LEMUR RESOURCES LIMITED

ACN 147 241 361

CAPITAL STRUCTURE

Shares on Issue: 192.5m

Unlisted Options: 13m

Market Cap: $16.36m

Click here for latest share price **(ASX: LMR)**

CASH ON HAND
$20.43 million
(as at 30 June 2012)

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 Rasoamahenina
Non-Executive Director

Mr Ryan Rockwood
Non-Executive Director

Ms Shannon Coates
Company Secretary

CONTACT DETAILS

Principal and Registered Offices

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WEBSITE

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9 October 2012

Final Batch of Laboratory Results – Imaloto Coal Project

Lemur Resources Limited ("Lemur" or "the Company") (ASX: LMR) is pleased to announce that results of the final 7 core samples taken as part of the Western Drilling Programme have now been received.

Since exploration activities commenced in 2009 the Company has analysed a total of 290 samples, 120 of which relate to the current phase III program.

Results of this final batch, as do the consolidated results, confirm that when the Main Seam is beneficiated via a single stage wash, the following products will be generated:

- **A primary product displaying export grade thermal qualities yielding approximately 67%,**
- **A secondary product displaying qualities suitable as feedstock for a domestic coal fired power station.**

This would equate to a theoretical yield of 100% for the Main Seam.

Once the final batch of results has been incorporated into the geological model, the Company will be in a position to prepare then announce the upgraded JORC Compliant Resource Statement which will be closely followed by the release of results from the Scoping Studies currently nearing completion.

Commenting on the latest lab results Lemur's Managing Director, Blair Sergeant said *"The quality of the Imaloto Main Seam has been confirmed by the consolidated wash table analysis and makes our product highly sought after in the seaborne market which is very pleasing. Our focus now shifts to understanding in greater detail the operational and capital expenditure side of the Project as we look at how best to commercialise the asset."*

Laboratory Results – Western Drilling Programme

Summary of Samples taken as part of the Western Drilling Programme - Phase I, II and III

The below table summarises the samples taken and analysed from Western Drilling Programme at the Imaloto Coal Project since the Company commenced exploration activities in 2009:

	Phase I & II	Phase III									Project to Date
	2009	Batch 1	Batch 2	Batch 3	Batch 4	Batch 5	Batch 6	Batch 7	Batch 8	Sub-total	Total
Core samples that have undergone Wash table analysis:											
Main seam	39	12	5	6	4	21	4	2	1	55	94
Top seam	22	-	6	5	5		7	3	1	27	49
Upper seam	24		6	7	5		7	2	1	28	52
Lower seam	-	-		1	1	7	2	-	-	11	11
Sub- coal intersections	83	-	-	-	1	-	-	-	-	1	84
Total	**168**	**12**	**17**	**19**	**16**	**28**	**20**	**7**	**3**	**122**	**290**

Main Seam

Wash Table Analysis

The wash-table below shows the composite quality for the Main Seam based on all samples received and analysed as part of the Phase III programme:

Main Seam - Cumulative Results (Air-dried Base) as @ 05 Oct 2012									Calculated		
Sample Mass	Wash R.D.	Moisture %	Ash %	Volatile %	F.C. %	Sulphur %	Gross C.V. MJ/kg	Yield %	DAVF	GAR kcal/kg @ 8% TM	NAR kcal/kg @ 8% TM
4604	F1.25	5.4	9.2	36.2	49.2	1.10	27.88	1.4	42.4	6478	6238
10941	F1.30	5.6	10.2	35.5	48.7	1.11	27.67	5.1	42.2	6438	6198
36450	F1.35	5.4	12.1	34.4	48.1	1.04	27.09	17.6	41.8	6295	6054
61491	F1.40	5.5	14.1	32.9	47.6	0.99	26.39	40.0	40.9	6133	5892
79109	F1.50	5.4	16.9	30.7	47.0	0.96	25.30	67.4	39.5	5880	5639
40814	F1.60	5.4	18.8	29.5	46.3	0.98	24.55	81.6	38.9	5703	5462
16826	F1.70	5.4	20.0	28.9	45.7	0.99	24.11	87.4	38.8	5597	5355
9403	F1.80	5.3	20.9	28.6	45.2	1.04	23.77	90.6	38.7	5516	5275
6027	F1.90	5.3	21.6	28.3	44.8	1.07	23.51	92.7	38.8	5453	5212
21219	S1.90	5.1	24.5	27.7	42.7	1.82	22.36	100.0	39.3	5177	4936

