

31 October 2013

CAPITAL STRUCTURE

Shares on Issue: 192.5m

Unlisted Options: 13.5m

Market Cap: \$8.86m
(as at 30 September 2013)

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



CASH ON HAND

\$16.40 m
(as at 30 September 2013)

CORPORATE DIRECTORY

Mr Marcello Cardaci
Non-Executive Chairman

Mr Anthony Viljoen
Executive Director

Mr Ryan Rockwood
Executive Director

Mr Fortune Mr Fortune Mojapelo
Non-Executive Director

Ms Shannon Coates
Company Secretary

CONTACT DETAILS

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Quarterly Report for the period ended 30 September 2013

Highlights during the quarter include:

Imaloto Coal Project and Extension (99%)

- Consolidated results of the mining, infrastructure, land logistics and port scoping studies undertaken at the Company's flagship Imaloto Coal Project in Madagascar released.

SCOPING STUDY PARAMETERS – CAUTIONARY STATEMENT

The scoping studies referred to in this announcement:

- are 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 studies 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;
- contain 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;
- contain outputs relating to 100% of the Project; and
- contain 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.

- Scoping study results used to construct financial model estimating:
 - modelled net present value (**NPV**) of the Imaloto Coal Project of US\$36 million at a post-tax real discount rate of 10%;
 - expected capital expenditure of less than US\$12 million required in order to commence the open pit operation (Phase 1);
 - LOM of 19 years (Phase 1 & 2) for total ROM production of 21 million tonnes; and
 - Phase 1 raw product with an average CV of 5,504 kcal/kg net as received (**NAR**).

Corporate

- Cash on hand at 30 September 2013 of \$16.40 million with no debt.
- Bushveld Minerals Limited achieved 50% acceptances for its off market takeover bid for Lemur on 12 September 2013. At the date of this announcement, Bushveld's acceptances are 54.16% and the bid will close on 1 November 2013.
- Minority Lemur shareholders JP Morgan Nominees Australia Limited, in which Azure Capital Limited has a relevant interest, and ACP Investments Pty Ltd requisitioned meeting to put forward resolutions to change the Lemur Board. The resolutions were defeated at the Company's general meeting on 1 October 2013.

Lemur Resources Limited (**Lemur** or the **Company**) provides the following update on key activities undertaken by the Company during the quarter ended 30 September 2013.

Imaloto Coal Project and Extension (99%)

Project Overview

Lemur Resources Limited holds a 99% interest in its flagship Imaloto Coal Project (**Imaloto** or the **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 that leads directly to the existing Port of Tulear, a further 150 kilometres away.

