

LEED RESOURCES PLC

("Leed" or "the Company")

Corporate Update

Leed Resources plc, (AIM: LDP), the natural resource investing company, notes the suspension in trading in its ordinary shares on AIM in accordance with AIM Rule 15.

The ordinary shares of Leed will continue to be suspended from trading on AIM until the Company has made an acquisition or acquisitions which constitute a reverse takeover or has otherwise implemented its investing policy in accordance with the AIM Rules. If the Company has not made an acquisition or acquisitions which constitute a reverse takeover or otherwise implemented its investing policy within six months of the date of suspension then the Company's ordinary shares will be cancelled from trading on AIM in accordance with AIM Rule 41.

In this regard, the Company announces that it has today entered into a non-binding heads of terms agreement, which includes an option to acquire up to 100% of Battalio International Limited ("Battalio"), the controlling shareholder of High Mannor Pty Limited ("High Mannor"). Leed has already invested A\$1.68 million in Battalio by way of convertible loan notes. Since the initial investment made in Battalio in January 2015, significant improvements have been made in terms of operations and management at High Mannor. A strong collaborative relationship has developed between Leed and Battalio/High Mannor and the Board of Leed are confident of the outlook for the business. Two members of the Board of Directors of Leed, Ian Gibbs and Charles Grundy, also sit on the Board of Directors of Battalio.

The proposed transaction would result in the Company being the controlling shareholder of High Mannor via its ownership of Battalio. Should this occur, it is expected that Leed will become an operating company as opposed to an investing company and consequently the management structure of Leed itself will be reviewed as part of the potential acquisition process.

In the event that the Company chooses to exercise its right to acquire Battalio, the acquisition would trigger a reverse takeover pursuant to AIM Rule 14.

High Mannor, which trades under the brand name of "Cultural Limestone", extracts limestone from a quarry just north of Perth in Western Australia. The limestone is then crushed and processed into reconstituted limestone blocks and panels which are used in the construction industry as retaining walls in residential building developments. High Mannor is the sole owner of a patented process, producing reconstituted limestone wall panels, each the equivalent of 34-51 individual blocks, which provide substantial cost and efficiency benefits compared to the individual limestone blocks produced by its competitors.

High Mannor has recently commenced delivering these wall panels to its customer base and it is anticipated that in future a substantial percentage of its deliveries will be in the form of panels. Further information on High Mannor can be obtained from the website of Cultural Limestone, www.culturallimestone.com.au.

Whilst the principal terms of the transaction have been agreed by the parties, and verbal commitments to support the transaction have already been received from parties controlling a majority of Battalion, the transaction remains subject to satisfactory completion of Leed's due diligence, the grant of a waiver from Rule 9 of the Takeover Code and formal documentation. As a consequence, there is no certainty that the acquisition will be completed. Shareholders should also be mindful that any acquisition that constitutes a reverse takeover under the AIM Rules is conditional upon shareholder approval, and requires the Company to publish an AIM admission document and reapply for the Company's ordinary shares to be admitted to trading on AIM.

The Company has the right to exercise the option to acquire Battalion up until 15 August 2016, the right to exercise the option is entirely at its discretion and there are no conditions that need to be satisfied before Leed may choose to exercise the option.

Assuming the acquisition of Battalion proceeds, shareholders should note that trading in the Company's ordinary shares on AIM is expected to remain suspended until the trading day following a shareholder's meeting to approve the acquisition of Battalion, not the date upon which an AIM admission document is published.

The Company will make further announcements as appropriate.

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