Figure 1: Wash-table for Main Seam Analyses of the Western Drilling Programme based on the analysis of 55 samples

As demonstrated in the table above (Figure 1), at a relative density of 1.50 tonne/m3, the theoretical yield of an export quality product with a gross CV of 25.30MJ/kg (6,042kcal/kg), Sulphur of 0.96% and Ash of 16.9%, is 67.4%.

Beneficiation Studies

As previously announced, the optimal wash will be single stage. At a density of 1.5t/m3, this would generate an export quality primary product with Ash of 16.9% and a CV 25.30MJ/kg (6,042kcal/kg) and secondary product with specifications suitable for power station feedstock, meaning the theoretical yield of the Main Seam would be 100%.

Top Seam

Wash Table Analysis

The wash-table below shows the composite quality for the Top Seam based on all samples received and analysed as part of the Phase III programme:

Top Seam - Cumulative Results (Air-Dried Base) as @ 5 Oct 2012									Calculated		
Sample Mass (g)	Wash R.D.	Moisture %	Ash %	Volatile %	F.C. %	Sulphur %	C.V. MJ/kg	Yield %	DAVF	GAR kcal/kg @ 8% TM	NAR kcal/kg @ 8% TM
647	F1.25	6.4	8.8	36.2	48.6	1.15	27.82	0.5	42.7	6533	6290
3449	F1.30	6.1	9.6	35.7	48.6	1.00	27.68	5.0	42.3	6481	6239
7806	F1.35	5.9	11.4	35.1	47.6	0.93	27.08	15.1	42.4	6325	6084
11175	F1.40	5.8	14.0	34.2	46.0	0.93	26.15	30.0	42.6	6099	5857
18064	F1.50	5.6	19.0	32.0	43.4	0.98	24.38	53.6	42.5	5671	5430
14577	F1.60	5.4	22.5	30.6	41.5	1.06	23.12	72.3	42.5	5370	5128
4741	F1.70	5.3	23.8	30.1	40.8	1.11	22.68	78.3	42.5	5262	5020
2378	F1.80	5.3	24.6	29.8	40.3	1.15	22.37	81.4	42.5	5188	4947
2338	F1.90	5.2	25.7	29.5	39.7	1.19	22.00	84.5	42.6	5098	4856
12386	S1.90	4.8	32.0	27.7	35.5	2.13	19.59	100.0	43.8	4524	4281

Figure 2: Wash-table for Top Seam Analyses of the Western Drilling Programme based on the analysis of 27 samples

Results received to date (Figure 2) indicate that whilst the Top Seam coal qualities can be beneficiated to generate an export quality product, the yields are insufficient to make it economic. However, when washed at an RD of 1.80t/m3 the Top Seam could deliver a product suitable for power station feed stock at a theoretical yield of 81.4%.

Upper Seam

Wash Table Analysis

The wash-table below shows the composite quality for the Upper Seam based on all samples received and analysed as part of the Phase III programme:

