

31 October 2011

FAST FACTS

CAPITAL STRUCTURE

Shares on Issue: 192.5m

Market Cap (as at 28 October 2011): \$34.65m

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(ASX: LMR)



CASH ON HAND:

\$22.37 million
(as at 30 September 2011)

CORPORATE DIRECTORY

Mr Andrew Love
Non-Executive Chairman

Mr Blair Sergeant
Managing Director

Mr Anthony Viljoen
Non-Executive Director

Mr Marcello Cardaci
Non-Executive Director

Professor Daniel Rasoamahanina
Non-Executive Director

Mr Ryan Rockwood
Non-Executive Director

Ms Shannon Coates
Company Secretary

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Initial Drilling Results – Imaloto Coal Project

Lemur Resources Limited (ASX:LMR) is pleased to announce that initial results from the current drilling programme being undertaken at the Company's Imatolo Coal Project, have identified the potential for a larger deposit than previously anticipated, with relative ease of beneficiation. Highlights include:

- The drilling programme has confirmed the results of previous drilling and in some instances, thickness of the main seam has been greater than expected;
- Drill hole spacing is decreasing as drilling progresses, allowing for a more accurate resource estimation with the aim of defining a JORC compliant measured resource;
- New observations suggest that the presence of pyrite nodules in the coal could account for a large portion of the sulphur content, which can be extracted by simple beneficiation; and
- Imaloto coal properties appear to be similar to those of coal located in the Hwange (Zimbabwe) and Tete (Central Mozambique) coal provinces. A number of coal fields in these provinces have strong coking coal characteristics.

Exploration Update

To date a total of 6,353 metres of diamond drilling has been completed on Lemur Resources coal property in South West Madagascar, known as the Imaloto Coal Project. Of this total, 5,040 metres (comprising 36 holes) were drilled in 2009 and 1,669 metres (comprising 21 holes) have been drilled as part of the current Phase III Exploration Programme.

A further 1,831 metres of drilling is expected to be completed before the end of 2011. Of the 57 holes that have been drilled to date, all except four have intersected at least one coal seam, with the holes in the north intersecting three distinct and potentially economic seams. The reason for the four holes not intersecting coal is that they were drilled outside of the depositional basin, which has now been more accurately defined.

Coal Intersections from the recently completed 21 drill holes are as follows:

HOLE ID	SAMPLE NO	FROM (m)	TO (m)	INTERVAL (m)	SAMPLE ID	Comments
IM160	1	21.34	22.84	1.50	A0169	Main Seam, IB
IM159	1	30.80	32.82	2.02	A0170	Main Seam, IB
IM151	1	46.86	48.12	1.26	A0171	Main Seam, IB
IM138	1	21.52	22.27	0.75	A0172	Main Seam, IB, <1m, edge of basin
IM135	1	35.79	37.06	1.27	A0173	Main Seam, IB
IM149	1	32.13	33.35	1.22	A0174	Main Seam, IB
IM150	1	17.60	19.23	1.63	A0175	Main Seam, IB
IM154	1	31.69	32.99	1.30	A0176	Main Seam, IB
IM158	1	25.51	26.61	1.10	A0177	Main Seam, IB
IM164	1	19.48	20.49	1.01	A0178	Main Seam, IB
IM168	1	17.53	17.97	0.44	A0179	Main Seam, ID, <1M, edge of basin
IM175	1	27.09	28.42	1.33	A0180	Main Seam, ID with minor bright bands
IM188	1	41.48	42.17	0.69	A0181	Top seam, dull with bright band
IM188	2	44.80	45.75	0.95	A0182	Upper seam, dull with freq, bright bands; Main seam <50cm - not sampled
IM170	1	33.34	35.43	2.09	A0183	Main seam, bright with minor dull bands
IM189	1	48.81	49.43	0.62	A0184	Top seam, dull with minor bright band
IM189	2	53.00	54.08	1.08	A0185	Upper seam, dull with freq, bright bands
IM189	3	103.30	104.77	1.47	A0186	Main seam, bright with minor dull bands
IM192	1	52.77	53.41	0.64	A0187	Top seam, dull with minor bright band
IM192	2	61.50	62.39	0.89	A0188	Upper seam, dull with minor bright bands
IM192	3	111.11	113.34	2.23	A0189	Main seam, bright with minor dull bands
IM191	1	96.81	97.46	0.65	A0190	Top seam, dull with minor bright band
IM191	2	104.74	105.65	0.91	A0191	Upper seam, dull lustrous coal
IM191	3	154.90	156.97	2.07	A0192	Main seam, intermediate bright coal with minor dull bands
IM213	1	37.43	38.33	0.90	A0193	Dull coal with minor bright bands, Top seam
IM213	2	40.57	41.87	1.30	A0194	CX, upper seam
IM190	1	81.53	82.26	0.73	A0195	CX, top seam
IM190	2	87.04	88.11	1.07	A0196	Dull lustrous coal, upper seam
IM190	3	134.55	136.75	2.20	A0197	Bright and dull lustrous coal, main seam

