options not exercised by the Last Exercise Date lapse. On an Option lapsing, all rights of the holder in respect of the Option cease and no consideration or compensation will be payable for or in relation to that lapse.
Options personal to Participant	Options are personal to the holder and may not be transferred or exercised by any other person or body corporate except; with the prior written consent of the Board; or to the extent necessary to enable the holder's legal personal representative to exercise the Options in accordance with the terms of this offer.
Participation in new issues	The holder may participate in new issues of securities to holders of shares only if the Option has been exercised and a share has been issued in respect of the Option before the record date for determining entitlements to the new issue. The Company must give notice to the holder of any new issue not less than 10 business days before the record date for determining entitlements to the issue.
Use of funds raised	If any Options are exercised, the funds raised will be used to provide additional working capital for the commercialisation of the Company's Glycell™ process and to advance a potential project in Malaysia and the USA.

A separate approval under Listing Rule 7.1 is not required as the Listing Rules provide that an approval obtain under Listing Rule 10.11 is treated as an approval for the purposes of Listing Rule 7.1. Accordingly, if resolution 4 is approved, the issue of Options to Mr Baum will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

Resolution 4 is conditional on Resolutions 2 and 3 being passed. If Shareholders do not approve Resolution 2 or Mr Baum is not appointed as a Director, the Options will not be issued to Mr Baum.

Recommendation

The Board recommends that Members vote in favour of resolution 4, and the Chairman of the Meeting intends to vote undirected proxies in favour of this resolution.

Glossary

In this Explanatory Memorandum, 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.

Board means the board of Directors.

Company means Leaf Resources Limited.

Constitution means the constitution of the Company currently in force.

Corporations Act means Corporations Act 2001 (Cth).

CRP of a member of KMP 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 prescribed by the Corporations Regulations 2001 (Cth).

Director means a director of the Company.

Explanatory Memorandum means the 'Explanatory Memorandum' set out in the second part of this document after the Notice.

KMP 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).

Listing Rules means the official listing rules of the ASX.

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 of Extraordinary General Meeting' set out in the first part of this document before the Explanatory Memorandum.

Options means an option to acquire Shares.

Proxy Form means the proxy form accompanying the Notice.

Resolution means a resolution as set out in the Notice.

Share or Shares means fully paid ordinary shares in the Company.

Shareholder means a fully paid ordinary share in the Company.

VWAP means volume weighted average price.



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Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

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

STEP 1

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 Extraordinary General Meeting of the Company to be held at **10:00am on Friday, 16 June 2017 at Grant Thornton, Sir Samuel Griffith Boardroom, Level 18, 145 Ann St, Brisbane** (the Meeting) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting may exercise undirected proxies as the Chair decides even though the resolution may be connected directly or indirectly with the remuneration of a member of the key management personnel.

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

STEP 2

Resolutions

1a Ratification of previous issue of 689,656 Shares

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3 Appointment of William Baum as Director

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1b Ratification of previous issue of 17,241,380 Shares

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4 Approval of issue of Options to William Baum

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1c Ratification of previous issue of 11,120,690 unlisted Options

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Increase in Directors' Remuneration

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

i * 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).

STEP 3

LER PRX1701A



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.

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:

- 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
- 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 **10:00am on Wednesday, 14 June 2017**, 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 MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



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

or

Level 12
680 George Street
Sydney NSW 2000

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

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