

31 January 2014

#### CAPITAL STRUCTURE

Shares on Issue: 192.5m

Unlisted Options: 0.5m

Market Cap: \$4.8 m  
(as at 31 December 2013)

[Click here](#) for latest share price (ASX: LMR)



#### CASH ON HAND

\$16.1 m  
(as at 31 December 2013)

#### CORPORATE DIRECTORY

Mr Anthony Viljoen  
CEO, Executive Director

Mr Ryan Rockwood  
Executive Director

Mr Fortune Mojapelo  
Non-Executive Director

Mr Jonathan Murray  
Non-Executive Director

Ms Shannon Coates  
Company Secretary

#### CONTACT DETAILS

##### Principal and Registered Office

Suite 1 Ground Floor, 83 Havelock Street  
West Perth WA 6005

Telephone: +61 8 9486 4768

Facsimile: +61 8 9322 5230

##### WEBSITE

[www.lemurresources.com](http://www.lemurresources.com)

##### EMAIL

[enquiries@lemurresources.com](mailto:enquiries@lemurresources.com)

## Quarterly Report for the period ended 31 December 2013

### Highlights during the quarter include:

#### Imaloto Coal Project and Extension (99%)

- The long awaited elections in Madagascar were held on 20 December 2013 and were concluded as fair and credible by international observers, with Mr Hery Rajaonarimampianina elected as president;
- Discussions in relation to the IPP licence award continued but progress was moderated due to the elections;
- Further optimisation work on the scoping study mine plan to more accurately mirror the anticipated IPP demand was conducted on the Company's flagship Imaloto Coal Project, which lead to an increase of the estimated project NPV to US\$49m (refer to the cautionary statements below); and
- Various means to realise value from the Company's exploration kit (including its drill rigs) were evaluated and implementation plans are under way.

#### CAUTIONARY STATEMENT

The scoping study referred to in this announcement:

- is based on lower-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the scoping study will be realised. There is a low level of geological confidence associated with mineral resources and there is no certainty that the production target itself will be realised;
- contains scoping study results and production targets which are preliminary in nature. The Life of Mine ("LOM") Run of Mine ("ROM") production target of 21 million tonnes is based on the exploitation of the Measured and Indicated portions only of the mineral resource reported in accordance with the 2004 edition of the JORC Code. The Measured and Indicated portions represent 91% of the resource, equating to a total of 123 million tonnes. Refer to Appendix 1 for a copy of the JORC Code resource statement;
- contains outputs relating to 100% of the Project; and

- contains cash flow estimates which, unless otherwise stated, are in US dollars which are undiscounted and are not subject to inflation/escalation factors and all years are calendar years.

**Refer to page 5 for further details on Cautionary and Forward Looking Statements**

## **Corporate**

- Cash on hand at 31 December 2013 totalled \$16.1 million and no debt;
- The Bushveld Minerals Limited takeover bid for Lemur completed on 1 November 2013 with 54.4% acceptances;
- Mr Viljoen was appointed as CEO and Mr Rockwood was appointed in a permanent Executive Director role; and
- The Company's strategy was also revisited and remains consistent with that previously announced. The relocation of the main administrative office from Perth to Johannesburg and associated cost rationalisation was commenced.

Lemur Resources Limited (**Lemur** or the **Company**) provides the following update on key activities undertaken by the Company during the quarter ended 31 December 2013.

## **Imaloto Coal Project and Extension (99%)**

### **Madagascan Presidential Elections**

The long awaited Madagascan Presidential and Parliamentary Elections since the coup of early 2009 took place on 20 December 2013 (the first round was on 25 October 2013 with no clear winner). The elections received close international scrutiny and had over 300 observers in the country adding legitimacy to the proceedings. Mr Hery Rajaonarimampianina, the former finance minister, emerged as the elected President, with 53.5% of the vote. It is hoped that a period of political stability and economic prosperity will now return to the island nation.

