LEMUR RESOURCES LIMITED

ACN 147 241 361

CAPITAL STRUCTURE

Shares on Issue: 200.5m

Unlisted Options: 0.5m

Market Cap: $5.21m
(as at 30 June 2014)

Click here for latest share price **(ASX: LMR)**

LISTED ON ASX

CASH ON HAND
$15.7m
(as at 31 March 2014)

CORPORATE DIRECTORY

Mr Anthony Viljoen
Executive Director and CEO

Mr Ryan Rockwood
Executive Director

Mr Fortune Mojapelo
Non-Executive Director

Ms Shannon Coates
Non-Executive Director/Company Secretary

CONTACT DETAILS

Principal and Registered Offices

Suite 1 Ground Floor, 83 Havelock Street
West Perth WA 6005

Telephone: +61 8 9486 4768

Facsimile: +61 8 9322 5230

WEBSITE
www.lemurresources.com

29 JULY 2014

COAL MINERAL RESOURCE UPDATED TO JORC 2012

Lemur Resources Limited (**Lemur** or the **Company**) is pleased to advise that the coal Mineral Resource for its Imaloto Coal Project has been updated in accordance with the 2012 edition of the JORC Code.

The updated coal Mineral Resource of **135.7 million tonnes GTIS** is consistent with the Mineral Resource Statement announced to ASX on 28 March 2013, which was reported in accordance with the 2004 edition of the JORC Code.

Background

On 28 March 2013, Lemur released its "Revised Resource Statement – Imaloto Coal Project" ("Mineral Resource Statement") for the Company's Imaloto Coal Project in Madagascar, reported in accordance with the 2004 edition of the JORC Code. The coal resource as described in the Mineral Resource Statement was calculated after the completion of an exploration programme by Lemur that spanned 3 years and 10 months (February 2009 to December 2012). The estimate was based on information from 159 boreholes, and the associated laboratory results.

The Company has now updated the Mineral Resource Statement in accordance with the 2012 edition of the JORC Code.

During the period from release of the original Mineral Resource Statement on 28 March 2013 to the date of this report, no exploration activity was conducted on the Project site and hence there was no expansion of or additions to the modelling database. In addition, no shafts or box-cuts were constructed during the same period and no resources have been converted to reserves since the previous report.

Figure 1: The general locality of the Project area.

In completing this Mineral Resource update in accordance with JORC 2012, the historical resource factors were reviewed and found to be relevant and current. The Imaloto Coal Project has not been converted to an active operation yet and hence no resource depletion or conversion to reserves has occurred.

Summary of Mineral Resource

- The Imaloto Coal Project is located in south-western Madagascar, 150 km east of the coastal city of Tulear. The closest town, Benenitra, is located roughly 15 km south-west of the exploration camp, close to the south-western corner of the licence area. The mining and prospecting rights are aligned mainly along the south-flowing Imaloto River valley until its confluence with the larger, west-flowing Onilahy River, which in turn enters the Indian Ocean a few kilometres south of the city of Tulear.

- The coal deposit is developed in Permian Age sediments, and the bulk of the resource is contained within 3 Seams; the Main Seam, the Top Seam and the Upper Seam. The depositional geometry is of a valley that dips to the north at 1 to 3^{o}. This valley overlies Glacial Series sediments that were deposited on a floor of Proterozoic crystalline basement.

- The main structural elements are faults (extensional tectonics between Madagascar and East Africa) which displace the strata in sequentially deeper blocks to the west. The relative displacements vary from 40 to 25 m. The dips on the fault planes are assumed to be in excess of 80^o to the west.

- The Top and Upper Seams are absent in the southern part of the Project, due to the effect of weathering. Towards the north, the surface topography is elevated and it contains the younger overlying Red Series Formation sediments as well as the Sakamena Group sediments.

- The coal resource is estimated on the basis of 159 boreholes that were drilled between February 2009 and December 2012. A total of 19,572 m was drilled in this exploration programme. Since the resource orientation is near horizontal, all the drilling was planned to be plumb at -90^o. A random check on borehole orientation showed the audited holes to vary between -89.0^o and 88.94^o.

- All the boreholes were drilled with 2 similarly equipped Boart-Longyear LF 70 rigs. These rigs are the property of Lemur Resources and are staffed by Indonesian operators. All the drilling was cored diamond drilling, and was drilled in HQ size. This produced a recovered core of 63.5 mm in diameter. This size produces a sample mass of 4.75 kg of coal per running metre at a default density of 1.500 ton/m^3.

- All the drilled boreholes were surveyed after the completion of drilling by Mada Topo, a Madagascan survey company. All the coordinates were supplied in WGS 84 and UTM 38 S format. All the collar elevations were reported as metres above mean sea level.

- During the first phase of the drilling program (first 36 boreholes), sampling was detailed and included the sampling of non-coal roof and floor sediments. The core was split in half, and sent to the laboratory for analyses and the remaining half was retained on site. The balance of the boreholes (123) was sampled as full core with lithological contacts as sample boundaries. The minimum seam width for sampling is 30 cm. All the residue material is in the custody of the laboratory for future analyses.

- The laboratory used for sample analyses was M&L Inspectorate in Middelburg, South Africa. The samples were bagged and tagged in the field, and taken by road to Tulear in Madagascar. From Tulear, the samples were shipped by DHL to Johannesburg (air freight).

- The following analyses were requested as a standard on all samples;

    - Sample Preparation
    - Apparent Relative Density (AS 1038 :26-2005)
    - Screening out < 0.5 mm, ISO 1953
    - Sink and Float Analyses, ISO 7936
    - Sulphur % Content per float and final sink, C030-402-W (Based on ASTM:D4239)
    - Moisture % Content per float and final sink, C030-403-W (Based on SANS 5925)
    - Volatile % Content per float and final sink, C030-404-W (Based on ISO 562)
    - Ash % Content per float and final sink, C030-401-W (Based on ISO 1171)
    - Free Swelling Index per float below 1.400 t/m^3, ISO 540
    - Gross CV(MJ/kg) per float and final sink, C030-405-W (Based on ISO 1928)

- Quality assurance is integrated in the laboratory by the use of unmarked standard samples at a frequency of one in ten. All residue sample material is retained for future analysis.

- Apparent relative densities as determined by the laboratory were used to calculate the densities per seam per block.

- All the drilled boreholes were used in the physical modelling of the resource. The average drilling density comes to 424 m^2 for the total deposit. The drilling density for Block 1 is a grid of boreholes spaced on average at 331 m x 331 m. The drilling density for Block 2 is a grid of boreholes spaced on average at 519 m x 519 m. The drilling density for Block 2A is a grid of boreholes spaced > 1 000 m^2 but < 4 000 m^2. The drilling density for Block 3 is a grid of boreholes spaced on average at 371 m x 371 m. The drilling density for Block 3A is a grid of boreholes spaced on average at 441 m x 441 m. The drilling density for Block 4 is a grid of boreholes spaced on average at 373 m x 373 m. The drilling density for Block 4A is a grid of boreholes spaced on average at 370 m x 370 m. The drilling density for Block 5 is a grid of boreholes spaced on average at 424 m x 424 m. The drilling density for Block 5A is a grid of boreholes spaced > 1 000 m^2 but < 4 000 m^2. The deepest hole is PTT01 at 437.3 m. The shallowest hole is IM150 at 26.3 m. The average drilling depth for the complete set of boreholes is 123 m per borehole.

- The resource categories are allocated based on the drilling density of regularly spaced boreholes. The defined confidence levels as used for Australian funded coal projects are provided by the Coalfields Geology Council of New South Wales and the Queensland Mining Council:

    - "Inferred Coal Resources may be estimated using data from points of observation up to 4 km apart."

    - "Indicated Coal Resources may be estimated using data obtained from points of observation normally less than 1 km apart."

    - "Measured Coal Resources may be estimated using data obtained from points of observation normally less than 500 m apart."

- A gridded surface is generated for the roof and floor of each individual seam per resource block. The modelling algorithm used is Inverse distance squared. The lateral continuity of the grid surface is limited by a blanking file. Blanking file boundaries are fixed by structure, seam thickness limits, physical boundaries (river course, weathering, sub-outcrop), and lease limits. The seam thickness limits are 0.5 m for the Top and Upper Seams, and 1.4 m for the Main Seam. For Block 1 the Main seam cut-off is 1.0 m due to the relatively shallow geometry. It is assumed that MSA also included this thinner Block 1 Main Seam within their declared resource when their modelling footprint is considered.

- Geological loss is assigned on a sliding scale according to the level of confidence in the resource estimation. Essentially it is a measure of drilling density and reduced potential variability in seam geometry. The following geological losses are applied per resource category;

    - Measured Resource: 10 % geological loss

    - Indicated Resource: 15 % geological loss

    - Inferred Resource: 20% geological loss

- The qualities were calculated per seam per block from the wash-tables that is supplied by the laboratory. The average qualities are weighted for sample mass.

- All the resource tonnages quoted by SC are as at 29 June 2013.

- The Mineral Resource reported in accordance with JORC 2012 is tabulated below. All tons are in millions.

- JORC Table 1 with completed sections 1, 2 and 3, as required by JORC 2012, are annexed below.

The Mineral Resource Statement

The Mineral Resource Statement for the Imaloto Coal Project is shown in Table 1 below. The commodity is coal and the coal quality is displayed in Tables 2, 3 and 4 below. The geographical distribution of the Mineral Resource is shown in Figure 2.

The Mineral Resource amounts to a total GTIS tonnage of 135.7 million tonnes (Mt). The Main Seam makes up 63.4 Mt of this total while the Upper and Top Seams cover the balance at 41.1 and 31.2 Mt respectively.

The resource categories vary from Inferred to Measured (see Table 1). The total Measured GTIS resource is calculated to be 91.6 Mt, while the Indicated and Inferred GTIS tonnages are 31.5 Mt and 12.6 Mt respectively.

