LEMUR RESOURCES LIMITED

ABN 53 147 241 361

and its controlled entities

Annual Report for the 14 month period ended 28 February 2015

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CORPORATE DIRECTORY

ACN 147 241 361

Directors
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
Ms Shannon Coates

Registered Office & Principal Place of Business
Suite 5, 62 Ord Street
West Perth, Western Australia, 6005

Auditor
Ernst & Young
11 Mounts Bay Road
Perth, Western Australia, 6000

Solicitor
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Banker
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West Perth, Western Australia, 6005

Securities Exchange
Australian Securities Exchange (ASX: LMR)

Share Register
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Level 2, 45 St Georges Terrace
Perth, Western Australia, 6000

REVIEW OF OPERATIONS

During the 14 months ending 28 February 2015, your Company followed a 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:

- Coal Mineral Resource upgrade to JORC 2012. Resource stands at 135.7 million GTIS, with over 90% in the measured and indicated categories;
- Detailed Power Purchasing Agreement ("PPA") and Implementation Agreement for the power plant drafted and subsequently lodged with Jirama (state owned power company) and the Ministry of Energy for review. Positive feedback received on the PPA and negotiations are reaching a conclusion;
- Experts selected to work on the Environmental Impact Assessment, Design & Engineering and Project Financing of the power plant. The aforementioned work streams will commence subject to securing the PPA and the required licences; and
- Formal judgement in relation to the court case on 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 year, the Company evaluated several projects in Africa for potential acquisition and continues to do so.
- Post the reporting period, the Company acquired the Zaaiplaats tin project in South Africa.

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 completed and staff deployed to base in Kapoeta, South Sudan.

OPERATIONAL
The key operational highlights for the 2014 financial year include:

IMALOTO COAL MINE AND POWER PLANT
Upgrade to JORC 2012
During the year, no physical exploration activity was undertaken by the Company on its Imaloto Coal Project in Madagascar. However the Company upgraded the Mineral Resource for its Imaloto Project, previously reported in accordance with the JORC 2004 Code, in compliance with the JORC 2012 Code. On 29 July 2014, the Company announced to the ASX the Mineral Resource (JORC 2012) of 135.7 million GTIS, over 90% of which is in the measured and indicated category.

The Mineral Resource for the Imaloto Project is summarised as follows. The full Annual Mineral Resource Statement and applicable Competent Person's statement appears on page 6 of this Annual Report:

	GTIS (million)			
Seam	**Measured**	**Indicated**	**Inferred**	**Total**
Main	50.8	8.4	4.2	63.4
Upper	23.1	12.7	5.3	41.1
Top	17.7	10.3	3.2	31.2
Total	**91.6**	**31.5**	**12.6**	**135.7**

Cautionary Statement
The scoping study referred to in this report:

- is based on lower-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the scoping study will be realised. There is a low level of geological confidence associated with mineral resources and there is no certainty that the production target itself will be realised; and
- contains production targets and forecast financial information derived from production targets, full details of which were released to ASX on 26 September 2013. All material assumptions underpinning the production targets and forecast financial information derived from production targets continue to apply and have not materially changed.

The scoping study and optimisation study have demonstrated the positive economics and viability of the proposed Imaloto coal mine. Specifically, a mining project NPV of up to US$49m has been modelled by our independent third party consultants, Hindsight Financial and Commercial Solutions (Pty) Ltd, over two phases of coal supply to the power plant and seaborne export respectively, across a mine life of ~20 years.

Independent Power Producer license
The Company re-initiated meetings with the Ministry of Energy (“MoE”) and Jiro Sy Rano Malagasy (“Jirama”) the Madagascan 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.

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

Drafts of the Power Purchasing Agreement (“PPA”) and Implementation Agreement (“IA” - power production & sale concession agreement) were submitted to Jirama and the MoE respectively for review. Discussions on the PPA have progressed well with technical, legal and commercial personnel at Jirama. Limited feedback has been received on the IA to date. The Company notes that a new Minister of Energy has been recently appointed and is hopeful that this will lead to engagement on the IA.

Lemur continued its engagement with engineering and environmental service providers during the year 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 execution of the IA.

During the year, the Company received unsolicited approaches from numerous Chinese state owned engineering enterprise and other power sector investors, who had expressed interest in financing and building the Imaloto IPP. Discussions are on-going with these parties.

Investment Promotion and Protection Agreement
Coal Mining Madagascar SARL (Madagascar) which holds the Imaloto Coal Project tenements held a shareholders meeting with the objective of affecting the transfer of all shares from its 99% shareholder Coal of Madagascar Limited (Guernsey) (“CoM”) to Lemur Investments Limited (Mauritius)(“LMI”). Both CoM and LMI are 100% owned subsidiaries of the Company. The rationale for the transfer is that an investment promotion and protection agreement (“IPPA”) is in place between Mauritius and Madagascar that also provides for legal remedies and protections in Mauritius of the Company’s Madagascan assets. The IPPA is looked upon favourably by financing institutions and will be of benefit to the Company at the time of sourcing construction funding for the mine or power plant.

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 Ramiaramanana (the plaintiff) lodged an appeal against the Tulear court’s decision. Following the hearing of the appeal in mid-2015, the court decision will be final.

The Company's legal advisers, John W Ffooks & Co., have re-iterated to the Company that, in their view, the claim is ill-founded. However, there can be no guarantee that the appeal will not be successful.

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. The Company and its legal advisers remain positive on the outcome of the Antananarivo ruling in its favour.

ADDITIONAL ASSET AQUISITION

VM Investment Company

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. Notable past experience includes the identification and development of several significant mines across Africa. VMI also has in-house geological, logistics and GIS capabilities that enable Lemur to review and document the numerous opportunities that the Company is presented with and originates. During the year, the Company focused on the evaluation of projects in Africa, and due diligence remains ongoing.

Zaaiplaats Project

Shortly after the end of the reporting period, on 14 March 2015, your Company acquired 99.1% of Zaaiplaats Mining Proprietary Limited, a company incorporated in South Africa and the registered owner of two properties ("Zaaiplaats Project"), located in the Limpopo Province of South Africa, for a total consideration of R2,500,000 (approximately A$276,000).

The Zaaiplaats Project is located in an old tin mining district that was previously the site of the second biggest tin mining operation in South Africa. Existing tailings dams on the property have an intrinsic value and potentially contain recoverable grades of tin. Additionally, there is potential to sell sand and other aggregates from non-tin bearing zones on the Zaaiplaats Project property, with various options currently being considered, providing a low cost entry point into production and a potential source of immediate revenue for the Company.

Geoservices Equipment

Your 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. South Sudan has recently instituted its mining regulations and it is expected that activity in the mining sector will increase. It is the intention for Pan African Drilling to operate as a stand-alone contract geoservices business servicing the East African region.

During the year, the exercise of regular maintenance of the equipment proceeded. The Company contracted Mr Derek Reeves (a geologist and logistics specialist) to coordinate the technical and operational establishment of the drilling company. Mr Reeves initiated and ran the Company's drilling activity at the Imaloto Project and has intimate operational knowledge of the equipment and its capabilities.

The Company is currently reviewing projects that it can tender for with respect to drilling programs in the East African region. The Company also continues to consider an approach received for the purchase of Pan African Drilling as going concern.

CORPORATE

Board Changes

Mr Jonathan Murray ceased to be a member of the board, following the Annual General Meeting. Thus, Ms Shannon Coates joined the board on 29 May, 2014. Ms Coates is a qualified lawyer and has over 18 years' in-house experience in corporate law and compliance for public companies. She is a graduate of the Australian Institute of Company Directors and a Chartered Secretary.

Buy Back

On 24 November 2014, Lemur announced the commencement of an on-market buyback for up to 10% of its issued capital over the period of 12 months.

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

As at 28 February 2015, Lemur had purchased 3,930,696 shares at a cost of $152,730. The Company completed its on-market share buy-back on 15 May 2015. In total, 19,250,000 shares were bought back and cancelled pursuant to the buy-back for total consideration of $929,984.

Cash Position

As at 28 February 2015, Lemur had $14.29 million cash on hand and no debt. The cash backing per share was ~7.3 cents.

Bushveld Minerals

On 21 August 2014, Bushveld Minerals Limited ("Bushveld") the Company's controlling shareholder announced that it had agreed to increase its interest in Lemur from 52.22% to 57.21% through the acquisition of 10 million Lemur shares from certain shareholders.

Marketing

The Company actively promoted itself to existing and new investors. During the year the Company participated in the Mining Salon in Antananarivo, the Africa Down Under conference in Perth and several promotional events in London.

ANNUAL MINERAL RESOURCE STATEMENT

The Company reviews and reports its Mineral Resources at least annually. The date of reporting is 28 February each year, to coincide with the Company's end of financial year balance date which has changed from 31 December to 28 February, effective 28 February 2015. This Annual Mineral Resource Statement therefore covers an extended 14 month review period from 1 January 2013 to 28 February 2015. If there are any material changes to its Mineral Resources over the course of the year, the Company is required to promptly report these changes.

On 28 March 2013, Lemur released its "Revised Resource Statement – Imaloto Coal Project" ("Resource Statement") for the Company's Imaloto Coal Project in Madagascar. The coal Mineral Resource as described in the 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.

On 29 July 2014, the Company updated its coal Mineral Resource for its Imaloto Coal Project in accordance with the 2012 Edition of the JORC Code. The updated coal Mineral Resource of 135.737 million tonnes was consistent with the coal Mineral Resource previously reported in accordance with the 2004 Edition of the JORC Code, as released to ASX on 28 March 2013.

Figure 1: The general locality of the project area.

The Resource Statement

The current 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 resource is shown in Figure 2.

The resource amounts to a total GTIS tonnage of 135.737 million tonnes ("Mt"). The Main Seam makes up 63.441 Mt of this total while the Upper and Top Seams cover the balance at 41.058 and 31.238 Mt respectively.

The resource categories vary from Inferred to Measured (see Table 1). The total Measured Gross Tonnes in Situ ("GTIS") resource is calculated to be 91.613 Mt, while the Indicated and Inferred GTIS tonnages are 31.497 Mt and 12.627 Mt respectively.

COAL RESOURCE - Imaloto - Lemur Resources - as @ 28 Feb 2015.												
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 Resource tonnage.

