

26 September 2013

CAPITAL STRUCTURE

Shares on Issue: 192.5m

Unlisted Options: 13.5m

Market Cap: \$9.63 m
(as at 30 June 2013)

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



CASH ON HAND

\$16.86 m
(as at 30 June 2013)

CORPORATE DIRECTORY

Mr Marcello Cardaci
Non-Executive Chairman

Mr Anthony Viljoen
Executive Director

Mr Ryan Rockwood
Executive Director

Mr Fortune Mojapelo
Non-Executive Director

Ms Shannon Coates
Company Secretary

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IMALOTO COAL PROJECT: SCOPING STUDY PRODUCES POSITIVE RESULTS

Coal exploration company Lemur Resources Limited ("Lemur" or the "Company") (ASX:LMR) is pleased to announce the consolidated results of the mining, infrastructure, land logistics and port scoping studies undertaken at the Company's flagship Imaloto Coal Project ("Imaloto" or the "Project") in Madagascar.

The combined study highlights the potential of the Project, and provides a pathway for the proposed development of Imaloto.

SCOPING STUDY PARAMETERS – CAUTIONARY STATEMENT

The scoping study referred to in this announcement:

- is based on lower-level technical and economic assessments, and are 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 compliant 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 compliant resource statement;
- contains outputs relating to 100% of the Project; and
- contains cash flows 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 15 for further details on Cautionary and Forward looking statements

Highlights Include:

- modelled net present value (NPV) of US\$36 million at a post-tax real discount rate of 10%;
- low capital expenditure of less than US\$12 million in order to commence the open pit operation (Phase 1);
- LOM of 19 years (Phase 1 & 2) for total ROM production of 21 million tonnes¹;
- 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%.

A LOM export price of US\$3.40 per GJ equating to US\$81 per tonne has been applied. When using the medium export term price assumption of US\$3.74 per GJ equating to US\$89 per tonne, the Project NPV increases to US\$55 million at a post- tax real discount rate of 10%.

Phase 1 includes an initial truck and shovel open pit mining operation whereby the Main Seam will be mined, crushed, screened and sold RAW to a proposed coal fired Independent Power Producer ("IPP"), which is planned to be located adjacent to the mine. Initial capital for Phase 1 is estimated at approximately US\$12 million with a LOM of 9 years. No IPP exists at this time however, the Company has been working towards being issued an Independent Power Producing Concession that would provide Lemur with the right to operate and construct a coal fired power station in near proximity to the Imaloto Coal Project.

Phase 2 involves the commencement of an underground mining operation whereby the ROM coal will be beneficiated for the purposes of producing a primary export grade 5,600 NAR Kcal/kg product which will be trucked to the existing Port of Tulear for export. The discard coal will be sold to the IPP as referred to above. Capital required for Phase 2 is estimated at US\$84 million and will have a LOM of 10 years.

Project Overview

Lemur Resources Limited holds a 99% interest in the Imaloto Coal Project, a thermal coal development asset located in South West Madagascar, which contains a JORC compliant coal resource of 135.7 Gross Tonnes in Situ ("GTIS") of which 91% is Measured and Indicated.

Imaloto is located 60 kilometres south of the national highway which leads directly the existing Port of Tulear, a further 150 kilometres away.

¹ The LOM ROM production target of 21 million tonnes is based on the exploitation of the Measured and Indicated portions only of the JORC compliant 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 compliant resource statement.