Upper Seam - Cumulative Results (Air-dried Base) as @ 5 Oct 2012									Calculated		
Sample Mass	Wash R.D.	Moisture %	Ash %	Volatile %	F.C. %	Sulphur %	Gross C.V. MJ/kg	Yield %	DAVF	GAR kcal/kg @ 8% TM	NAR kcal/kg @ 8% TM
869	F1.25	5.6	8.3	35.5	50.5	1.04	28.26	0.5	41.3	6576.3	6335.9
2151	F1.30	6.0	10.1	35.0	49.0	1.02	27.60	2.8	41.7	6448.4	6207.0
4948	F1.35	5.8	12.5	34.4	47.3	1.08	26.77	7.0	42.1	6240.7	5999.5
15912	F1.40	5.5	16.2	33.5	44.8	1.05	25.41	21.0	42.8	5908.9	5667.7
33600	F1.50	5.4	20.4	31.9	42.3	1.16	23.89	50.9	43.0	5545.6	5304.1
15528	F1.60	5.3	22.4	31.1	41.3	1.21	23.17	64.1	42.9	5373.1	5131.5
7537	F1.70	5.2	24.0	30.4	40.5	1.24	22.61	70.7	42.9	5238.8	4997.2
5014	F1.80	5.1	25.3	29.8	39.8	1.25	22.15	74.9	42.9	5129.9	4888.1
3671	F1.90	5.1	26.5	29.4	39.1	1.26	21.71	78.0	42.9	5024.6	4782.8
25882	S1.90	4.6	36.2	25.8	33.4	1.93	18.12	100.0	43.5	4175.0	3932.1

Figure 3: Wash-table for Upper Seam Analyses of the Western Drilling Programme based on the analysis of 28 samples

As with the Top Seam, results received to date (Figure 3) indicate that whilst the Upper Seam coal qualities can be beneficiated to generate an export quality product, the yields are insufficient to make it economic. However, when washed at an RD of 1.80t/m3 the project could deliver a product suitable for power station feed stock at a theoretical yield of 74.9%.

Lower Seam

The Lower Seam which lies below the Main Seam was encountered for the first time during the recent Western Drilling Programme. Whilst the Lower Seam is expected to add to the Project's global resource, to date insufficient work has been undertaken for quantification.

Wash Table Analysis

The wash-table below shows the composite quality for the Lower Seam based on all samples received and analysed as part of the Phase III programme:

Main Seam Lower Split - Cumulative Results (Air-dried Base) as @ 05 Oct 2012									Calculated		
Sample Mass	Wash R.D.	Moisture %	Ash %	Volatile %	F.C. %	Sulphur %	Gross C.V. MJ/kg	Yield %	DAVF	GAR kcal/kg @ 8% TM	NAR kcal/kg @ 8% TM
169	F1.25										
783	F1.30	4.0	13.2	36.6	46.2	1.16	28.05	2.6	44.2	6423	6185
2308	F1.35	4.1	14.8	36.8	44.3	1.06	27.23	9.5	45.3	6237	5998
3910	F1.40	3.9	17.0	36.1	43.1	1.00	26.30	20.8	45.6	6016	5776
4486	F1.50	3.8	20.1	34.9	41.2	1.03	25.30	33.9	45.9	5780	5540
3714	F1.60	3.7	23.5	33.5	39.3	1.03	24.12	44.6	46.0	5501	5261
2895	F1.70	3.6	26.6	32.2	37.7	1.00	23.02	53.0	46.0	5245	5004
3246	F1.80	3.4	30.4	30.7	35.5	0.98	21.64	62.5	46.4	4924	4682
2796	F1.90	3.3	33.4	29.5	33.7	0.95	20.53	70.6	46.7	4667	4425
10125	S1.90	3.2	44.8	25.6	26.4	1.25	16.15	100.0	49.2	3665	3421

Figure 5: Wash-table for Lower Seam Analyses of the Western Drilling Programme based on the analysis of 11 samples

Revised Resource Statement and Scoping Studies

The Company is in the process of incorporating the final batch of results into the geological model, with work on the wireframes now having commenced. The final version of the model will be used to prepare a revised JORC compliant resource statement, with the statement expected to be released towards the end of this month. The Company acknowledges delays in announcing the upgraded resource, which is a direct result of delays in encountered with the Western Drilling Programme, umpire assays and related regression analysis.

Final versions of the Port Scoping Study and Land Logistics and Mining Infrastructure Scoping Studies have been received. To finalise the Mining Scoping Study, the final version of the geological model is required. The results of all scoping studies and related financial modelling will be released together post the release of the upgraded resources statement.

Yours sincerely

Blair Sergeant
Managing Director

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 Exploration Results 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.