

4 October 2013

**By ASX online platform**

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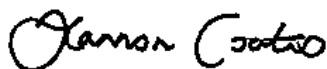
Dear Sir

**Supplementary Target's Statement – Off-market takeover offer by Bushveld Minerals Limited**

In accordance with section 647(3)(b) of the Corporations Act 2001 (Cth), we enclose a copy of the second supplementary target's statement (**Second Supplementary Target's Statement**) to the target's statement dated 23 July 2013 (as supplemented by the supplementary target's statement dated 17 September 2013) given by Lemur Resources Limited (ACN 147 241 361) (**Lemur**) in relation to the off-market takeover offer by Bushveld Minerals Limited (**Bushveld**) for all of the fully paid ordinary shares in the capital of Lemur.

The Second Supplementary Target's Statement has today been lodged with the Australian Securities and Investments Commission and sent to Bushveld.

Yours faithfully



Shannon Coates  
Company Secretary  
**Lemur Resources Limited**

Encl.

## SECOND SUPPLEMENTARY TARGET'S STATEMENT

This document is dated 4 October 2013 and is a supplementary target's statement under section 644 of the Corporations Act 2001 (Cth). It is the second supplementary target's statement (**Second Supplementary Target's Statement**) issued by Lemur Resources Limited ABN 53 147 241 361 in relation to the off-market takeover bid by Bushveld Minerals Limited (a company incorporated in Guernsey with Registration No. 54506) to acquire all of the fully paid ordinary shares in the capital of Lemur.

This Second Supplementary Target's Statement supplements, and should be read together with, Lemur's Target's Statement dated 23 July 2013 (**Target's Statement**) and Supplementary Target's Statement dated 17 September 2013 (**Supplementary Target's Statement**).

## BUSHVELD'S LETTER

On 27 September 2013, the Independent Directors received a copy of a letter which Bushveld has sent to Lemur shareholders, noting that Bushveld intends to conduct a thorough review of the Lemur business "in the near future" which will include seeking the possible delisting of Lemur from ASX (**Letter**).

Section 6.5(d) of Bushveld's Replacement Bidder's Statement dated 1 July 2013 (**Bidder's Statement**) clearly provides that if Bushveld obtains control of Lemur, but acceptances under the takeover offer are at a level less than 90%, **Bushveld intends to maintain Lemur's listing on ASX.**(emphasis added).

## CLARIFICATION ANNOUNCEMENT

On 30 September 2013, the Independent Directors of Lemur released an announcement noting the inconsistency between the Letter and the Bidder's Statement with respect to Bushveld's intentions regarding the potential delisting of Lemur, and noted that the change of intention may be open to challenge and that they anticipate that the ASX will require a vote in support of the delisting by a majority of Lemur shareholders unassociated with Bushveld.

## THIRD SUPPLEMENTARY BIDDER'S STATEMENT

Bushveld released a Third Supplementary Bidders Statement on 2 October 2013 (**Third Supplementary Bidder's Statement**) which re-iterated that Bushveld intends in the near future to conduct a thorough review of the Lemur business which will include:

- (a) a review of the Lemur board, which may result in changes to the Lemur board;
- (b) a full review of Lemur's assets and operations to determine the forward work programs necessary for operational execution and development; and
- (c) a possible delisting of Lemur from the ASX.

## POTENTIAL DELISTING OF LEMUR FROM THE ASX

The Independent Directors wish to note that the statement in the **Third Supplementary Bidder's Statement** with respect to the potential delisting of Lemur remains inconsistent with Section 6.5(d) of Bushveld's Bidder's Statement which clearly provides that if Bushveld obtains control of Lemur, but acceptances under the takeover offer are at a level less than 90%, **Bushveld intends to maintain Lemur's listing on ASX.**(emphasis added) The Independent Directors understand that acceptances under the takeover offer are at a level just over 53%.

