



30 January 2009

DECEMBER 2008 QUARTERLY REPORT

Leyshon Resources Limited (AIM/ASX: LRL) makes the following announcement in relation to activities during the December Quarter.

As previously reported the Company has deferred all major expenditure on the Zheng Guang gold project ("the Project") located in Heilongjiang northern China until after the winter. All relevant personnel have been demobilised during this period. The planned recommencement of site based activities in April 2009 is subject to the completion of the necessary approvals and funding arrangements.

The Company's policy of full engagement with the local community is bearing fruit as negotiations with local farmers and other affected parties for land acquisition have been completed. The Land Acquisition Plan is now before the Department of Land and Resources and is expected to be approved after Chinese New Year. This is the final approval required ahead of Project Registration and the issue of the Mining Licence, both of which are expected in 2009.

The Company is considering various options to fund the development of the Project. Whilst there remains interest to fund the Project when all necessary approvals have been completed, there can be no guarantee in the current environment that financing can be finalised on terms that would be attractive to the Company. Accordingly the Company is investigating other avenues to realise value from the Project.

The Company has received a number of approaches regarding the potential sale of its interest in the Project and has progressed these parties under confidentiality agreement.

The Company had A\$5.7 million cash on hand at the end of the quarter and has further reduced its monthly outgoings to less than A\$175,000 per month.

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