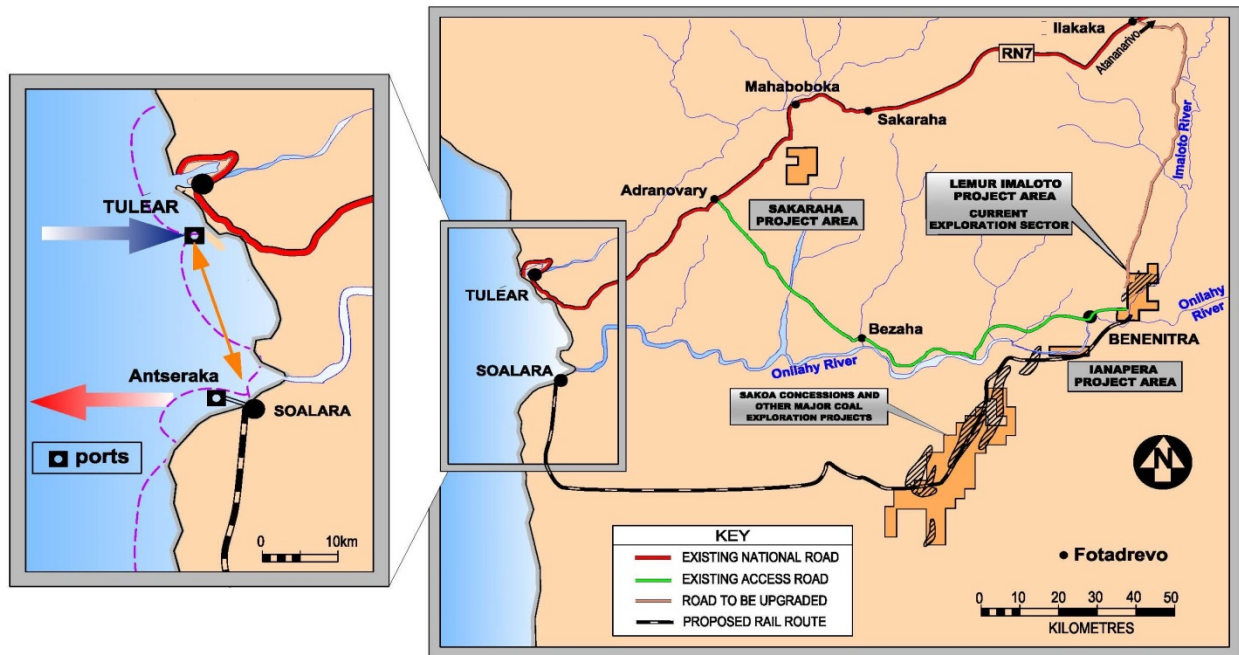


Fig 1: Location of the Imaloto Coal Project

The Imaloto Project consists of 1 mining permit and 4 exploration permits and covers an area totalling 81.25 square kilometres.

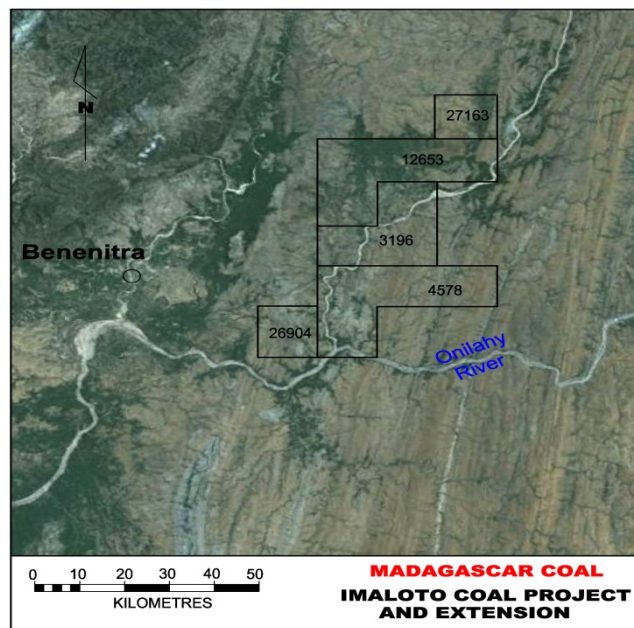


Fig 2: Permits of the Imaloto Coal Project

As noted above, the Company has been working towards being issued an Independent Power Producing Concession that would provide Lemur with the right to operate and construct a coal fired power station in near proximity to the Imaloto Coal Project. Importantly, a coal fired power station will consume low grade coal, which in turn will provide a domestic market for Imaloto's lower quality product.

Scoping Studies Overview

Lemur has undertaken three separate scoping studies² in relation to mining, infrastructure & land logistics and port to understand the operating, capital and process requirements in order to commence an economically viable mining operation producing up to 1mtpa of saleable export product and 400ktpa of saleable domestic product from Imaloto.

The mining scoping study was prepared by Badger Mining & Consulting (Pty) Ltd (“Badger”). The objective of the study was to provide a high level indication on the viability of early stage production based on an initial 1mtpa of saleable export product from the Project.

The infrastructure & land logistics scoping study was prepared by DRA Mineral Projects Ltd (“DRA”). The object of the study was to assess the viability of initially producing and transporting up to 1mtpa of saleable export product by truck to the port of Tulear and covers all aspects from the ROM stockpile through to delivery at port.