### **Scoping Study Optimisation**

Further to the release of the consolidated scoping studies<sup>1</sup>, some optimisation work and further financial modelling was conducted. In particular, the mine plan was tweaked to more accurately mirror the burn requirement of the Independent Power Plant (**IPP**). This resulted in an estimated opencast life of 10.5 years after underground mining commenced. All opencast production is proposed to be sold domestically in raw form as IPP feedstock. All underground production (if production occurs) is expected to be beneficiated via a single stage wash with the primary product being sold into the seaborne export market, and the secondary product continuing to feed the IPP. The net financial impact was the project NPV increasing to US\$49m at a 10% post-tax real discount rate as modelled by our independent third party consultants, Hindsight Financial and Commercial Solutions (Pty) Ltd. Other financial assumptions were materially the same as detailed in the scoping study announcement of 26 September 2013, namely:

- Low capital expenditure of less than US\$12 million in order to commence the open pit operation (Phase 1);

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<sup>1</sup> *The scoping study is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the scoping study will be realised.*

- LOM of 20 years (Phase 1 & 2) for total ROM production target of 21 million tonnes<sup>2</sup>;
- Phase 1 RAW product with an average CV of 5,504 kcal/kg net as received (NAR); and
- Phase 2 primary products yielding over 62% with an average CV of 5,689 kcal/kg NAR and 16.5% Ash, and a secondary product yielding 33% with an average CV of 3,627 kcal/kg NAR for a combined yield in excess of 95%.

## **IPP Licence**

Discussions are on-going in relation to the award of a licence for the construction and operation of a coal fired Independent Power Plant in close proximity to the Imaloto coal mine. However progress during the quarter was moderated due to the distraction of the two rounds of Presidential elections in October and December. The process is expected to regain momentum during the course of 2014 as the new regime establishes its administration and Lemur notes the statements that the new government has expressed a desire to facilitate large scale power and infrastructure projects.

## **Drill Rigs**

Following the completion of the successful Phase III Imaloto drilling program, the exploration kit is no longer required on site. The exploration kit comprises amongst others two Boart Longyear LF70 diamond drill rigs, drill rods and various associated equipment. An in-country sales process was conducted targeting miners and contractors. As there is no immediate demand for the exploration kit at a suitable sale consideration, it has been determined to ship out the exploration kit to mainland Africa with the view of either sale or using the kit to earn-into attractive exploration greenfield projects rather than allowing natural decay of the useful life of the equipment in storage.

## **Permit 4578**

As previously announced to ASX, Lemur is aware of a legal claim and resulting court judgment that declared null and void various historical sale agreements which ultimately resulted in Lemur being granted permit 4578.

The Lemur Directors have obtained legal advice from Madagascan counsel, John W Ffooks & Co., who have advised that in their view the judgment is not a threat to Lemur's currently held tenure over permit 4578 on the basis that the claim is ill-founded, principally as it post-dates the effective transfer date of permit 4578 to Lemur, indicating that Lemur has acquired the permit in good faith. However, there can be no guarantee that Lemur will be successful in disputing the validity of the court judgement.

The outcomes of Antananrivo and Tulear court judgements are expected in the first quarter of 2014.

## **Next Steps**

Given the conclusion of the Madagascan elections and the anticipated return to normal operation of the administrative branches of the government, the Company intends to focus on the following areas, which involve minimal cash outlay:

- Working with Jirama (the state owned power company) towards having an IPP concession awarded, and commencement of the Environmental Impact Assessment;

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<sup>2</sup> The LOM ROM production target of 21 million tonnes is based on the exploitation of the Measured and Indicated portions only of the JORC Code resource. The Measured and Indicated portions represent 91% of the resource equating to a total of 123 million tonnes. Refer to Appendix 1 for a copy of the JORC Code resource statement.

- Effecting permit administration including renewal and transfers; and
- Considering means to realising value from the Imaloto Coal Project and the Imaloto IPP including approaching strategic investors.

## **Corporate**

### **Cash Position**

As at 31 December 2013, Lemur had \$16.1 million cash on hand and no debt. A copy of the Company's Mining Exploration Entity Quarterly Report (Appendix 5B) in accordance with ASX Listing Rule 5.5 is attached.

### **Bushveld Bid**

The takeover bid by AIM-listed Bushveld Minerals Limited (**Bushveld**) (a company incorporated in Guernsey) closed on 1 November 2013 with Bushveld achieving an interest of 54.39% in Lemur's total share capital. The Lemur Directors have expressed their desire to work collaboratively with majority shareholder Bushveld.

### **Board and Management**

During the quarter, Mr Anthony Viljoen who was an interim Executive Director was appointed as Chief Executive Officer of the Company. Mr Viljoen has been involved with the Company's flagship Imaloto project from its inception and brings a wealth of country specific experience. In addition, Mr Ryan Rockwood's interim appointment as an Executive Director was made into a permanent role. Mr Rockwood's engineering and commercial skills have been of significant benefit to the Company.

