

CAPITAL STRUCTURE

Shares on Issue: 192.5m

Unlisted Options: 13.5m

Market Cap: \$11.94m

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CASH ON HAND

\$18.07 million

(as at 31 December 2012)

CORPORATE DIRECTORY

Mr Blair Sergeant
Managing Director

Mr Anthony Viljoen
Non-Executive Director

Mr Marcello Cardaci
Non-Executive Director

Professor Daniel Rasoamahenina
Non-Executive Director

Mr Fortune Mojapelo (Alternate
Director for Professor Daniel
Rasoamahenina)

Mr Ryan Rockwood
Non-Executive Director

Ms Shannon Coates
Company Secretary

CONTACT DETAILS

Principal and Registered Offices

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

28 March 2013

Final Batch of Laboratory Results and Revised Resource Statement – Imaloto Coal Project

Lemur Resources Limited (“Lemur” or “the Company”) (ASX: LMR) is pleased to announce that laboratory results for the final 64 core samples taken as part of the Infill Drilling Programme have now been received back from Inspectorate Laboratories, analysed by the Company and incorporated into the Imaloto geological model. Highlights include:

- The JORC compliant Imaloto Coal Resource Statement contains 135.7 million Gross Tonnes in Situ (“GTIS”) of which 68% is now Measured and 91% is now Measured and Indicated;
- Coal contained in the Main Seam, which now totals 63.4 million GTIS, is expected to generate a primary product when washed yielding approximately 67% export grade thermal coal;
- The Main Seam secondary product will be suitable as feedstock for a domestic coal fired power station; and
- Therefore, assuming a single stage processing, the overall theoretical yield is 100% for the entire Main Seam.

Commenting on the latest lab results Lemur’s Managing Director, Blair Sergeant said *“Having now received the final round of laboratory results, the Phase III Exploration Programme is now officially complete. We are very pleased with the strong correlation between each round of laboratory results as it provides the Company with a high level of confidence that Imaloto can produce a quality product with a readily available market. The Company has now received a draft version of the Mine Scoping Study and will soon be in a position to articulate to market what the Imaloto asset contains in financial terms under various costing and pricing scenarios including the impact of any future IPP”.*

Laboratory Results – Phase III Exploration Programme

Key project to date laboratory analysis results for the Imaloto Project are summarised as follows:

Core samples that have undergone Wash table analysis:	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	Batch 9	Sub-total	Total
Western Drilling Programme												
Surface seam	0	0	0	0	1	0	0	0	0	1	2	2
Main seam	39	12	5	6	4	21	4	2	1	18	73	112
Top seam	22	0	6	5	5	0	7	3	1	12	39	61
Upper seam	24	0	6	7	5	0	7	2	1	12	40	64
Lower seam	0	0	0	1	1	7	2	0	0	0	11	11
Sub- coal intersections	83	0	0	0	0	0	0	0	0	0	0	83
	168	12	17	19	16	28	20	7	3	43	165	333
Eastern Drilling Programme												
Surface seam	0	0	0	0	0	0	0	0	0	0	0	0
Main seam	0	0	0	0	0	0	0	0	0	2	2	2
Top seam	0	0	0	0	0	0	0	0	0	0	0	0
Upper seam	0	0	0	0	0	0	0	0	0	0	0	0
Lower seam	0	0	0	0	0	0	0	0	0	0	0	0
Sub- coal intersections	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	2	2	2
Infill Drilling Programme												
Surface seam	0	0	0	0	0	0	0	0	0	0	0	0
Main seam	0	0	0	0	0	0	0	0	0	26	26	26
Top seam	0	0	0	0	0	0	0	0	0	14	14	14
Upper seam	0	0	0	0	0	0	0	0	0	15	15	15
Lower seam	0	0	0	0	0	0	0	0	0	1	1	1
Sub- coal intersections	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	56	56	56
Total												
Surface seam	0	0	0	0	1	0	0	0	0	1	2	2
Main seam	39	12	5	6	4	21	4	2	1	46	101	140
Top seam	22	0	6	5	5	0	7	3	1	26	53	75
Upper seam	24	0	6	7	5	0	7	2	1	27	55	79
Lower seam	0	0	0	1	1	7	2	0	0	1	12	12
Sub- coal intersections	83	0	0	0	0	0	0	0	0	0	0	83
	168	12	17	19	16	28	20	7	3	101	223	391