The seam thickness cut-off that was applied was 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 was 1.0m.

Main Seam - Cumulative Results (Air-dried Base) as @ 31 Dec 2013									Calculated		
Sample Mass	Wash R.D.	Moisture %	Ash %	Volatile %	F.C. %	Sulphur %	Gross C.V. MJ/kg	Yield %	DAVF	GAR kcal/kg @ 8% TM	NAR kcal/kg @ 8% TM
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 @ 31 Dec 2013									Calculated		
Sample Mass	Wash R.D.	Moisture %	Ash %	Volatile %	F.C. %	Sulphur %	Gross C.V. MJ/kg	Yield %	DAVF	GAR kcal/kg @ 8% TM	NAR kcal/kg @ 8% TM
11820	F1.35	5.4	12.5	34.8	47.3	1.03	26.83	7.9	42.4	6233.6	5993.0
36170	F1.40	5.2	15.7	33.7	45.4	1.01	25.64	22.8	42.7	5944.5	5703.9
72838	F1.50	5.1	20.0	32.0	42.9	1.10	24.12	52.9	42.7	5586.5	5345.5
31120	F1.60	5.0	22.1	31.1	41.8	1.14	23.43	65.7	42.7	5420.2	5179.0
15814	F1.70	4.9	23.7	30.5	40.9	1.17	22.88	72.2	42.7	5290.2	5048.9
10087	F1.80	4.9	25.0	30.0	40.2	1.18	22.43	76.4	42.7	5181.7	4940.3
8167	F1.90	4.8	26.3	29.5	39.4	1.19	21.95	79.8	42.8	5068.9	4827.3
49077	S1.90	4.5	35.3	26.2	34.0	1.82	18.62	100.0	43.6	4282.9	4040.2
15222	-0.5 Raw	4.5	37.2	23.5	31.6	1.40	16.73		40.4	3850.3	3606.8
257720	Raw	4.5	35.4	26.1	33.9	1.79	18.51		43.4	4257.4	4014.7

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 @ 31 Dec 2013									Calculated		
Sample Mass	Wash R.D.	Moisture %	Ash %	Volatile %	F.C. %	Sulphur %	Gross C.V. MJ/kg	Yield %	DAVF	GAR kcal/kg @ 8% TM	NAR kcal/kg @ 8% TM
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.

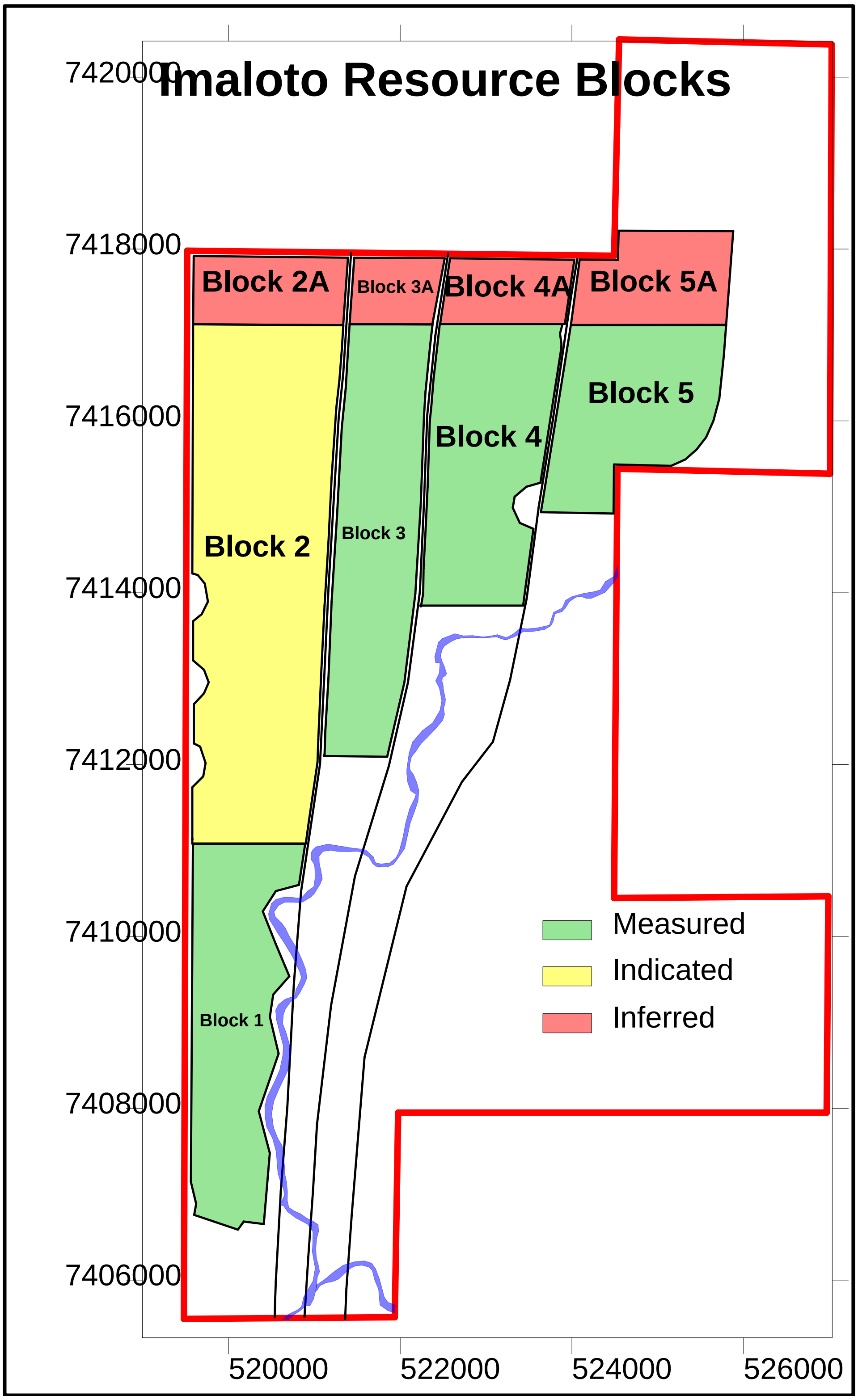

Figure 2: The Resource Blocks for the Imaloto Coal Project.

Material Changes and Resource Statement Comparison

In completing the annual review of the coal Mineral Resource for the extended period from 1 January 2014 to 28 February 2015, 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 has occurred for the review period.

Further, during the review period, 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.

No coal Mineral Resources have been converted to Reserves during the review period, or to the date of this report.
There has therefore been no change to the coal Mineral Resource during the period from 1 January 2014 to 28 February 2015, or to the date of this Annual Report.

Governance Arrangements and Internal Controls
Lemur has ensured that the Mineral Resources quoted are subject to good governance arrangements and internal controls. The Mineral Resources reported have been generated by an independent external consultant who is experienced in best practices in modelling and estimation methods. The consultant has also undertaken reviews of the quality and suitability of the underlying information used to general the resource estimation. In addition, Lemur management carry out regular reviews and audits of internal processes and external contractors that have been engaged by the Company.

The updated coal Mineral Resource dated 29 July 2014 was compiled in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code) 2012 Edition. The estimation methodology was the same as for the coal Mineral Resource reported in accordance with the JORC Code 2004 Edition, released on 28 March 2013.

Competent Person Statement
The information in this report that relates to Mineral Resources was prepared and disclosed under the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") 2012 Edition. It was released to ASX on 29 July 2014 and was titled "Coal Mineral Resource Updated to JORC 2012". The Company is not aware of any new information or data that materially affects the information as previously released on 29 July 2014 and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Mineral Resource released on 29 July 2014 was prepared by Mr Johan Erasmus, who 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 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 in the Annual Report of the matters based on his information in the form and context in which it appears. The Annual Mineral Resource Statement is based on and fairly represents information and supporting documentation prepared by competent persons. The Annual Mineral Resource Statement as a whole has been approved by Mr Erasmus.

DIRECTORS' REPORT

The Directors of Lemur Resources Limited ("the Company") and its controlled entities (together "the Group") submit the consolidated financial statements for the 14 month period from 1 January 2014 to 28 February 2015 ("the period") and the following report made out in accordance with a resolution of the Directors.

The timing of this report reflects the change in the Company's financial year end from 31 December to 28 February, effective for the fourteen month period ended 28 February 2015.

Directors
The names and details of the Directors of Lemur Resources Limited in office during the period and until the date of this report are as follows.

Unless otherwise noted, the Directors were in office for the entire period.

Mr Anthony Viljoen, BA Mgt, Pg Dip FBI – Executive Director and CEO
Mr Viljoen is a mining entrepreneur and founding shareholder and director of VM Investment Company (Pty) Ltd, a principal investments and advisory company with a bias towards mining exploration.

Mr Viljoen has been responsible for the establishment and project development of a number of junior mining companies across Africa, including New Kush Exploration and Mining (Gold, South Sudan), Coal of Madagascar, Greenhills Resources (Tin), New Horizon Minerals (Iron Ore), Frontier Platinum Resources and Eagle Uranium.

Mr Viljoen graduated from the University of Natal, Pietermaritzburg with a Bachelor of Business and Agricultural Economics and a Post Graduate Diploma of Finance Banking and Investment Management.

Mr Viljoen has mining exploration and investment banking experience and has previously worked at Deutsche Bank, Barclays Capital in London and Loita Capital Partners, a pan African investment banking firm, in their Structured Trade and Project Finance division.

During the past three years, Mr Viljoen has also served as a director of AIM listed Bushveld Minerals Limited (2012 - Present).

Mr Ryan Rockwood (BA, MA, MEng Cantab) – Executive Director
Ryan Rockwood is an experienced mining sector professional and focused on mergers, acquisitions, equity and debt financings for over 5 years before joining Lemur as an Executive Director. Prior to 2007, he spent many years in operations management, consulting and working for leading mining companies. Mr Rockwood has successfully led profit improvement engagements for coal, iron ore, copper and gold operations. His international experience includes living and working in the United Kingdom, USA, South Africa and South East Asia.

Mr Rockwood holds a First Class Degree in Engineering from the University of Cambridge where he was a Commonwealth and Christ's Scholar. He also holds a First Class Masters in Manufacturing and Management in 1999 from the University of Cambridge.

In the last three years, Mr Rockwood has also served as a Non-Executive Director of Windimurra Vanadium Limited (appointed 21 January 2015 to present).

