

CAPITAL STRUCTURE

Shares on Issue: 200.5m

Unlisted Options: 0.5m

Market Cap: \$8.02 m
(as at 30 April 2014)

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



CASH ON HAND

\$15.7m
(as at 31 March 2014)

CORPORATE DIRECTORY

Mr Anthony Viljoen
CEO, Executive Director

Mr Ryan Rockwood
Executive Director

Mr Fortune Mojapelo
Non-Executive Director

Mr Jonathan Murray
Non-Executive Director

Ms Shannon Coates
Company Secretary

CONTACT DETAILS

Principal and Registered Offices

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30 April 2014

Quarterly Report for the period ended 31 March 2014

Highlights during the quarter include:

Imaloto Coal Project and Extension (99%)

- Following the conclusion of Madagascar elections and the establishment of the new government, discussions recommenced with Jirama, the Madagascar state owned power company with relation to the award of an IPP licence to Lemur to build, own and operate a coal fired power plant.
- Successful resolution in Lemur's favour of the Tulear court case pertaining to the disputed ownership of permit 4578, the Company's flagship mining license.
- Ongoing discussions to identify a strategic partner to develop the Imaloto Project going forward, plus two non-exclusive mandates awarded to advisors focused on Asia and the Middle East.
- Re-exportation of the drill rigs onto the African continent to enable extraction of value out of their useful life.

Corporate

- Cash on hand at 31 March 2014 totalled \$15.7 million and no debt.
- Continuous evaluation of opportunities for an additional project. Commenced an internal target generating geological exercise to identify high priority greenfield exploration targets in East Africa.
- Company marketing and promotional activity re-initiated, including a speaking event at the McCloskey Coal Conference.

Lemur Resources Limited (**Lemur** or the **Company**) provides the following update on key activities undertaken by the Company during the quarter ended 31 March 2014.

Imaloto Coal Project and Extension (99%)

Independent Power Producer licence

Following the announcement of the long awaited Madagascar national election results in January 2014 and the establishment of a new government, discussions with La Jiro Sy Rano Malagasy (**Jirama**) have recommenced in relation to the proposed Imaloto Independent Power Producer (**IPP**) licence. The IPP licence will give Lemur the right to build, own and operate a coal fired power plant of 3 x 15MW within 10km of its Imaloto Project. Jirama is increasingly moving in a more positive direction and the Board hopes to conclude on some agreed milestones with Jirama and the local authorities in the June quarter. His Excellency the President, Mr Hery Rajaonarimampianina has reaffirmed his commitment to the development of the infrastructure, and in particular power infrastructure, on the island as part of his election manifesto.

Permit 4578

The Company reached a resolution in relation to the legal claim on permit 4578 which declared null and void various historical sale agreements, which ultimately resulted in Lemur being granted permit 4578. The Tulear court has ruled in favour of the Company and Lemur will continue to hold tenure over permit 4578. Ms Rahajasoamampionona Ramiaramanana (the plaintiff) has 30 days to lodge an appeal against the Tulear court's decision following which the court decision will be final. The plaintiff will also be liable for any court fees associated with the claim if the court decision becomes final.

The Company is still waiting on the ruling by the Antananarivo court and expects to receive this soon. The plaintiff approached the Antananarivo court for a temporary enforcement of the original (now overturned) judgement in Tulear regarding permit 4578. However this was not the normal legal process as the court case was still in progress in Tulear. Furthermore, the Company has recently lodged with the Antananarivo court the recent decision of the Tulear court cancelling the original judgement withdrawing permit 4578. The Company and its legal advisers remain positive on the outcome of the Antananarivo ruling in its favour.

Strategic Investors

The Company's proactive promotion of its Madagascar assets and the increasingly positive investor sentiment to the island nation following the return of political stability has led to renewed interest from strategic investors. Lemur is currently engaged in exploratory discussions with such investors. The Company also signed two non-exclusive mandates with third party advisors focused on Asia and the Middle East to source suitable strategic partners to advance the IPP. These discussions remain ongoing and the Board will disclose any material developments accordingly.

Drill Rigs

A decision was taken to move the exploration equipment, which was imported under a temporary importation grant from Tulear, Madagascar to Mombasa, Kenya from where it is anticipated that opportunities in mainland Africa will be more accessible. The exploration kit comprises amongst others two Boart Longyear LF70 diamond drill rigs, drill rods and various associated equipment. The Company is currently evaluating several opportunities for the ongoing operation of the rigs and/or the outright sale of the equipment. The Company has an agreement with a drilling company to assist in the maintenance and storage of the equipment in the interim.

Corporate

Cash Position

As at 31 March 2014, Lemur had \$15.7 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. Lemur continued its cost rationalisation activities and sharing of African office infrastructure with its major shareholder, AIM listed Bushveld Minerals. The Company discontinued the full time services of certain employees and also reduced its head office commitments in Australia.