The port scoping study was prepared by Ports of Africa (Pty) Ltd (“POA”). The object of the report was to provide a high level understanding of the costing, viability and required upgrades in order to utilise the existing port of Tulear to facilitate the export initially of up to 1mtpa saleable export product.

In addition to the above scoping studies, F-Tech International Limited (“F-Tech”) has undertaken a pre-feasibility study assessing the viability of constructing an IPP in near proximity to the Project which is the subject of a Memorandum of Understanding with Jiro sy Rano Malagasy, the Madagascar Government’s state owned electricity company responsible for the production, transport and distribution of electricity in Madagascar (“Jirama”).

The Company is planning that the IPP concession, which gives the holder of the concession the right to construct and operate a coal fired power station in near proximity to the Project, be housed in a wholly owned subsidiary of the Lemur group. Once the concession has been issued, the Company will then look to secure a strategic equity partner who will act as a financier in the development of the power plant via equity contributions at the project level thereby covering substantial, if not all, of the required capital outlay.

The results of the scoping studies have been used by Hindsight Financial and Commercial Solutions (Pty) Ltd (“Hindsight”) to construct the project’s financial model. The key project statistics are summarised below.

² The Scoping Study referred to in this announcement 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

Key Project Statistics

Physicals	<i>Years 0 to 9</i>	<i>Years 10 to 19</i>	<i>Total</i>
Coal Resource Gross Tonnes in Situ Life of Mine			135.7 Mt 19 years
Production - Run of Mine (ROM) Open Pit Underground Total	3.4 Mt 1.3 Mt 4.7 Mt	- 16.0 Mt 16.0 Mt	3.4 Mt 17.3 Mt 20.7 Mt
Coal Sales Domestic Coal Fired Power Station Export Total	3.7 Mt 0.7 Mt 4.4 Mt	5.3 Mt 9.9 Mt 15.2 Mt	9.0 Mt 10.7 Mt 19.7 Mt

Revenue and Operating Expenditure - USD	<i>Years 0 to 9</i>	<i>Years 10 to 19</i>	<i>Total</i>
Revenue Domestic Coal Fired Power Station Export Total Per saleable GJ	\$184.3M \$59.7M \$244.1M \$3.09 per GJ	\$300.1M \$801.7M \$1101.8M \$3.27 per GJ	\$484.5M \$861.4M \$1345.9M \$3.23 per GJ
Operating Expenditure Mining – Open Pit Mining – Underground Processing Discard and Rehabilitation Management Marketing Community Royalties Administration Transport to Port Port and Handling Total Per saleable GJ	\$83.3M \$28.2M \$2.9M \$3.3 M \$12.0 M \$3.0 M \$2.3 M \$4.9 M \$4.0 M \$19.6 M \$8.8 M \$172.3M \$2.18 per GJ	- \$352M \$32M \$11.2 M \$36.9 M \$40.1 M \$8.0 M \$22 M \$8.0 M \$263.1 M \$118.8 M \$892 M \$2.65 per GJ	\$83.3M \$380.3M \$34.9 M \$14.5 M \$48.9 M \$43.1 M \$10.3 M \$26.9 M \$12.0 M \$282.6 M \$127.6 M \$1064.4M \$2.56 per GJ

Capital Expenditure – USD	<i>Years 0 to 7</i>	<i>Years 8 to 9</i>	<i>Years 10 to 19</i>	<i>Total</i>
Surface Infrastructure	\$3.5 M	\$13.0 M	-	\$16.5 M
Contractors Camp	\$1.4 M	-	-	\$1.4 M
Access & Internal Roads	\$1.0 M	\$1.0 M	-	\$2.0 M
Process Plant	-	\$18.5 M	-	\$18.5 M
Underground Infrastructure	-	\$2.2 M	\$2.3 M	\$4.5 M
Geological Exploration	\$1.6 M	\$0.4 M	-	\$2.0 M
Environmental Management	\$1.6 M	\$0.3 M	\$0.1 M	\$2.0 M
Haul road	-	\$18.1 M	-	\$18.1 M
Port Refurbishment and Infrastructure	-	\$14.2 M	-	\$14.2 M
Mine closure	\$1.1 M	\$0.7 M	\$1.7 M	\$3.4 M
Project Management	\$0.6 M	\$4.1 M	\$0.3 M	\$5.0 M
EPCM	\$1.0 M	\$6.8 M	\$0.4 M	\$8.3 M
	\$11.8 M	\$79.3 M	\$4.7 M	\$95.9 M