COAL RESOURCE - Imaloto - Lemur Resources - as @ 25 Jul 2014.												
Block	**Commodity**	**Seam**	**Ply**	**Thick (m)**	**Area (m^2)**	**Volume (m^3)**	**Density**	**GTIS**	**Drill Grid**	**Resource Category**	**Geological Loss**	**TTIS**
1	Coal	Main	Main	1.35	3940874	5320180	1.468	7.810	331	Measured	10	7.029
Total								**7.810**				**7.029**
2	Coal	Top	Top	0.98	6999660	6849535	1.509	10.336	519	Indicated	15	8.786
2	Coal	Upper	Upper	1.12	6999660	7839424	1.622	12.716	519	Indicated	15	10.808
2	Coal	Main	Main	1.90	2959047	5630147	1.500	8.445	519	Indicated	15	7.178
Total								**31.497**				**26.772**
3	Coal	Top	Top	0.88	4273073	3760304	1.539	5.787	371	Measured	10	5.208
3	Coal	Upper	Upper	1.07	4273073	4572188	1.590	7.270	371	Measured	10	6.543
3	Coal	Main	Main	2.85	4272813	12176950	1.467	17.864	371	Measured	10	16.077
Total								**30.920**				**27.828**
4	Coal	Top	Top	0.83	3761367	3121935	1.580	4.933	373	Measured	10	4.439
4	Coal	Upper	Upper	1.31	3761367	4927391	1.608	7.923	373	Measured	10	7.131
4	Coal	Main	Main	2.94	3357197	9863333	1.514	14.933	353	Measured	10	13.440
Total								**27.789**				**25.010**
5	Coal	Top	Top	0.72	3052761	2827001	1.598	4.518	424	Measured	12	3.975
5	Coal	Upper	Upper	1.12	2802195	3138458	1.590	4.990	406	Measured	12	4.391
Total								**9.508**				**8.367**
2A	Coal	Top	Top	0.50	1397766	698883	1.509	1.055	1182	Inferred	20	0.844
2A	Coal	Upper	Upper	0.75	1397766	1048325	1.622	1.700	1182	Inferred	20	1.360
2A	Coal	Main	Main	1.98	1397766	2767577	1.500	4.151	1182	Inferred	20	3.321
Total								**6.906**				**5.525**
3A	Coal	Top	Top	0.79	777559	614271	1.555	0.955	441	Measured	12	0.841
3A	Coal	Upper	Upper	0.80	777559	622047	1.631	1.015	441	Measured	12	0.893
3A	Coal	Main	Main	3.98	777559	3094683	1.510	4.673	441	Measured	12	4.112
Total								**6.643**				**5.846**
4A	Coal	Top	Top	0.87	1092459	950440	1.581	1.503	370	Measured	10	1.352
4A	Coal	Upper	Upper	1.06	1092459	1158007	1.620	1.876	370	Measured	10	1.688
4A	Coal	Main	Main	3.38	1092459	3692513	1.507	5.565	370	Measured	10	5.008
Total								**8.943**				**8.049**
5A	Coal	Top	Top	0.75	1795637	1346728	1.598	2.152	1340	Inferred	20	1.722
5A	Coal	Upper	Upper	1.25	1795637	2244546	1.590	3.569	1340	Inferred	20	2.855
Total								**5.721**				**4.577**
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**

Table 1: The Imaloto Coal Mineral Resource tonnage.

The seam thickness cut-off that was applied is 0.5 m for the Top and Upper Seams, and 1.4 m for the Main Seam. In Block 1 the Main Seam thickness cut-off used is 1.0 m.

Main Seam - Cumulative Results (Air-dried Base) as @ 25 Jul 2014									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
80401	F1.35	5.1	12.2	34.2	48.5	0.98	27.27	17.7	41.4	6310	6070
132987	F1.40	5.0	13.9	32.9	48.2	0.95	26.64	38.0	40.6	6164	5924
191942	F1.50	5.1	16.5	30.7	47.8	0.92	25.62	67.4	39.1	5930	5689
92073	F1.60	5.0	18.4	29.6	47.0	0.95	24.89	81.5	38.6	5759	5518
40557	F1.70	5.0	19.6	29.0	46.4	0.99	24.43	87.7	38.5	5650	5409
21871	F1.80	4.9	20.5	28.7	45.9	1.03	24.11	91.1	38.5	5572	5331
12977	F1.90	4.9	21.1	28.5	45.5	1.07	23.87	93.0	38.5	5516	5275
45410	S1.90	4.7	23.9	27.9	43.4	1.87	22.78	100.0	39.1	5254	5013
31442	-0.5 Raw	4.8	23.8	23.7	37.8	1.48	19.38		33.2	4474	4231
684628	Raw	4.7	23.9	27.7	43.2	1.85	22.62		38.9	5219	4977

Combined results from one-hundred-and-forty-one samples out of one-hundred-and-fourteen boreholes.

Table 2: The weighted average Main Seam Coal Quality for the Imaloto Coal Project.

Upper Seam - Cumulative Results (Air-dried Base) as @ 25 Jul 2014									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
11820	F1.35	5.4	12.5	34.8	47.3	1.03	26.83	7.9	42.4	6234	5993
36170	F1.40	5.2	15.7	33.7	45.4	1.01	25.64	22.8	42.7	5945	5704
72838	F1.50	5.1	20.0	32.0	42.9	1.10	24.12	52.9	42.7	5587	5345
31120	F1.60	5.0	22.1	31.1	41.8	1.14	23.43	65.7	42.7	5420	5179
15814	F1.70	4.9	23.7	30.5	40.9	1.17	22.88	72.2	42.7	5290	5049
10087	F1.80	4.9	25.0	30.0	40.2	1.18	22.43	76.4	42.7	5182	4940
8167	F1.90	4.8	26.3	29.5	39.4	1.19	21.95	79.8	42.8	5069	4827
49077	S1.90	4.5	35.3	26.2	34.0	1.82	18.62	100.0	43.6	4283	4040
15222	-0.5 Raw	4.5	37.2	23.5	31.6	1.40	16.73		40.4	3850	3607
257720	Raw	4.5	35.4	26.1	33.9	1.79	18.51		43.4	4257	4015

Combined results from eighty-one samples out of seventy-nine boreholes.

Table 3: The weighted average Upper Seam Coal Quality for the Imaloto Coal Project.

Top Seam - Cumulative Results (Air-dried Base) as @ 25 Jul 2014									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
18702	F1.35	5.7	11.2	35.1	48.0	0.96	27.22	17.3	42.3	6341	6101
22288	F1.40	5.5	13.7	34.3	46.6	0.98	26.37	31.1	42.4	6130	5889
40180	F1.50	5.3	18.7	32.1	43.9	1.01	24.64	56.0	42.3	5716	5475
31634	F1.60	5.1	22.2	30.6	42.1	1.09	23.40	75.6	42.1	5418	5177
9746	F1.70	5.0	23.5	30.1	41.4	1.15	22.97	81.6	42.2	5315	5074
4415	F1.80	5.0	24.2	29.9	40.9	1.18	22.71	84.3	42.2	5252	5011
4615	F1.90	5.0	25.1	29.5	40.4	1.21	22.36	87.2	42.3	5171	4929
20666	S1.90	4.7	30.2	28.0	37.0	2.17	20.40	100.0	43.0	4704	4462
9534	-0.5 Raw	4.9	30.2	24.9	33.9	1.65	18.08		38.3	4180	3936
170943	Raw	4.7	30.2	27.8	36.9	2.14	20.27		42.8	4675	4432

Combined results from seventy-four samples out of seventy-four boreholes.

Table 4: The weighted average Top Seam Coal Quality for the Imaloto Coal Project.

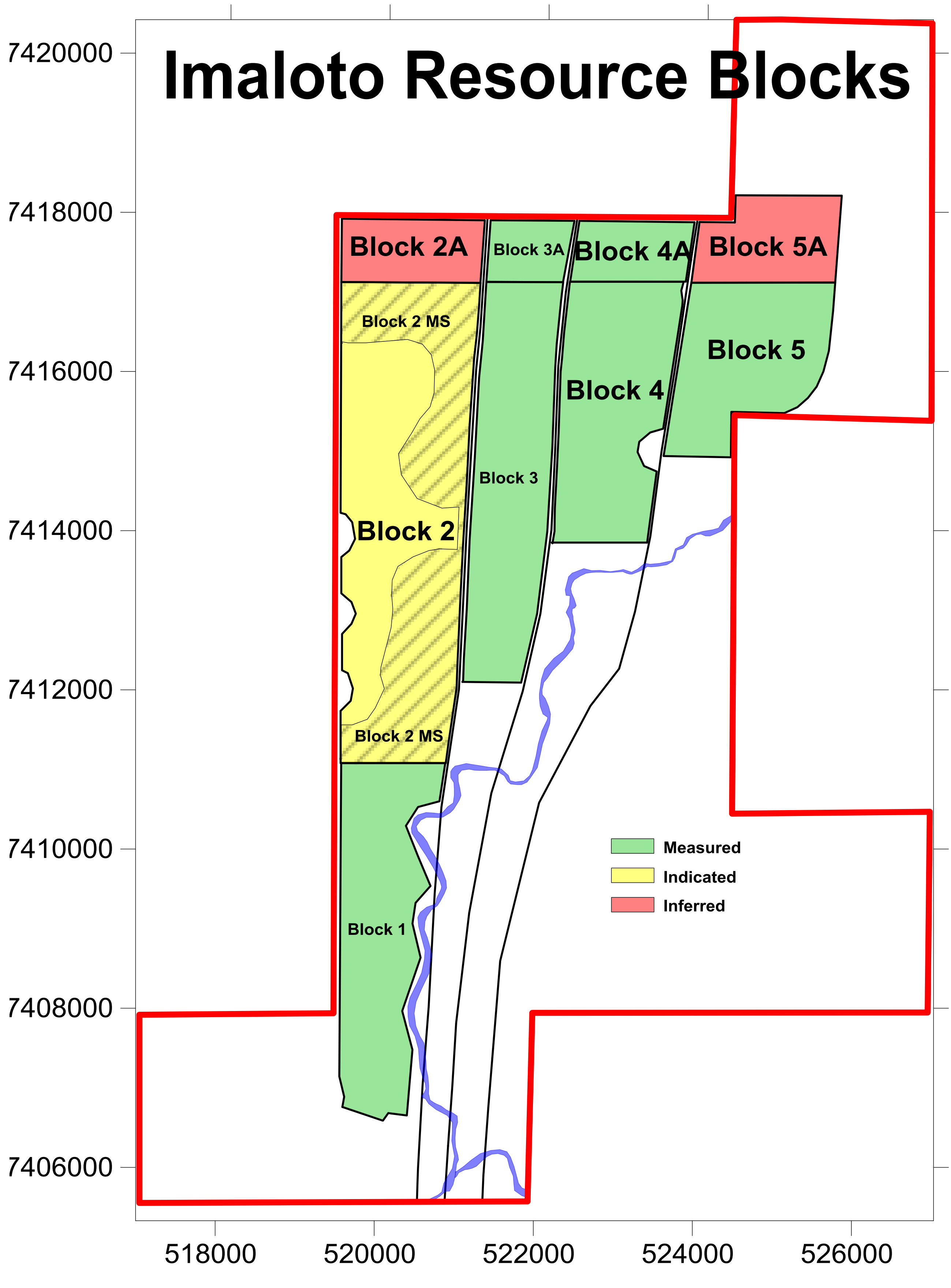

Figure 2: The Resource Blocks for the Imaloto Coal Project.