Mr Marcello Cardacci resigned from the Board of Directors and sincere appreciation for his contribution over the past 2 years was expressed. Mr Jonathan Murray was appointed as a Non-Executive Director of the Company. Mr Murray is a partner of law firm Steinepreis Paganin and a highly experienced ASX company director.

### **Strategy and Cost Rationalisation**

In the light of the Board changes, the Lemur strategy was revisited. The Lemur Board intends to continue to execute its dual strategy to generate shareholder value. Firstly, to advance its coal assets in Madagascar as per the positive Imaloto scoping study results released and to progress the coal fired IPP concession. Secondly, to leverage the Company's cash to acquire other resource assets that are either close to production/cashflow or have significant exploration potential and favourable cost curve positioning.

Given that Lemur is now a subsidiary of Bushveld Minerals, it was deemed appropriate to migrate the Company's operational base from Perth to South Africa. The purpose of the move is to avoid duplication of roles and to build scale of activities. As a consequence of the aforementioned, cost rationalisation is under way.

## About Lemur Resources Limited

Lemur Resources is focused on the development of the Company's significant coal assets in Madagascar. Headquartered in Perth, Western Australia, the Company is planning to develop a thermal coal mine at its 99% owned Imaloto Coal Project, located in the Imaloto Coal Basin in Madagascar. Lemur's board and management have significant experience in developing mining projects in Africa. The Company listed on the ASX in August 2011.

For further information see [www.lemurresources.com](http://www.lemurresources.com)

## Competent Persons Statement

The information in this Announcement that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Professor Richard Viljoen, a Competent Person who is a Professional Natural Scientist (Pr.Sci. Nat.), registered with the South African Council for Natural and Scientific Professions (SACNASP), a 'Recognised Professional Organisation' ('RPO') included in a list that is posted on the ASX website from time to time. Professor Viljoen is employed by VMI (Pty) Limited. Professor Viljoen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 Editions of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Professor Viljoen consents to the inclusion in this Announcement of the matters based on his information in the form and context in which it appears.

The information in this Report that relates to Mineral Resources is based on, and fairly represents, information and supporting documentation compiled by Mr Johan Erasmus, a Competent Person. Mr Erasmus is a Qualified Geologist (Bachelor of Science - Geology and Chemistry, Bachelor of Science (Hons.) – Geology – University of Port Elizabeth – 1989, 1990) and is also a Professional Natural Scientist (Pr.Sci. Nat.), registered with the South African Council for Natural Scientific Professions, a 'Recognised Professional Organisation' ('RPO') included in a list that is posted on the ASX website from time to time. Mr Erasmus is the owner of Sumsare Consulting CC. Mr Erasmus has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 Editions of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Erasmus consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Cautionary Statement

The exploration results and mineral resource information in this announcement was prepared and first disclosed under the JORC Code 2004 Edition. It has not been updated since to comply with the JORC Code 2012 Edition on the basis that the information has not materially changed since it was last reported. The Company has determined to include the following cautionary statements:

The scoping study referred to in this announcement:

- is based on lower-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the scoping study will be realised. There is a low level of geological confidence associated with mineral resources and there is no certainty that the production target itself will be realised;
- contains scoping study results and production targets which are preliminary in nature. The Life of Mine ("LOM") Run of Mine ("ROM") production target of 21 million tonnes is based on the exploitation of the Measured and Indicated portions only of the JORC Code resource. The Measured and Indicated portions represent 91% of the resource equating to a total of 123 million tonnes. Refer to Appendix 1 for a copy of the JORC Code resource statement;
- contains outputs relating to 100% of the Project; and
- contains cash flow estimates which, unless otherwise stated, are in US dollars which are undiscounted and are not subject to inflation/escalation factors and all years are calendar years.

## Forward Looking Statements

This announcement contains certain forward looking statements. The words "expect", "forecast", "should", "projected", "could", "may", "predict", "plan" and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings, cash flow costs and financial position and performance are also forward

looking statements. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results or trends to differ materially. These variations, if materially adverse, may affect the timing or the feasibility of the development of the Imaloto Coal Project.

The Company believes it has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any production targets, based on the information contained in this announcement and in particular:

- The LoM ROM production target of 21 million tonnes is based on the exploitation of the Measured and Indicated portions only of the JORC Code resource. The Measured and Indicated portions represent 91% of the resource equating to a total of 123 million tonnes;
- JORC Code Resources Statement released on the 28 March 2013;
- Independent scoping studies which addressed the critical areas including the determination of mining inventory, mine design and scheduling, assay test work, and industry specific operating and capital cost data; and
- Independently prepared financial model and the key assumption contained therein relating to the commodity price and exchange rate forecasts.