Three important coal seams within the Imaloto coal basin have been reliably identified and correlated across the basin with the main seam being the most extensive, having a confirmed thickness of up to 4.40 metres. The Upper seam has a thickness of up to 2.26 metres and the Top seam a thickness of up to 1.25 metres. As the coal seams extend to the north there is a general increase in thickness, coupled with increases in calorific values and a decrease in ash content.

Table 1: Thicknesses for each coal seam, based on previous and current drilling programmes

	Main seam	Upper seam	Top seam
Thickness (metres)	0.40 - 4.40	0.43 - 2.26	0.42 - 1.25
Average thickness (metres)	2.29	1.36	0.8

The main seam lies 50 metres below the Upper and Top seams which are separated in turn by a layer of interburden that is on average 5.21 metres thick. The seams increase in depth towards the north at a slight angle with the main seam occurring at surface in the southern part of the exploration area and at depths ranging from 112 to 257 metres below surface in the northern most part of the Project area.

This is consistent with the notion that the southern portion of the Imaloto Coal Project looks suitable for open pit mining and as one heads north, extraction of the coal would be via traditional underground mining methods.

North-South trending block faulting has occurred in the area which has resulted in the formation of major fault blocks, each of which represents a potential mining entity and which have been accurately defined by the drilling programmes. The Upper and Top coal seams lie close to surface in the middle of the exploration area with depths of between 64 and 209 metres in the most northerly portion of the area. The drill holes that are still to be completed during this year will provide more complete depth information of the northern part of the area.

Coal Characteristics

Assay results of the 2009 core samples identified that all three coal seams were characterised by a relatively high volatile content. These characteristics are similar to coals such as those from Hwange in Zimbabwe and some of the coals from central Mozambique. Both Hwange and central Mozambique coal fields have areas which have produced coal that contains strong coking coal characteristics. This is an aspect that will be further investigated with regard to coal within the Imaloto Coal Project.

The sulphur content of much of the main seam in particular can be reduced with minor beneficiation, as the sulphur appears to be mainly present in the form of inorganic (pyritic) nodules which are relatively easy to remove during the beneficiation process. This aspect will also be analysed in more detail as the programme proceeds.

A drilling grid has been established in the Project area with primary east-west lines being spaced at 1 kilometre intervals in the North-South direction, secondary east-west lines are spaced at 250 metre intervals (see Figure 1). This format will ensure an ultimate borehole spacing of between 250 and 500 metres on the grid which will be JORC compliant for the calculation of a measured resource after completion of further infill drilling.

About Lemur Resources

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 commercial coal mining operations in Africa. The Company listed on the ASX in August 2011.

For further information see www.lemurresources.com

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Competent Persons Statement

The information in this Announcement that relates to Mineral Resources or Ore Reserves is based on information compiled by Professor Richard Viljoen, who is a Professional Natural Scientist (Pr.Sci. Nat.), registered with the South African Council for Natural and Scientific Professions (SACNASP), a 'Recognised Overseas Professional Organisation' ('ROPO') included in a list promulgated by the ASX 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 Edition 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.

DRILLING PROGRAMME FOR 2011 TO 2012