Project Economics and Pricing Sensitivities - USD			
Export Price – per GJ (Average over LoM)	\$3.40	\$3.74	\$4.07
Net present value - @ 10% post-tax real	\$36.2 M	\$54.5 M	\$72.6 M
EBITDA (Real Terms)	\$281.5 M	\$361.6 M	\$441.7 M
Free cash flow (Real Terms)	\$166.9 M	\$239.0 M	\$311.1 M

Planned Mining

The project area has been broken into the following 5 mining blocks:

Block	Gross Tonnes in Situ (millions)	Suitable to:
1	7.8	OP and UG
2	38.4	Not suitable to either
3	37.6	UG
4	36.7	UG
5	15.2	Not suitable to either
	135.7	

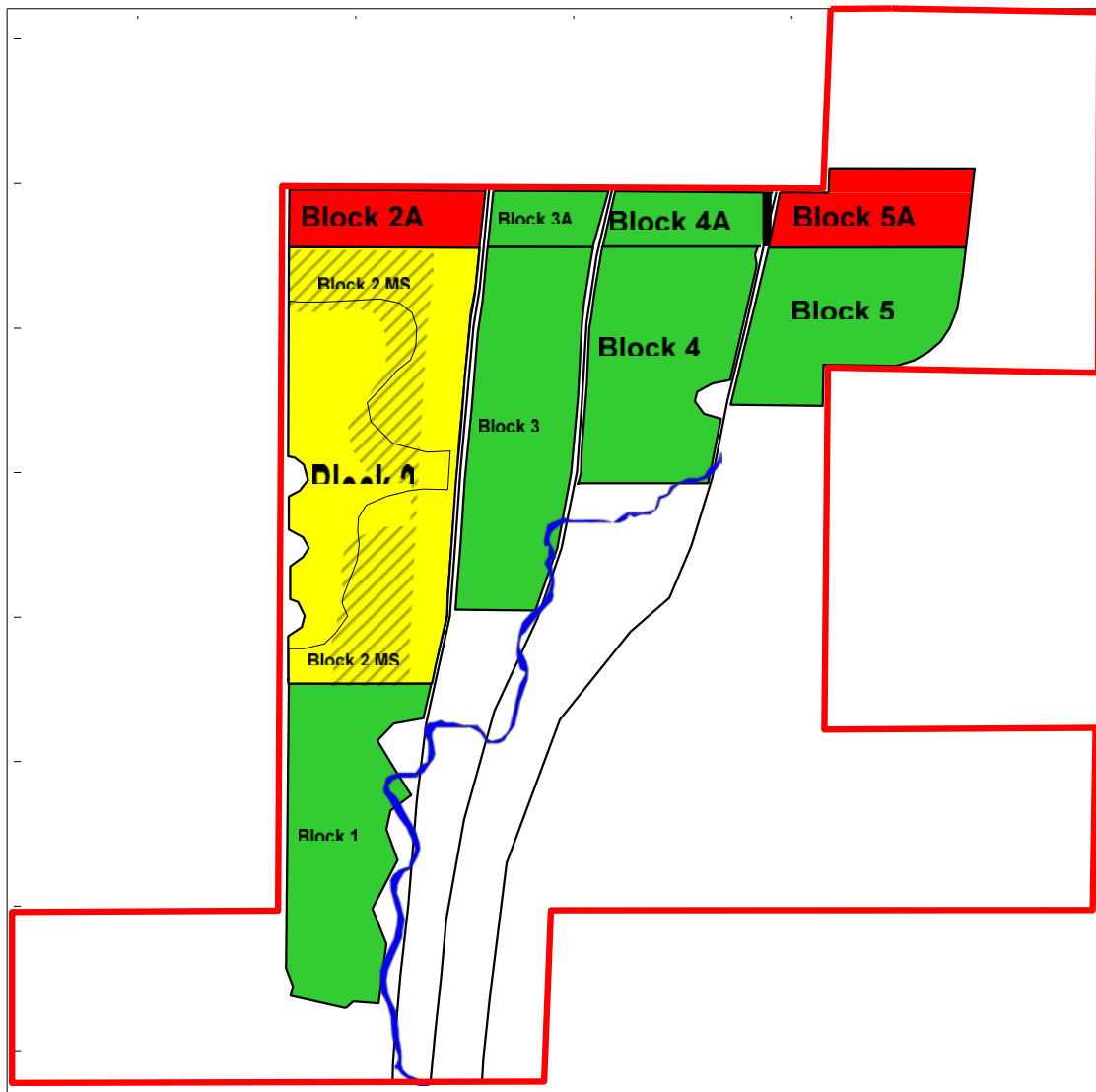


Fig 3: Mining blocks

The scoping study contemplates open cast operations will be a contract mining operation with a conventional truck and shovel system being used.

