

31 October 2016
Australian Securities Exchange Announcement

Leaf Resources raises \$2.35m in placement

Leaf Resources (ASX: LER, "Leaf" or the "Company") is pleased to announce that it has successfully raised \$2.35 million, through a placement of 16.2 million ordinary shares to sophisticated investors.

The placement was priced at \$0.145 per share, which reflected 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 26th October. Two directors have participated in the raising to a value of \$146,000 and the issue of those shares will need to be approved at a forthcoming EGM.

Funds raised from the placement will be used to advance the commercialisation of Leaf's proprietary Glycell™ process through the development of the Company's first commercial project.

As detailed in the Company's announcement on 20th July 2016, Leaf will make a payment in early November of US\$1m to Leaf Development, LLC (Leaf's joint venture with Claeris LLC) for permitting, engineering, management, consulting fees, and other costs relating to the development of the first commercial plant using Glycell™.

Leaf Development, LLC signed a Memorandum of Understanding (MoU) with two Malaysian government agencies earlier this month to advance the development of a commercial-scale, second generation bio-chemical production facility that utilises Leaf's proprietary technology.

The Managing Director of Leaf, Ken Richards, commented: "The partnership with Claeris has been a game changer for our Company, as their contacts, reputation and expertise were essential in helping us secure the MoU with the Malaysian government.

"The fact that the placement was priced at a modest discount underscores the level of market confidence in our Glycell™ technology and the future of Leaf Resources. While there is still much work to be done, securing the additional funds that will help us take the next step forward in progressing the development of our first commercial-scale international project."

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About Leaf Resources Ltd (ASX: LER)

Leaf Resources is commercialising the Glycell™ process.

The Glycell™ Process is an innovative technology that uses a low cost, recyclable, biodegradable reagent glycerol, in a simple process that breaks down plant biomass into lignin, cellulose and hemicellulose at low temperature and pressure. The cellulose is then converted to cellulosic sugars through enzymatic hydrolysis and the lignin, hemicellulose and glycerol become valuable co-products.

Cellulosic sugars are a major feedstock for green, renewable biobased chemicals, bioplastics and biofuels, products whose markets are multi billion dollars in value and fast growing. Many biobased products can now economically replace petroleum based products.

The Glycell™ process can produce cellulosic sugars at under \$50 per tonne when co-products are included. This compares with \$220 per tonne for sugars produced from the conversion of corn starch, the cheapest alternative and \$280 per tonne for raw sugar.

By dramatically reducing the cost of the main feedstock for bio based chemicals, plastics and biofuels, the Glycell™ process has the potential to change the face of global renewable production.

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