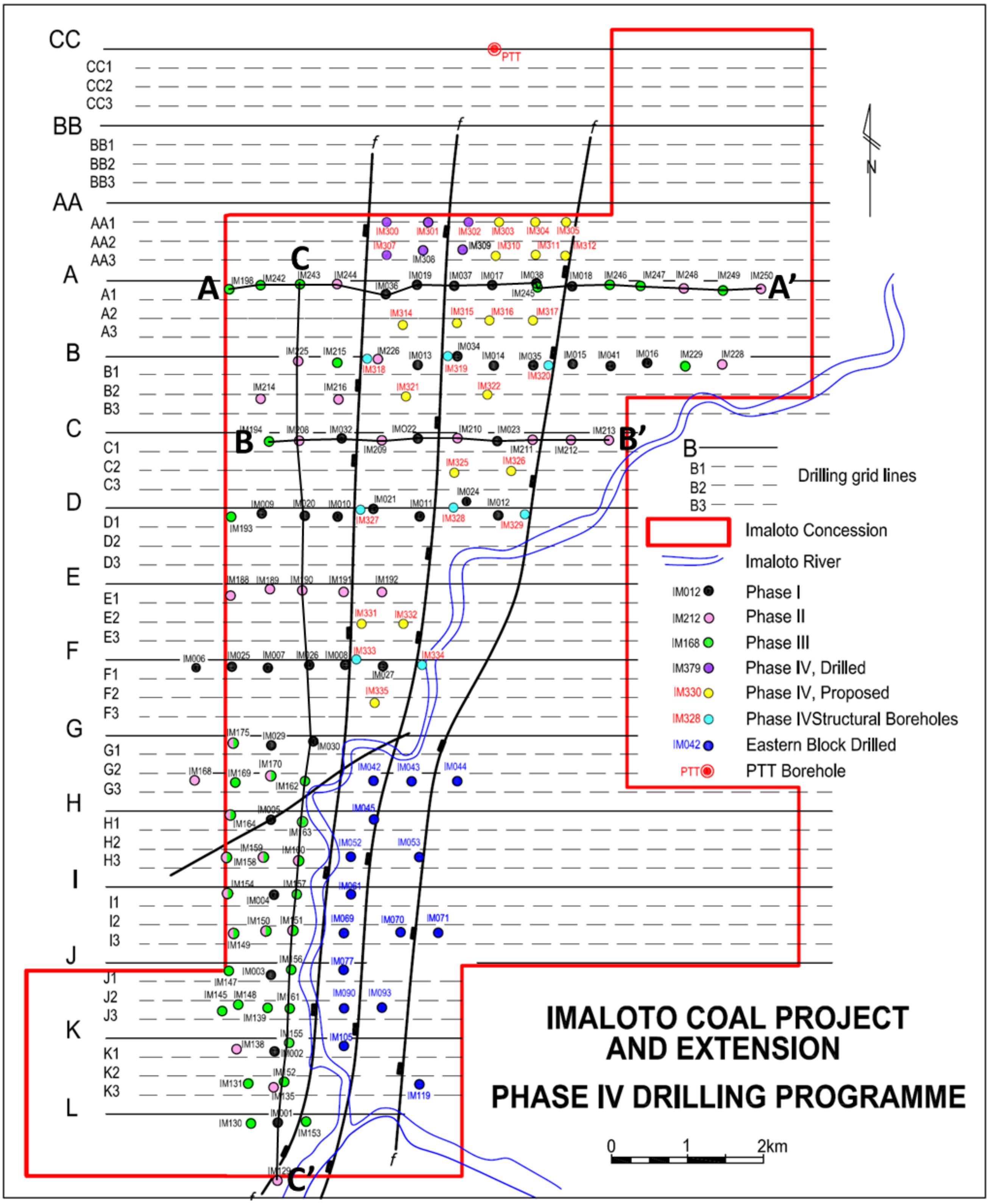

Figure 3: Borehole Collar Positions for the Exploration Programme as completed by CMM.

BH ID	Y	X	Z	E.O.H.
IM 001	520 002.687	7 406 004.182	295.201	65.5
IM 002	519 987.541	7 406 995.520	290.995	58.5
IM 003	519 998.177	7 407 999.702	304.809	68.5
IM 004	520 019.216	7 408 982.469	318.583	62.5
IM 005	520 003.330	7 409 994.067	305.181	92.5
IM 006	519 047.047	7 411 977.518	336.272	141.4
IM 007	519 986.019	7 411 976.984	316.250	143.5
IM 008	521 020.949	7 412 001.281	314.752	161.5
IM 009	519 995.957	7 413 997.153	336.563	182.5
IM 010	520 991.462	7 414 010.455	320.271	245.5
IM 011	522 001.971	7 413 992.397	318.346	125.5
IM 012	523 005.977	7 413 996.781	321.070	50.5
IM 013	521 995.086	7 415 970.115	338.152	206.5
IM 014	522 997.133	7 415 997.681	338.543	143.5
IM 015	524 013.178	7 416 003.184	325.410	143.5
IM 016	525 001.656	7 416 001.361	322.916	134.5
IM 017	523 007.505	7 417 000.384	337.758	164.5
IM 018	524 020.062	7 416 998.045	320.960	167.5
IM 019	521 998.044	7 416 989.065	338.495	251.5
IM 020	520 532.431	7 414 014.563	322.810	194.5
IM 021	521 423.231	7 414 080.764	322.521	155.5
IM 022	522 003.123	7 415 000.890	336.710	167.5
IM 023	522 994.149	7 414 995.726	362.176	116.5
IM 024	522 613.351	7 414 175.405	346.019	65.5
IM 025	519 515.924	7 411 982.893	333.707	122.5
IM 026	520 516.492	7 412 004.928	316.498	158.5
IM 027	521 481.715	7 411 999.657	318.288	71.5
IM 029	520 008.998	7 410 994.118	289.399	80.5
IM 030	520 525.950	7 411 000.431	288.314	98.5
IM 032	521 001.663	7 414 998.669	331.004	263.5
IM 034	522 529.173	7 416 084.335	348.507	125.5
IM 035	523 505.177	7 415 989.760	328.570	128.5
IM 036	521 603.475	7 416 861.827	348.524	281.5
IM 037	522 495.927	7 416 998.068	333.480	137.5
IM 038	523 499.099	7 416 995.146	326.049	149.5
IM 041	524 503.900	7 415 979.894	314.549	113.5
IM 129	519 970.117	7 405 333.159	293.276	38.4
IM 130	519 769.801	7 405 993.603	296.537	68.4
IM 131	519 748.584	7 406 507.883	296.020	47.4
IM 135	519 993.052	7 406 491.345	297.448	38.3
IM 135B	520 003.052	7 406 501.345	297.748	59.0
IM 138	519 502.909	7 407 000.858	311.653	30.4
IM 139	519 988.435	7 407 490.525	301.669	38.5
IM 139B	519 998.435	7 407 500.525	301.969	62.4
IM 145	519 398.085	7 407 483.649	322.327	35.5
IM 147	519 477.964	7 407 997.615	324.946	65.5
IM 148	519 610.638	7 407 537.444	320.208	47.4
IM 149	519 527.144	7 408 484.004	315.322	38.3
IM 149B	519 537.144	7 408 494.004	315.622	65.5
IM 150	519 960.026	7 408 506.933	304.807	26.3
IM 150B	519 970.026	7 408 516.933	305.107	41.5
IM 151	520 309.400	7 408 517.469	308.531	52.0
IM 151B	520 319.400	7 408 527.469	308.831	68.6
IM 152	520 197.455	7 406 520.819	290.065	77.5
IM 153	520 499.680	7 406 000.686	280.348	29.4
IM 154	519 463.006	7 409 003.997	335.975	38.5
IM 154B	519 473.006	7 409 013.997	336.275	65.5
IM 155	520 283.903	7 407 038.923	287.768	68.4
IM 156	520 289.367	7 408 001.500	290.763	65.3
IM 157	520 369.863	7 409 003.064	304.267	61.5
IM 158	519 461.251	7 409 480.060	329.936	30.8
IM 158B	519 471.251	7 409 490.060	330.236	74.5
IM 159	519 931.490	7 409 488.320	307.166	39.2
IM 159B	519 941.490	7 409 498.320	307.466	71.5
IM 160	520 392.708	7 409 449.539	296.167	29.7
IM 160B	520 402.708	7 409 459.539	296.467	52.3
IM 161	520 285.820	7 407 493.157	291.872	64.3
IM 162	520 487.333	7 410 499.259	284.825	82.6
IM 163	520 460.006	7 409 966.823	290.939	74.5
IM 164	519 498.857	7 410 044.758	323.851	26.4
IM 164B	519 508.857	7 410 054.758	324.151	56.4
IM 168	518 998.050	7 410 587.683	346.514	55.4
IM 169	519 486.659	7 410 474.189	331.217	65.1
IM 170	520 044.524	7 410 581.713	288.790	41.3
IM 170B	520 054.524	7 410 591.713	289.090	68.4
IM 175	519 504.849	7 410 985.873	316.636	35.3
IM 175B	519 514.849	7 410 995.873	316.936	59.4
IM 188	519 506.019	7 412 953.641	332.782	136.0
IM 189	519 996.733	7 412 978.371	324.437	119.4
IM 190	520 514.857	7 413 006.889	312.293	147.5
IM 191	521 002.040	7 412 999.368	317.192	197.3
IM 192	521 507.077	7 412 992.651	341.717	137.3

