

6 August 2018

Australian Securities Exchange Announcement

Leaf completes oversubscribed \$5 million placement to progress commercialisation of Glycell™ technology

Leaf Resources Limited (ASX:LER) ("Leaf" or the "Company") is pleased to announce that it has received commitments to raise \$5 million via a private placement to new and existing domestic and international institutional and sophisticated investors (the "Placement").

The Placement will involve the issue of approximately 66.7 million new fully paid ordinary shares in the Company ("Shares"), at an issue price of \$0.075 per share. Investors who participate in the Placement will receive 1 free attaching option for every 2 shares subscribed for in the Placement ("Option"). The Option is exercisable at \$0.09 on or before 31 May 2019.

The proceeds of the Placement will be used to progress the ongoing commercialisation of Leaf's proprietary Glycell™ technology, including engineering works for the Malaysian Biorefinery project. The engineering works include a phase 3 integrated development study (IDS) which is expected to commence in October this year and is integral to progressing the Biorefinery Project through a planned bankable feasibility study, project financing, and final approvals. Proceeds will also be applied towards general working capital requirements.

Commenting on the Placement, Leaf's Chairman Doug Rathbone said the Company is delighted with the response to the placement offer and the support it has received from both new and existing shareholders.

"This well supported and oversubscribed capital raising positions Leaf strongly as we move toward the commercialisation of Glycell™."

I am particularly encouraged that existing institutional shareholders supported the offer to such a strong extent, and it is also pleasing that we have been able to bring a number of new, high quality institutional and sophisticated investors onto our register."

Leaf's Managing Director Ken Richards said:

"The Placement strongly positions Leaf for commercialisation of Glycell™ and builds on the positive momentum in the Company after the recent announcement relating to the offtake MOU with Petronas Chemicals Group and the continued support of the Queensland Government for a potential biorefinery in one of the state's sugar cane regions."

The Placement will comprise two tranches as follows:

- Tranche 1 – comprises 11.9 million Shares (and approximately 6 million Options), to raise approximately \$0.9 million (to be issued under the Company's ASX LR 7.1 and 7.1A placement capacity available)
- Tranche 2 – comprises approximately 54.8 million Shares (and approximately 27.4 million Options), to raise approximately \$4.1 million and will be subject to shareholder approval at an EGM expected to be held on or about 14 September 2018

Directors and management applied for a total of \$220,000 in the Placement, which will settle in Tranche 2, subject to shareholder approval.

Settlement of Tranche 1 is currently scheduled to take place on 10 August 2018 with anticipated quotation and trading of the new Shares on the ASX on 13 August 2018. Settlement of Tranche 2 is currently scheduled to take place on 21 September 2018, conditional upon receipt of shareholder approval, with anticipated quotation and trading of the Tranche 2 new Shares on the ASX on 24 September 2018.

Canaccord Genuity (Australia) Limited acted as lead manager to the Placement. Salmon Giles Corporate Pty Ltd acted as Corporate Advisor to the Company.

About Leaf Resources Ltd (ASX: LER)

Leaf Resources is one of the world's leading companies in converting plant biomass into industrial sugars. Our proprietary process for converting biomass-to-functional industrial sugars enable a myriad of downstream technologies for the production of renewable chemicals that will substitute petrochemicals used in manufacturing today. With our project development and continued technical innovation we are building a robust global business centered on renewable carbon containing products to deliver environmental and economic benefits to our shareholders and our planet. More on www.leafresources.com.au

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