Appendix 1 – JORC Code 2004 Resource Statement

COAL RESOURCE - Imaloto - Lemur Resources											
Block	Seam	Ply	Thick (m)	Area (m <sup>2</sup> )	Volume (m <sup>3</sup> )	Density	GTIS	Drill Grid	Confidence level	Geological Loss	TTIS
1	Main	Main	1.35	3940874	5320180	1.468	7.810	331	Measured	10	7.029
<b>Total</b>							<b>7.810</b>				<b>7.029</b>
2	Top	Top	0.98	6999660	6849535	1.509	10.336	519	Indicated	15	8.786
2	Upper	Upper	1.12	6999660	7839424	1.622	12.716	519	Indicated	15	10.808
2	Main	Main	1.90	2959047	5630147	1.500	8.445	519	Indicated	15	7.178
<b>Total</b>							<b>31.497</b>				<b>26.772</b>
3	Top	Top	0.88	4273073	3760304	1.539	5.787	371	Measured	10	5.208
3	Upper	Upper	1.07	4273073	4572188	1.590	7.270	371	Measured	10	6.543
3	Main	Main	2.85	4272813	12176950	1.467	17.864	371	Measured	10	16.077
<b>Total</b>							<b>30.920</b>				<b>27.828</b>
4	Top	Top	0.83	3761367	3121935	1.580	4.933	373	Measured	10	4.439
4	Upper	Upper	1.31	3761367	4927391	1.608	7.923	373	Measured	10	7.131
4	Main	Main	2.94	3357197	9863333	1.514	14.933	353	Measured	10	13.440
<b>Total</b>							<b>27.789</b>				<b>25.010</b>
5	Top	Top	0.72	3052761	2827001	1.598	4.518	424	Measured	12	3.975
5	Upper	Upper	1.12	2802195	3138458	1.590	4.990	406	Measured	12	4.391
<b>Total</b>							<b>9.508</b>				<b>8.367</b>
2A	Top	Top	0.50	1397766	698883	1.509	1.055	1182	Inferred	20	0.844
2A	Upper	Upper	0.75	1397766	1048325	1.622	1.700	1182	Inferred	20	1.360
2A	Main	Main	1.98	1397766	2767577	1.500	4.151	1182	Inferred	20	3.321
<b>Total</b>							<b>6.906</b>				<b>5.525</b>
3A	Top	Top	0.79	777559	614271	1.555	0.955	441	Measured	12	0.841
3A	Upper	Upper	0.80	777559	622047	1.631	1.015	441	Measured	12	0.893
3A	Main	Main	3.98	777559	3094683	1.510	4.673	441	Measured	12	4.112
<b>Total</b>							<b>6.643</b>				<b>5.846</b>
4A	Top	Top	0.87	1092459	950440	1.581	1.503	370	Measured	10	1.352
4A	Upper	Upper	1.06	1092459	1158007	1.620	1.876	370	Measured	10	1.688
4A	Main	Main	3.38	1092459	3692513	1.507	5.565	370	Measured	10	5.008
<b>Total</b>							<b>8.943</b>				<b>8.049</b>
5A	Top	Top	0.75	1795637	1346728	1.598	2.152	1340	Inferred	20	1.722

5A	Upper	Upper	1.25	1795637	2244546	1.590	3.569	1340	Inferred	20	2.855
<b>Total</b>							<b>5.721</b>				<b>4.577</b>