Mr Fortune Mojapelo – Non-Executive Director
Mr Mojapelo is a mining entrepreneur and founding shareholder and director of VM Investment Company (Pty) Ltd, a principal investments and advisory Company with a bias towards mining exploration.

Mr Mojapelo has played a leading role in the origination, establishment and project development of several junior mining companies in Africa including New Kush Exploration and Mining (Gold in South Sudan), Greenhills Resources (Tin), Bushveld Resources Limited (Iron-Ore), New Horizon Minerals (Iron Ore), Bushveld Platinum Limited (PGMs) and Eagle Resources Limited (Uranium).

Mr Mojapelo is currently the Chief Executive Officer of AIM listed Bushveld Minerals Limited, the Company's major shareholder.

During the past three years, Mr Mojapelo has also served as a director of AIM listed Bushveld Minerals Limited (2012 - Present).

Mr Jonathan Murray LLB BComm – Non-Executive Director from 6 November 2013 to 29 May 2014.
Mr Murray is a partner at law firm Steinepreis Paganin, based in Perth, Western Australia. Since joining the firm in 1997, he has gained significant experience in advising on initial public offers and secondary market capital raisings, all forms of commercial acquisitions and divestments and providing general corporate and strategic advice.

Mr Murray graduated from Murdoch University in 1996 with a Bachelor of Laws and Commerce (majoring in Accounting). He is also a member of FINSIA (formerly the Securities Institute of Australia).

During the past three years Mr Murray has also served as a director of the following other listed companies:

- Peak Resources Limited (appointed February 2011 to present)
- Hannans Reward Limited (appointed January 2010 to present)
- Highfield Resources Ltd (appointed October 2011 – resigned August 2013)
- Laguna Resources Ltd (appointed October 2009 – resigned February 2012)
- Kalgoorlie Mining Company Ltd (appointed June 2010 – resigned October 2012) previously US Nickel Ltd

Ms Shannon Coates LLB, ACIS, GAICD – Independent Non-Executive Director from 29 May 2014 to present and Company Secretary
Ms Coates holds a Bachelor of Laws from Murdoch University and has over 18 years' experience in corporate law and compliance. Ms Coates is a Chartered Secretary and currently acts as Company Secretary to several ASX, and AIM listed companies and unlisted companies, the majority of which operate in the mineral resources and oil and gas industries, both in Australia and internationally. Ms Coates is General Manager Corporate to Perth based corporate advisory firm Evolution Corporate Services, which specialises in the provision of corporate services to ASX, JSE and AIM listed companies.

During the three years prior to the date of her appointment, Ms Coates also served as a director of the following listed companies:

- Vmoto Limited (appointed May 2014 to present)
- Artemis Resources Limited (appointed May 2011 – resigned December 2014)
- Metallum Limited (appointed February 2011 – resigned May 2012)

Directors' Interests in the Shares and Options of the Company

The number of shares and options in the Company held at the date of this report by each Director of Lemur Resources Limited, including their personally-related entities are set out below:

	Number of Ordinary Shares	Number of Options over Ordinary Shares
Anthony Viljoen	4,000,000	Nil
Ryan Rockwood	4,250,000	Nil
Fortune Mojapelo	Nil	Nil
Jonathan Murray[1]	Nil	Nil
Shannon Coates[2]	Nil	Nil

Notes:

1. Held at date of resignation; 29 May 2014.
2. Ms Coates was appointed as Non-Executive Director on 29 May 2014.

Board and Committee Meetings

The number of Board meetings of Directors held during the period and the number of meetings attended by each Director is as follows:

	Directors' meetings	
	Meetings Held and Eligible to Attend	Attended
Anthony Viljoen	5	5
Ryan Rockwood	5	5
Fortune Mojapelo	5	5
Jonathan Murray [1]	3	3
Shannon Coates [2]	2	2

Notes:

1. Mr Murray resigned as Non-Executive Director on 29 May 2014.
2. Ms Coates was appointed as Non-Executive Director 29 May 2014.

The following Board sub-committees have been established and comprised the following members as at the date of this report:

Audit and Risk Committee	Nomination and Remuneration Committee	Health, Safety and Environment Committee
Fortune Mojapelo (Chair)	Fortune Mojapelo (Chair)	Ryan Rockwood (Chair)
Anthony Viljoen	Ryan Rockwood	Anthony Viljoen
Shannon Coates[1]	Shannon Coates[2]	

Notes:
1. Appointed to Audit and Risk Committee on 3 September 2014.
2. Appointed to Nomination and Remuneration Committee on 10 July 2014.

During the period, the Board sub-committees held the following meetings:

	Audit and Risk Committee		Nomination and Remuneration Committee		Health, Safety and Environment Committee	
	Meetings Held and Eligible to Attend	Attended	Meetings Held and Eligible to Attend	Attended	Meetings Held and Eligible to Attend	Attended
Anthony Viljoen	1	1	N/A	N/A	0	0
Ryan Rockwood	N/A	N/A	1	1	0	0
Fortune Mojapelo	1	1	1	1	N/A	N/A
Jonathan Murray [1]	1	1	0	0	N/A	N/A
Shannon Coates[2]	0	0	0	0	N/A	N/A

Notes:
1. Mr Murray resigned as Non-Executive Director on 29 May 2014.
2. Ms Coates was appointed as Non-Executive Director 29 May 2014.

Principal Activities
During the period, the principal activities of the entities within the Group were mineral exploration and project development.

Operating Results for the Period
The net consolidated loss for the period after income tax amounted to $1,839,231 (31 December 2013: $1,328,507).

The Group has not reached a stage in its development where it is generating an operating profit. All of the Group's efforts go into the current project exploration and development and new project evaluation.

At the end of the financial year, the Group had cash on hand of $14,288,322 (31 December 2013: $16,138,212). During the period, the Company:

- Updated its Resource Statement from compliance with the JORC Code 2004 edition to the 2012 edition. The Mineral Resource remained unchanged at 135.7Mt Gross Tonnes in Situ ("GTIS") of which 68% was Measured and 91% was Measured and Indicated. Exploration and evaluation costs incurred during the period totalled $331,079 (31 December 2013: 274,704);
- Advanced its efforts to secure an Independent Power Plant ("IPP") concession to construct, operate and supply a coal fired power station in near proximity to the Imaloto Coal Project. Detailed documentation, including the Concession Agreement and the Power Purchasing Agreement has been prepared and presented to the Ministry of Energy and Jirama (the state owned power utility company). Costs of $41,929 were incurred in relation to these studies during the period (31 December 2013: $41,437);
- Moved its drill rigs and other exploration equipment from Tulear, Madagascar to Kapoeta, South Sudan. The drill rigs have been fully refurbished and are awaiting the commencement of commercial operations in the region. The spend during the period on the drill rigs was $401,996 (31 December 2013 $nil); and
- Commenced a 12/10 on-market share buy back. The rationale was to take advantage of the low price levels for accretive net asset value per share purchases. As at 28 February 2015 a total of 4,304,515 shares had been purchased at a cost of $157,140; continued its search for other resources assets that were either close to production / cash flow or had significant exploration upside. Cost incurred during the period on project evaluation was $167,344 (31 December 2013: $6,015)

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.

More information on the operating result, financial position and cash flow movements are included in the Financial Statements included in this report.

Dividends
No dividend has been declared or paid by the Group during the 14 month period ended 28 February 2015 and the Directors do not at present recommend a dividend.

Likely Developments, Expected Results and Future Business Strategies
The Group will continue the evaluation of its mineral projects and undertake generative work to identify and acquire new resource projects. Other than as referred to in this report, due to the nature of the business, to attempt to provide further information as to likely developments in the operations of the Group and likely results of those operations in future financial years would, in the opinion of the Directors, be speculative.

Court Case Involving 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 and ruled in favour of Lemur as expected.

Ms Rahajasoamampionona Ramiaramanana (the plaintiff) subsequently lodged an appeal against the Tulear court's decision following which the court decision will be final. The Tulear court has confirmed that the matter will be re- convened on 11 June 2015, at which stage the plaintiff will be required to file submissions in support of the appeal.

The Company's legal advisers, John W Ffooks & Co., have re- iterated to the Company that, in their view, the claim is ill- founded. However, there can be no guarantee that the appeal will not be successful.

Significant Changes in the State of Affairs

Total assets decreased by $1,785,991 primarily due to a reduction in cash on hand resulting from the Company's continued operational and capital expenditure.

Total liabilities decreased by $15,809 primarily due the Company no longer having an employee entitlements liability.

In the opinion of the Directors, there were no other significant changes in the state of affairs of Lemur Resources Limited and its controlled entities that occurred during the period not otherwise disclosed in this report or the consolidated financial statements.

Significant Events after Balance Date

Bushveld Takeover Offer

On 20 May 2015, Bushveld Minerals Limited announced its intention to make an off-market takeover offer to acquire all of the ordinary shares that it does not currently own in Lemur for consideration of A$0.06 per share. On 29 May 2015, Bushveld Minerals Limited served its Bidder's Statement on the Company.

Share Buy-back

Subsequent to the period end, the Company completed its on-market share buy-back on 15 May 2015. 14,945,485 shares were bought back and cancelled subsequent to the period end, for consideration of $772,844, at an average price per share of $0.052. In total during the on-market share buy-back, 19,250,000 shares were bought back and cancelled pursuant to the buy-back for total consideration of $929,984, at an average price per share of $0.048.

Acquisition of Zaaiplaats Tin Project

On 17 March 2015 Lemur Resources Limited, via its 100% owned, newly formed South African subsidiary Pamish Investments No 71 (Pty) Ltd acquired 99.1% of the Zaaiplaats Tin Project for consideration of ZAR 2,500,000 (approximately AUD $268,334). The project is located in South Africa.

Other than the above, since the end of the financial year no other matters or circumstances have occurred that have or may significantly affect the operations or the state of affairs of the Consolidated Entity in subsequent financial years.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each Director of Lemur Resources Limited and its controlled entities, and for the executives in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, Key Management Personnel ("KMP") of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company.

Details of KMP:

(i) Directors
Anthony Viljoen – Executive Director and CEO
Ryan Rockwood – Executive Director
Fortune Mojapelo – Non-Executive Director
Jonathan Murray – Non-Executive Director resigned 29/05/2014
Shannon Coates – Non-Executive Director appointed 29/05/2014

Nomination and Remuneration Committee
The Nomination and Remuneration Committee of the Board of Directors is responsible for determining and reviewing remuneration arrangements for the Directors and executives.