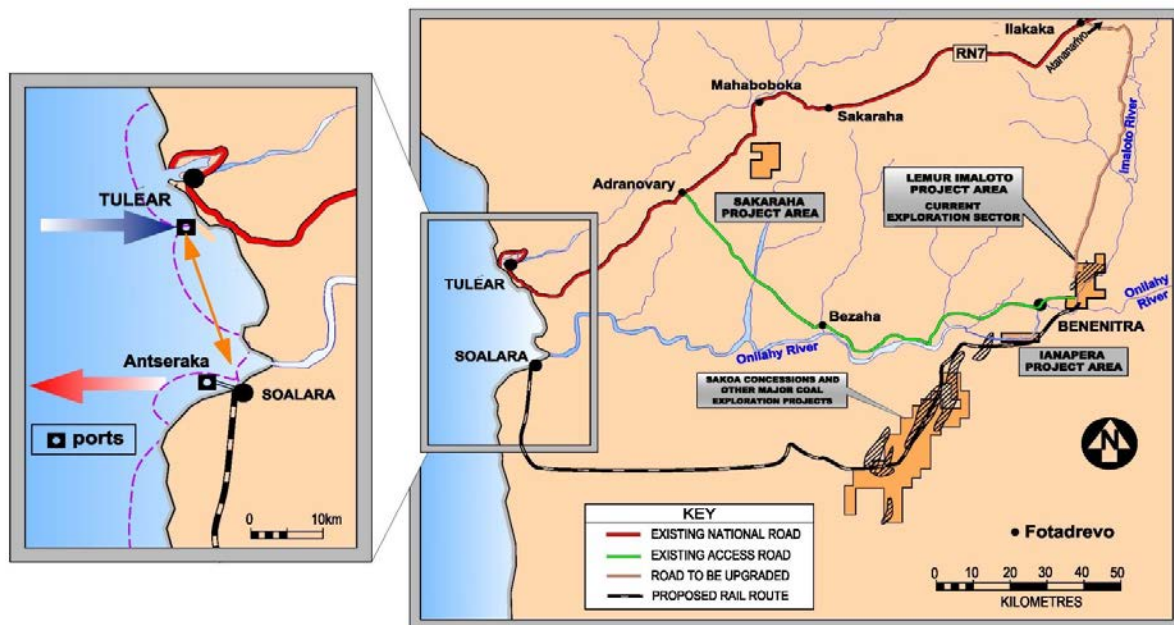


Fig 1: Location of the Imaloto Coal Project

Phase 1 is expected to include 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 Project. Discussions with potential Strategic Equity Partners to fund the IPP have commenced.

Phase 2 is anticipated to involve 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 that will be trucked to the existing Port of Tulear for export. The Company expects that the discard coal will be sold to the IPP as referred to above. Capital required for Phase 2 is estimated at US\$84 million, for a LOM of 10 years.

Scoping Studies and Financial Model

Lemur has now completed three separate scoping studies¹ in relation to mining, mine infrastructure and 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. Results of these studies, which were announced to market during the quarter, highlight the potential of the Project, and provide a pathway for the proposed development of Imaloto.

¹ The scoping studies are based on low-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 studies will be realised. Refer to page 7 for further details on cautionary and forward looking statements.

The mining scoping study was prepared by Badger Mining & Consulting (Pty) Ltd, the mine infrastructure and land logistics scoping study by DRA Mineral Projects Ltd and the port scoping study by Ports of Africa (Pty) Ltd.

In addition to the above scoping studies, F-Tech International Limited has completed 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.

The results of the scoping studies have been used by Hindsight Financial and Commercial Solutions (Pty) Ltd to construct the Project's financial model. The results are summarised below:

- modelled NPV of US\$36 million at a post-tax real discount rate of 10%;
- 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 tonnes²;
- Phase 1 RAW product with an average CV of 5,504 kcal/kg 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%.

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 the Ministry of Transport alternative port sites;
- effecting permit administration, including renewal and transfers; and
- progressing means to realising value from the Project, including approaching strategic investors.

Permit 4578

As previously announced to ASX, Lemur is aware of a legal claim and initial court judgment that declared null and void various historical sale agreements which ultimately resulted in Lemur being granted Permit 4578.

The Lemur Directors have obtained legal advice from Madagascan counsel, John W Ffooks & Co., who have advised that in their view the Claimant's claim is based on an ill-founded and legally incorrect interpretation of the law, principally due to a fundamental confusion between the rights arising out of a land transfer and permit transfer.

It is further the view of John W Ffooks & Co. that Lemur acquired Permit 4578 in good faith and that Permit 4578 had, at the time of transfer, been correctly acquired by Lemur and properly registered in

² 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.

accordance with the relevant provisions of the Mining Code (as amended) at the mining registry in Antananarivo.

However, it remains the view of John W Ffooks & Co. that, notwithstanding the spurious nature of the Claimant's claim, there can be no guarantee that Lemur will be successful in challenging the validity of the initial court judgement.

Claim history

Two procedures are currently ongoing before the Court of Tulear and the Court of Antananarivo.

Tuléar

Having been advised that a claim had been brought challenging the legality of previous transfers concerning Permit 4578, Lemur informed the Court of Tuléar on 6 September 2012 of its intention to fight the Claimant's claim. Lemur expects to receive a judgment from the Court of Tulear shortly which will confirm or strike out the initial judgment that declared null and void all successive sale agreements relating to Permit 4578. The Court was expected to issue its judgment on 23 October 2013 but this has now been postponed by the court until 15 November 2013 pending further review.

Antananarivo

The Court of Antananarivo issued a summary judgment in respect of the initial judgment previously issued by the Court of Tuléar. When made aware of this, the Lemur Directors instructed Ffooks to immediately challenge the validity of such order on the basis that there was a separate litigation in Tuléar currently ongoing. Following Lemur's request the President of the Court of Appeal ordered that both parties attend a hearing to address the effect and the legality of the summary judgment. The President of the Court of Appeal has adjourned his decision on the enforceability of the summary judgment until 13 November 2013.