### Appendix 1 – JORC Code 2004 Resource Statement (cont'd)

<b>Gross Indicated Tonnage in Situ</b>				<b>31.497</b>	<b>Total Indicated Tonnage in Situ</b>				<b>26.772</b>
<b>Gross Measured Tonnage in Situ</b>				<b>91.613</b>	<b>Total Measured Tonnage in Situ</b>				<b>82.129</b>
<b>Gross Inferred Tonnage in Situ</b>				<b>12.627</b>	<b>Total Inferred Tonnage in Situ</b>				<b>10.102</b>
<b>Gross Total Tonnage in Situ</b>				<b>135.737</b>	<b>Total Tonnage in Situ</b>				<b>119.003</b>
<b>Gross Top Seam Tonnage in Situ</b>				<b>31.238</b>	<b>Total Top Seam Tonnage in Situ</b>				<b>27.167</b>
<b>Gross Upper Seam Tonnage In Situ</b>				<b>41.058</b>	<b>Total Upper Seam Tonnage In Situ</b>				<b>35.670</b>
<b>Gross Main Seam Tonnage In Situ</b>				<b>63.441</b>	<b>Total Main Seam Tonnage In Situ</b>				<b>56.166</b>
<b>Gross Main Seam Inferred Tonnage</b>				<b>4.151</b>					<b>3.321</b>
<b>Gross Main Seam Indicated Tonnage</b>				<b>8.445</b>					<b>7.178</b>
<b>Gross Main Seam Measured Tonnage</b>				<b>50.844</b>					<b>45.666</b>

Main Seam - Cumulative Results (Air-dried Base)									Calculated		
Sample	Wash	Moisture	Ash	Volatile	F.C.	Sulphur	Gross C.V.	Yield	DAVF	GAR	NAR
Mass	R.D.	%	%	%	%	%	MJ/kg	%		kcal/kg @ 8% TM	kcal/kg @ 8% TM
99728	F1.35	5.0	12.1	34.1	48.8	1.05	27.42	21.2	41.1	6345	6105
170294	F1.40	5.0	14.0	32.7	48.3	0.99	26.69	40.9	40.4	6176	5936
<b>232788</b>	<b>F1.50</b>	<b>5.0</b>	<b>16.8</b>	<b>30.4</b>	<b>47.8</b>	<b>0.95</b>	<b>25.60</b>	<b>67.4</b>	<b>38.9</b>	<b>5921</b>	<b>5681</b>
118038	F1.60	5.0	19.3	29.1	46.6	0.99	24.68	78.6	38.5	5706	5465
57101	F1.70	4.9	20.9	28.7	45.5	1.01	24.02	84.2	38.7	5549	5308
30708	F1.80	4.9	22.3	28.2	44.6	1.07	23.50	87.8	38.7	5428	5187
<b>13069</b>	<b>F1.90</b>	<b>4.8</b>	<b>23.5</b>	<b>28.0</b>	<b>43.7</b>	<b>1.03</b>	<b>23.23</b>	<b>90.6</b>	<b>39.1</b>	<b>5362</b>	<b>5121</b>
65804	S1.90	4.6	28.2	26.7	40.6	2.00	21.13	100.0	39.6	4866	4625
39477	< 0.5	4.8	26.8	26.4	41.9	1.67	21.38		38.7	4935	4694
827007	Raw	4.6	28.1	26.7	40.7	1.98	21.15		39.6	4870	4628

Appendix 1 – JORC Code 2004 Resource Statement (cont'd)

Upper Seam - Cumulative Results (Air-dried Base)									Calculated		
Sample	Wash	Moisture	Ash	Volatile	F.C.	Sulphur	Gross C.V.	Yield	DAVF	GAR	NAR
Mass	R.D.	%	%	%	%	%	MJ/kg	%		kcal/kg @ 8% TM	kcal/kg @ 8% TM
16699	F1.35	5.3	12.5	33.9	48.3	1.25	26.90	11.8	41.2	6239	5999
47410	F1.40	5.2	15.9	33.3	45.6	1.12	25.68	25.2	42.3	5952	5711
90377	F1.50	5.1	20.1	31.8	42.9	1.16	24.22	53.3	42.6	5609	5368
41607	F1.60	5.0	22.1	31.0	41.9	1.24	23.47	63.5	42.5	5428	5187
21485	F1.70	4.9	23.9	30.1	41.1	1.24	22.86	69.9	42.3	5280	5039
14054	F1.80	4.7	25.8	29.4	40.2	1.25	22.24	74.2	42.2	5127	4885
8294	F1.90	4.8	27.1	29.2	39.0	1.12	21.91	79.1	42.8	5056	4815
76277	S1.90	4.1	40.6	24.2	31.0	1.82	16.56	100.0	43.8	3797	3554
19040	< 0.5	4.5	39.1	23.9	32.5	1.48	16.97		42.5	3905	3662
335243	Raw	4.2	40.6	24.2	31.1	1.80	16.59		43.7	3803	3560