The Nomination and Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality, high performing board and executive team.

Remuneration policy
The remuneration policy of Lemur Resources Limited has been designed to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short-term (e.g. cash bonuses) and long-term incentives (e.g. options). The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and Directors to run and manage the Group, as well as create goal congruence between Directors, executives and shareholders.

The Group's financial performance since incorporation has been as follows:

	28 February 2015	31 December 2013	31 December 2012
Revenue	$618,465	$700,486	$1,019,709
Net loss after tax	($1,839,231)	($1,328,507)	($670,315)
Basic loss per share	0.92 cents	0.69 cents	0.35 cents
Diluted loss per share	0.92 cents	0.69 cents	0.35 cents
Net assets	$25,426,945	$27,197,127	$28,503,785
Share price (at balance date)	$0.04	$0.03	$0.09

As the Company is currently in exploration and evaluation phases, historical earnings are not yet an accurate reflection of Company performance and cannot be used as a long term incentive measure. Consideration of the Company's earnings will be more relevant as the Company matures.

Fixed Remuneration

Fixed remuneration consists of base remuneration (including any fringe benefit tax charges related to employee benefits), as well as employer contributions to superannuation funds. Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and superannuation contribution. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

Remuneration packages are reviewed annually by the Nomination and Remuneration Committee. The process consists of a review of Company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices. The Nomination and Remuneration Committee can access external advice regarding remuneration independent of management where required. No external advice was obtained during the financial year.

Performance Linked Remuneration

Performance linked remuneration includes both long term and short term incentives and is designed to reward KMP for meeting or exceeding their objectives.

Short term Incentives

Each year the Nomination and Remuneration Committee assesses the actual performances of the Group and of the KMP. A cash bonus may be recommended at the discretion of the Nomination and Remuneration Committee where the performance and key objectives of the Group and the KMP have been met or exceeded. No short term incentives were paid during the year.

Long term Incentives

Options are issued under the Lemur Resources Limited Employee Share Option Plan (the "Plan"). The total potential long term incentive is set at a level so as to provide sufficient incentive to the KMP to achieve the operational targets, such that the cost to the Company is reasonable in the circumstances.

The Plan provides for KMP and employees to receive a set amount of options over ordinary shares for no consideration. The ability to exercise the options is conditional upon the employee remaining with the Company throughout the vesting period. As the intention of these incentives is solely to retain the KMP's no other performance criteria is required

In line with the Corporations Act, the Company prohibits executives and Directors from entering into arrangements to protect the value of unvested options and share awards. This includes entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

No options were issued to Key Management Personnel during the financial year.

Non-executive Directors' remuneration

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to Non-Executive Directors and reviews their remuneration regularly. The maximum aggregate amount of Directors' fees that can be paid to Non-Executive Directors is $500,000 which was approved by the sole member of the Company on 28 November 2010. Any increases to the maximum aggregate amount of Non-Executive Directors' fees that can be paid are subject to approval by shareholders.

Executive and KMP remuneration

The remuneration structure for KMP is based on a number of factors, including length of service, particular experience of the individual concerned and their role within the organisation. The contracts of service between the Group and KMP are on a continuing basis.

Employment contracts

Executive Director and CEO – Anthony Viljoen
Mr Viljoen is employed under a fixed term contract with the following significant terms:

Commencement date – 1 December 2013
Term – 2 years
Fixed remuneration – $212,000 per annum plus 9.5% statutory superannuation
Variable remuneration –Up to 50% of the fixed remuneration
Equity remuneration – 4,000,000 ordinary shares for nil consideration
Termination conditions – The Company may terminate employment without cause by providing 6 months' notice. The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the executive is only entitled to that portion of remuneration that is fixed, and only up to the date of termination. There are no termination payments provided in the employment contract.

Executive Director – Ryan Rockwood
Mr Rockwood is employed under a fixed term contract with the following significant terms:

Commencement date – 1 December 2013
Initial term – 2 years
Fixed remuneration – $180,000 per annum plus 9.5% statutory superannuation
Variable remuneration –Up to 50% of the fixed remuneration
Equity remuneration – 4,000,000 ordinary shares for nil consideration
Termination conditions – The Company may terminate employment without cause by providing 6 months' notice. The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the executive is only entitled to that portion of remuneration that is fixed, and only up to the date of termination. There are no termination payments provided in the employment contract.

The Remuneration Report for the 2014 financial year received positive shareholder support at the 2014 AGM. Results were as follows:

Discretionary	2,625,000
For	105,822,097
Against	12,753,883
Abstain	8,250,000

Remuneration of KMP and the Highest Paid Executives of the Group

For the fourteen months ended 28 February 2015

	Short-term benefits			Share based payment		Post- employment benefit				
KMP	**Salary and fees**	**Cash bonus**	**Non-monetary benefits**	**Options**	**Rights**	**Superannuation**	**Termination payments**	**Total**	**% Performance related**	**% Option**
Director										
Anthony Viljoen	247,333	26,500	-	-	75,181[3]	23,232	-	372,246	7%	-
Ryan Rockwood	210,000	22,500	-	-	75,181[3]	19,725	-	327,406	7%	-
Fortune Mojapelo	46,667	-	-	-	-	4,383	-	51,050	-	-
Jonathan Murray[1]	16,667	-	-	-	-	-	-	16,667	-	-
Shannon Coates[2]	30,000	-	-	-	-	2,842	-	32,842	-	-
Dale Hanna[4]	28,287	-	-	-	-	2,617	82,372[5]	113,276	-	-

Notes:

1. Resigned 29 May 2014
2. Appointed 29 May 2014
3. Relates to shares issued to Ryan Rockwood and Anthony Viljoen as approved at a general meeting of shareholders held on 21 February 2014
4. Terminated 28 February 2014
5. Include $25,797 of accrued annual leave

For the 12 months ended 31 December 2013

	Short-term benefits			Share based payment		Post- employment benefit			
KMP	**Salary and fees**	**Cash bonus**	**Non-monetary benefits**	**Options**	**Rights**	**Superannuation**	**Total**	**% Performance related**	**% Option**
Director									
Andrew Love[1]	12,500	-	-	-	-	1,125	13,625	-	-
Blair Sergeant[2]	220,769	-	-	-	-	20,421	241,190	-	-
Anthony Viljoen	87,507	-	-	-	44,819	8,094	140,420	-	-
Marcello Cardaci[3]	39,722	-	-	-	-	3,619	43,341	-	-
Daniel Rasoamahenina[4]	12,204	-	-	-	-	1,129	13,333	-	-
Ryan Rockwood	84,840	-	-	-	44,819	7,848	137,507	-	-
Fortune Mojapelo	26,613	-	-	-	-	2,462	29,075	-	-
Jonathan Murray[5]	5,594	-	-	-	-	517	6,111	-	-
Executive									
Dale Hanna[6]	169,725	-	-	21,849		15,487	207,061	-	11%

Notes:
1. Resigned 25 March 2013
2. Resigned 8 April 2013. Included in Mr Sergeant's Salary and Fee total is a termination payment for $156,000 representing 6 months' salary as per the terms of his employment contract
3. Resigned 5 November 2013
4. Resigned 23 April 2013
5. Appointed 6 November 2013
6. Mr Hanna was terminated as an employee on the 28 February 2014 and appointed as a consultant pursuant to a consultancy agreement

Options Granted, Vested, Exercised and Lapsed During the Year

28 February 2015
No options were granted, vested, exercised or lapsed during the period.

31 December 2013
No options were granted, vested, exercised or lapsed during the period.

Value of Options Granted, Exercised and Lapsed During the Year

28 February 2015
No options were granted, exercised or lapsed during the year.

31 December 2013
No options were granted, exercised or lapsed during the year.

Rights Granted, Vested, Exercised and Lapsed During the Year

28 February 2015

Key Management Personnel	Held at 1 January 2014	Granted	Exercised	Lapsed	Held at 28 February 2015	Vested and exercisable at 28 February 2015	% of options vested
Specified Directors							
Anthony Viljoen	4,000,000	-	(4,000,000)	-	-	-	-
Ryan Rockwood	4,000,000	-	(4,000,000)	-	-	-	-
Fortune Mojapelo	-	-	-	-	-	-	-
Jonathan Murray[1]	-	-	-	-	-	-	-
Shannon Coates[2]	-	-	-	-	-	-	-
TOTAL	8,000,000	-	(8,000,000)	-	-	-	-

Notes:
1. Resigned 29 May 2014
2. Appointed 29 May 2014

31 December 2013

No rights were granted, vested, exercised or lapsed during the year.

Value of Rights Granted, Exercised and Lapsed During the Year

28 February 2015

At the Company's General Meeting held on 21 February 2014, the shareholders approved the issue of 4 million ordinary shares to Anthony Viljoen and 4 million ordinary shares to Ryan Rockwood. These Shares were subsequently issued on 24 February 2014.

	Anthony Viljoen	Ryan Rockwood
Number of ordinary shares granted	4,000,000	4,000,000
Vesting conditions	none	none
Grant date	21 February 2014	21 February 2014
Measurement date	01 December 2013	01 December 2013
Valuation	$120,000 being the share price at date of grant multiplied by the number of ordinary shares granted	$120,000 being the share price at date of grant multiplied by the number of ordinary shares granted
Service period commencing	26-November-2013	26-November-2013

31 December 2013

No rights were granted, exercised or lapsed during the year.

Shares held by key management personnel

28 February 2015

	Fully Paid Ordinary Shares			
Key Management Personnel	**Held at 1 January 2014**	**Acquired during the year**	**Granted as remuneration**	**Held at 28 February 2015**
Specified Directors				
Anthony Viljoen	-	-	4,000,000	4,000,000
Ryan Rockwood	250,000	-	4,000,000	4,250,000
Fortune Mojapelo	-	-	-	-
Jonathan Murray1	-	-	-	-
Shannon Coates2	-	-	-	-
TOTAL	250,000	-	8,000,000	8,250,000

Notes:
1. Resigned 29 May 2014
2. Appointed 29 May 2014

Loans to key management personnel
There were no loans to key management personnel during the year.

