30 January 2017

Quarterly Report December 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") . Final approval for the transfer of the mining leases and Environment Authority ("EA") to Newmont was received on 25 October 2016 in accordance with 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. Under the settlement agreement, Leyshon will provide Newmont with cash and/or shares in Leyshon as additional compensation, with annual payments through to December 2025.

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 expects 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.

Following the successful divestment of the Mt Leyshon project, the Company is actively reviewing new investment opportunities. 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.

For further information please contact:

Leyshon Resources Limited
Corey Nolan – Non-Executive Director
Tel: +61 7 3221 7770
admin@leyshonresources.com

Tenement Interests

Leyshon Resources Limited disposed of the following interests in exploration tenements during the quarter as a result of the transfer of the Mt Leyshon project to Newmont under the Deed of Settlement announced on 6 May 2016.

			BENEFICIAL INTEREST AT:	
PROJECT	***TENEMENT***	***NAME***	***START OF QUARTER***	***END OF QUARTER***
MOUNT LEYSHON	ML 1546	Golden Star	100%	Nil
	ML 10144	Mt Leyshon	100%	Nil
	ML 10148	Puddler Creek	100%	Nil
	ML 10172	Eastern Star	100%	Nil
	ML 10173	Southern Star	100%	Nil

There were no other tenements acquired or disposed of during the quarter and no other changes in the beneficial interests held by the Company during the quarter. The Company currently has no interests in mining and exploration tenements.