

19 November 2015

Leed Resources PLC

("Leed" or the "Company")

FINAL RESULTS

Leed Resources plc (AIM: LDP), the natural resource investment company, is pleased to announce its final results for the year ended 30 June 2015.

Highlights

- A pre-tax loss of £291,000 (2014: £236,000) and a loss per share of 0.01 pence (2014: 0.01 pence), in line with expectations;
- Initial investment of A\$1,200,000 in Battalion International Ltd. ("Battalion") in January 2015. Battalion is the holding company of High Mannor Pty, a producer of reconstituted limestone blocks in Western Australia;
- The investment made via a convertible loan note yielding 12% initially up to end 2016, thereafter to yield 14%. Coupons payable quarterly;
- Further investment of A\$480,000 (approximately £225,000) made on 28 July 2015 on same terms as previous note;
- Full conversion would result in Leed owning 18.4% of Battalion;
- High Mannor about to commence the first delivery of its wall panels – a ground breaking development in the industry which is expected to lead to considerably higher margins.
- Cash as at 30 June 2015 was £663,000; currently £367,000;
- Expense control still a focus – G&A expenses reduced a further 18% (following a 35% reduction in 2014); and
- Manas Coal position unchanged: licence likely to lapse at end of month so investment remains written down to zero.
- Annual general meeting ("AGM") to be held on 14 December 2015 at the offices of Welbeck Associates, 30 Percy Street, London W1T 2DB at 11.00 am. A notice of AGM and the Report and Accounts have been mailed to shareholders today and will be available on the Company's website; www.leedresourcesplc.com.

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CHAIRMAN'S STATEMENT

In the 2014 Chairman's Statement, my predecessor Jinesh Patel, set out clear objectives to continue focussing on cost control whilst executing on an investment that the Board believed would provide for a positive long term future of the Company. I am therefore pleased to report that 2015 was a year in which we were able to achieve those objectives and would like to thank Jinesh for his contribution to the Company during his tenure as Chairman. At the same time we welcomed Charles Grundy to the Board. Charles has extensive experience in corporate finance in Asia and in particular is a non-executive director of Battalion International Ltd ("Battalion") in which we have made an investment.

COST CONTROL

Following a 35% reduction in G&A expenses in 2014, this trend continued with a further 18% reduction in 2015 as G&A costs totalled approximately £201,000. The £55,000 increase in the operating loss for the year is a result of non-cash items of £129,000 (relating to FX movements impacting on the Sterling value of our investments and share based payments), being partially offset by the lower G&A costs and the investment income received during the year. The Board will continue to prudently monitor the cost structure and ensure that it remains appropriate for the level of activities within the Company.

HIGH MANNOR

In January 2015, we announced a A\$1.2 million investment in a convertible loan note issue by Battalion, a company with a controlling interest in High Mannor Pty Ltd ("High Mannor"), as part of a A\$3.25 million note issue. High Mannor is an integrated limestone quarrying business which extracts limestone from a quarry just north of Perth in Western Australia. The limestone is then crushed and processed into reconstituted limestone blocks which are used in the construction industry. The rationale behind the investment was that High Mannor had developed a process to produce reconstituted limestone wall panels where each wall panel will be the "equivalent" of between 34-51 standard sized reconstituted limestone blocks. The principal advantages of panels are significantly reduced labour costs, increased speed of laying retaining walls and a superior stronger end product. The prototypes had already been accepted by some of the leading construction companies in Western Australia and patents have been registered to provide some commercial protection to High Mannor.

Subsequent to the initial investment, Leed announced a further A\$480,000 investment as part of a A\$1.3 million increase in the loan notes in July and the Company has now invested a total of A\$1,680,000 into Battalion, which together with expenses (that have been capitalised as part the investment) is carried at £683,560 on our balance sheet, and which on conversion would result in Leed owning 18.4% of Battalion. This additional investment has enabled High Mannor to undertake certain operational and capital improvements, including some remediation work that was required on the moulds and bases received from China to improve the quality of the wall panels.

I am pleased to update shareholders that the production facilities at the High Mannor quarry are now consistently producing wall panels to a high specification. Whilst it is acknowledged that the commencement of panel deliveries has taken longer than initially envisaged, the management of High Mannor are now confident of being able to produce and deliver into the market high quality products. High Mannor is thus poised to transform its business from a low-margin producer of a commodity product to a market leader with its innovative wall

panels. Your board is therefore optimistic that this will lead to a positive outcome for shareholders.

MANAS

It is disappointing to report a lack of progress with respect to Manas Coal LLC (“Manas”). At the interim stage we advised that the main shareholders of Manas were attempting to resolve their disputes with the most important aspect being how to raise funds for the project. However due to the very poor market conditions for coal projects worldwide, it does not appear that the parties have been able to raise sufficient funds to move the project forward. Given that the licence expires at the end of November, it is now highly unlikely that any progress can be made in which case the licence will lapse. Leed maintains a 17% holding in Manas, which owns significant technical data on the resource that will likely be of value to any future party interested in the project. However, the ability of Manas to realise value and the timing of any realisation is highly uncertain and as such the investment will continue to be held at zero value unless and until there is any clarity on realisable value. Whilst the progress with Manas has been extremely disappointing, since the decision to fully impair this investment the Board has continued to work to create shareholder value through making further investments, such as our holding in Battalion.