Revised Resource Statement – Imaloto Coal Project

The below table summarises the GTIS per the revised resource statement by seam and JORC Mineral Resource category:

Seam	GTIS (million)			
	Measured	Indicated	Inferred	Total
Main	50.8	8.4	4.2	63.4
Upper	23.1	12.7	5.3	41.1
Top	17.7	10.3	3.2	31.2
Main Seam Lower Split	-	-	-	-
Surface	-	-	-	-
Total	91.6	31.5	12.6	135.7

The revised resource statement was prepared by Mr Johan Erasmus, the owner and employee of the Sumsare Consulting CC. Mr Erasmus acts as the Competent Person.

Refer to Appendix 2 for a copy of the resource statement and Appendix 3 for the main assumptions and estimation parameters for the used in the calculating the Imaloto Coal Resource.

A full copy of the report can be found on the Company's website.

Main Seam

Revised Resource Statement

Below is a summary of the Main Seam contribution to the Imaloto Coal Resource, by block:

Block	Seam	Ply	Thick (m)	Area (m ²)	Volume (m ³)	Density	GTIS	Drill Grid	Confidence level	Geological Loss	TTIS
2	Main	Main	1.90	2959047	5630147	1.500	8.4	287	Indicated	15	7.2
2A	Main	Main	1.98	1397766	2767577	1.500	4.2	0	Inferred	20	3.3
1	Main	Main	1.35	3940874	5320180	1.468	7.8	389	Measured	10	7.0
3	Main	Main	2.85	4272813	12176950	1.467	17.9	405	Measured	10	16.1
4	Main	Main	2.94	3357197	9863333	1.514	14.9	552	Measured	10	13.4
3A	Main	Main	3.98	777559	3094683	1.510	4.7	0	Measured	12	4.1
4A	Main	Main	3.38	1092459	3692513	1.507	5.6	188	Measured	10	5.0
							63.4				56.2

The Main Seam contains 63.4 million GTIS, which represents 47% of the Imaloto Coal Resource. 80% of the seam is now Measured and 93% is now Measured and Indicated. A seam thickness cut-off of 1.4 metre was applied for all blocks other than block 1 due to the shallow geometry in this region. Refer to Appendix 1 for a block map of the Imaloto Project area.

The Main Seam spans the southern, central and northern Imaloto concessions. In the southern concession, the seam sits at an average depth of 31 metres, with an average width of 1.35 metres. The

seam deepens and widens as it trends north. In the northern concession, the seam sits at an average depth of 135 metres with an average width of 2.40 metres.

Applying a conservative depth cut off of 100 metres for an open cast mining operation, the Main Seam contains 18.9 million open cast tonnes with the balance lying no deeper than 368 metres, a depth which is suitable to underground mining. The Mining Scoping Study which is currently being undertaken will assess the viability of both an open pit and underground mining operation at the Project.

The spatial distribution of Main Seam that is split between resources at less than 100m in depth (Blocks S1, S2 and S3) and resources more than 100m deep (Blocks D1, D2, D3, 2A, 3A and 4A) is shown in the table below. Refer to appendix 4 for spatial distribution block map of the Main Seam

Main Seam < 100 m Deep and > 100 m Deep - Imaloto - Lemur Resources							
Block	Seam	Ply	Thick (m)	Area (m ²)	Volume (m ³)	Density	GTIS
< 100 M DEEP							
S1	Main	Main	1.87	4321173	8069151	1.468	11.8
S2	Main	Main	2.77	165880	456225	1.467	0.7
S3	Main	Main	3.06	1380615	4225454	1.514	6.4
Total							18.9
> 100 M DEEP							
D1	Main	Main	2.63	2920252	7680263	1.500	11.5
D2	Main	Main	2.92	4239814	12380257	1.467	18.2
D3	Main	Main	3.03	3229263	9784667	1.514	14.8
2A	Main	Main	1.98	1397766	2767577	1.500	4.2
3A	Main	Main	3.98	777559	3094683	1.510	4.7
4A	Main	Main	3.38	1092459	3692513	1.507	5.6
Total							44.5
Gross Main Seam Tonnage In Situ							63.4

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)									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
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
232788	F1.50	5.0	16.8	30.4	47.8	0.95	25.60	67.4	38.9	5921	5681
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
13069	F1.90	4.8	23.5	28.0	43.7	1.03	23.23	90.6	39.1	5362	5121
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

Figure 1: Main Seam wash-table based on the analysis of 101 samples taken as part of the Phase III Exploration Programme

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 25.60MJ/kg (6,113kcal/kg), Sulphur of 0.95% and Ash of 16.8%, is 67.4%.

