

14 October 2013

**By ASX online platform**

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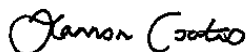
Dear Sir

**Third 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 third supplementary target's statement (**Third 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 and the second supplementary target's statement dated 4 October 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 Third 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.

### THIRD SUPPLEMENTARY TARGET'S STATEMENT

This document is dated 14 October 2013 and is a supplementary target's statement under section 644 of the Corporations Act 2001 (Cth). It is the third supplementary target's statement (**Third 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 Third Supplementary Target's Statement supplements, and should be read together with, Lemur's Target's Statement dated 23 July 2013 (**Target's Statement**), the Supplementary Target's Statement dated 17 September 2013 (**Supplementary Target's Statement**) and the Second Supplementary Target's Statement dated 4 October 2013 (**Second Supplementary Target's Statement**).

### BUSHVELD'S LETTER AND FOURTH SUPPLEMENTARY BIDDER'S STATEMENT

On 9 October 2013, the Independent Directors received a copy of a letter which Bushveld has sent to Lemur shareholders (**Letter**). On 10 October 2013, Bushveld released a Fourth Supplementary Bidder's Statement (**Fourth Supplementary Bidder's Statement**).

Both the Letter and the Fourth Supplementary Bidder's Statement note that:

- the bid has been extended until 1 November 2013 at which point the bid will close and will not be further extended;
- Bushveld is in a position of control in respect of Lemur;
- on closing of the Offer the Lemur share price will no longer be supported by the consideration being offered by Bushveld;
- the liquidity of Lemur shares may be markedly lower than at present; and
- Bushveld intends to conduct a thorough review of Lemur's board and assets and will also consider a possible delisting of Lemur from the ASX.

### BUSHVELD'S CURRENT SHARE PRICE

Based on the closing price of a Bushveld share on AIM and a Lemur share on the ASX on the last trading day prior to the announcement of the bid on 9 May 2013 (**Bid Announcement Date**) the Offer ascribed an implied value of \$19.1 million to Lemur.

Bushveld's share price on the Bid Announcement Date was £0.109. Since the Bid Announcement Date the price of a Bushveld share has steadily declined with recent large volume trades priced below £0.050. At the time of completing this Third Supplementary Target's Statement the last Bushveld trade was £0.0341.

Based on the offer of 3 Bushveld shares for every 5 Lemur shares, when using Bushveld's last traded share price of £0.0341 and AUD/ GBP FX rate of 0.6 the implied value of LMR is \$6.6 million – a 63% reduction to the implied value at the Bid Announcement Date.

Bushveld has limited cash totalling £1,305,089 as at 28 February 2013 as disclosed in Bushveld's 2013 Annual Report. The Independent Directors consider that funding may be required in the near term and with the current depressed share price, holders of Bushveld shares could be diluted down if Bushveld undertakes an equity raising.

## LEMUR'S SHARE PRICE IS NOT SUPPORTED BY THE BID

Lemur's primary assets include Cash at Bank and a 99% equity position in the Imaloto Coal Project.

At 30 September 2013, Lemur's cash position net of current liabilities totalled approximately \$16.1 million equating to 8.4 cents per Lemur share.

## POTENTIAL DELISTING OF LEMUR FROM THE ASX

The Independent Directors wish to note that the statement in the Fourth 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 as at the date of this Third Supplementary Target's Statement, 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 Fourth 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 53.89% at 9 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 Third Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement, the Supplementary Target's Statement and the Second Supplementary Target's Statement.

This Third Supplementary Target's Statement is dated 14 October 2013 and a copy of this Third 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 Third Supplementary Target's Statement.

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## **Authorisation**

This Third 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