**In the event that Bushveld does intend to seek delisting of Lemur in the "near future" where it holds less than 90% of Lemur:**

- **the change of intention during a takeover bid could be open to challenge; and**

- **in any event, the Independent Directors anticipate that a vote in support of the delisting by a majority of Lemur shareholders associated with Bushveld would be required.**

The Independent Directors draw to the attention of Lemur shareholders ASX draft Guidance Note 33, which, while in draft form, provides some guidance as to ASX's likely approach to an application to delist. The draft Guidance Note outlines that:

- if an entity requests a delisting, ASX will consider whether to grant the request. Unacceptable reasons why an entity might ask to be removed from the official list include to deny minority shareholders a market for their securities in order to coerce them into accepting an offer from a controlling shareholder to buy out their securities;
- if ASX decides to grant a request to delist, it may impose conditions directed to ensuring that the interests of security holders are not unduly prejudiced by the removal and that trading in the entity's securities takes place in an orderly manner up to the date of its removal; and
- ASX will usually require an entity to seek the approval of its members to delist. Security holder approval should take the form of an ordinary resolution at a general meeting of the holders of the entity's ordinary securities. However, where the entity has been the subject of a takeover bid in the preceding 12 months and, in ASX's opinion, the bidder and its associates have attained effective control of the entity without satisfying certain conditions (including 75% of acceptances and that the number of holders of ordinary securities having holdings with a value of at least \$500 is fewer than 150), ASX will require the removal to be approved by the entity's security holders and will also impose a requirement for a voting exclusion statement in relation to any votes cast by the bidder and its associates on the resolution approving the removal.

## **THE INDEPENDENT DIRECTORS CONTINUE TO RECOMMEND THAT YOU REJECT THE BUSHVELD OFFER**

The Independent Directors continue to recommend to shareholders that they **REJECT** the off-market takeover offer made by AIM-listed Bushveld and take no action in response to the Third Supplementary Bidder's Statement by Bushveld. The Independent Directors consider that the reasons provided by them for their recommendation as detailed in section 2.3 of the Target's Statement continue to apply.

The Independent Directors intend to **REJECT** the Bushveld Offer in relation to the Lemur Shares held by them or which they control.

However, in light of the level of acceptances and Bushveld's relevant interest in Lemur shares being 53.67% at 2 October 2013, the Independent Directors reiterate that there are risks in not accepting the Bushveld Offer. In summary these are:

- 1 There are risks associated with an investment in Lemur
- 2 Bushveld may become entitled to compulsorily acquire Lemur Shares
- 3 There may be implications if Bushveld does not become entitled to compulsorily acquire Lemur Shares including:
  - (a) CGT rollover relief may not be available if Bushveld acquires less than 80% of the Lemur Shares under the Bushveld Offer;
  - (b) liquidity in Lemur Shares may be significantly reduced and the price of Lemur Shares may fall substantially;
  - (c) Bushveld will be in a position to cast a majority of votes at a general meeting of Lemur;
  - (d) Bushveld may be entitled to remove Lemur from the official list of the ASX; and
  - (e) there may be reduced likelihood of a subsequent takeover bid for Lemur.

Further details of these risks are set out in section 2.4 of the Target's Statement.

## ADDITIONAL INFORMATION

Lemur has established the Lemur Shareholder Information Line which Lemur Shareholders may call if they have any queries in relation to the Bushveld Offer. The telephone number for the Lemur Shareholder Information Line is 1300 308 902 from within Australia or +61 2 8022 7902 from overseas.

Further information relating to the Bushveld Offer can be obtained from <http://www.lemurresources.com>.

Unless the context otherwise requires, terms defined in the Target's Statement have the same meaning in this Second Supplementary Target's Statement.

This Second Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement and the Supplementary Target's Statement.

This Supplementary Target's Statement is dated 4 October 2013 and a copy of this Second Supplementary Target's Statement was lodged with ASIC and ASX on that date. None of ASIC, ASX nor any of its respective officers takes any responsibility for the contents of this Second Supplementary Target's Statement.

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## Authorisation

This Second Supplementary Target's Statement has been approved by a resolution passed by your Independent Directors. Each of your Directors (other than Fortune Mojapelo and Anthony Viljoen, who did not vote on the resolution because they are not Independent Directors) has voted in favour of that resolution.

**Signed** for and on behalf of Lemur Resources Limited:



Mr Marcello Cardaci  
Non-Executive Chairman  
Lemur Resources Limited