

## LEED RESOURCES PLC UPDATE

On 1 September, the Board of Leed Resources (Leed") advised Shareholders that they were having difficulty in placing a value on the 964,285 shares held in NXT -Tec Ltd. ("NXT"), representing approximately 1.22% of NXT's issued capital. Despite further attempts to obtain financial information from the management of NXT, the Board have still not been able to determine a valuation for this investment. As at 7 December 2021, NXT had not filed its accounts for the year ended 31 December 2020, and NXT management have provided no explanation for the delay in filing these accounts, even though the filing deadline passed earlier this year.

The Australian Securities and Investments Commission ("ASIC") form 484 state that 2,311,642 shares have been issued by NXT since 31<sup>st</sup> December 2019 at a maximum price of A\$0.85 per share. It is not clear whether the subscribers to these shares are related to the existing management or shareholders of NXT. If this share price could be relied upon then this would value Leed's investment in NXT at A\$ 815,642, however, given the approaches made by the Board of Leed to NXT's management to help find a buyer for Leed's shares in NXT, your Board has no confidence that this provides a realistic valuation. Furthermore, we are also not aware of whether NXT has been able to successfully refinance or renegotiate the repayment terms of the approximately A\$ 2.8 million of third-party debt that was shown in the 2019 financial statements as being due for repayment in 2020. Based on public information, A\$ 2 million of this debt was the subject of court proceedings in Australia early in 2021 but we are not sure of its status.

The inability to value the NXT shares held by Leed has been the reason why Leed has not filed accounts for the year ended 31 December 2020.

Given that NXT is Leed's only investment and funds are extremely low, Leed has been awaiting a liquidity event at NXT such as an IPO in UK or Australia or a share buy-back to monetise its investment. Currently, it appears that neither of these outcomes appears likely.

The Board has therefore decided that Leed's NXT shares should be offered to any Leed shareholder who wishes to bid for them. The shares would be sold via an auction in minimum blocks of 100,000 shares to the highest bidder(s) subject to Leed's confirmation. It should be noted that Leed's weighted average cost of its stake in NXT is A\$0.311 (approx. £0.165). If no acceptable offers are received for shares, then the Board will have no viable alternative other than to place Leed into a Members Voluntary Liquidation, in which case the Liquidator would take control of the NXT shares.

This 'auction' will commence on 10 December 2021 and the final date for receiving bids is 7 January 2022

Bids should be submitted by email to [info@leedresourcesplc.com](mailto:info@leedresourcesplc.com)

Contact: [info@leedresourcesplc.com](mailto:info@leedresourcesplc.com)