Other transactions and balances with key management personnel
There were no transactions or balances with key management personnel other than those disclosed below, Employee shares as disclosed in the Share Based Payments note 19 and the Related Party Disclosures note 24.

Transactions with Director related entities:

- The Company entered into a consultancy agreement dated 20/11/2014 with VM Investment Company (Pty) Ltd (VMI) under which it was paid a consultancy fee of $10,000 per calendar month (GST free) for project identification and review services. The agreement can be terminated by the Company by providing 6 months written notice, or immediately due to misconduct. Mr Anthony Viljoen and Mr Fortune Mojapelo are directors and collectively hold 100% of the issued equity in VMI.

  Under the contract VMI was paid $80,000 during the financial period.

- The Company entered into a consultancy agreement on 25 May 2011 with Evolution Capital Partners Pty Ltd as trustee for the Evolution Trust. On 1 July 2014, the agreement was novated to Evolution Corporate Services Pty Ltd as trustee for the Evolution Trust (Evolution). Under the agreement, the Company paid the following consultancy fee's:

  Registered office and company secretarial services provided by Evolution's employees, including Shannon Coates
    - $5,000 per calendar month (plus GST) for the period 25/05/2011 to 1/07/2014, and
    - $4,000 per calendar month (plus GST) for the period 1/07/2014 to ongoing.

  Corporate advisory services (in addition to company secretarial services) provided by a consultant to Evolution
    - $5,000 per calendar month (plus GST) for the period 1/07/2014 to 31/03/2015.

  The agreement had a 3 year initial term during which the contract could not be terminated, subject to misconduct clauses. After the 3 year anniversary, the Company can terminate the contract by giving three months' notice.

  Ms Shannon Coates is a director of Evolution and her family trust is one of the beneficiaries of the Evolution Trust.

  Under the contract, Evolution was paid $112,611 (plus GST) during the financial period.

- The Company entered into a sub-lease agreement on 15 October 2011 with Evolution Capital Partners Pty Ltd as trustee for the Evolution Trust under which it made lease payments of $7,550 per calendar month (plus GST) for head office space and car parking at 3 Richardson Street, West Perth. The sub-lease was for a minimum term of 12 months, following which from 15 October 2012 it could be terminated by either party by providing 6 written months' notice.

  On 15 March 2013 the above sub- lease agreement was mutually varied such that the head office and car parking were relocated to 83 Havelock Street, West Perth and the lease payments were revised downward to $5,500 per calendar month (plus GST). The sub-lease was for a minimum term of 7 months, following which from 15 October 2013 it could be terminated by either party by providing 6 written months' notice.

  Notice to terminate 50% of the sub- let space was given on 15 October 2013 and further notice was given on the remaining 50% of the sub- let space on 15 January 2014.

  Shannon Coates is a director of Evolution and her family trust is one of the beneficiaries of the Evolution Trust.

  Under the sub-lease agreements, Evolution was paid $28,999 (plus GST) between during the financial period.

- The Company entered into a sub-lease agreement on 27 November 2013 with VMI under which it made payments of ZAR 70,000 per calendar month (plus VAT) for head office space and car parking at 24 Fricker Road, Block A llovo, Johannesburg, 2116. Under the lease terms, and in recognition of historical occupancy, the commencement date was 1 August 2013. The sub-lease can be terminated by either party by providing 3 months' written notice.

- Under the sub- lease VMI was paid $110,996 during the financial period.

END OF AUDITED REMUNERATION REPORT

Auditor Independence and Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all material non-audit services are reviewed and approved by the Board of Directors prior to commencement to ensure that they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence as set out in APES110 Code of Ethics for Professional Accountants.

The following fees for non-audit services were paid to the external auditors during the 14 months ended 28 February 2015:

- Tax Compliance Services $17,500

Auditor's Independence Declaration

The Auditor's Independence Declaration for the 14 months ended 28 February 2015 is included at page 27 and forms part of this Directors' Report.

Corporate Governance

In recognising the need for the highest standard of corporate behaviour and accountability, the Directors support and have adhered to the principles of corporate governance as recommended by the ASX. The Group's Corporate Governance Statement is included in this report immediately after the Auditor's Independence Declaration.

Share Options

At the date of this report 500,000 options to acquire ordinary shares in Lemur Resources Limited were on issue as follows:

Table 6: Share Options

Number	Expiry date	Exercise price	Transferable/ Non- Transferable
500,000	15/11/2017	$0.15	Non- Transferable

The options are non- transferable unless the Board, in its absolute discretion, permits options to be transferred.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

No options were exercised during the period or in the period up to the date of this report.

Insurance and Indemnity of Officers

Under Lemur's Constitution, unless arising out of conduct involving a lack of good faith, Lemur must indemnify, to the extent permitted by law, each Director, secretary, executive officer and employee of Lemur against:

- any liability incurred by each such person in their capacity as director, secretary, executive officer or employee, as the case may be:
- any liability incurred:
  - in defending civil or criminal proceedings in which judgement is given in their favour or in which they are acquitted;
  - in connection with any application relating to such proceedings in which relief is granted to them under the Corporations Act or the corresponding law of another jurisdiction; or
  - in connection with any investigation of any kind relating to the affairs or conduct of Lemur in which they are examined or required to give evidence or produce documents.

Each of the Directors named in this report has the benefit of this indemnity, which extends to all Directors, secretaries, executive officers and employees of Lemur.

No amount was paid under these indemnities during the 14 month period ended 28 February 2015 or since that date.

The Constitution permits Lemur to pay or agree to pay premiums in respect of any contract of insurance which insures any person who is or has been a Director, secretary, executive officer or employee of Lemur against any liability incurred by that person in any such capacity and being a liability:

- for costs and expenses in defending proceedings (whether civil or criminal), whatever their outcome; and
- not arising out of conduct involving a wilful breach of duty or which contravenes section 232(5) and (6) of the Corporations Act.

Lemur has the following insurance cover in respect of amounts that Lemur may have to pay under any of the indemnities set out above:

- $35,136 - Directors and officers insurance. This policy has been taken out by Lemurs' controlling shareholder Bushveld Minerals Ltd, and paid for by Lemur Resources Limited.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Risk Management

The Group takes a proactive approach to risk management including monitoring actual performance against budgets and forecasts. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

Environmental Regulations and Performance

The Group is required to carry out the exploration and evaluation of its mining tenements in accordance with various country and state government Acts and Regulations.

In regard to environmental considerations, the Group is required to obtain approval from various country and state regulatory authorities before any exploration requiring ground disturbance is carried out. It is normally a condition of such regulatory approval that any area of ground disturbed during the Group's activities is rehabilitated in accordance with various guidelines.

There have been no significant breaches of these guidelines.

This report is made in accordance with a resolution of the Board of Directors.

Fortune Mojapelo
Non- Executive Director
Perth
29 May 2015

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Auditor's independence declaration to the Directors of Lemur Resources Limited

In relation to our audit of the financial report of Lemur Resources Limited for the fourteen months ended 28 February 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
29 May 2015

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Lemur Resources Limited ("Lemur" or "Company") is responsible for the establishment of a corporate governance framework that has regard to the best practice recommendations set by the ASX Corporate Governance Council. Lemur's objective is to achieve best practice in corporate governance, having due regard to the practicality of implementation of the best practice recommendations given the current nature and scale of the Company's activities, and the Company's Board, senior executives and employees are committed to achieving this objective.

This statement summarises the corporate governance practices that have been adopted by the Board and reports on an "if not, why not" basis those recommendations the Company has opted not to follow. In addition to the information contained in this statement, the Company's website at www.lemurresources.com.au contains additional details of its corporate governance procedures and practices.

The table below summarises the Company's compliance with the Second Edition of the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations ("Recommendations"). The Company notes the fourteen months ended 28 February 2016, the third edition of the Recommendations will be reported against.

Recommendation		Comply Yes / No	Page Reference / explanation	ASX Listing Rule / CGC recommendations
Principle 1 — Lay solid foundations for management and oversight				
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes	30	ASX CGC 1.1
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Yes	30	ASX CGC 1.2
1.3	Companies should provide the information indicated in the guide to reporting on Principle 1.	Yes	30	ASX CGC 1.3
Principle 2 — Structure the board to add value				
2.1	A majority of the board should be independent directors.	No	31	ASX CGC 2.1
2.1	The chair should be an independent director.	N/A	31	ASX CGC 2.2
2.3	The roles of chair and chief executive officer (CEO) should not be exercised by the same individual.	Yes	31	ASX CGC 2.3
2.4	The board should establish a nomination committee.	Yes	31	ASX CGC 2.4
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Yes	30	ASX CGC 2.5
2.6	Companies should provide the information indicated in the guide to reporting on Principle 2.	Yes	30-31	ASX CGC 2.6
Principle 3 — Promote ethical and responsible decision-making				
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: ➢ The practices necessary to maintain confidence in the company's integrity ➢ The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders ➢ The responsibility and accountability of individuals for reporting and investigating reports of unethical practices	Yes	32	ASX CGC 3.1
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both	Yes	32	ASX CGC 3.2

	the objectives and progress in achieving them.			
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	No	32	ASX CGC 3.3
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive's positions and women on the board.	Yes	32	ASX CGC 3.4
3.5	Companies should provide the information indicated in the guide to reporting on Principle 3.	Yes	32	ASX CGC 3.5
Principle 4 — Safeguard integrity in financial reporting				
4.1	The board should establish an audit committee.	Yes	33	ASX CGC 4.1
4.2	The audit committee should be structured so that it: ➢ Consists only of non-executive directors ➢ Consists of a majority of independent directors ➢ Is chaired by an independent chair, who is not chair of the board ➢ Has at least three members	 No No No Yes	33	ASX CGC 4.2 ASX LR 12.7
4.3	The audit committee should have a formal charter.	Yes	33	ASX CGC 4.3
4.4	Companies should provide the information indicated in the guide to reporting on Principle 4.	Yes	33	ASX CGC 4.4
Principle 5 — Make timely and balanced disclosure				
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes	33	ASX CGC 5.1
5.2	Companies should provide the information indicated in the guide to reporting on Principle 5.	Yes	33	ASX CGC 5.2
Principle 6 — Respect the rights of shareholders				
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	33	ASX CGC 6.1
6.2	Companies should provide the information indicated in the guide to reporting on Principle 6.	Yes	33	ASX CGC 6.2
Principle 7 — Recognise and manage risk				
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	34	ASX CGC 7.1
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Yes	34	ASX CGC 7.2
7.3	The board should disclose whether it has received assurance from the CEO (or equivalent) and the Chief Financial Officer (CFO) (or equivalent) that the declaration provided in accordance with section 295A of the *Corporations Act* is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	34	ASX CGC 7.3
7.4	Companies should provide the information indicated in the guide to reporting on Principle 7.	Yes	34	ASX CGC 7.4

Principle 8 — Remunerate fairly and responsibly				
8.1	The board should establish a remuneration committee.	Yes	31	ASX CGC 8.1
8.2	The remuneration committee should be structured so that it: ➢ Consists of a majority of independent directors ➢ Is chaired by an independent chair ➢ Has at least three members	 No No Yes	31	ASX CGC 8.2
8.3	Companies should clearly distinguish the structure of non-executive director's remuneration from that of executive directors and senior executives.	Yes	17	ASX CGC 8.3
8.4	Companies should provide the information indicated in the guide to reporting on Principle 8.	Yes	17, 31	ASX CGC 8.4

ASX Best Practice Recommendations
Unless otherwise stated, Lemur's corporate governance practices were in place throughout the 14 month period ended 28 February 2015.