Conclusion

Ffooks believes that the initial judgment issued by the Court of Tuléar is wrong as a matter of law as it confuses two distinct areas: property law and mining law and the rights arising out of each. The initial court order mistakenly ruled that upon the transfer of a parcel of land any rights relating to that land (including mining rights) are so transferred to the transferee (i.e. the receiving third party). Ffooks considers from a purely legal perspective this is not correct. Land rights and mining rights are exclusive rights from one another. Accordingly any transfer of one does not automatically result in the transfer of another unless the contrary has been previously agreed between the parties.

Corporate

Cash Position

As at 30 September 2013, Lemur had \$16.40 million cash on hand and no debt. A copy of the Company's Mining Exploration Entity Quarterly Report (Appendix 5B) in accordance with ASX Listing Rule 5.3 is attached.

Board and Strategy

As announced on 2 August 2013, JP Morgan Nominees Australia Limited, the registered holder of the Lemur shares in which Azure Capital Limited has a relevant interest, and ACP Investments Pty Ltd requisitioned a general meeting of shareholders to put forward resolutions to remove three of four Lemur Directors and appoint two new directors to the Lemur Board. At a meeting of Lemur shareholders held on 1 October 2013, shareholders overwhelmingly rejected all resolutions.

The Lemur Board intends to continue to execute its dual strategy to generate shareholder value; firstly, to advance its coal assets in Madagascar as per the positive Imaloto scoping study results released during the quarter and secondly, to leverage the Company's cash to acquire other resource assets following rigorous due diligence. There appear to be many attractive assets available in the current depressed market.

Bushveld Bid

As announced on 12 September 2013, AIM-listed Bushveld Minerals Limited (**Bushveld**) (a company incorporated in Guernsey) achieved greater than 50% acceptances through its unsolicited off-market takeover bid for all of the ordinary shares in Lemur, with the Offer comprising 3 Bushveld shares for every 5 Lemur shares. At the date of this announcement, Bushveld held an interest of 54.16% of Lemur's shares. The takeover bid will close on 1 November 2013.

The Independent Directors continue to recommend that Lemur shareholders reject the offer.

About Lemur Resources Limited

Lemur Resources is focused on the development of the Company's 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, which currently has an Inferred Resource of 176mt. 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 studies referred to in this announcement:

- are 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 studies 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;
- contain 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;
- contain outputs relating to 100% of the Project; and
- contain 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											
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)									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)									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 5B

Mining exploration entity quarterly report

Name of entity

Lemur Resources Limited

ABN

53 147 241 361

Quarter ended ("current quarter")

30 September 2013

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(72)	(820)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(554)	(1,410)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	177	563
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(449)	(1,667)
Cash flows related to investing activities			
1.8	Payment for:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(2)	(4)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.15	Other (provide details if material)	-	-
Net investing cash flows		(2)	(4)

1.13	Total operating and investing cash flows (brought forward)	(451)	(1,671)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other: Fund raising costs	-	-
1.20	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(451)	(1,671)
1.20	Cash at beginning of quarter/year to date	16,855	18,073
1.21	Exchange rate adjustments to item 1.20	-	2
1.22	Cash at end of quarter	16,404	16,404

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	102
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$A'000

- 22 Non- Executive director fees
- 65 Executive director remuneration
- 15 Consultancy fees paid to VM Investment Company (Pty) Ltd of which Mr Anthony Viljoen is a director and shareholder

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

n/a

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

n/a

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	273
4.2 Development	-
4.3 Production	-
4.4 Administration (net of interest revenue)	179
Total	452

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	13	14
5.2 Deposits at call	16,391	16,841
5.3 Bank overdraft	-	-
5.4 Other (USD account)	-	1
Total: cash at end of quarter (item 1.22)	16,404	16,855

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	192,500,001	195,500,001		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Release from escrow				
7.5 *Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.7 Options	13,500,000	nil – unlisted options	<u>Exercise price</u> 6,500,000 exercisable at 30 cents each 6,500,000 exercisable at 40 cents each 500,000 exercisable at 15 cents each	<u>Expiry date</u> 31 Dec 2013 31 Dec 2013 15 Nov 2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

R. Rockwood.

Executive Director

Date: 31 October 2013

Print name:

Ryan Rockwood

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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