BH ID	Y	X	Z	E.O.H.
IM 193	519 512.614	7 413 953.053	364.148	191.5
IM 194	520 021.765	7 415 012.523	381.393	47.5
IM 194B	520 031.765	7 415 022.523	381.693	238.6
IM 198	519 493.765	7 417 003.248	452.919	341.5
IM 208	520 490.124	7 414 977.712	333.029	212.4
IM 209	521 502.224	7 415 001.164	329.602	182.4
IM 210	522 500.828	7 415 019.570	342.841	89.4
IM 211	523 493.828	7 415 002.416	344.619	98.4
IM 212	523 998.001	7 415 000.785	332.953	107.4
IM 213	524 496.707	7 415 003.242	308.753	86.3
IM 214	520 000.215	7 415 496.138	344.177	182.1
IM 215	520 996.928	7 416 037.373	434.096	383.5
IM 216	521 004.755	7 415 511.402	341.669	269.5
IM 225	520 495.673	7 416 006.711	352.405	245.5
IM 226	521 503.888	7 416 008.452	342.363	229.7
IM 228	525 996.877	7 416 004.853	345.569	158.2
IM 229	525 512.695	7 416 061.028	323.833	90.8
IM 229B	525 418.106	7 416 003.424	320.673	152.4
IM 242	519 933.987	7 416 978.166	435.232	371.5
IM 243	520 459.994	7 417 126.739	417.202	356.4
IM 244	521 012.442	7 417 006.251	412.561	389.5
IM 245	523 480.015	7 416 993.559	326.625	155.5
IM 246	524 570.028	7 416 963.908	321.515	134.7
IM 246B	524 511.205	7 417 022.141	323.123	146.4
IM 247	525 026.606	7 417 000.403	319.988	146.3
IM 248	525 485.208	7 417 001.556	327.743	164.1
IM 249	526 000.382	7 417 000.027	341.461	174.9
IM 250	526 502.468	7 417 007.818	345.649	137.4
IM042	521290.435	7410778.126	309.604	33.8
IM043	521760.061	7410616.186	312.802	24.7
IM044	522318.753	7410429.955	314.963	20.4
IM045	521274.241	7410049.397	308.054	36.7
IM052	521031.332	7409490.704	306.967	26.6
IM053	521727.673	7409458.316	310.364	26.6
IM061	520974.653	7408972.497	308.039	15.1
IM069	520909.877	7408486.677	307.810	24.7
IM070	521444.278	7408454.289	308.576	24.7
IM071	521857.225	7408438.095	309.489	15.7
IM077	520853.198	7407984.663	305.236	18.7
IM090	520877.489	7407474.553	302.786	45.6
IM093	521249.950	7407466.456	304.798	12.7
IM105	520861.295	7407045.412	300.683	23.2
IM119	521751.964	7406486.720	304.409	21.6
PTT01	523476.623	7420057.279	385.260	437.3
IM300	521662.897	7417790.121	383.591	371.6
IM301	522262.074	7417790.121	352.369	284.3
IM302	522723.603	7417806.315	353.569	242.4
IM303	523063.677	7417806.315	348.569	239.4
IM304	523452.332	7417798.218	345.569	183.3
IM305	523938.152	7417814.412	342.569	207.3
IM307	521654.800	7417280.011	382.569	308.5
IM308	522221.589	7417369.078	343.569	269.3
IM309	522666.924	7417369.078	341.569	209.4
IM310	523079.871	7417352.884	345.569	191.5
IM311	523517.108	7417369.078	343.569	164.5
IM312	523897.667	7417336.690	338.569	185.5
IM314	521832.934	7416486.505	346.450	218.5
IM315	522464.499	7416535.087	340.265	128.5
IM316	522926.028	7416535.087	336.629	136.0
IM317	523549.496	7416559.378	330.330	139.7
IM318	521363.308	7416008.783	352.612	320.0
IM319	522399.723	7416073.559	345.722	166.4
IM320	523679.048	7415935.910	329.685	123.7
IM321	521841.031	7415547.254	341.772	194.5
IM322	522869.349	7415539.157	340.175	114.7
IM323	521403.793	7414567.518	333.260	22.4
IM324	521946.292	7414551.324	334.408	128.4
IM325	522496.887	7414551.324	338.454	66.7
IM326	523298.489	7414518.936	337.465	78.7
IM327	521266.144	7414081.699	324.931	239.1
IM328	522351.141	7414162.669	335.564	53.0
IM329	523395.653	7414000.729	330.427	20.4
IM331	521209.465	7412672.822	324.347	98.9
IM332	521768.158	7412648.531	327.699	81.8
IM333	521136.592	7412049.354	316.176	89.3
IM334	521922.001	7412122.227	321.590	29.6
IM335	521387.599	7411498.758	316.090	38.5
Phase 1				5039.9
Phase 2				3780.7
Phase 3				4597.3
Phase 4				6153.7
Total				19571.6

Figure 4: A summary of all the borehole collar and depth data.

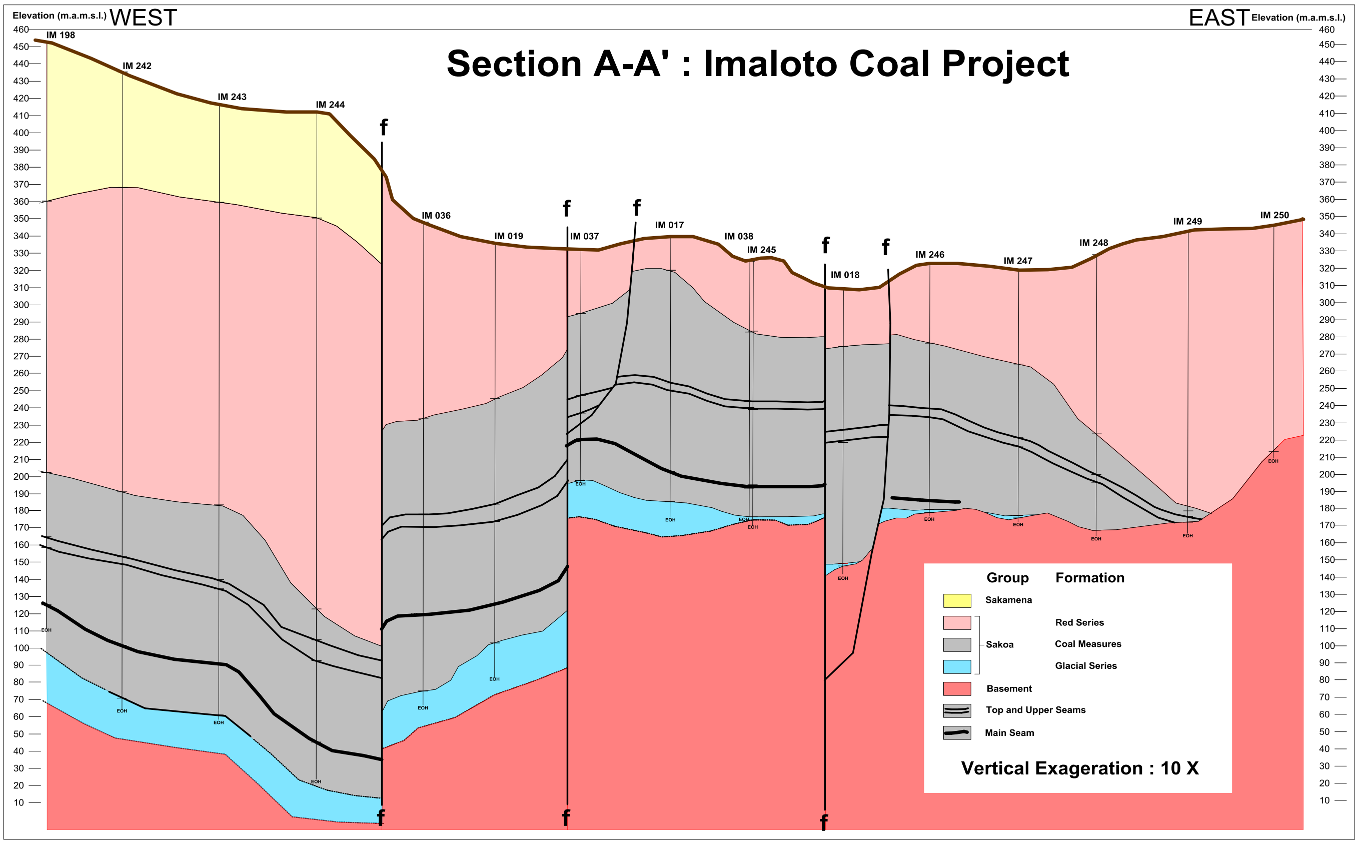

Figure 5A: East-West Cross-section for the Imaloto Coal Project.

