

#### CAPITAL STRUCTURE

Shares on Issue: 199m

Unlisted Options: 0.5m

Market Cap: \$8.0m  
(as at 31 December 2014)

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



#### CASH ON HAND

\$14.58m  
(as at 31 December 2014)

#### CORPORATE DIRECTORY

Mr Anthony Viljoen  
CEO, Executive Director

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

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#### EMAIL

[enquiries@lemurresources.com](mailto:enquiries@lemurresources.com)

30 January 2015

## Quarterly Report for the period ended 31 December 2014

### Highlights during the quarter include:

During the quarter ended 31 December 2014, the Company continued to follow its three-pronged strategy to realise the value of the Company's assets.

#### Imaloto Coal Project and Extension (99%)

Advancement activities of its planned flagship Imaloto coal mine and 3 x 15 MW coal fired power plant project in Madagascar included:

- Detailed Power Purchasing Agreement ("PPA") and Implementation Agreement for the power plant lodged with Jirama and the Ministry of Energy for review. Initial feedback received on the PPA and negotiations are underway; and
- Formal judgement in relation to mining licence 4578 received confirming Lemur holds due title.

#### Additional Asset acquisition

The Company intends to use its cash balance to acquire one or more value accretive assets. The profile of assets being sought may be either those that are in production generating cash flows, or greenfield with significant exploration upside and favourable cost curve positioning.

- During the quarter, the Company evaluated several gold and coal projects in Africa for potential acquisition.

#### Geoservices Equipment

Lemur plans to utilise its existing geoservices equipment and geological capabilities in Africa, with a relative bias towards east Africa, to either generate cash flow for Lemur or earn into attractive exploration projects in the region.

- Drill rigs refurbishment underway with parts and staff deployed to base in Kapoeta, South Sudan.

#### Corporate

- Cash on hand at 31 December 2014 totalled \$14.58 million (at ~7.3 cents per share, **the Company continues to trade at a significant discount to its cash holding**).
- The Company's financial year end was changed from 31 December to 28 February to align with its parent, Bushveld Minerals Limited.
- An on-market buyback for up to 10% of its issued capital over the period of 12 months was initiated.

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

## **Imaloto Coal Project and Extension (99%)**

### **Independent Power Producer license**

The Company continued its discussions with the Ministry of Energy (“MoE”) and Jiro Sy Rano Malagasy (“Jirama”) the Madagascar state owned electricity company, 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.

As previously announced, the Company has retained the services of Trinity International LLP (“Trinity”) to assist with the IPP licence. Trinity is a London and Perth based niche law firm with an experience base of over 500 transactions in Africa and a strong focus on the power sector. Importantly, Trinity has specific Madagascar experience.

Formal detailed documents for the Power Purchasing Agreement (“PPA”) and Implementation Agreement (“IA”) were prepared during the month of November, translated into French and submitted to Jirama and the MoE respectively for review. Initial feedback on the PPA has been received following the review by technical, legal and commercial personnel at Jirama. No feedback has been received on the IA due to a request that the IPP pre-feasibility studies be first formally lodged with the Ministry of Energy. The pre-feasibility studies were thus re-lodged in early January 2015.

The Company notes that the leadership of Jirama changed during December. This is believed to be partly linked to certain World Bank re-organisation and re-capitalisation initiatives relating to Jirama. Lemur executives have since presented our project to the newly appointed Jirama management and received a favourable response.

Lemur continued its engagement with engineering and environmental service providers during the quarter to advance the technical aspects of the IPP. Formal proposals have now been received. It is anticipated that these service providers will be formally engaged upon receipt by the Company of the IPP licence.

During the quarter, the Company hosted in Madagascar a delegation from a Chinese state owned engineering enterprise (“SOE”), who had expressed interest in financing and building the Imaloto IPP. Discussions are on-going with the Chinese SOE.

### **Permit 4578**

On 19 November 2014, Lemur received the original copy of the full judgement from the Tulear court in relation to the legal claim on its permit 4578 mining licence which declared null and void various historical sale agreements, which ultimately resulted in Lemur being granted permit 4578. The Tulear court cancelled the original judgement withdrawing permit 4578. Ms Rahajasoamampionona Ramiamanana (the plaintiff) had 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. At present no appeal is believed to have been lodged and we are awaiting confirmation thereof.

The Company is still waiting on the ruling by the Antananarivo court. The plaintiff approached the Antananarivo court for a temporary enforcement of the original (now over-turned) judgement in Tulear regarding permit 4578. However, this was not the normal legal process as the court case was still in

progress in Tulear. The Company has lodged the judgement from the Tulear court with the Antananarivo court and when received, will lodge the confirmation of no appeal. The Company and its legal advisers remain positive on the outcome of the Antananarivo ruling in its favour.

### **Resignation of Prime Minister**

The Company notes the resignation of the Madagascan Prime Minister, Roger Kolo, in January 2015 and the possibility of the formation of a national government. We remain confident that all parties will work together to maintain social and commercial cohesion in the country.

### **Additional Asset Acquisition**

As previously mentioned, the Company engaged the services of VM Investment Company (“VMI”) to provide technical consulting and services in relation to project evaluation. The key technical people from VMI are Professor Richard Viljoen and Professor Morris Viljoen who between them have over 60 years in the mining industry. During the quarter, the Company focused on the evaluation of several gold and coal projects in Africa, due diligence remains on-going.