LOOKING AHEAD

We are therefore pleased to report that the investment in Battalion positions us well to see substantial growth in shareholder value during the next fiscal year and your Board will continue to consider further investments, including in Battalion. Finally I would like to thank shareholders for their continued patience during what has been a challenging period for Leed and look forward to reporting on the more positive progress that I believe lies ahead for the Company.

Ian Gibbs

Chairman

Statement of Comprehensive Income

For the year ended 30 June 2015

	2015	2014
	£'000	£'000
Continuing operations		
Net (loss) / gain on investments	(62)	4
Investment income	39	5
Total income	(23)	9
Administrative expenses	(201)	(245)
Share based payment expense	(67)	-
Loss before tax from continuing operations	(291)	(236)
Income tax	—	—
Loss for the year and total comprehensive income	(291)	(236)

Loss per share (pence)

Basic and fully diluted (0.01)p (0.01)p

Statement of Changes in Equity

For the year ended 30 June 2015

	Share capital £000	Share premium £000	Option & warrant reserve £000	Retained earnings £000	Total £000
Total owners' equity at 30 June 2013	36,838	77,101	3,756	(115,935)	1,760
Transactions with owners:					
- Transfer of share option reserve	—	—	(3,756)	3,756	-
Total transactions with owners	-	-	(3,756)	3,756	-
Comprehensive loss for the year:	—	—	—	(236)	(236)
Total comprehensive loss for the year	—	—	—	(236)	(236)
Total owners' equity at 30 June 2014	36,838	77,101	-	(112,415)	1,524
Transactions with owners:					
- Share based payment expense	—	—	67	-	67
Total transactions with owners	—	—	67	—	67
Comprehensive loss for the year:	—	—	—	(291)	(291)
Total comprehensive loss for the year	—	—	—	(291)	(291)
Total owners' equity at 30 June 2015	36,838	77,101	67	(112,706)	1,300

Statement of Financial Position

For the year ended 30 June 2015

	2015 £000	2014 £000
Assets		
Non-current assets		
Investments held at fair value through profit or loss	684	-
	684	-
Current assets		
Trade and other receivables	46	14
Cash and cash equivalents	663	1,545
	709	1,559
Liabilities		

Current liabilities		
Trade and other payables	93	35
	93	35
Net current assets	616	1,524
Net assets	1,300	1,524
Owners' equity		
Share Capital	36,838	36,838
Share premium	77,101	77,101
Other reserves	67	-
Retained earnings	(112,706)	(112,415)
Total owners' equity	1,300	1,524

Statement of Cash Flows

For the year ended 30 June 2015

	2015	2014
	£000	£000
Loss before taxation	(291)	(236)
Adjustments for:		
Net loss/(gain) on investments	62	(4)
Investment income	(39)	(5)
Share-based payments	67	-
Operating cash flows before movements in working capital	(201)	(245)
Changes in working capital		
(Increase) /decrease in trade and other receivables	(32)	6
Increase / (decrease) in payables	58	(25)
Net cash flows from operating activities	(175)	(264)
Cash flows from investing activities		
Purchase of investments	(746)	—
Disposal of investments	-	37
Investment income	39	5
Net cash (used in)/cash from investing activities	(707)	42
Cash flows from financing activities		
Net cash (used in)/from financing activities	—	-
Net (decrease)/increase in cash and cash equivalents	(882)	(222)
Exchange differences in cash and cash equivalents	—	—
Cash and cash equivalents at beginning of period	1,545	1,767
Cash and cash equivalents at end of period	663	1,545

1. General information

Leed Resources plc is a publicly quoted company registered in the United Kingdom under the Companies Act 2006. The address of its registered office is 55 Gower Street, London WC1E 6HQ. The Company is an investment and management services company, mainly focused on opportunities in the natural resources and building materials sectors.

2. Financial Review

The Company recorded a loss after taxation of £291,000 for the period ended 30 June 2015, as compared to the loss of £236,000 for the prior year.

As at 30 June 2015 the Company held approximately £663,000 in cash, £nil in quoted investments, and a £684,000 investment in a convertible loan note.

3. Loss for the Period

The loss for the year has been arrived at after charging:

	2015	2014
	£'000	£'000
Share based payment expense	67	-
Auditors remuneration	13	13
Foreign exchange losses	62	-

4. Investments

	2015	2014
	£000	£000
Investments at fair value brought forward	-	32
Cost of investments	746	—
Proceeds of disposals	-	(36)
Net gain on disposal	-	4
Unrealised (loss) on investments due to foreign exchange revaluation	(62)	-
Investments at fair value carried forward	684	-