

LEED RESOURCES PLC UPDATE ("Leed")

23 February 2018

Leed is pleased to announce that Civex Group Holdings Pty Ltd ("Civex Group Holdings") has completed the sale of the assets of Civex Group Holdings. Leed directly and indirectly (through its shareholding in Battalion International Limited) owns approximately 33% of Civex Group Holdings. As part of the agreement, the owners of Civex Group Holdings will also retain an interest in all sales of panels sold in the future through a royalty agreement.

Funds from the sale, of which A\$300,000 has already been received, will be paid in instalments as and when receivables and retentions are released. The total receipts from the sale are expected to amount to not less than A\$500,000. As this is less than the investment book value of A\$1,000,000 recorded in Leed's accounts, there will be a small loss on disposal.

Despite this, the Directors of Leed are pleased to have finalised the sale and also note that the purchaser is very keen that the panels should form a substantial part of the business mix in future from which Leed will continue to benefit through royalties.

As already advised, the Board has been investigating further investment opportunities and can announce it has agreed to make an initial investment of A\$50,000 in an innovative construction technology company based in Perth, Western Australia called NXT TEC. Ltd (www.nxttecltd.com). This first tranche of funding will secure Leed the right, but not an obligation, to participate in a further round of funding which is expected by the end of March.

Commenting on the sale and investment, Ian Gibbs, Chairman of Leed, said: "Obviously the investment in the limestone business in Perth has been a very frustrating experience for all of Leed's stakeholders. However, the recent asset disposal enables us to more than recover the value of the second investment made into the business in early 2016, when the company was facing extreme difficulties. Hopefully, further returns will result from future panel sales under the new ownership. On a positive note, the new investment is very exciting for Leed and, unlike the investment in Civex Group Holdings, does not have a

concentrated exposure to the Western Australian residential market but is a business with global potential. The Board looks forward to providing shareholders with more detailed updates on NXT in the near future.”

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