As previously announced, the optimal wash will be single stage and will result in an export quality primary product and secondary product with specifications suitable for power station feedstock, meaning the theoretical yield of the Main Seam would be 100%.

Imaloto Main Seam - Primary Product Price Comparison

Results of the Company's Beneficiation studies indicate that the Main seam primary product is superior to the Newcastle 5,500kcal/kg Net as Received, 20% Ash export grade thermal coal ("NEW 5,500"), which recently traded at approximately US\$75/t. Further, the above specifications are in line with the API4 product, save for CV, being the price of export grade thermal coal ex Richards Bay Coal Terminal in South Africa which has recently traded at approximately US\$85/t. Therefore, this would suggest that the likely price received for the proposed export product would be somewhere above the NEW 5,500 but below API4.

Upper and Top Seams

Revised Resource Statement

Below is a summary of the Upper Seam contribution to the Imaloto Coal Resource:

Block	Seam	Ply	Thick (m)	Area (m ²)	Volume (m ³)	Density	GTIS	Drill Grid	Confidence level	Geological Loss	TTIS
2	Upper	Upper	1.12	6999660	7839424	1.622	12.7	642	Indicated	15	10.8
2A	Upper	Upper	0.75	1397766	1048325	1.622	1.7	0	Inferred	20	1.4
5A	Upper	Upper	1.25	1795637	2244546	1.590	3.6	1340	Inferred	20	2.9
3	Upper	Upper	1.07	4273073	4572188	1.590	7.3	2067	Measured	10	6.5
4	Upper	Upper	1.31	3761367	4927391	1.608	7.9	1939	Measured	10	7.1
5	Upper	Upper	1.12	2802195	3138458	1.590	5.0	0	Measured	12	4.4
3A	Upper	Upper	0.80	777559	622047	1.631	1.0	441	Measured	12	0.9
4A	Upper	Upper	1.06	1092459	1158007	1.620	1.9	523	Measured	10	1.7
							41.1				35.7

Below is a summary of the Top Seam contribution to the Imaloto Coal Resource:

Block	Seam	Ply	Thick (m)	Area (m ²)	Volume (m ³)	Density	GTIS	Drill Grid	Confidence level	Geological Loss	TTIS
2	Top	Top	0.98	6999660	6849535	1.509	10.3	475	Indicated	15	8.8
2A	Top	Top	0.50	1397766	698883	1.509	1.1	212	Inferred	20	0.8
5A	Top	Top	0.75	1795637	1346728	1.598	2.2	0	Inferred	20	1.7
3	Top	Top	0.88	4273073	3760304	1.539	5.8	398	Measured	10	5.2
4	Top	Top	0.83	3761367	3121935	1.580	4.9	373	Measured	10	4.4
5	Top	Top	0.72	3052761	2827001	1.598	4.5	336	Measured	12	4.0
3A	Top	Top	0.79	777559	614271	1.555	1.0	0	Measured	12	0.8
4A	Top	Top	0.87	1092459	950440	1.581	1.5	254	Measured	10	1.4
							31.2				27.2

The Upper and Top Seams contain 72.3 million GTIS which represents 53% of the Imaloto Coal Resource. 56% of these seams are now Measured and 88% are now Measured and Indicated. A seam thickness cut-off of 0.50 metres was applied for the Top and Upper Seams. Refer to Appendix 1 for a block map of the Imaloto Project area.

The Top and Upper Seams span the central and northern Imaloto concessions. In the central concession, the seams sit at an average depth of 75 metres, with an average width of 0.85 metres. Again, the seams deepen and widen as they trend north. In the northern concession, the seams sit at an average depth of 125 metres, with an average width of 0.99 metres. The Top and Upper Seams are separated on average by a parting of 5.5 metres.

