

LEED RESOURCES PLC

("Leed" or "the Company")

Cancellation and Update on Implementation of Investing Policy

Leed Resources plc, (AIM: LDP), the natural resource investing company, can confirm that it expects trading in the ordinary shares of 0.1p each of the Company ("Ordinary Shares") to be cancelled from trading on the AIM market on 16 August 2016 in accordance with AIM Rule 41.

As was anticipated in the Company's last announcement on 1 July 2016, the Directors have not been able to implement the investing policy (as defined in the AIM Rules for Companies) in accordance with AIM Rule 15. Following an extensive review of High Mannor Pty Ltd ("HM"), for the reasons outlined in the Company's announcement of 1 July 2016, Battalion International Ltd ("Battalion"), the majority shareholder in HM, has sent HM a proposal for a comprehensive restructuring of the ownership and debt of HM. Leed holds A\$1.68 million of convertible loan notes in Battalion and, as a result of any restructuring, Leed is expected to become the largest shareholder of Battalion, and hence HM's Australian operations.

Internally at HM, changes have been implemented which have turned HM into a much more focussed and efficient company. The work that the new acting managing director, Mr Tony Cammarano, has instigated has improved many aspects of the business and highlighted other business opportunities. Your Board is therefore confident that the steps being taken will, in the longer term, provide a good base from which the HM business can prosper, should the necessary restructuring of HM proceed.

As was also mentioned in our announcement of 1 July 2016, the Board has looked at alternative arrangements for providing some liquidity in the Ordinary Shares of Leed, in the event of cancellation of trading in the Ordinary Shares on AIM. To that end, it is intended that Leed will enter into an agreement with a share platform that provides a matched bargain, auction-based secondary market dealing facility. We will be writing to shareholders to explain in more detail how this will work in practice.

In future, our website, www.leedresourcesplc.com will continue to provide announcements regarding developments in connection with Leed. We will advise shareholders further once we have more clarity on the terms of any restructuring agreed at HM and on the implications of the restructuring for Leed in terms of its ownership of Battalion and the business of HM.

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