It is planned pre-stripping of the soft overburden and preparation of the box cut is expected to take 3 months. Once complete, the open pit operation will commence in Block 1 and will access the deposit from one side perpendicular to the strike line and move along strike at a pre-determined stripping ratio thereby reducing the waste and ROM hauling distance and related costs. ROM tonnes will be hauled outside the pit to various stockpiles depending on the coal specifications where they await processing.

The Mining Rock Mass Rating ("MRMR") for Block 1 where the open cast mining is to commence is rated 50 allowing for the Block 1 pit wall to have an end wall overall slope angle of 55 degrees.

The three water sources requiring management via pumping and reticulation systems are:

- rivers adjacent to or crossing the intended open cast mining area;
- precipitation over the open cast mining area itself; and
- groundwater

Phase 2 - Underground Operations

The scoping study contemplates underground operations will be a contract mining operation. Construction of the underground operation is scheduled to commence 7 years after the commencement of the open pit operation with related production occurring in year 9. The portal and ventilation shaft are to be constructed in Block 4 where the underground operation will commence. Production in Block 4 will be balanced with production from Block 1 and 3 over the LOM.

A mechanised Bord and Pillar mining approach will be adopted utilising unmanned mobile machines. As the depth of the underground mining increases so do the pillar sizes. These pillars have been scheduled for removal on retreat. The coal itself appears to be of a greater or similar strength to that of South African coal mines. The design of pillars cannot be based on the strength of the rock and coal alone but it gives reason to believe that the Salamon formula for the design of pillars and the safety factors commonly used in South Africa for conventional Bord and Pillar mining and for pillar extraction will apply in Madagascar.

Core samples indicate that the roof rock is comprised of competent sandstone requiring minimal mesh and bolting. The floor in places has up to a half metre of laminated sandstone that will break up when traversed by heavy mobile machines and end up in the plant.

Major components of the underground mine infrastructure comprise electrical power reticulation, water reticulation (including pumping), transport of men and material, communications as well as the conveying of product to the surface and have all been considered as part of the scoping study.

Processing and Land Logistics

The scoping study contemplates Phase 1 production will be crushed and screened only. Only the underground ROM tonnes produced during Phase 2 will be washed in preparation for the seaborne market.

Power station feed stock

It has been confirmed by the Company's independent coal fired power station consultants, F-tech, that the Main, Upper and Top seams in their RAW form, save for crush and screen, are suitable as power station feed stock for a circulating fluidized bed ("CFB") combustor configured power station.

Front end loaders will be used to feed ROM tonnes into the screening facility, with the fines product then being hauled to a stockpile adjacent to the power station.

Wash Plant

Coal beneficiation studies indicate that the optimal wash will be single stage and will result in an export quality primary product with the secondary product having specifications making it suitable for power station feedstock, meaning the theoretical yield of the Main Seam would be 100% (refer to the Coal Qualities section below).

The wash plant design contemplated in the scoping study is based on an annual production case of a minimum of 1 mtpa export thermal coal product. The plant will be based upon the Forzando plant design which has a capacity of ± 350 tonne per hour. This allows for the washing of up to 1.7mtpa and based on the average yield of the Imaloto Main Seam, 1 mtpa export grade thermal coal will be achieved.

Front end loaders will be used to feed ROM tonnes into the wash plant. The export grade thermal coal will be stockpiled separate to the secondary product where it will await truck haulage to the port of Tulear. Again, the secondary product is to be stockpiled adjacent to the power station.

Site Administration and General Infrastructure

The scoping studies have contemplated and allowed for capital and operational costs associated with residential and administration mine site facilities, general plant and related infrastructure and includes the following:

- general plant infrastructure:
 - civils and bulk earth works required for site and village locations along with internal road work including full storm water management system;
 - construction of an airfield; and
 - bulk water supply and water distribution network covering addressing both operational and administrative requirements.
- building Furniture and Fittings:
 - village, accommodation, clinic and office building infrastructure along with full fit out.
- electrical:
 - full electrical fit out including diesel generators and power reticulation to the mine and processing facility, village and office.
- shipping and transport costs associated with importing infrastructure to Madagascar; and
- EPCM costs.