Evaluation of Board and Senior Executive performance
A process has been established to review and evaluate the performance of the Board, individual Directors and senior executives. The Board is required to meet annually with the specific purpose of reviewing the role of the Board, assessing the performance of the Board and individual Directors over the previous 12 months and examining ways in which the Board can better perform its duties. A Board performance review was not conducted in the 2014 financial year due to Board turnover. The Company's annual Board review to consider the 2014 financial year is scheduled to take place within four months of the end of the financial year.

The Managing Director (or equivalent) is responsible for assessing the performance of the key executives within the Company. This is performed through a formal process involving a formal meeting with each senior executive.

Role and Responsibilities of the Board
The Board is responsible for guiding and monitoring the Company on behalf of shareholders. The specific responsibilities of the Board include:

(a) appointment of the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;

(b) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;

(c) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;

(d) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;

(e) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;

(f) approving the annual, half yearly and quarterly accounts;

(g) approving significant changes to the organisational structure;

(h) approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with ASX Listing Rules and the Corporations Act 2001 (Cth));

(i) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;

(j) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules) (see Section 2 below); and

(k) meeting with the external auditor, at their request, without management being present.

In accordance with ASX Principle 1, the Board has established a Board Charter which sets out functions reserved to the Board and those delegated to senior executives. This Charter is available on the Company's website. The Board has delegated responsibilities and authorities to management to enable management to conduct the Company's day to day activities. Matters which are not covered by these delegations, such as approvals which exceed certain limits, require Board approval.

Board composition
At the date of this Annual Report, the Board is comprised of two executive Directors and two non-executive Directors (one of whom is considered independent). The Company does not currently have a Chairman.

The Company's website contains details on the procedures for the selection and appointment of new Directors and the re-election of incumbent Directors, together with the Board's policy for the nomination and appointment of Directors.

ASX Principle 2 recommends the Board establish a Nomination Committee to focus on the selection and appointment practices of the Company. It is further recommended that the Nomination Committee have a formal Charter.

The Company has established a Nomination and Remuneration Committee, comprised of one executive Director and two non-executive Directors (one of which is considered to be independent) and is currently chaired by Mr Fortune Mojapelo.

Given the composition of the Board, the formation of a Remuneration and Nomination Committee in accordance with Principle 8.2 of the ASX Corporate Governance Council's recommendations is not possible. The Board considers this present structure is appropriate given its current circumstances until such time as it is able to appoint further independent non-executive Directors to the Board. Both the Nomination and Remuneration Committee have a formal Charter, and are in compliance with each Charter to the furthest extent possible other than as limited by the Board's current composition. Both the Nomination and Remuneration Committee Charters are available on the Company's website, and both include information on the Company's approach to selection and appointment of Directors. The Nomination and Remuneration Committee held one meeting during the period.

The composition of the Board is reviewed at least annually to ensure the balance of skills and experience is appropriate. The current Directors have the broad range of qualification, experience and expertise within the technical, mining exploration, finance and legal industries that the Board is looking to achieve. The skills, experience and expertise of Directors is set out in the Directors' Report.

The names of the Directors in office and at the date of this Report, the year they were first appointed and their status as non-executive, executive or independent Directors is set out in the Directors' Report. It is intended that Mr Fortune Mojapelo will retire by rotation and seek re-election by shareholders at the 2014 Annual General Meeting.

Independence of non-executive Directors
The Board considers an independent Director to be a non-executive Director who meets the criteria for independence included in Principle 2 of the ASX Corporate Governance Principles and Recommendations. Materiality for these purposes is based on quantitative and qualitative bases. An amount of over 5% of the

annual turnover of the Company or 5% of the individual Directors' net worth is considered material for these purposes.

The Board has reviewed and considered the positions and associations of each of the Directors in office at the date of this report and consider that a majority of the Directors are not independent as Mr Viljoen and Mr Rockwood are executives and Mr Mojapelo is a Director of the Company's major shareholder, Bushveld Minerals Limited. Whilst this arrangement is not in accordance with Principle 2.1 of the ASX Corporate Governance Council's recommendations, the Company is comfortable that the Board composition is appropriate due to the Company's circumstances and the broad range of skills and experience the Board members bring to the Company. Furthermore, the Company is confident that independent judgement is exercised by all members of the Board and that its current composition is not detrimental to the Company.

Independent professional advice

The Board has adopted a formal policy on access to independent professional advice which provides that Directors are entitled to seek independent professional advice for the purposes of the proper performance of their duties. The advice is at the Company's expense and advice so obtained is to be made available to all Directors.

Meetings

The Board held 5 scheduled meetings during the reporting period and no unscheduled meetings were held during that year.

The attendance of Directors at Board meetings during the period ended 28 February 2015 is detailed in the Directors' Report.

Code of Conduct

The Board encourages appropriate standards of conduct and behaviour from Directors, officers, employees and contractors of the Company.

The Board has adopted a Code of Conduct in relation to Directors and employees, available from the Company's website. This Code of Conduct is regularly reviewed and updated as necessary to ensure that it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

A fundamental theme is that all business affairs are conducted legally, ethically and with strict observance of the highest standards of integrity and propriety.

Diversity

ASX Principle 3 recommends companies establish a policy concerning diversity and disclose the policy or a summary of that policy. It further recommends that companies should disclose in each annual report measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them. Lemur has established a Diversity Policy having regard to the suggestions set out in the new ASX Corporate Governance Principles and Recommendations. Our diversity policy covers gender, age, ethnicity and cultural background. It includes a requirement that the Board establish measurable objectives for achieving gender diversity, with progress in achieving these objectives assessed annually by the Nomination and Remuneration Committee. Due to the current nature and scale of Lemur's activities, the Board has not established measurable objectives for achieving gender diversity but will review this position on a regular basis going forward. The Company currently has no female employees or senior executives but one female Director (comprising 25% of Board).

Financial Reporting
ASX Principle 4 recommends the Board establish an Audit Committee to focus on issues relevant to the integrity of the Company's financial reporting. It is further recommended the Audit Committee have a formal Charter.

The Company has established an Audit and Risk Management Committee which operates in accordance with a formal Audit and Risk Management Committee Charter, available from the Company's website. The Audit and Risk Management Committee Charter promotes an environment consistent with best practice financial reporting and includes information on procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners.

The Audit and Risk Management Committee comprises two non-executive Directors (one of whom is considered independent) and one Executive Director and is currently chaired by Mr Fortune Mojapelo. The Audit and Risk Management Committee held one meeting during the period.

Given the composition of the Board, it is not possible for the Audit and Remuneration Committee to comply with Principle 4.2 of the ASX Corporate Governance Council's recommendations. However, the Board considers this structure is presently appropriate given its current circumstances and is not detrimental to the Company.

Continuous Disclosure
In accordance with ASX Principle 5, the Board has an established Continuous Disclosure Policy which is available from the Company's website.

The Company is committed to:

(a) complying with the general and continuous disclosure principles contained in the Corporations Act and the ASX Listing rules;

(b) preventing the selective or inadvertent disclosure of material price sensitive information;

(c) ensuring shareholders and the market are provided with full and timely information about the Company's activities; and

(d) ensuring that all market participants have equal opportunity to receive externally available information issued by the Company.

Shareholder Communication
In accordance with ASX Principle 6, the Board has established a communications strategy which is available from the Company's website. The Board aims to ensure that shareholders are kept informed of all major developments affecting the Company.

The Managing Director (or equivalent) and Company Secretary have primary responsibility for communication with shareholders. Information is communicated through:

(a) continuous disclosure to relevant stock markets of all material information;

(b) periodic disclosure through the annual report (or concise annual report), half year financial report and quarterly reporting of corporate activities;

(c) notices of meetings and explanatory material;

(d) the annual general meeting;

(e) periodic newsletters or letters from the Company; and

(f) the Company's web-site at www.lemurresources.com.au

The Company is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market.

Shareholders are encouraged at annual general meetings to ask questions of Directors and senior management and also the Company's external auditors, who are requested to attend the Company's annual general meetings.

Risk Management

In accordance with ASX Principle 7, the Company has a policy for the oversight and management of material business risks, which is available on the Company's website.

Management determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Company's process of risk management and internal compliance and control includes:

(a) establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives;

(b) continuously identifying and reacting to risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;

(c) formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls; and

(d) monitoring the performance of, and continuously improving the effectiveness of, risk management systems and internal compliance and controls, including an ongoing assessment of the effectiveness of risk management and internal compliance and control.

Within the identified risk profile of the Company, comprehensive practices are in place that are directed towards achieving the following objectives:

(a) effectiveness and efficiency in the use of the Company's resources;

(b) compliance with applicable laws and regulations; and

(c) preparation of reliable published financial information.

