

LEED RESOURCES PLC
("Leed" or "the Company")

23 October 2016

The Board of Leed is pleased to be able to give the following update on its investment in Battalion International Limited ("Battalion") which is the majority shareholder of High Mannor Pty Ltd ("HM"). HM produces limestone blocks and panels for retaining walls in Western Australia.

The restructuring proposals of HM are nearing completion and it is intended to put them to a vote of Battalion shareholders and noteholders during November. Based on discussions with key stakeholders, it is expected that the re-structuring will be approved and following the re-structuring, Leed will become the largest shareholder of Battalion and, in effect, of HM. Leed will update shareholders with details of the restructuring shortly afterwards and will aim to hold the first auction of Leed's shares before the end of November.

Similarly, by that time, it is anticipated that there will be a clearer view on the financial outlook for the underlying business. The Steering Committee, which includes Ian Gibbs, our Chairman, as well as two others, has been hard at work not only on the re-structuring but also on re-shaping the business to make it more profitable. The work undertaken to date has focussed on reducing overheads and therefore on improved operating margins rather than chasing revenue as happened in the past. Management at HM are currently revising forecasts to the end of June 2017 to take into account the changes to operations and a softening in the market. This forecast will be presented to the Steering Committee later this month and Leed will be seeking to share some of its contents with shareholders ahead of the planned auction.

In the meantime we appreciate all shareholders who have contacted us. The Board of Directors are committed to generating value for Leed which remains a public company, albeit no longer listed on AIM. We urge all shareholders who wish to participate in the upcoming auction to register with Asset Match.

Further information can be found on www.leedresourcesplc.com and www.assetmatch.com

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