Processing and Land Logistics (cont'd)

There are numerous villages in near proximity to the Project area and the Company intends on utilising the indigenous workforce in both the mining and processing operations. The impact will be to reduce the accommodation and related facilities required at the operation.

Land Logistics

The movement of up to 1mtpa of export grade thermal product from mine gate to the existing Port of Tulear is contemplated with the export operation scheduled to commence in year 9.

Haul Road

The scoping study allows for the construction of a new 60 km gravel access and haul road due north connecting the Project to the existing highway which currently connects Tulear to Antananarivo. The National Highway leads direct to the existing Port of Tulear a further 150 kilometres away.

The haul road has been designed to handle the movement of 1mtpa. The access road will be a two lane system, except for a 1km stretch approximately 500m from the plant access gate which shall be three lanes which allows for the haulage vehicles to park off the main access road without causing a safety hazard to the normal flow of traffic. Included in the capital costs is the construction of 4 bridges.

Haulage Equipment

The export product is to be hauled using 34 tonne Interlink side tipper trucks. This selection was governed by Madagascar's road legislation in terms of haul truck sizes and axle loads and also allowed for the 1mtpa to be achieved.

Port

Again, the scoping studies contemplate the movement of up to 1mtpa of export grade thermal product from mine gate to the existing Port of Tulear, with the export operation scheduled to commence in year 9. The Port comprises a narrow road causeway which leads out to a large central load out area comprised of limestone foundation overlaid with bitumen.

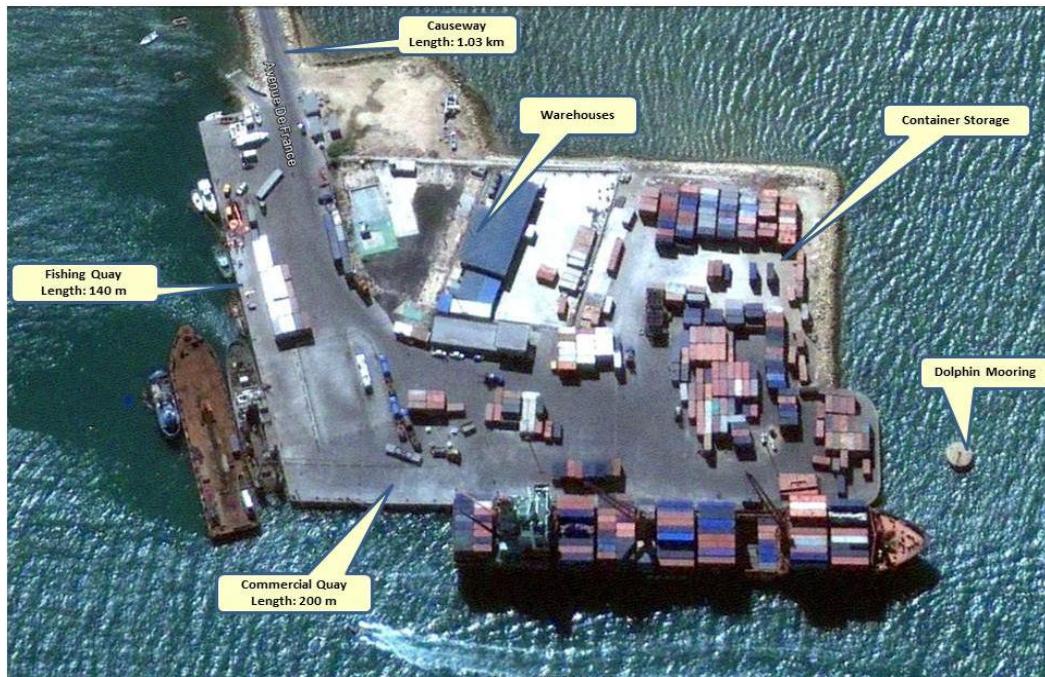


Fig 4: The existing port of Tulear

The city of Tulear encroaches on the port to the north, whilst to the south there are two significant areas, which are both sparsely populated and that have been identified as potential coal stockyard areas.