Coal Qualities

Results received to date indicate that whilst the Top and Upper Seam coal qualities can be beneficiated to generate an export quality product, the yields are insufficient to make either seam economic. However, it has been confirmed by the Company's independent coal fired power station consultants, F-tech International Limited, that each of these seams in their RAW form, save for crushing and screening, would be suitable as power station feed stock for a circulating fluidized bed ("CFB") combustor configured power station.

The Surface Seam and Main Seam Lower Split

Both seams average less than 30 cm in thickness and are therefore not considered to be economically feasible from an exploitation perspective and have been excluded from the resource calculation.

Scoping Studies and Project Economics

Management is currently reviewing a draft version of the Mining Scoping Study. Once finalised, results of this study will be used in conjunction with the results of the Port and Mine Infrastructure and Land Logistics Scoping Studies in the construction of a financial model. The model will consider all scenarios available to the Company in exploiting the resource and includes, but is not limited to, delivering a 5,600 kcal/kg NAR product to the seaborne market, domestic supply to a regional coal fired power station (the concession for which is still yet to be issued) or a combination of each. The results will be made available as soon as the Mining Scoping Study has been completed and all results incorporated into the financial model.

Reconciliation of CPR to the Revised Resource Statement

The MSA Group ("MSA") prepared the Independent Geologist Report, Competent Persons Report and maiden JORC compliant resource statement, all of which are contained in the Company's August 2011 prospectus. MSA calculated the project area contained 170.6 million Inferred GTIS across the three economic seams. The revised resource statement as prepared by Mr Erasmus of Sumsare Consulting CC, contains 147.5 million GTIS. A reconciliation between the two resource statements is as follows:

	Note	GTIS (million tonnes)
Starting Tonnes (MSA)	1	170.6
<u>Difference by Seam</u>		
Main		(10.4)
Upper		(28.6)
Top		4.1
Difference	2	(34.9)
Closing Tonnes (Sumsare)		135.7

Notes

- (1) Reconciliation of the inferred resource prepared by MSA which formed part of the Competent Person Report contained in the Company's Prospectus:

Seam	Thickness cut-off (metres)	GTIS (million tonnes)
Main	1.4	73.8
Upper	0.5	69.7
Top	0.5	27.1
Total		170.6

- (2) The difference of 34.9 million GTIS is a result of MSA and Sumsare applying differing seam density factors.

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

CONTACT:

Blair Sergeant
Managing Director
Lemur Resources Limited
Tel: +61 8 9481 1198

MEDIA CONTACT:

