



29 January 2016

Quarterly Report December 2015

Leyshon Resources Limited (AIM/ASX: LRL) ("Leyshon" or the "Company") activities during the quarter focused on simplifying the Company's corporate structure which would ultimately enable the Company to pursue an investment transaction, and seek re-listing on the Australian Securities Exchange ("ASX").

Restructuring Initiative

As part of the Company's restructuring and continuing focus on expenditure reduction, Leyshon has been engaging with the key stakeholders in the Mt Leyshon mine site as it reviews the long term holding of this legacy asset. At Mt Leyshon, the Company holds five Mining Licenses and an Environmental Authority covering the historical mining operations which are now subject to long term rehabilitation. The Company incurs significant costs associated with holding Mt Leyshon which cannot be relinquished until rehabilitation is completed. A restructure will depend on a suitable arrangement being negotiated with the stakeholders of the project to reduce the liabilities incurred by the Company. If this can be successfully achieved, Leyshon would be a viable entity that can go through a recapitalization and listing process. This process has taken some time given the scale of the project and number of stakeholders involved, but the Company is hopeful of achieving a resolution in the near term.

ASX Suspension Update

The shares of Leyshon have been suspended from trading on the ASX since 14 July 2014. ASX policy, in accordance with Chapter 12 of the Listing Rules, is to allow companies that have disposed of their main undertakings a six-month period within which to satisfy ASX that the company has a sufficient level of operations to justify continued quotation of the Company's securities on the ASX. The Company was not able to satisfy the ASX that it was in compliance with Chapter 12 and was suspended from trading on 14 July 2014.

The Company envisages that its shares will remain suspended on the ASX until such time as the Company completes a transaction and seeks re-compliance for listing on the ASX.

International Tungsten Services Loan

In 2014, the Company provided an unsecured loan of US\$620,000 to International Tungsten Services Limited ("ITS"). The loan facility was provided to ITS for working capital under a Heads of Agreement for the Company to acquire ITS' advanced tungsten project in Korea, however the Company terminated the Heads of Agreement in January 2015.

Under the terms of the loan facility, the aggregate loan balance of US\$620,000 became due and payable on 26 December 2015. ITS has advised the Company that they are continuing to experience financial difficulties and do not expect to be able to make repayment in the near term.



The loan was fully provided for in the Company's financial accounts for the year ending 31 December 2014. The Company remains in touch with the directors of ITS and will seek repayment should their financial position improve.

New Project Opportunities

The Company continues to review investment opportunities whilst its works through its corporate restructuring initiatives, although none are at an advanced stage.

For further information please contact:

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Tenement Interests

Leyshon Resources Limited held the following interests in exploration tenements at the end of the quarter. There were no tenements acquired or disposed of during the quarter and no changes in the beneficial interests held by the Company.

PROJECT	BENEFICIAL INTEREST	TENEMENT	NAME
MOUNT LEYSHON	100%	ML 1546	Golden Star
	100%	ML 10144	Mt Leyshon
	100%	ML 10148	Puddler Creek
	100%	ML 10172	Eastern Star
	100%	ML 10173	Southern Star