Fig 5: Map of port and possible coal lay out areas

The Process at the Port

Results of the study determined that the most suitable and economical port operation would involve the coal being delivered from the mine to a stockyard south of the city by road. The export product would then be stacked and reclaimed using front-end loaders, placed onto a conveyor belt that runs out to the jetty using the existing causeway as a base. It would then be loaded by radial stackers into 5,000 tonne dumb barges that deliver the coal by tug to a 50,000 tonne deadweight ocean-going vessel ("OGV") at a suitable anchorage just off the main quay. Coal would then be loaded into the ship's hold using cranes and grabs secured to the ship.

Required Infrastructure and Equipment

The scoping study identified that the minimum spend to upgrade existing facilities would result in Port throughput of 1mtpa, with the required infrastructure and equipment being as follows:

- *stockyard*: 4 x front end loaders, 4 x Hoppers, Canteen, Ablutions, Office, Store, Protective shade fencing, Security gates, Transfer conveyors, Diesel generator;
- *stockyard to Port*: Transfer conveyors and towers;
- *jetty Load out*: Transfer tower, 1 x Thor Stacker and drives; and
- *transhipment*: 2 x Barges/Tugs (on Time charter), Mooring buoy, Fenders.

Coal Qualities and Marketing

Wash table analysis of the Main Seam

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
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

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

If the Main Seam is to be considered for a 5,600 kcal/kg NAR product, via a single stage wash the cut-point density of 1.500 ton/m³ will result in a product with an ash content of 16.9%, Volatiles at 30.7 %, total sulphur at 0.96% and a theoretical yield of 67.4 %.

Initially ROM tonnes will be crushed and screened and sold as feedstock to a yet to be constructed power station. At the end of year 8 ROM tonnes will be beneficiated via a single stage wash. The primary product will be delivered to the export market with the secondary product continuing to be sold as feedstock to the power station.

Main seam - primary product price comparison

In setting the export pricing assumptions Hindsight, the constructors of the financial model, sourced long term real 6,000 kcal/kg thermal coal prices, FOB Richards Bay from IHS McCloskey. The McCloskey prices were benchmarked against two other price outlooks and were in line with McCloskey. The McCloskey prices were converted to an energy based price. This energy based price was then applied to the energy value of the 5,689kcal/kg NAR primary product.

Power Station Feed Stock Pricing

Under phase 1 (the open pit operation), the RAW Main Seam feed stock will have an average CV of 23.05 MJ/kg per tonne. At the end of year 8, as the feedstock shifts from RAW Main Seam to the discard from the single stage wash the CV falls to an average of 15.2 MJ/kg per tonne. Revenue of \$3 per gigajoule was arrived at by F-tech following discussions with Jirama and private industry power consumers.

Coal Fired Power Station

F-Tech has completed the following studies in relation to assessing the economic, environmental and social viability of constructing and operating a coal fired power station in near proximity to the Imaloto power project:

- Scoping study and business case designed to assess whether prima facie, an opportunity exists for a coal fired power station on or around Imaloto and involves a detailed transmission study,

business case analysis, load definition assessment, order of magnitude costing and fatal flaw analysis.

- Site pre- feasibility and technical development study designed to understand the technical specifications of a future power plant and its related transmission and a preliminary assessment of the impact that each of these components may have on the environment. A preliminary budget was determined and financial model constructed along with plant location, fuel source management, identification of and preliminary discussion with EPC contractors and a high level project risk assessment.

Heads of Agreement

The Company has finalised negotiations for the key terms of a Heads of Agreement (HoA) between itself and Jirama the Madagascan Government's state owned electricity company responsible for the production, transport and distribution of electricity in Madagascar. Lemur understands the agreement is currently with Jirama for execution pending ministerial approval.

The key terms provide a road map outlining the precursory steps the Company must complete in order for the IPP concession to be issued and, if executed, will form the basis for proposed Concession and the Power Purchase and Transmission Agreements between the IPP and the Malagasy Government.

Lemur believes, the HoA has been reviewed by the Jirama legal team and has been passed to the Ministry of Energy for final approval. While there can be no guarantee final approval will be granted, Lemur does not currently anticipate any issues and if final approval is granted, the document will be formally executed.

IPP Funding

In the event that an IPP concession is awarded, it is the Company's intention to bring in a strategic equity partner ("SEP") to fund, construct and operate the power station. Several SEP's have been identified and preliminary discussions have commenced.

