



2 December 2009

ZHENG GUANG SALE COMPLETED AND ALL FUNDS RECEIVED

Leyshon Resources Limited (AIM/ASX:LRL) is pleased to report that the sale of the Zheng Guang gold project has completed several months ahead of schedule with all funds now received.

The Company now has over US\$44 million in cash of which A\$14 million is held in Australia and RMB207 million held in a Citibank account in Beijing. It is expected that the RMB will be converted and transferred to Australia within the next few weeks.

The withholding tax of RMB 19 million (US\$2.8 million) and the estimated legal, tax and other fees of RMB200,000 (US\$30,000) were considerably lower than previously estimated and, apart from the withholding tax, there have been no funds withheld for any reason. The Company has no ongoing employee or other liabilities in relation to the project.

Following receipt of the proceeds of sale, the Company's free cash equates to approximately 12 pence per share (22 A\$ cents per share).

As previously advised, once all funds have been expatriated the Company intends to proceed with an on market buy-back of shares and will advise further details in due course.

In addition, the Company is pleased with the deal flow it has received to date and is actively working on a number of potential investment opportunities which have the potential to fit its investment criteria.

Managing Director Paul Atherley commented: *"Following the overwhelming shareholder support for the divestment and proposed investing policy we intend to draw on our six years' experience in China to identify projects located in those countries and commodities which are of interest to Chinese groups.*

We will continue to be located in Beijing and will work closely with Chinese technical, investment and regulatory groups in assessing early stage projects which have the potential to meet Chinese development criteria."

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