The Board oversees an ongoing assessment of the effectiveness of risk management and internal compliance and control, requiring management appraise the Board of changing circumstances within the Company and within the international business environment. During the reporting period, the Managing Director (or equivalent) regularly reported to the Board as to the effectiveness of the Company's management of its material business risks. Further, in accordance with Principle 7, the Managing Director (or equivalent) and Chief Financial Officer have confirmed in writing to the Board that:

(a) the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results are in accordance with relevant accounting standards;

(b) the above confirmation is founded on a sound system of risk management and internal compliance and control which implements the policies of the Board; and

(c) the Company’s risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Securities Trading

The Board has adopted a Securities Trading Policy which complies with the requirements of Listing Rule 12.12 and which regulates dealings by Directors, officers and employees in securities issued by the Company.

The policy, which is available on the Company’s website, includes the Company’s closed periods, restrictions on trading that apply to the Company’s key management personnel, trading that is not subject to the policy, exceptional circumstances in which key management personnel may be permitted to trade during a prohibited period with prior written clearance and the procedure for obtaining written clearance. The policy provides that employees, Directors and officers must not enter into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first seeking and obtaining written acknowledgement from the Chair.

Privacy

The Company has resolved to comply with the Australian Privacy Principles pursuant to the Privacy Act 1988, to the extent required for a company the size and nature of Lemur.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	CONSOLIDATED 28 February 2015 $	CONSOLIDATED 31 December 2013 $
CURRENT ASSETS			
Cash	17	14,288,322	16,138,212
Trade and other receivables	9	21,291	14,751
Other current assets	10	38,391	97,716
TOTAL CURRENT ASSETS		14,348,004	16,250,679
NON-CURRENT ASSETS			
Plant and equipment	11	95,253	309,648
Deferred exploration and evaluation expenditure	12	11,135,670	10,804,591
TOTAL NON-CURRENT ASSETS		11,230,923	11,114,239
TOTAL ASSETS		25,578,927	27,364,918
CURRENT LIABILITIES			
Trade and other payables	13	151,982	144,486
Provisions	14	-	23,305
TOTAL CURRENT LIABILITIES		151,982	167,791
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		151,982	167,791
NET ASSETS		25,426,945	27,197,127
EQUITY			
Contributed equity	15	29,571,780	29,502,731
Employee share option reserve		25,000	25,000
Accumulated losses		(4,169,836)	(2,330,605)
Equity attributable to owners of parent		25,426,944	27,197,126
Non- controlling interest		1	1
TOTAL EQUITY		25,426,945	27,197,127

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	CONSOLIDATED 14 months ended 28 February 2015 $	CONSOLIDATED 12 months ended 31 December 2013 $
REVENUE			
Interest revenue	6	**618,465**	**700,486**
OTHER INCOME			
Unrealised foreign exchange gain		-	2,319
EXPENSES			
Directors' and employee benefits expenses	7(a)	916,698	845,884
Business development expenses		269,773	84,237
Occupancy expenses		156,197	143,766
Professional services expenses	7(b)	325,513	304,521
Public and investor relations expense		-	26,823
Takeover defence	7(c)	-	276,996
Project evaluation		-	6,015
Depreciation		298,164	201,498
Other expenses		119,000	141,572
Drill rig and mobilisation costs		369,525	-
Loss on sale of plant and equipment		2,826	-
LOSS BEFORE INCOME TAX		**1,839,231**	**1,328,507**
Income tax expense	8	-	-
LOSS FOR THE YEAR		**1,839,231**	**1,328,507**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**1,839,231**	**1,328,507**
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Members of the parent		**1,839,231**	**1,328,507**
Non- controlling interest		-	-
		1,839,231	**1,328,507**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Members of the parent		**1,839,231**	**1,328,507**
Non- controlling interest		-	-
		1,839,231	**1,328,507**
Basic loss per share (cents per share)	16	0.92 cents	0.69 cents
Diluted loss per share (cents per share)	16	0.92 cents	0.69 cents

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Contributed Equity	Employee Share Option Reserve	Accumulated Losses	Non-Controlling Interest	Total
	$	$	$	$	$
At 1 January 2013	29,502,731	3,151	(1,002,098)	1	28,503,785
Loss for the year	-	-	(1,328,507)	-	(1,328,507)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	(1,328,507)	-	(1,328,507)
Transactions with owners in their capacity as owners					
Share based payments	-	21,849	-	-	21,849
At 31 December 2013	29,502,731	25,000	(2,330,605)	1	27,197,127
Loss for the period	-	-	(1,839,231)	-	(1,839,231)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	(1,839,231)	-	(1,839,231)
Transactions with owners in their capacity as owners					
Share based payments	240,000	-	-	-	240,000
Share buy back	(170,951)	-	-	-	(170,951)
At 28 February 2015	29,571,780	25,000	(4,169,836)	1	25,426,945

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	CONSOLIDATED 14 months ended 28 February 2015 $	CONSOLIDATED 12 months ended 31 December 2013 $
CASH FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,936,132)	(1,778,572)
Interest received		674,865	721,585
NET CASH USED IN OPERATING ACTIVITIES	17(b)	(1,261,267)	(1,056,987)
CASH FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation		(289,149)	(876,308)
Payments for IPP development costs		(41,929)	-
Payments for plant and equipment		(87,594)	(3,571)
Proceeds from sale of plant and equipment		1,000	-
NET CASH USED IN INVESTING ACTIVITIES		(417,672)	(879,879)
CASH FROM FINANCING ACTIVITIES			
Share buy back		(170,951)	-
NET CASH FROM FINANCING ACTIVITIES		(170,951)	-
NET DECREASE IN CASH HELD		(1,849,890)	(1,936,866)
CASH AT THE BEGINNING OF THE YEAR		16,138,212	18,072,759
FOREIGN EXCHANGE VARIANCES ON CASH		-	2,319
CLOSING CASH BALANCE		14,288,322	16,138,212

The above statement of cash flows should be read in conjunction with the accompanying notes.

1. CORPORATE INFORMATION

The financial report of Lemur Resources Limited ("the Company") and its controlled entities ("the Consolidated Entity" or "the Group") for the fourteen months ended 28 February 2015 was authorised for issue in accordance with a resolution of the Directors on 29 May 2015.

Lemur Resources Limited is a company limited by shares, incorporated and domiciled in Australia, and whose shares are publicly traded on the Australian Securities Exchange ("ASX").

The nature of the operations and principal activities of the Consolidated Entity are mineral exploration and project development which is further described in the Directors' Report.

Lemur Resources Limited is a for-profit entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

Change in Financial Year End Date
The Company obtained approval from the Australian Securities and Investments Commission ("ASIC") to change its financial year end date from 31 December to 28 February to align with their ultimate parent Bushveld Minerals Limited. As a result, the current financial year of the Company is the 14 month period 1 January 2014 to 28 February 2015. As such, the amounts presented in the financial report are not entirely comparable.

The financial report is presented in Australian dollars.

(b) Going concern

The financial report has been prepared on a going concern basis. In arriving at this position the Directors have had regard to the fact that the Consolidated Entity has sufficient cash and other assets to fund administrative and other committed expenditure for a period of not less than 12 months from the date of this report.

(c) Compliance statement

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board ("AASB") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

(d) Changes in accounting policy, disclosures, standards and interpretations

Except as disclosed below, the accounting policies applied are consistent with the prior year.

(i) Adoption of new and amended Accounting Standards and Interpretations

In the current year, the Group has adopted all of the new and revised Standards and Interpretations, effective from 1 January 2014, issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations which have not resulted in any significant changes to accounting policies but disclosure impact as noted:

- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (AASB 124)

- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities which resulted in the reallocation of disclosures from the related parties notes to the remuneration report given consequential changes to the Corporations Act
- Interpretation 21 Levies
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting
- AASB 1031 Materiality
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments

(ii) Accounting Standards and Interpretations issued but not yet effective
The Australian Accounting Standards and Interpretations that are issued or amended but not yet effective up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards and interpretations, if applicable, when they become effective. The Group has yet to determine the full impact of these new and revised accounting standards and interpretations.

Reference	**Title**	**Summary**	**Application date of standard**	**Application date for Group**
AASB 1055	Budgetary Reporting	This standard specifies budgetary disclosure requirements for the whole of government, General Government Sector (GGS) and not-for-profit entities within the GGS of each government. AASB 2013-1 removes the requirements relating to the disclosure of budgetary information from AASB 1049 (without substantive amendment). All budgetary reporting requirements applicable to public sector entities are now located in AASB 1055.	1 July 2014	1 April 2015
AASB 9	Financial Instruments	AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to	1 January 2018	1 April 2018

Reference	Title	Summary	Application date of standard	Application date for Group
		present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E. AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.		
AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2010–2012 Cycle	AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle. Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items: ► AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ► AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. ► AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets. ► AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. ► AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.	1 July 2014	1 April 2015

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 2014-1 Part A -Annual Improvements 2011–2013 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2011–2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items: ► AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. ► AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.	1 July 2014	1 April 2015
AASB 14 ^^^	Regulatory deferral accounts	AASB 14 permits first-time adopters to continue to account for amounts related to rate regulation in accordance with their previous GAAP when they adopt Australian Accounting Standards. However, to enhance comparability with entities that already apply Australian Accounting Standards and do not recognise such amounts, AASB 14 requires that the effect of rate regulation must be presented separately from other items. An entity that is not a first-time adopter of Australian Accounting Standards will not be able to apply AASB 14. AASB 2014-1 Part D makes amendments to AASB 1 First-time Adoption of Australian Accounting Standards, which arise from the issuance of AASB 14 Regulatory Deferral Accounts in June 2014.	1 January 2016	1 April 2016
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	AASB 2014-3 amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require: (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. This Standard also makes an editorial correction to AASB 11	1 January 2016	1 April 2016
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	AASB 116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	1 April 2016
AASB 2014-6	Amendments to Australian Accounting Standards – Agriculture: Bearer Plants [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]	The amendments require that bearer plants such as grape vines, rubber trees and oil palms, should be accounted for in the same way as property, plant and equipment in AASB 116 Property, Plant and Equipment, because their operation is similar to that of manufacturing. The produce growing on bearer plants will remain within the scope of AASB 141. This Standard also makes various editorial corrections to other Australian Accounting Standards.	1 January 2016	1 April 2016