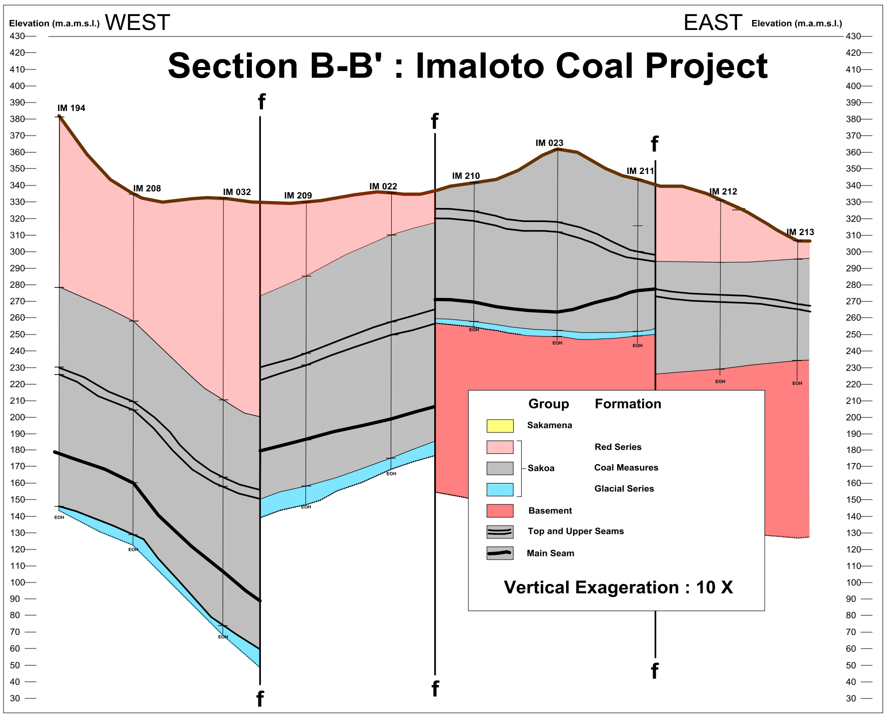

Figure 5B: East-West Cross-section for the Imaloto Coal Project.

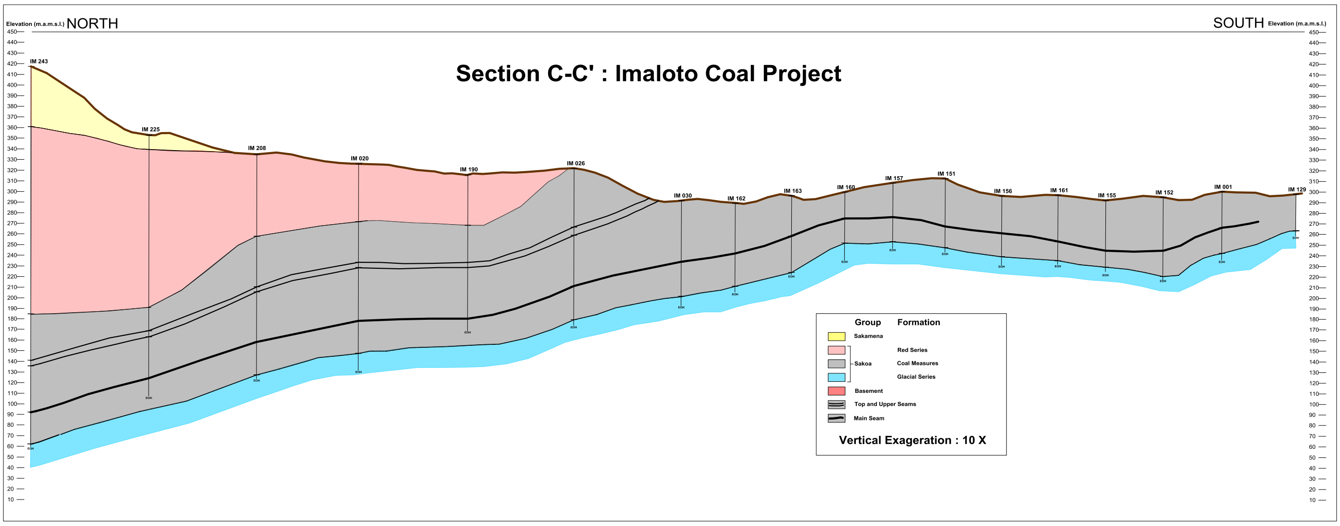

Figure 5C: North-South Cross-section for the Imaloto Coal Project.

COAL RESOURCE - Imaloto - Lemur Resources - as @ 25 July 2014.												
Block	Commodity	Seam	Ply	Thick (m)	Area (m^2)	Volume (m^3)	Density	GTIS	Drill Grid	Resource Category	Geological Loss	TTIS
1	Coal	Main	Main	1.35	3940874	5320180	1.468	7.810	331	Measured	10	7.029
Total								**7.810**				**7.029**
2	Coal	Top	Top	0.98	6999660	6849535	1.509	10.336	519	Indicated	15	8.786
2	Coal	Upper	Upper	1.12	6999660	7839424	1.622	12.716	519	Indicated	15	10.808
2	Coal	Main	Main	1.90	2959047	5630147	1.500	8.445	519	Indicated	15	7.178
Total								**31.497**				**26.772**
3	Coal	Top	Top	0.88	4273073	3760304	1.539	5.787	371	Measured	10	5.208
3	Coal	Upper	Upper	1.07	4273073	4572188	1.590	7.270	371	Measured	10	6.543
3	Coal	Main	Main	2.85	4272813	12176950	1.467	17.864	371	Measured	10	16.077
Total								**30.920**				**27.828**
4	Coal	Top	Top	0.83	3761367	3121935	1.580	4.933	373	Measured	10	4.439
4	Coal	Upper	Upper	1.31	3761367	4927391	1.608	7.923	373	Measured	10	7.131
4	Coal	Main	Main	2.94	3357197	9863333	1.514	14.933	353	Measured	10	13.440
Total								**27.789**				**25.010**
5	Coal	Top	Top	0.72	3052761	2827001	1.598	4.518	424	Measured	12	3.975
5	Coal	Upper	Upper	1.12	2802195	3138458	1.590	4.990	406	Measured	12	4.391
Total								**9.508**				**8.367**
2A	Coal	Top	Top	0.50	1397766	698883	1.509	1.055	1182	Inferred	20	0.844
2A	Coal	Upper	Upper	0.75	1397766	1048325	1.622	1.700	1182	Inferred	20	1.360
2A	Coal	Main	Main	1.98	1397766	2767577	1.500	4.151	1182	Inferred	20	3.321
Total								**6.906**				**5.525**
3A	Coal	Top	Top	0.79	777559	614271	1.555	0.955	441	Measured	12	0.841
3A	Coal	Upper	Upper	0.80	777559	622047	1.631	1.015	441	Measured	12	0.893
3A	Coal	Main	Main	3.98	777559	3094683	1.510	4.673	441	Measured	12	4.112
Total								**6.643**				**5.846**
4A	Coal	Top	Top	0.87	1092459	950440	1.581	1.503	370	Measured	10	1.352
4A	Coal	Upper	Upper	1.06	1092459	1158007	1.620	1.876	370	Measured	10	1.688
4A	Coal	Main	Main	3.38	1092459	3692513	1.507	5.565	370	Measured	10	5.008
Total								**8.943**				**8.049**
5A	Coal	Top	Top	0.75	1795637	1346728	1.598	2.152	1340	Inferred	20	1.722
5A	Coal	Upper	Upper	1.25	1795637	2244546	1.590	3.569	1340	Inferred	20	2.855
Total								**5.721**				**4.577**
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**

Figure 6: Resource Statement and Classification for the Imaloto Coal Project.

Competent Person 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 – University of Port Elizabeth – 1989, Bachelor of Science Honours – Geology – University of Port Elizabeth - 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 a consultant to the Company and 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 2012 Edition of the JORC Code. Mr Erasmus has consented to the inclusion of the matters based on his information in the form and context in which it appears.

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

JORC TABLE 1 (2012)

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• A Diamond drill rig was used to produce HQ sized core with an average diameter of 62 mm. The drilling programme consisted of four phases. The recovered core during the 1st phase of drilling was split with a chisel by a trained technician. During the 2nd, 3rd and 4th phases of drilling, full core samples were taken. The site geologist determined the sample interval which is governed by the lithological boundaries of the coal seams. Seams less than 30 cm in thickness were not sampled for full float analysis, since too little sample material will be present below this thickness. The maximum sample width is dictated by the seam thickness. In total 159 DD cored boreholes have been completed. • At a random float sequence, 100 % of both standards and duplicates were repeated at the laboratory. All the samples were labelled with a unique sequential number. A sample ledger is kept with all samples recorded. • The standards are supplied by the SABS (South African Bureau of Standards). • Instruments at the coal laboratory (M&L Bureau Veritas, Middelburg, Mpumalanga, South Africa) are calibrated on a set weekly frequency. We were supplied with the calibration certificates for the scales, ovens and bomb calorimeters.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• The core drilling was completed with two Boart-Longyear LF 70 drilling rigs. The drilling equipment was HQ sized. Initial core recoveries with triple tube equipment were very good, and the core recovery was subsequently changed to single tube with excellent core recovery results. • Drilling was planned to be vertical, and the borehole azimuth was surveyed at roughly half borehole depth and at full depth for 13 random boreholes. This work was completed by Ken Rice of Borehole Surveys from South Africa. The maximum deviation from vertical was measured at 1.1^{o}. • Final borehole collar positions were surveyed post drilling with a differential GPS survey instrument, by Christian Randrianarivony, an independent external surveyor employed by Mada Topo of Madagascar.