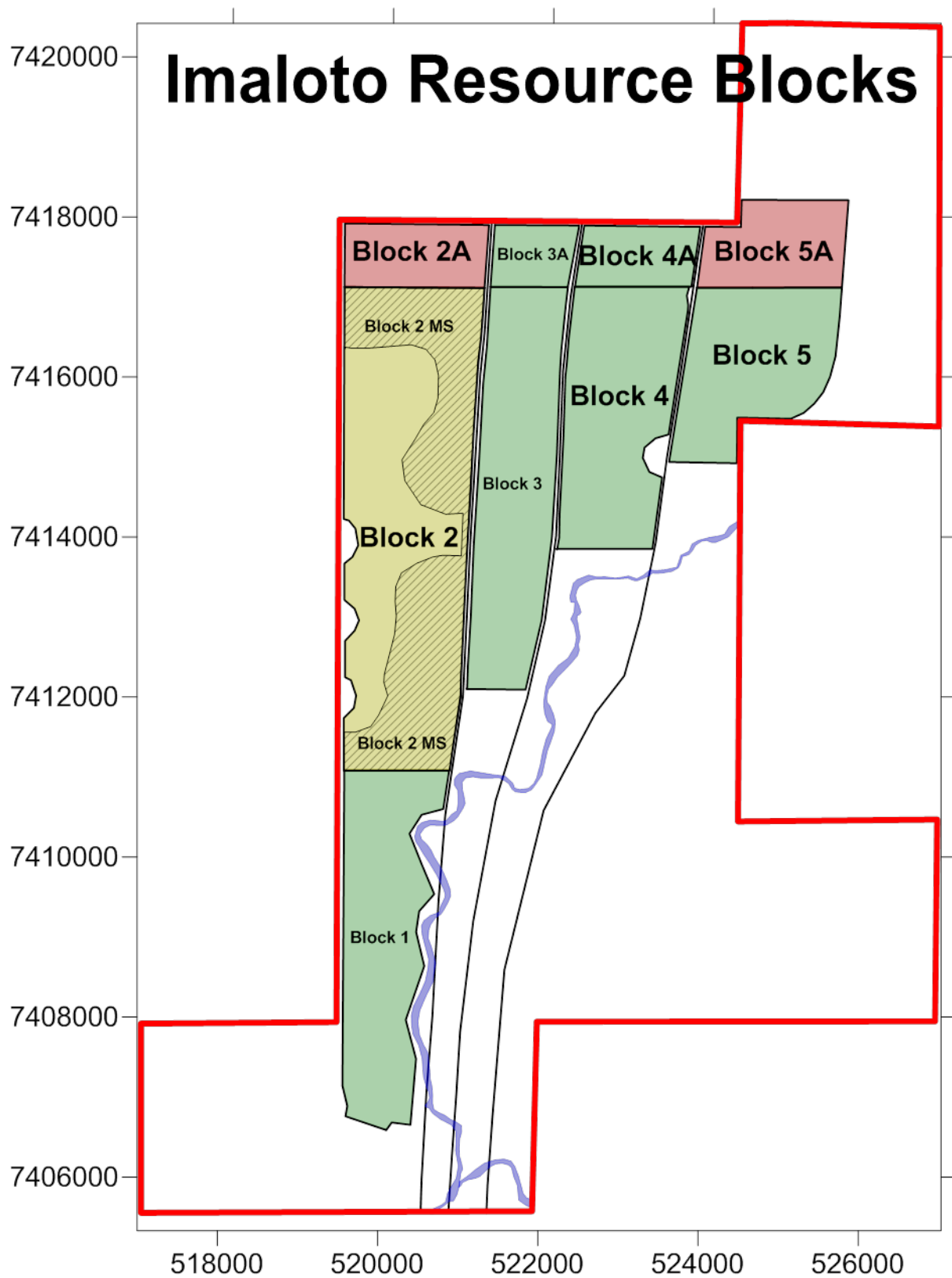
David Ikin
Professional Public Relations
Tel: +61 8 9388 0944 / 0408 438 772
Email: david.ikin@ppr.com.au

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.

The information in this Report that relates to Mineral Resources is based on information compiled by Mr Johan Erasmus. 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 Overseas Professional Organisation' ('ROPO') included in a list promulgated by the ASX 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 Edition 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.

Appendix 1 –Block Map of the Imaloto Project Area



Appendix 2 – JORC Compliant Resource Statement

COAL RESOURCE - Imaloto - Lemur Resources											
Block	Seam	Ply	Thick (m)	Area (m ²)	Volume (m ³)	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
Total							7.810				7.029
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
Total							31.497				26.772
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
Total							30.920				27.828
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
Total							27.789				25.010
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
Total							9.508				8.367
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
Total							6.906				5.525
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
Total							6.643				5.846
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
Total							8.943				8.049
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
Total							5.721				4.577

Appendix 2 – JORC Compliant Resource Statement (cont'd)

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

Main Seam - Cumulative Results (Air-dried Base)									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
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
232788	F1.50	5.0	16.8	30.4	47.8	0.95	25.60	67.4	38.9	5921	5681
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
13069	F1.90	4.8	23.5	28.0	43.7	1.03	23.23	90.6	39.1	5362	5121
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 2 – JORC Compliant 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

Appendix 3 – Main Assumptions and Estimation Parameters for the Imaloto Coal Resource