### **Geoservices Equipment**

The Company’s drilling and exploration entity, Pan African Drilling (a wholly owned subsidiary) relocated its geoservices equipment to a secure compound in Kapoeta, in South Sudan. It is the intention for Pan African Drilling to operate as a stand-alone contract geoservices business servicing the East African region. During the quarter, the refurbishment of the equipment commenced with parts and staff previously associated with the Company are being deployed to South Sudan. The Company is currently reviewing projects that it can tender for with respect to drilling programs in the East African region and seek to realise value from its existing equipment. The Company has also received an approach to purchase the equipment and this is under consideration.

### **Corporate**

#### **Cash Position**

As at 31 December 2014, Lemur had \$14.58 million cash on hand and no debt. The cash backing per share is ~7.3 cents. A copy of the Company’s Mining Exploration Entity Quarterly Report (Appendix 5B) in accordance with ASX Listing Rule 5.3 is attached.

#### **Change of Financial Year**

On 19 November 2014, the Company advised that it had received approval from the Australian Securities and Investments Commission (“ASIC”) to change its financial year end from 31 December to 28 February. The purpose of the change of financial year end is to synchronise with its parent company, Bushveld Minerals Limited.

The next annual financial report will be prepared for the period 1 January 2014 to 28 February 2015. The subsequent financial year will resume the statutory 12 month period running from 1 March 2015 to 28 February 2016.

#### **Buy Back**

On 24 November 2014, Lemur announced that it was implementing an on-market buyback for up to 10% of its issued capital over the period of 12 months. The Board of Lemur considered that the current share

price did not reflect the strong underlying cash position and value within the Company's assets and the share buyback represents an opportunity to add further value to the remaining shares on issue.

As at 14 January 2015, Lemur had bought back 1,304,515 fully paid shares for a consideration of \$52,821. This initiative remains on-going and notices will be released to the market accordingly.

For further information see [www.lemurresources.com](http://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 135.7 million GTIS of which 90.7% is measured and indicated (91.6mt measured and 31.5mt 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 was released to ASX on 29 July 2014 (*Coal Mineral Resource Updated to JORC 2012*) and 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 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that the form and context in which the information is presented has not been materially modified and it is not aware of any new information or data that material affects the information as announced on 29 July 2014. All material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

### **Forward Looking Statements**

This announcement contains certain forward looking statements. The words "expect", "forecast", "should", "projected", "could", "may", "predict", "plan" and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings, cash flow costs and financial position and performance are also forward looking statements. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results or trends to differ materially. These variations, if materially adverse, may affect the timing or the feasibility of the development of the Imaloto Coal Project.

The Company believes it has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any production targets, based on the information contained in this announcement and in particular:

- The LoM ROM production target of 21 million tonnes is based on the exploitation of the Measured and Indicated portions only of the JORC compliant resource. The Measured and Indicated portions represent 91% of the resource equating to a total of 123 million tonnes;

- JORC 2012 compliant Resources Statement released on 29 July 2014;
- Independent scoping studies which addressed the critical areas including the determination of mining inventory, mine design and scheduling, assay test work, and industry specific operating and capital cost data; and
- Independently prepared financial model and the key assumption contained therein relating to the commodity price and exchange rate forecasts.

## 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 December 2014

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 Months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(58)	(298)
	(b) development (IPP)	(25)	(38)
	(c) production	-	-
	(d) administration	(327)	(1,240)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	128	550
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other:		
	- Costs associated with contract drilling	(128)	(386)
<b>Net Operating Cash Flows</b>		<b>(410)</b>	<b>(1,412)</b>
<b>Cash flows related to investing activities</b>			
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:		
	- Acquisition due diligence	(40)	(131)
<b>Net investing cash flows</b>		<b>(40)</b>	<b>(131)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(450)</b>	<b>(1,543)</b>

1.13	Total operating and investing cash flows (brought forward)	(450)	(1,543)
	<b>Cash flows related to financing activities</b>		
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	Fund raising costs	-	-
1.20	Other:	-	-
	- Share buy back	(15)	(15)
	<b>Net financing cash flows</b>	<b>(15)</b>	<b>(15)</b>
	<b>Net increase (decrease) in cash held</b>	<b>(465)</b>	<b>(1,558)</b>
1.20	Cash at beginning of quarter/year to date	15,045	16,138
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>14,580</b>	<b>14,580</b>

### 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	207
1.24	Aggregate amount of loans to the parties included in item 1.10	-

### 1.25 Explanation necessary for an understanding of the transactions

		\$A'000
129	Director fee's and bonus's	
51	South African office lease payments and management consultancy fees paid to VM Investment Company (Pty) Ltd of which Mr Anthony Viljoen and Fortune Mojapelo are both directors and shareholders.	
27	Company secretarial and management consultancy fees paid to Evolution Corporate, of which Ms Shannon Coates is a director and shareholder	

### Non-cash financing and investing activities

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

n/a
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#### 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
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## 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	50
4.2 Development	50
4.3 Production	-
4.4 Administration (net of interest revenue)	150
4.5 Other	
- Costs associated with project due diligence	50
- Costs associated with contract drilling	50
<b>Total</b>	<b>350</b>

## 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	160	225
5.2 Deposits at call	14,420	14,820
5.3 Bank overdraft	-	-
5.4 Other (USD account)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>14,580</b>	<b>15,045</b>

## 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	<b>Preference securities</b> <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>*Ordinary securities</b>	199,195,486	199,195,486	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Release from escrow	(304,515)		
7.5	<b>*Convertible debt securities</b> <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 <b>Options</b>	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 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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 January 2015

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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