Criteria	JORC Code explanation	Commentary
		• Nic Grech-Gumbo of VMI in South-Africa performed downhole density measurements of 17 random boreholes, and correlation with the commensurate manually logged data was absolute. • The core was not oriented.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core recovery measurements were recorded for every borehole. These were very good with an average of 98.4 % of all core recovered. The maximum core loss per hole was 4.7 % in one borehole. The minimum core loss achieved was 0.5 % in two boreholes. • Some sample bias was detected as a result of core splitting during the 1st phase of drilling. The Total Sulphur % during the 1st phase was overstated and hence this dataset was excluded from the potential product simulation. During the subsequent phases of drilling, full core sampling was performed.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• All the boreholes drilled were logged in full and sampled by the site geologists. • All the logged information which includes depth, lithology, coal quality properties, collar survey and geologist are recorded in a strip-log which is generated from the field logging sheets. • The analytical samples were dispatched to the laboratory for analyses. The results have all been received. • All the residue sample have been retained by the laboratory and is in storage. • All the core is recorded in sequence in digital photograph format.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Full core sampling was performed from drill phase 2 onwards. Duplicates were generated by the laboratory for a random float per each wash-table. Residue sample is retained in storage at the laboratory. • Sample preparation was done by M&L Bureau Veritas in Middelburg, Mpumalanga (South-Africa). • Upon collecting the core from the field, the site geologist would measure the core recoveries to confirm that minimal material was lost during the drilling process. Next the geologist would log the lithologies, and delineate the sample horisons based on the field correlation of the stratigraphy. Once the core had been marked up, a photograph of every tray was taken. The samples were then described and bagged (full core samples for phases 2, 3 and 4) and tagged for delivery to the office in Tulear. The camp was serviced by a weekly supply run from Tulear, and hence the longest time delay before delivery to Tulear was a maximum of 7 days. • In Tulear, the samples were kept in a fridge until a sufficiently large batch (roughly 20 samples) was ready to be shipped to South-Africa. The samples were shipped from Tulear in Madagascar to South-Africa by DHL. The clearance through customs was usually achieved within 3 days. • The samples were submitted to M & L Inspectorate in

Criteria	JORC Code explanation	Commentary
		Middelburg, South-Africa for analyses. M&L is an independent coal laboratory situated in Middelburg in South Africa. CMM and Badger Mining and Consulting / Sumsare Consulting have no vested interest in the laboratory. The relationship is purely commercial. M&L is SANAS 17025 accredited and performs analyses to ASTM, ISO, SABS and Australian standards. • After sample preparation which involved crushing all material down to a top-size of 15 mm, the sample is homogenised and split in half. One half is bagged and sent to storage. The remaining half is screened for the -0.5 mm sized material (fines). A raw Proximity, Calorific Value and Total Sulphur content is determined for the fines. The coarse material (> 0.5 mm and < 15 mm) is then floated for various densities. Each float is then milled to 212 micron. Essentially the laboratory was requested to determine the raw sample density as well as to perform Proximate, Calorific Value and Total Sulphur content analyses on nine float fractions and 1 sink fraction. In addition the client requested Crucible Swelling Index determinations on the floats 1.250, 1.300, 1.350 and 1.400. Hardgroves Grindability Indeces were requested, but will be done on combined samples due to the mass of material needed to complete this analyses. • The sample procedure standards followed are SANAS (SABS) accredited and are listed below: • SANS 5929 (Inherent Moisture %), ISO 562 (Volatile Content %), ISO 1171 (Ash Determination), ASTM D4239 (Total Sulphur %), ISO 1928 (Gross Calorific Value (MJ/kg)), ISO 501 (Free Swelling Index), By Difference (Fixed Carbon %), ISO 7936 (Float and Sink), AS 1038:26-2005 (Apparent Relative Density), ISO 18283 (Sample Preparation, Par. 8). • QC measures include the generation of duplicate samples (100% of samples) and standards (100% of samples) as part of the internal controls at M&L Bureau Veritas. • The smallest core sample dimension is 62 mm. The preparation for sampling includes crushing the core down to 15 mm sized fragments. The coal is tested for heat value on a milled size of – 212 micron. Sample size hence will not influence the outcome of the analyses.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates,*	• The laboratory uses an external standard (SABS CCS 008) in addition to the generated duplicates inserted by M&L Bureau Veritas. • The samples have been analysed by M&L Bureau Veritas, with sample preparation and analysis done in Middelburg South-Africa. Sampling procedures are listed above and includes drying, crushing, splitting, milling and floating. Excess material is retained at the laboratory in storage. • The detection limits are deemed sufficient for the purpose of resource estimation. • The laboratory participates in a quarterly round robin of 75 laboratories. From the period Apr 2009 until April 2013, M&L Bureau Veritas has consistently achieved absolute Z-scores of less than 2. • All the duplicate analyses were within a 10% deviation. • An umpire laboratory have not been used, but residue

Criteria	JORC Code explanation	Commentary
	external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	material is available should duplicate analyses be required. • Handheld instruments were not used in the assessment of quality parameters.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The field geologists are in the employment of Lemur Resources, and external oversight is established with the contracting of Badger Mining and Exploration (Pty.) Ltd., a South-African consulting company. Badger is supplying a project geologist as well as an external Competent Person. • All the exploration drilling in the Imaloto tenement by Lemur Resources is on previously unexplored areas. There are no historical boreholes to be twinned. The twinning of some first phase boreholes was done by Core Drilling in 10 instances as a correlation exercise. The correlation is absolute, with no significant variances detected • The primary data is kept in the company office in Tulear under the custodianship of the site geologist. The project geologist has a duplicate dataset at his office in South-Africa, and the company has a dataset in the South-African as well as Australian offices. • Assay data has not been adjusted, and is released to the market as it is received from the laboratory.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• A hand-held GPS was used to site the drill holes (xy horizontal error of 5 metres) and reported using WGS 1984 grid and UTM 38 datum. • Once completed the final collar positions were surveyed using an independent surveyor with a differential GPS, x, y and z (Leica ATX 1230 GNSS instrument). The grid is WGS 1984 and the datum is UTM 38. • Topographic control is good due to the DTM survey that was completed by AAM Pty. Ltd, by Haila Hamdan.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The spacing of the 159 DD drilled boreholes was at varying grids from 331 m^2 (Block 1) to 1340 m^2 (Block 5A). • As per the JORC Code, the Australian Guidelines for the Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves (Ed. 2003) as prepared by the Coalfields Council of New South Wales and the Queensland Mining Council, have been used to classify this coal resource. The data spacing and distribution is deemed sufficient to establish geological and quality continuity that varies from an Inferred to Measured resource base. • Sample compositing for the DD programme was not applied. In reporting the potential seam products, the sample results were composited per seam.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised*	• From the contoured data of the correlated borehole information, the regional seam dips vary between 1^o and 3^o. The sampling thicknesses were reported as measured along the core intersection. The calculation of volume and tonnage is based on modelled roof and floor grids and hence apparent and true thicknesses will not have a bearing on volume / tonnage. • Surface mapping based on satellite imagery as well as ground mapping confirmed the structural blocks as

Criteria	JORC Code explanation	Commentary
	structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	separated by north-south striking faulting. The relative seam elevations per block were determined by the drilling results. • The structural elements have not introduced an analytical bias on the deposit. The sedimentary geometry does indicate better qualities towards the central and deeper parts of the depositional basin, as is normal for coal deposits.
Sample security	• *The measures taken to ensure sample security.*	• The samples were sealed at the logging and sampling site at the field office north of Beninitra in Madagascar. Sealed samples were shipped by company vehicle to Tulear in Madagascar, from where the courier (DHL) shipped the sealed samples to M&L in Middelburg, South-Africa via Antanarivo and Johannesburg. • The residue material is kept at the laboratory in storage.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The sampling technique during the 1st phase of drilling involved split core analyses. A small bias in the Total Sulphur % (higher) and CV values (lower) was detected during the split core phase. During all the subsequent phases of drilling, full core sampling was applied.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The Mining (No. 4578) and Prospecting (No's 3196, 12653, 26904 and 27163) Permits which regulates the right to prospect on this property, was issued to Coal Mining Madagascar S.A.R.L (CMM) on the 29th of November 2005, 7th of November 2008, 11th of February 2009 and 27 October 2007 for the last two respectively. • 99% of CMM is owned by Lemur Investments Limited (LIL) a Mauritian subsidiary owned 100% by Lemur Resources Limited, with the remaining 1% being held by Mr. Daniel Rasoamaheinia, (a Madagascan citizen) as required by Madagascan law. • The area covered by the rights, encloses 81.25 km2, and is situated to the north of the confluence of the Imaloto and Onilahy Rivers in southern Madagascar. • The area is rural, with wilderness areas and subsistence farming occurring on the PL. Some artisanal gemstone mining is active on the banks of the Imaloto River. • At this stage the tenure is intact, and we have no reason to believe that tenure is threatened.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No drilling exploration for coal has been done by other parties in this area. Some gemstone diggings on the banks of the Imaloto River are present in the prospect area. • The Imaloto field was not subjected to any detailed historical exploration. "It was reported in 1984 that the Imaloto area could be prospective for open-pit mining because of known coal outcrops in the area and the fact that the coal-bearing formation was shallower and less steeply-dipping at Imaloto than at Sakoa. In 1985, some of the coal outcrops were trenched and sampled at the edges of the Imaloto basin, and were found to be weathered and of variable thickness (reports have shown seven sample sites where the coal thickness varied from 0.2 metre to 2.0 metres)".

Criteria	JORC Code explanation	Commentary
		• During 2009 an old adit into the Main Seam close to CMM borehole IM005 was investigated. Presumably, it dates to the programme undertaken in the mid 1980's.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Imaloto Coal Project is hosted in a sequence of Permian Age sediments, which is typical of the Gondwana Coals. The depositional basin is flat with bedding gradients between 1^o and 3^o. The deposit is centred around a depositional axis that dips to the north at 3^o. The dominant structural elements consist of north-south striking faults with displacements of between 20 and 40 metres, which compartmentalises the deposit into discrete resource blocks. The faults throw down to the west. The topography rises in a northerly direction.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The drill hole information is supplied in Figures 1 and 2. • No information has been excluded.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• The Seam Qualities quoted were calculated per block per seam. The samples were weighted for sample mass per float. • The coal data was checked on Dry Ash Free Volatile limits and all samples were found to be in specification. The Raw Ash-CV sample relationships for all seams shows a correlation coefficient of > 0.900. No truncations have been applied, and no sample data have been omitted.
Relationship between mineralizatio	• *These relationships are particularly important in the reporting of Exploration*	• The coal seam thickness was recorded as per the measured intersection of core recovered (down hole length). The seam intersections were plumb. The seam

Criteria	JORC Code explanation	Commentary
n widths and intercept lengths	*Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	gradients for this deposit is low (1° to 3°), and the volume of coal is calculated as the space between a roof grid and a floor grid per seam. There is hence not a complication with true and apparent thicknesses of the coal seams.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Figure 1 shows the distribution of the DD boreholes. • Figure 3 shows the sectional views.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All the analytical results are listed in Annexure 1 below.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The drilling results confirmed the surface mapping that was done for this area. A bulk sample has not been taken. Large diameter core metallurgical testing has not been done. The indications are that the Main Seam will have a strong roof, and that the deeper parts of the deposit could be mined by underground methods. The floor of the Main Seam is softer and would form part of a grade control management system in the case of future mining. • The seam lithology is well defined and the roof and floor contacts for the Main Seam are clearly correlated. Horison control during mining would be easily managed. • Analyses were done on full seam sampling, and hence all the internal dilution of the seam is accounted for in the quality wash-tables for all the seams.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The work required to establish a resource is complete. The exploration programme was completed at the end of December 2012. The extent of the deposit has been determined and the coal limits have been established for this deposit. • The area to the north of Blocks 2A, 3A and 4A will contain coal measures. This is an area that is at present not part of Lemur Resources' tenements, and it may hold potential for future expansion of the resource.

SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

Criteria	JORC Code explanation	Commentary
Database Integrity	• *Measures taken to ensure that data has not been corrupted by ,for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Data was copied from the electronic field logs into the database. Each individual electronic field log was checked against the manual field log for transcription or keying errors. • The database was updated as soon as new logged data became available. • The following validation is done on the quality data before loading: - Each individual float proximate analyses need to add up to 100 % (Check lab results for hard coding). - The cumulative yield needs to add up to 100 % for all floats and the sink fraction (Check lab results for hard coding). - Are there missing samples i.e. not sampled at all or analyses missing? - Do overlapping samples exist? - Validation of all values present in a sample - Is the quality of the sample representative of the lithology description? • The quality data was composited in Excel, and the qualities per seam and per block was calculated by weighted average. All qualities were weighted for sample fraction mass.
Site Visits	• *Comments on any site visits undertaken by the Competent person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case*	• The competent person was present on site on the following dates during the exploration programme; - 31 Aug 2011 to 09 Sept 2011, 10 Days, site visit, drilling verification, - 17 Nov to 27 Nov 2011, 10 Days, site visit, drilling verification, - 26 May 2012 to 06 Jun 2012, 12 Days, site visit, logging and sampling checks, - 23 Jun to 30 Jun 2012, 7 Days, logging and sampling checks, drilling verification.
Geological interpretation	• *Confidence in the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on mineral resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity of both grade and geology.*	• Field mapping was completed by VMI for the duration of the project. Karoo sediments of Permian age were correctly identified. • Drilling of the Permian sediments intersected discrete coal seams namely the Main, Upper and Top Seams. A lower split to the Main Seam is present but it is thin and erratic in thickness and distribution. The geological environment is confirmed for Gondwana type coal measures. • Manual field logs were converted to electronic logs in Excel. The laboratory data was supplied in csv and Excel format. • The Ash-CV correlation for all the seams displayed no outliers with a correlation of > 0.900, and hence the coal is assumed to be largely humic and subject to beneficiation by a density process. • The resource tonnage is calculated from a volume in space to which a density is applied. There is no alternative method of coal resource calculation. • The sedimentology of the deposit is easily correlated with the coal measures hosted in the Coal Measures Formation .The Coal Measures Formation is overlain by the Red Series sediments. The coal bearing sediments rests conformably on diamictites of the Glacial Series, and the basement consists of gneisses, schists and granites of Pre-Cambrian age. • Both the Main Seam as well as the Upper and Top seams

Criteria	JORC Code explanation	Commentary
		have characteristic roof and floor conditions. The roof of the Main Seam serves as prominent marker well-defined coarse grained sandstone to small pebble conglomerate). The Upper and Top Seams are contained within a consistent mudstone marker package. • The geological continuity is affected by structure. Three north-south trending faults are interpreted across the resource. These faults all throw down to the west with displacements of between 20 and 40 m. The resource is compartmentalised into nine structural blocks. • Grade continuity is normal and the absence of igneous intrusive rocks thus far indicates that no devolatilised zones are to be expected. In terms of the depositional environment, the edges of the coal sub-outcrop can normally be expected to show slightly elevated raw ash values and reduced CV's as is seen in the data. Also seams are thinner towards the edges of the depositional basin.
	• *The extent and variability of the Mineral resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The resource is divided into ten distinct blocks. The coal seams are orientated as flat layers within the sedimentary sequence. • Block 1 contains only the Main Seam at an average thickness of 1.35 m. The top and upper seams have been removed naturally by weathering. The block is 4434 m long and an average of 889 m wide. The average Main Seam depth below surface is 30 m and ranges from 14 m to 58 m. • Block 2 contains the Upper and Top Seams at 1.12 and 0.98 metres thick respectively, and is 6049 metres long and an average of 1157 metres wide. • Block 2MS contains the Main Seam and is 6049 metres long and an average of 489 m wide. The Main Seam in this block is on average 1.90 metres thick. The average Main Seam depth below surface is 160 m and ranges from 35 m to 363 m. • Block 2A contains the Upper, Top and Main Seams at 0.50, 0.75 and 1.98 metres thick respectively, and is 757 metres long and an average of 1846 metres wide. The average Main Seam depth below surface is 311 m and ranges from 260 m to 380 m. • Block 3 contains the Upper, Top and Main Seams at 0.88, 1.07 and 2.85 metres thick respectively, and is 5016 metres long and an average of 852 metres wide. The average Main Seam depth below surface is 133 m and ranges from 51 m to 240 m. • Block 3A contains the Upper, Top and Main Seams at 0.79, 0.80 and 3.98 metres thick respectively, and is 757 metres long and an average of 1027 metres wide. The average Main Seam depth below surface is 253 m and ranges from 231 m to 278 m. • Block 4 contains the Upper, Top and Main Seams at 0.83, 1.31 and 2.94 metres thick respectively, and is 3279 metres long and an average of 1024 metres wide. The average Main Seam depth below surface is 116 m and ranges from 19 m to 134 m. • Block 4A contains the Upper, Top and Main Seams at 0.87, 1.06 and 3.38 metres thick respectively, and is 757 metres long and an average of 1443 metres wide. The average Main Seam depth below surface is 177 m and ranges from 146 m to 209 m.

Criteria	JORC Code explanation	Commentary
		• Block 5 contains the Upper and Top Seams at 0.72 and 1.12 metres thick respectively, and is 2192 metres long and an average of 1393 metres wide. There is no Main Seam developed in Block 5. • Block 5A contains the Upper and Top Seams at 0.72 and 1.12 metres thick respectively, and is 1101 metres long and an average of 1631 metres wide. There is no Main Seam developed in Block 5A.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters, and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and / or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding the recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance.* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind the modelling of selective mining units.* • *Any assumptions about the correlation between variables.* • *Description of how geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and the use of reconciliation data if available.*	• The resource estimate was completed with the aid of software and concurrent manual checks. • The geological model used for the resource estimation was created in Surfer (Version 10.7.972), a modelling program developed and distributed by Golden Software in Colorado. • Surfer is essentially a contour programme that has the capability to calculate volumes between surfaces. The data that is used to create the surfaces are read from spread-sheets or databases, and in this instance I used Excel. The dataset was populated with the lithological and quality data and then interrogated by the software for the required outcomes. • Borehole identification, the survey data and then the seam interval data is loaded into a dataset. Parameters controlling the modelling operation (such as interpolator selection, conformable relationships, limits and faults) are defined and maintained in the model framework. Surfer has a function called blanking, which is use to confine grid files to specific areas. This function is used to isolated resource blocks when volumes are calculated between surfaces. The gridding method used was the inverse of distance squared. For this sample spacing Kriging is not appropriate. No samples were excluded since no extreme spreads or variances in quality per seam were observed. • A uniform grid with nodes is generated for each surface. Given the drilling spacing, the grid cell size is set at 50 m x 50 m. It is pointless to grid to a smaller size given that the average borehole spacing across the whole area came to 423 m^2. Block 1 has the highest number of boreholes per area, at an average grid of 331 m^2. Once a block volume has been calculated a weighted average block density is applied to the volume and a block tonnage is determined. This is repeated for every seam per resource block. • A previous resource estimate, based on 36 boreholes (end of phase 1 drilling), was completed by MSA at the end of December 2010. This report was used to compare the results of the latest resource estimate and differences could be explained. There is no prior or present production of coal within the boundaries of the project site. • No assumptions have been made with respect to the recovery of by-products. • The estimation of deleterious elements for coal usually includes an estimation of the impact of roof and floor contamination on product yield. This is a factor applied to reserve statements, and hence is not applied here. In seam dilution by lenses of carbonaceous shale is included in the analytical results since full core full seam intersections were submitted for analysis. Selective

Criteria	JORC Code explanation	Commentary
		sampling was not applied. • Block model interpolation was not done. Once a reserve estimate is completed, a block model will be used to schedule monthly and annual production qualities and tonnages. • Selective mining was not considered. The geometry of this deposit will not allow for practical selective mining within a seam. • The quality variable between raw Ash % and CV indicates a constant correlation with R^2 > 0.900. The beneficiation of these coals by a density process is assumed, as confirmed by the laboratory data. • The structural elements of this project will be instrumental in the mine layout of this project. The resource estimate is hence reported in tonnages and qualities per discrete geological structural block. • Quality capping or cutting was not applied, since the laboratory data did not display the need for filtering. All the data was checked for a lower DAFV limit, and no devolatilised coal was observed. • Validation: The model was validated by plotting floor elevation and thickness contours as well as quality contours and checking the contour plots for bull's eyes. Cross-sections were drawn through most of the boreholes to evaluate all seam correlations and borehole coordinates. Crosschecks were done using the original log of boreholes for lithology and qualities. Postings of data from boreholes against a backdrop of grid model contours also helped to determine whether the model was honouring the borehole data. - Model limits: The model is limited by the extent of borehole data, the base of the weathered horizon, the natural sub-outcrop of seams in the extreme south (IM 001, 027, 129, 130, 152, 153), and east (IM 228, 249, 250), the internal fault boundaries that determines Block geometry as well as the limits of the lease areas. - Borehole Survey: The total number of boreholes used to create the Imaloto Coal Project model is 159 (Figure 1). All boreholes drilled were accurately surveyed. The Data Terrain Model was used as a check for the borehole collars. - Topography: A contour plan was plotted at 5 metre intervals and an accuracy check (by observation) was done with the Government issued topo-cadastral maps for the area. The general slope and contour trends agree with the observed topography. - Density: Density data was taken from the raw density determination by the laboratory. The density data was weighted for sample mass and were calculated per seam per resource block. Densities are listed in the Resource statement below. The weighted raw density for the whole of the Main Seam in the Imaloto Coal Project comes to 1.465 ton/m^3. The Top Seam is more dense at 1.544 ton/m^3, and the Upper Seam is the most dense at 1.593 ton/m^3. The calculated densities per resource block per seam are listed in Figure 4. - Borehole Lithology: A general check was done on the lithological data captured, to verify that the descriptions are consistent with the environment of

