



**31 October 2016**

## **Quarterly Report September 2016**

Leyshon Resources Limited (AIM/ASX: LRL) ("Leyshon" or the "Company") activities during the quarter focused on concluding the divestment of its legacy Mt Leyshon mine assets to Newmont Australia Pty Ltd ("Newmont") under the restructure and settlement arrangement announced on 6 May 2016. The divestment of Mt Leyshon is considered a key milestone in the Company's strategy to simplify its corporate structure and position the Company more favourably to pursue an investment transaction, and seek re-listing on the Australian Securities Exchange ("ASX").

### **Mt Leyshon Settlement with Newmont**

At Mt Leyshon in Queensland, the Company held five Mining Licenses ("ML's"), an Environmental Authority ("EA") and land covering the historical mining operations which are now subject to long-term rehabilitation. Newmont performed management services related to the site closure (including rehabilitation) in 2002-2003. Leyshon and Newmont had been in dispute since 2006 as to the validity and status of the ongoing obligations with respect to management of the site.

The Company had been incurring significant and growing costs associated with holding Mt Leyshon including, ML and EA fees, council rates, land taxes and other administration costs, totaling more than A\$300,000 per year. Newmont assumed responsibility for these costs from 6 May 2016, making payments of more than A\$240,000 since signing the settlement agreement. The Company also received a cash payment of A\$220,000 from Newmont on 13 July 2016 for expenses incurred on the tenements in 2015. This amount is to be repaid when Leyshon re-lists on the ASX.

Under the settlement agreement, Leyshon will provide Newmont with cash and/or shares in Leyshon as additional compensation. The payments to Newmont include \$170,000 in December 2016 (Leyshon's election payable as cash or shares), \$200,000 in December 2017 (Newmont's election payable as cash or shares), and \$275,000 each year between December 2018 and 2025 (Newmont's election payable as cash or shares).

During the quarter indicative approval was received from the Queensland Government for transfer the ML's, Newmont obtained Foreign Investment Review Board ("FIRB") approval for the acquisition of the land and ML's and transfer of the parcels of land to Newmont was completed. Final Queensland Government Ministerial approval for transfer of the MLs to Newmont was announced on 25 October 2016.

### **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.

### **New Project Opportunities**

The Company continues to review investment opportunities as it finalises its corporate restructuring initiatives. There has been a steady flow of opportunities in resources and other sectors for consideration by the Company. Directors are assessing several opportunities in the resources sector that may be suitable for a potential transaction and look forward to providing further updates to shareholders.

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 during the quarter. However as announced on 25 October 2016 final approval was received subsequent to the end of the quarter for these tenements to be transferred to Newmont under the Deed of Settlement announced on 6 May 2016.

<b>PROJECT</b>	<b>BENEFICIAL INTEREST</b>	<b>TENEMENT</b>	<b>NAME</b>
<b>MOUNT LEYSHON</b>	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