



27 April 2010

MARCH 2010 QUARTERLY REPORT

Leyshon Resources Limited (AIM/ASX: LRL) (Company) announces that during the quarter it continues to review and, in some cases, has undertaken due diligence or is continuing to undertake due diligence, on a number of project investment opportunities, some of which have the potential to meet the Company's investment criteria.

As previously stated, the Company remains alive to possibilities both internationally and within China and it is currently focusing on coking coal and iron ore opportunities in Northern China and Southern Mongolia. In light of the increasing forecast demand for all types of coal into China over the next ten years, the focus has been extended to include those projects that have the potential to produce high grade thermal coal as well as coking coal products.

As advised, in some cases the Company is undertaking detailed due diligence on several projects and in the case of one coal exploration project in Southern Mongolia the due diligence has progressed to the point of advanced discussions.

The Southern Mongolian asset is in an area which the Company considers to be highly prospective for semi soft coking and high energy thermal coal, and is close to relevant infrastructure. The discussions centre on the basis upon which the Company can secure the exclusive right to undertake detailed due diligence which will include drilling, sampling and coal quality testing to enable it to form a view whether to proceed to a full investment by acquiring a controlling interest and commencing a resource delineation programme.

The Company is also actively undertaking detailed due diligence on other assets in Southern Mongolia and in particular a coking coal asset in Western China which the Company believes will benefit from the rapid rail infrastructure development and the national policy of developing Western China.

The Company can give no assurance that these due diligence investigations and/or discussions will successfully conclude in an acquisition, including the right to undertake further due diligence, on the Southern Mongolian asset and the coking coal asset in Western China.

The Company remains diligent in its assessment of assets at all times and is therefore prepared to commit significant expenditure on due diligence and other studies before committing to a transaction.

During the quarter the Company completed its assessment of the QHD Iron Mountain project and has determined that the project does not meet the Company's investment criteria and has withdrawn from the project.

During the quarter the Company acquired 2,165,098 shares in the buy back programme. Whilst the Company's shares are trading around or above the net cash backing there are no plans to make any further purchases in the near term.

At quarter end, the company has \$47.3 million in cash, equivalent to 21.9 cents per share and 13.1 pence per share, mainly held on interest bearing deposit in Australian dollars.

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