Criteria	JORC Code explanation	Commentary
		the deposit and the basement, i.e. the standard lithological coding was used correctly. The random wire-line logs were used for depth checks, total thickness checks and RD checks, i.e., does the geophysical log verify the logger's lithological log and the qualities per sample.
	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• The tonnages are based on an Air-Dry Basis (ADB). Upon receipt of the samples the laboratory exposes the sample to ambient temperatures not exceeding 30 ^{o}C, in order to remove the surface moisture. All analyses are then performed on the core excluding the surface moisture on this Air-Dry Basis (ADB). • The Inherent Moisture is determined by placing the air dried coal sample in an oven at between 105 and 110 ^{o}C, and calculating the subsequent loss in mass.
Cut-off parameters	• *The basis of the adopted cut-off grades or quality parameters applied.*	• The cut-off parameters are two-fold; quality and physical. • Seam quality parameters for coal may be market driven and is complicated by the improvement of for instance some forms of Sulphur, by the beneficiation process. In general the first quality cut-off applied to in-situ bituminous coals is the Dry Ash Free Volatile content. This should be above 28 %, and in the case of Imaloto, all the laboratory results exceeded this limit comfortably. • The physical cut-of limits for the seams are: - Main Seam Block 1: 1.0 m (potential opencast mining in the shallowest part of the resource), - Main Seam Blocks 2, 2A, 3, 3A, 4 and 4A: 1.40 m (Underground mining height limit in the deeper parts of the resource). - Top and Upper Seams Blocks 2, 2A, 3, 3A, 4, 4A, 5, 5A: 0.50 m (not considered for conversion to reserves at this stage).
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• This is a resource estimate and as such a mine plan has not been superimposed on the data. • A scoping exercise was completed with the data at hand and the indications are that the Main Seam for Block 1 may be conducive to opencast mining. The mining thickness cut-off of the Main Seam will be determined by the economic strip ratio, but for the purpose of the Main Seam in Block 1, a resource cut-off thickness of 1.0 m was used. • The preferred extraction of the Main Seam from Blocks 2, 2A, 3, 3A, 4 and 4A appears to be by underground methods, and based on the behaviour of Gondwana coals and the underground coal mining conditions experienced in southern Africa, a resource cut-off thickness of 1.40 m was used.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the*	• At the moment the resource status implies that metallurgical discount factors have not been applied to any of the forecasted yields. Typical borehole factors will range between 0.92 and 0.98, while organic efficiencies for coal processing plants usually range between 0.95 and 0.98. Total moisture contents usually comes to 8% for nut and pea sized product materials, while finer product materials may have total moisture contents as high as 16%. These will be applied once the resource is

Criteria	JORC Code explanation	Commentary
	assumptions regarding metallurgical treatment processes and parameters made when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	taken up to reserve base for pre-feasibility and higher level studies.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• In terms of the Imaloto River, the resource blocks were delineated to exclude the drainage channel of this river. • No other environmental factors have been considered in terms of the resource at this stage of the project.
Bulk density	• *Whether assumed or determined. If assumed the basis for the assumptions. If determined the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk materials must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rocks and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• A bulk sample has not yet been taken and hence a bulk density has not yet been determined. • The apparent relative density was determined from the core submitted to the laboratory. The standard used is AS 1038 : 26-2005. These results were used to determine the in-situ density of this coal deposit. • The weighted raw density for the whole of the Main Seam in the Imaloto Coal Project comes to 1.465 ton/m^3. The Top Seam is more dense at 1.544 ton/m^3, and the Upper Seam is the most dense at 1.593 ton/m^3. The calculated densities per resource block per seam are listed in Figure 4.
Classification	• *The basis of the classification of the Mineral Resource into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence*	• The JORC standard makes it clear that a resource statement need to reflect the resource confidence in the physical tonnage declared as well as in the quality associated with that resource. In the case of the Imaloto Coal Project, we are fortunate to have a project that has quality data for every physical sample point where a coal seam/seams was/were intersected, and that the sample

Criteria	JORC Code explanation	Commentary
	in tonnage/ grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data. • *Whether the results appropriately reflects the Competent Person's view of the deposit.*	densities for both categories will be identical. No historical data was previously generated to be available to be used in the evaluation of this project. • The defined confidence levels as used for Australian funded coal projects are provided by the Coalfields Geology Council of New South Wales and the Queensland Mining Council: - "Inferred Coal Resources may be estimated using data from points of observation up to 4 km apart." - "Indicated Coal Resources may be estimated using data obtained from points of observation normally less than 1 km apart." - "Measured Coal Resources may be estimated using data obtained from points of observation normally less than 500 m apart." • Block 1 is 394 ha in extent and contains only the Main Seam. The average depth below surface for the Main Seam Roof is 30 m (58 m max. and 14 m min.) It is bounded in the south by the coal seam sub-outcrop and on the eastern edge by the Imaloto River. The western boundary consists of an 80 m wide barrier inside the lease boundary. The northern boundary with Block 2 follows the 60 m depth to the roof of the Main Seam contour. Given the average borehole grid of 331 m2, this resource is classified as measured. • Block 2 is intersected by 26 boreholes and is 699 ha in size, which results in an average borehole spacing of 519 m2. Hence its classification as an indicated resource. Its western and northern boundaries are formed by an 80 m wide barrier pillar inside the lease boundary. The eastern boundary is formed by an 80 m wide structural pillar that follows the fault that separates Blocks 2 and 3. The Main Seam resource in Block 2 is limited to a minimum thickness of 1.40 m. Hence the footprint of the Main Seam in Block 2 includes only 296 ha. (The hatched area of Block 2). • The confidence level for Block 2A is inferred, with no boreholes within the limits of the area, but with 6 boreholes drilled in close proximity to its boundary. The information from these boreholes was used to estimate a tonnage for this block. This block forms the deepest part of the resource and is 140 ha in size. • The confidence level for Block 3 is measured due to an average drilling grid of 371 m2. This block is 427 ha in size and is bounded in the north by the southern edge of Block 3A. The east and west edges are defined by 80 m wide structural pillars that coincides with the faults that separates Block 3 from Blocks 2 and 4. The southern edge of this block is defined by the sub-outcrop of the coal measures as seen in borehole IM 027. • The confidence level for Block 3A is measured due to an average drilling grid of 441 m2. This block is 78 ha in size and is bounded in the north by an 80 m wide barrier pillar on the inside of the lease boundary. The east and west edges are defined by 80 m wide structural pillars that coincides with the faults that separates Block 3 from Blocks 2 and 4. The southern edge of this block is defined by the northern limit of Block 3. • Block 4 is classified as a measured resource, with an average drilling grid of 373 m2. This block is 376 ha in size and is bounded in the north by the southern edge of

Criteria	JORC Code explanation	Commentary
		Block 4A. The east and west edges are defined by 80 m wide structural pillars that coincides with the faults that separates Block 4 from Blocks 3 and 5. The southern edge of this block is defined by the Imaloto River and the sub-outcrop of the coal measures as seen in boreholes IM 012 and 024. • Block 4A is classified as a measured resource, with an average drilling grid of 370 m2. This block is 109 ha in size and is bounded in the north by an 80 m wide barrier pillar on the inside of the lease boundary. The east and west edges are defined by 80 m wide structural pillars that coincides with the faults that separates Block 4 from Blocks 3 and 5. The southern edge of this block is defined by the northern boundary of Block 4. • Block 5 is classified as a measured resource, with an average drilling grid of 424 m2. This block is 305 ha in size and is bounded in the north-west by an 80 m wide barrier pillar on the inside of the lease boundary. The eastern edge is defined by the sub-outcrop of coal measures as seen in IM 228, 249 and 250. There is no Main Seam developed in this block. • The confidence level for Block 5A is inferred, with no boreholes within the limits of the area, but with 8 boreholes drilled in close proximity to its boundary. The information from these boreholes was used to estimate a tonnage for this block. This block forms the shallowest part of the resource and is 179 ha in size. There is no Main Seam developed in this block. • The Competent Person views the results as a fair reflection of the content of this coal deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates*	• The results of this estimate have not yet been reviewed or audited by a third party.
Discussion of relative accuracy / confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures*	• The tonnages are reported to Gross Tons In Situ (GTIS) level. The increasingly dense points of observation, reduces the geological uncertainty when tonnages from inferred through indicated to measured levels are calculated. The geological loss factors to be applied when moving the statement from resource to reserve are as follows: - Inferred; Geological loss of 20 %. - Indicated; Geological loss of 15 %. - Measured; Geological loss of 10 %. • The geological loss factors quoted above should be applied to the GTIS tonnages as well as a mining loss factor which is typically 5%, when taking the resource to a reserve status, where feed to plant tonnages are calculated as ROM to an as delivered base (ASD). Also included will be contamination and moisture as added during the mining process. • Empirical data to populate the above mentioned factors with historical numbers does exist, and initial models will be sensibly populated once the project is in production. These will then be calibrated with real data from production reconciliations.

Criteria	JORC Code explanation	Commentary
	used. • *These statements of relative accuracy and confidence of the estimate should be compared with production data where available.*	