Second Asset Strategy

Second asset acquisition

While the Board remains confident of the value that has been created with the Imaloto Project over the last few years, the activity of identifying an acquisition target in the currently depressed markets using Lemur's strong cash position remains a key strategic focus of the Company. The executive and the Board continue to evaluate targets in Southern and East Africa. The deal sourcing activities of Lemur has been enhanced by having access to the Bushveld personnel and resources.

In-house target identification

During the quarter, the Company embarked upon a greenfields evaluation program of prospective East African geologies that could leverage the Company's unique in-house, target development technical expertise and/or utilise the Company's significant exploration equipment to earn into opportunities. The Board view these as low cost entry points with high upside. A study of the mineral provinces and occurrences of East Africa and Madagascar has highlighted several favourable geological settings. The geology of this relatively unexplored terrain is favourable for a number of minerals, including coal, gold, copper, zinc, tin, PGE's and uranium. The mineralised zones occur in two broad belts which trend parallel to the great African rift valley. Compilation and interpretation of various data sets pertaining to these belts is progressing and several new target areas are emerging.

General Meeting

The Company held a general meeting of shareholders on 21 February 2014 to seek shareholder approval for the allocation of ordinary and performance shares to certain directors. The resolutions relating to ordinary shares were carried. The resolutions relating to performance shares were withdrawn upon engagement with shareholders and are expected to be re-visited in the future.

Marketing

With the appointment of the new executives, the Company began actively promoting itself again to existing and new investors. Lemur was invited to present at the industry leading McCloskey African Coal Conference during the quarter.

For further information see www.lemurresources.com

About Lemur Resources Limited

Lemur Resources Limited is focused on the development of the Company's significant coal assets in Madagascar. 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 a resource of 135.7mt of which 91% is measured and indicated. Lemur's Board and management have significant experience in developing mining projects in Africa. The Company listed on the ASX in August 2011.

Competent Persons Statement

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.

The Mineral Resource information in this announcement was prepared and first disclosed under the JORC Code 2004 Edition. It has not been updated since to comply with the JORC Code 2012 Edition on the basis that the information has not materially changed since it was last reported.

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	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
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

Mining Tenements

Mining tenements held at the end of the quarter			
Permit number	Project name	Country held	Beneficial interest
3196	Imaloto	Madagascar	99%
4578	Imaloto	Madagascar	99%
12653	Imaloto	Madagascar	99%
27163	Imaloto	Madagascar	99%
26904	Imaloto	Madagascar	99%
31892	Ianapera	Madagascar	99%
31808	Sakaraha	Madagascar	99%
<p>No mining tenements were acquired or disposed of during the quarter.</p> <p>No exploration, mining production or development activities took place in respect of the Company's mining tenements during the quarter.</p> <p>The Company holds no beneficial percentage interests through farm-in or farm-out agreements at the end of the quarter, nor did the Company acquire or dispose of any beneficial percentage interests in farm-in or farm-out agreements during the quarter.</p>			

Appendix 5B

Mining exploration entity quarterly report

Name of entity

Lemur Resources Limited

ABN

53 147 241 361

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 Months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(108)	(108)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(388)	(388)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	146	146
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other:		
	- Costs associated with contract drilling	(86)	(86)
Net Operating Cash Flows		(437)	(437)
Cash flows related to investing activities			
1.8	Payments for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
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	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)		

1.13	Total operating and investing cash flows (brought forward)	(437)	(437)
	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	(437)	(437)
1.20	Cash at beginning of quarter/year to date	16,138	16,138
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	15,701	15,701

Payments to directors of the entity, associates of the directors, 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	153
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

<u>\$A'000</u>	
128	Director fee's
25	South African office lease payments (paid to VM Investment Company (Pty) Ltd) of which Mr Anthony Viljoen and Fortune Mojapelo are both directors and shareholders.

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	(40)
4.2 Development	-
4.3 Production	-
4.4 Administration (net of interest revenue)	(225)
4.5 Other - Costs associated with contract drilling	(130)
Total	(395)

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	131	14
5.2 Deposits at call	15,570	16,124
5.3 Bank overdraft	-	-
5.4 Other (USD account)	-	-
Total: cash at end of quarter (item 1.22)	15,701	16,138

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 <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	200,500,001	200,500,001	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Release from escrow	8,000,000		
7.5	*Convertible debt securities <i>(description)</i>			
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	500,000	nil – unlisted options	<i>Exercise price</i> 500,000 <i>exercisable at 15 cents each</i>	<i>Expiry date</i> 15 Nov 2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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.

R. Rockwood.

Sign here:

Executive Director

Date: 30 April 2014

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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