



LEAF RESOURCES LIMITED

Sustainable products from plant biomass

31 October 2014

Quarterly Report and update

The Company's Appendix 4C - Quarterly Cash Flows for the quarter ended 30 September 2014 is attached.

Since the 30 September 2014 close off date for the report the following have occurred:

- The 2014 Tax return for the group has been lodged. The Company will receive a refund of \$88k through the R&D Tax Incentive scheme.
- Our application for a refund with respect to overseas R&D expenditure incurred has also been lodged. If successful it will result in an additional refund of \$115k.
- The Company has today advised the market that it has received acceptances for the placement of 11,380,000 shares at \$0.15 per share, raising \$1,707,000.

These additional funds will be used to provide working capital to fund the commercialisation of the company's Glycell™ process.

The Company is also pleased to announce that, following its recent name change from Leaf Energy Ltd, the Company has launched its new website at www.leafresources.com.au. This has gone live this week and replaces www.leafenergy.com.au. Any traffic to the old website will automatically be directed to www.leafresources.com.au.

Ken Richards

Managing Director



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About Leaf Resources Limited (ASX:LER)

In virtually every industry consumer demand for greener more natural products is fuelling a surge of interest in bio-based alternatives to replace oil based products.

Leaf Resources is commercialising the Glycell™ pretreatment technology: The first essential part of the process on a path to bio-based products.

The Glycell™ Process is an innovative technology that uses a low cost, recyclable, biodegradable reagent glycerol, in a simple process, to break down plant biomass into lignin, cellulose and hemicellulose at low temperature and pressure.

Cellulose, a critical building block for many bio-based products, produced by the Glycell™ processes can be used directly as cellulose fibre, chemically converted to cellulose derivatives or converted to cellulosic sugars using enzymatic hydrolysis. These cellulosic sugars can then be converted to bio-based materials, bio-plastics and green chemicals, the markets for which are extremely large and fast growing.

Leaf Resources commercialisation strategy is to partner with industry leaders across the breadth of product supply chains that will bring synergies and speed to the commercial adaption of our production process technology in a capital-efficient manner. Leaf sees this path as an effective means of deployment to multiple plants in diverse settings and the opportunity to further innovation in both product and process technologies.

Contacts:

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

LEAF RESOURCES LTD

ABN

18 074 969 056

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) staff costs	(122)	(122)
	(b) advertising and marketing	-	-
	(c) research and development	(35)	(35)
	(d) leased assets	-	-
	(e) other working capital	(386)	(386)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes refund	-	-
1.7	Other (provide details if material)	-	-
	Net operating cash flows	(539)	(539)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
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	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(539)	(539)
Cash flows related to investing activities		
1.9 Payment for acquisition of:	-	-
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	(539)	(539)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	699	699
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (Share issue costs)	(33)	(33)
Net financing cash flows	666	666
Net increase (decrease) in cash held	127	127
1.21 Cash at beginning of quarter/year to date	475	475
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	602	602

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	152
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	Item 1.24: Payments to Directors consist of Directors' salaries, Directors' fees and consulting fees for the quarter, including superannuation. This excludes any amounts that were unpaid as at the end of the quarter.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil
3.2	Credit standby arrangements	Nil

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	602	475
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		602	475

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	Nil	Nil
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: 31 October 2014
 (Company Secretary)

Print name: Charles Furness

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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