The next steps

The Company intends to focus its Madagascan efforts on the following areas, which involve minimal cash outlay:

- working with Jirama towards having an IPP concession awarded, and commencement of the Environmental Impact Assessment;
- evaluating with the Ministry of Transport alternative port sites;
- effecting permit administration including renewal and transfers; and
- considering means to realising value from the Imaloto Coal Project including approaching strategic investors.

About the scoping study authors

Ports of Africa (Pty) Ltd

Established in 2008, and with offices in Johannesburg and Durban, South Africa, POA is a partnership between ELB Engineering Services and A-Cubed Consulting and was created to fill a need in the rapidly growing port terminal refurbishment and upgrade sector. With a wealth of experience and expertise gained on the African continent, POA is able to provide effective and realistic hands-on solutions not only in Africa but also in other regions with challenging environments.

POA's solutions are tailor-made to the needs of the client using world-class technologies and expertise. POA offers a unique and extensive range of services; from the conception of logistics and material handling systems, the engineering design and installation phases, through to construction and

operations. In a nutshell, POA are a total solutions provider from source to sea. The port logistics element of the Project scoping study was managed by Mr Athol Emerton.

F-Tech International (Limited)

F-tech is a power development company registered in Mauritius. The management team in F-tech have close to 100 years in experience in the power sector. The lead developers for this project are Dr Cliff Lewis and Ms Gina Schroeder. The company develops generation assets for mining companies in the coal arena, such as Benga Power Plant in Mozambique and members of the team have worked in various African countries, Indonesia and Australia. Furthermore, F-tech owns gas based generation assets in Mozambique and as such understands the logistical difficulties of development and operation in less developed locations.

DRA Mineral Projects Ltd

DRA is a multi-disciplinary engineering and project management firm which designs and develops mines, infrastructure and minerals processing projects as well as plant operations. Headquartered in Johannesburg, South Africa, they have a global footprint across five continents and service both local and international mining houses in the ferrous metals, coal, diamond, chrome, precious and base metals sectors. Established in 1984, DRA has grown substantially and lists the world's mining leaders among its clients. Offering services from studies, engineering design and implementation through to plant operations DRA provides a "pit to port" solution for client's needs. Mr Edward van Rensburg was the DRA Study Manager.

Badger Mining & Consulting (Pty) Ltd

Badger has extensive coal experience and most recently were engaged by Asia Thai Mining to complete a Bankable Feasibility Study on its Sakoa Coal Project, which is located approximately 50km due south of Lemur's Imaloto Coal Project. Mr Mark Mohring was the lead engineer on the scoping study.

Hindsight Financial & Commercial Solutions (Pty) Ltd

Hindsight is a boutique company providing financial and commercial advisory service and targeting the resources, logistics and industrial sectors in South Africa. Collectively, Hindsight's three partners have a broad and deep knowledge of business strategy, commercial, financing, accounting, tax, financial valuation, project planning, investment, transaction structuring and execution experience together with technical matters within those industries it is targeting. Hindsight specialises in company valuations, project planning and execution, optimal commercial outcomes, corporate restructuring (including black economic empowerment), mergers, sales and acquisitions, procurement, public-private-partnerships and strategy. The Imaloto Project financial model and valuation was managed by Mr Tertius de Villiers.

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 mining projects in Africa. The Company listed on the ASX in August 2011.

For further information see www.lemurresources.com

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.

Cautionary Statement

This announcement has been prepared in compliance with the current JORC Code 2004 Edition and the current ASX Listing Rules. However, the Company has determined to include the following cautionary statements as prescribed by the proposed new JORC Code 2012 Edition and the proposed ASX Listing Rules:

The scoping study referred to in this announcement:

- is based on lower-level technical and economic assessments, and are 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 compliant 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 compliant resource statement;*
- contains outputs relating to 100% of the Project; and*
- contains cash flows 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 compliant resource. The Measured and Indicated portions represent 91% of the resource equating to a total of 123 million tonnes;*
- JORC compliant 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 Compliant Resource Statement

COAL RESOURCE - Imaloto - Lemur Resources - as @ 15 Mar 2013.											
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 1 – 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) as @ 17 March 2013									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 1 – JORC Compliant Resource Statement (cont'd)

Upper Seam - Cumulative Results (Air-dried Base) as @ 17 Mar 2013									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) as @ 17 Mar 2013									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