- The Imaloto project is located in south-western Madagascar, 150 km east of the coastal city of Tulear. The closest town, Benenitra, is located roughly 15 km south-west of the exploration camp, close to the south-western corner of the licence area. The mining and prospecting rights are aligned mainly along the south-flowing Imaloto River valley until its confluence with the larger, west-flowing Onilahy River, which in turn enters the Indian Ocean a few kilometres south of the city of Tulear.
- The coal deposit is developed in Permian Age sediments, and the bulk of the resource is contained within 3 Seams; the Main Seam, the Top Seam and the Upper Seam. The depositional geometry is of a valley that dips to the north at 1 to 3°. This valley overlies Glacial Series sediments that were deposited on a floor of Proterozoic crystalline basement.
- The main structural elements are faults (extensional tectonics between Madagascar and East Africa) which displace the strata in sequentially deeper blocks to the west. The relative displacements vary from 40 to 25 m. The dips on the fault planes are assumed to be in excess of 80° to the west.
- The Top and Upper Seams are absent in the southern part of the project, due to the effect of weathering. Towards the north, the surface topography is elevated and it contains the younger overlying Red Series Formation sediments.
- The coal resource is estimated on the basis of 159 boreholes that were drilled between February 2009 and December 2012. A total of 19 572 m was drilled in this exploration programme. Since the resource orientation is near horizontal, all the drilling was planned to be plumb at -90°. A random check on borehole orientation showed the audited holes to vary between -89.0° and 88.94°.
- All the boreholes were drilled with 2 similarly equipped Boart-Longyear LF 70 rigs. These rigs are the property of Lemur Resources and are staffed by Indonesian operators. All the drilling was cored diamond drilling, and was drilled in HQ size. This produced a recovered core of 63.5 mm in diameter. This size core produces a sample mass of 4.75 kg of coal per running meter at a default density of 1.500 ton/m³.
- All the drilled boreholes were surveyed after the completion of drilling by Mada Topo, a Madagascan survey company. All the coordinates were supplied in WGS 84 and UTM 38 S format. All the collar elevations were reported as meters above mean sea level.
- During the first phase of the project (first 36 boreholes), sampling was detailed and included the sampling of non-coal roof and floor sediments. The core was split in half, and sent to the laboratory for analyses and the remaining half was retained on site. The balance of the boreholes (124) was sampled as full core with lithological contacts as sample boundaries. The minimum seam width for sampling is 30 cm. All the residue material is in the custody of the laboratory for future analyses.
- The Laboratory used for sample analyses is M&L Inspectorate in Johannesburg, South Africa. The samples were bagged and tagged in the field, and taken by road to Tulear in Madagascar. From Tulear, the samples were shipped by DHL to Johannesburg (air freight).
- The following analyses were requested as a standard on all samples;
 - o Sample Preparation
 - o As Received Density
 - o Screening out < 0.5 mm, ISO 1953
 - o Sink and Float Analyses, ISO 7936
 - o Sulphur % Content per float and final sink, C030-402-W (Based on ASTM:D4239)
 - o Moisture % Content per float and final sink, C030-403-W (Based on SANS 5925)
 - o Volatile % Content per float and final sink, C030-404-W (Based on ISO 562)
 - o Ash % Content per float and final sink, C030-401-W (Based on ISO 1171)

Appendix 3 – Main Assumptions and Estimation Parameters for the Imaloto Coal Resource (cont'd)

- o Free Swelling Index per float below 1.400 t/m³, ISO 540

- o Gross CV(MJ/kg) per float and final sink, C030-405-W (Based on ISO 1928)

- Quality assurance is integrated in the laboratory by the use of unmarked standard samples at a frequency of one in ten. All residue sample material is retained for future analysis.

- As received densities as determined by the laboratory was used to calculate the densities per seam per block.

- All the drilled boreholes were used in the physical modelling of the resource. The average drilling density comes to 424 m² for the total deposit. The drilling density varies between 331 m² (Block 1) to 1340 m² (Block 5A). The deepest hole is PTT01 at 437.3 m. The shallowest hole is IM150 at 26.3 m. The average drilling depth for the complete set of boreholes is 123 m.

- A gridded surface is generated for the roof and floor of each individual seam per resource block. The modelling algorithm used is Inverse distance squared. The lateral continuity of the grid surface is limited by a blanking file. Blanking file boundaries are fixed by structure, seam thickness limits, physical boundaries (river course, weathering, sub-outcrop), and lease limits. The seam thickness limits are 0.5 m for the Top and Upper Seams, and 1.4 m for the Main Seam. For Block 1 the Main seam cut-off is 1.0 m due to the relatively shallow geometry. It is assumed that MSA also included this thinner Block 1 Main Seam within their declared resource when their modelling footprint is considered.

- Geological loss is assigned on a sliding scale according to the level of confidence in the resource estimation. Essentially it is a measure of drilling density and reduced potential variability in seam geometry. The following geological losses were applied per resource category;

- o Measured Resource: 10 to 12 % geological loss

- o Indicated Resource: 15 % geological loss

- o Inferred Resource: 20% geological loss

Appendix 4 - Spatial Distribution Block Map of the Main Seam