Top Seam - Cumulative Results (Air-dried Base)									Calculated		
Sample	Wash	Moisture	Ash	Volatile	F.C.	Sulphur	Gross C.V.	Yield	DAVF	GAR	NAR
Mass	R.D.	%	%	%	%	%	MJ/kg	%		kcal/kg @ 8% TM	kcal/kg @ 8% TM
25390	F1.35	5.5	11.2	35.1	48.2	1.06	27.32	19.4	42.1	6354	6114
28992	F1.40	5.4	13.9	34.2	46.5	1.02	26.44	31.4	42.4	6142	5902
52694	F1.50	5.2	18.8	32.0	44.0	1.07	24.78	57.0	42.2	5745	5504
40424	F1.60	5.1	22.5	30.4	42.0	1.16	23.52	74.9	42.0	5445	5204
13869	F1.70	5.0	23.8	30.0	41.3	1.23	22.98	78.3	42.1	5313	5071
6410	F1.80	4.9	24.7	29.5	40.8	1.26	22.62	81.7	42.0	5230	4988
4697	F1.90	4.9	25.8	29.3	40.1	1.15	22.51	85.8	42.2	5199	4958
31836	S1.90	4.6	35.1	26.1	34.2	2.19	18.67	100.0	43.3	4302	4059
11609	< 0.5	4.8	33.2	26.2	35.7	1.76	18.78		42.3	4337	4094
215921	Raw	4.6	35.0	26.1	34.2	2.16	18.68		43.3	4304	4061

## Mining Tenements

Mining tenements held at the end of the quarter			
Permit number	Project name	Country held	Beneficial interest
3196	Imaloto	Madagascar	99%
4578	Imaloto	Madagascar	99%
12653	Imaloto	Madagascar	99%
27163	Imaloto	Madagascar	99%
26904	Imaloto	Madagascar	99%
31892	Ianapera	Madagascar	99%
31808	Sakaraha	Madagascar	99%
<p>No mining tenements were acquired or disposed of during the quarter.</p> <p>No exploration, mining production or development activities took place in respect of the Company's mining tenements during the quarter.</p> <p>The Company holds no beneficial percentage interests through farm-in or farm-out agreements at the end of the quarter, nor did the Company acquire or dispose of any beneficial percentage interests in farm-in or farm-out agreements during the quarter.</p>			

# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

Lemur Resources Limited

ABN

53 147 241 361

Quarter ended ("current quarter")

31 December 2013

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 Months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(30)	(876)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(394)	(1,779)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	159	722
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
<b>Net Operating Cash Flows</b>		<b>(266)</b>	<b>(1,933)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payments for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(4)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>(4)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(266)</b>	<b>(1,937)</b>

1.13	Total operating and investing cash flows (brought forward)	(266)	(1,937)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other: Fund raising costs	-	-
1.20	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	<b>(266)</b>	<b>(1,937)</b>
1.20	Cash at beginning of quarter/year to date	16,404	18,073
1.21	Exchange rate adjustments to item 1.20	-	2
1.22	<b>Cash at end of quarter</b>	<b>16,138</b>	<b>16,138</b>

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	135
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

<u>\$A'000</u>	
102	Director fee's
25	South African office lease payments (paid to VM Investment Company (Pty) Ltd) of which Mr Anthony Viljoen and Fortune Mojapelo are both directors and shareholders.
8	D&O insurance paid to Bushveld Minerals Ltd (Bushveld hold 54.39% of the issued share capital in LMR)

### Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

n/a

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

n/a

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(109)
4.2 Development	-
4.3 Production	-
4.4 Administration (net of interest revenue)	(327)
<b>Total</b>	<b>(436)</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	14	13
5.2 Deposits at call	16,124	16,391
5.3 Bank overdraft	-	-
5.4 Other (USD account)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>16,138</b>	<b>16,404</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>*Ordinary securities</b>	192,500,001	192,500,001	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Release from escrow			
7.5	<b>*Convertible debt securities</b> <i>(description)</i>			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.7 <b>Options</b>	500,000	nil – unlisted options	<u>Exercise price</u> 500,000 exercisable at 15 cents each	<u>Expiry date</u> 15 Nov 2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	13,000,000	nil	<u>Exercise price</u> 6,500,000 exercisable at 30 cents each  6,500,000 exercisable at 40 cents each	<u>Expiry date</u> 31 Dec 2013  31 Dec 2013
7.11 <b>Debentures (totals only)</b>				
7.12 <b>Unsecured notes (totals only)</b>				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

*R. Rockwood .*

Sign here:

Executive Director

Date: 31 January 2014

Print name:

Ryan Rockwood

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the

entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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