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 2014-1 Part B Amendments to AASB 119	Amendments to Australian Accounting Standards - Part B Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)	AASB 2014-Part B makes amendments in relation to the requirements for contributions from employees or third parties that are set out in the formal terms of the benefit plan and linked to service. The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.	1 July 2014	1 April 2015
AASB 15	Revenue from Contracts with Customers	In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue—Barter Transactions Involving Advertising Services). The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Early application of this standard is permitted. AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.	1 January 2017	1 April 2017 Note A
AASB 1056	Superannuation Entities	AASB 1056 is a new Standard applying to superannuation entities replacing AAS 25 Financial Reporting by Superannuation Plans. This new standard specifies requirements for general purpose financial statements of superannuation entities and results in significant changes to presentation of financial statements, measurement and disclosure of defined benefit obligations and disclosure of disaggregated financial information.	1 July 2016	1 April 2017
AASB 2014-2	Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements [AASB 1053]	The Standard makes amendments to AASB 1053 Application of Tiers of Australian Accounting Standards to: • clarify that AASB 1053 relates only to general purpose financial statements; • make AASB 1053 consistent with the availability of the AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors option in AASB 1 First-time Adoption of Australian Accounting Standards; • clarify certain circumstances in which an entity applying Tier 2 reporting requirements can apply the AASB 108 option in AASB 1; permit an entity applying Tier 2 reporting requirements for the first time to do so directly using the requirements in AASB 108 (rather that applying AASB 1) when, and only when, the entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its most recent previous annual special purpose financial statements; and • specify certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements.	1 July 2014	1 April 2015
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	AASB 2014-9 amends AASB 127 Separate Financial Statements, and consequentially amends AASB 1 First-time Adoption of Australian Accounting Standards and AASB 128 Investments in Associates and Joint Ventures, to allow entities to	1 January 2016	1 April 2016

Reference	Title	Summary	Application date of standard	Application date for Group
		use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. AASB 2014-9 also makes editorial corrections to AASB 127. AASB 2014-9 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.		
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require: (a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and (b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. AASB 2014-10 also makes an editorial correction to AASB 10. AASB 2014-10 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.	1 January 2016	1 April 2016
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	The subjects of the principal amendments to the Standards are set out below: AASB 5 Non-current Assets Held for Sale and Discontinued Operations: • Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change. AASB 7 Financial Instruments: Disclosures: • Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7. • Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 Disclosure–Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134. AASB 119 Employee Benefits: • Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level. AASB 134 Interim Financial Reporting:	1 January 2016	1 April 2016

Reference	Title	Summary	Application date of standard	Application date for Group
		• Disclosure of information 'elsewhere in the interim financial report' -amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.		
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 April 2016
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015	1 April 2016
AASB 2015-4	Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent	The amendment aligns the relief available in AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures in respect of the financial reporting requirements for Australian groups with a foreign parent	1 July 2015	1 April 2016
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception	This makes amendments to AASB 10, AASB 12 Disclosure of Interests in Other Entities and AASB 128 arising from the IASB's narrow scope amendments associated with Investment Entities.	1 July 2015	1 April 2016
AASB 9	Financial Instruments	AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. Amendments to AASB 9 (December 2009 & 2010 editions)(AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. e. Financial assets that are debt instruments will be	1 January 2018	1 March 2018

Reference	Title	Summary	Application date of standard	Application date for Group
		classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. f. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. g. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. h. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E. AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.		
AASB 2014-1 Part A - Annual Improvements 2010–2012 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2010–2012 Cycle	AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle. Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items: ► AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ► AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. ► AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets. ► AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. ► AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments	1 July 2014	1 March 2015

Reference	Title	Summary	Application date of standard	Application date for Group
		made to a management entity in respect of KMP services should be separately disclosed.		
AASB 2014-1 Part A - Annual Improvements 2011–2013 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2011–2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items: ► AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. ► AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.	1 July 2014	1 March 2015
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	AASB 2014-3 amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require: (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. This Standard also makes an editorial correction to AASB 11	1 January 2016	1 March 2016
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	AASB 116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	1 March 2016
AASB 15	Revenue from Contracts with Customers	In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue—Barter Transactions Involving Advertising Services). The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Early application of this standard is permitted. AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including	1 January 2017	1 March 2017

Reference	Title	Summary	Application date of standard	Application date for Group
		Interpretations) arising from the issuance of AASB 15.		
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	The subjects of the principal amendments to the Standards are set out below: AASB 5 Non-current Assets Held for Sale and Discontinued Operations: • Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change. AASB 7 Financial Instruments: Disclosures: • Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7. • Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 Disclosure–Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134. AASB 119 Employee Benefits: • Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level. AASB 134 Interim Financial Reporting: • Disclosure of information 'elsewhere in the interim financial report' -amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.	1 January 2016	1 March 2016
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 March 2016
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015	1 March 2016

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 2015-4	Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent	The amendment aligns the relief available in AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures in respect of the financial reporting requirements for Australian groups with a foreign parent	1 July 2015	1 March 2016

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of Lemur Resources Limited and its subsidiaries as at and for the 14 months period ended 28 February in the current and the 12 months period ended in the prior year ended 31 December.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions, have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Investments in subsidiaries held by Lemur Resources Limited are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount an impairment loss is recognised.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position separately from the equity of the owners of the parent.

Total comprehensive income within a subsidiary is attributable to non-controlling interest even if that results in a deficit balance.

(g) Segment reporting

The Consolidated Entity has identified its operating segment based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Consolidated Entity operates in one operating segment. The operations of the Consolidated Entity consist of mineral exploration within Madagascar.

(h) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars (AUD), which is the Company's functional and presentation currency. The controlled entities functional currencies are also Australian dollars (AUD).

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. When exchange differences arise they are recorded directly in profit and loss.

(i) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

For the purposes of the Statement of Cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(j) Trade and other receivables

Trade receivables are generally paid on 30 day settlement terms and are recognised and carried at original invoice amount less an allowance for impairment. Trade receivables are non-interest bearing. Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified.

An impairment allowance is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 120 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(k) Investments and other financial assets

Investments and financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available for sale financial assets. The classification depends on the purpose for which the investments were acquired.

(l) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of these items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Depreciation is calculated using a straight line method to allocate their cost over their estimated useful lives. The expected useful lives are as follows:

- Plant and Equipment (Mine site) – 1 to 3 years
- Plant and Equipment (Head office) – 1 to 3 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

Property, plant and equipment are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of 'value in use' (being the net present value of expected future cash flows of the relevant cash generating unit) and 'fair value less costs to sell'.

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss in the year the asset is derecognised.

(m) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(i) Consolidated entity as a lessee

Operating lease payments are recognised as an expense in the profit and loss on a straight-line basis over the lease term.

(n) Trade and other payables

Trade payables and other payables are carried at transaction price minus principal repayments. They represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year that are unpaid and arise when the Consolidated Entity becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Consolidated Entity expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit and loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date using a discounted cash flow methodology. The risks to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. The increase in the provision resulting from the passage of time is recognised in finance costs.

(p) Employee benefits

(i) Wages, salaries, superannuation and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts due to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

(q) Share based payments

The Consolidated Entity provides benefits to its directors and employees in the form of share-based payments, whereby directors and employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Binomial Option Pricing Model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised as an expense, together with a corresponding increase in equity, on a straight-line basis, over the year in which the vesting and/or service conditions are fulfilled (the vesting year), ending on the date on which the relevant directors and employees become fully entitled to the options (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income reflects:

- the grant date fair value of the options;
- the current best estimate of the number of options that will ultimately vest, taking into account such factors as the likelihood of employee turnover during the vesting year and the likelihood of vesting conditions being met, based on best available information at the reporting date; and
- the extent to which the vesting year has expired.

The charge to the profit and loss for the period is the cumulative amount as calculated above less the amounts already charges in previous years. There is a corresponding entry to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, other than forfeiture, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(r) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised:

(i) Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest revenue over the relevant year using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(t) Income tax and other taxes

(i) Income tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(ii) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(u) Earnings per share

Basic earnings per share is calculated as net profit (loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit (loss) attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Exploration and evaluation expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the ‘area of interest’ method. Exploration and evaluation expenditure is capitalised provided the right to tenure of the area of interest is current and either:

- the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

(i) Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed annually for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

An impairment exists when the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to the recoverable amount. Any impairment losses are recognised in the statement of comprehensive income.

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities and contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future years.

(i) Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Consolidated Entity decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the year in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the year in which this determination is made.

(ii) Share based payment transactions

The Consolidated Entity measures the cost of equity settled transactions with directors and employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Binomial Option Pricing Model, with the assumptions detailed in note 19. The accounting estimates and assumptions relating to equity settled share based payments would have no impact on the carrying amounts of the assets and liabilities within the next annual reporting year but may impact income and expenses.

4. SEGMENT INFORMATION

The Consolidated Entity has identified one operating segment based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Consolidated Entity operates in Madagascar (exploration and evaluation for coal). Discrete financial information is presented for the Group as a whole. Accordingly all significant operating decisions are based on an analysis of the Group as one segment. The financial position and results of this segment is equivalent to the financial statements of the Group as a whole.

Other prospective opportunities outside of this geographical location are also considered from time to time, and if they are secured, will then be attributed to the geographical location where they are located.

The majority of the Consolidated Entity’s non-current assets are held in Madagascar and all interest revenue is derived from funds invested in short-term money market instruments, all of which are held within Australia.

5. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Lemur Resources Limited, at 28 February 2015. The information presented here has been prepared using consistent accounting policies as presented in note 2.

	28 February 2015 $	31 December 2013 $
Assets		
Total current assets	14,322,947	16,240,565
Total non-current assets	11,211,192	11,128,232
Total assets	25,534,139	27,368,797
Liabilities		
Total current liabilities	107,191	171,671
Total non-current liabilities	-	-
Total liabilities	107,191	171,671
Equity attributable to equity holders of the parent		
Contributed equity	29,571,780	29,502,731
Employee Option Reserve	25,000	25,000
Accumulated losses	(4,169,833)	(2,330,605)
Total equity	25,426,947	27,197,126
Loss for the period		
	14 months ended 28 February 2015	12 months ended 31 December 2013
Total comprehensive loss for the period	1,839,231	1,328,507

The parent has no contingent liabilities.

The Company entered into a sub-lease agreement on 27 November 2013 for head office space and car parking located in Johannesburg, South Africa, totalling ZAR 70,000 per calendar month (plus VAT). The sub-lease can be terminated by either party by providing 3 months' written notice. Refer to note 24(c) for further details of the lease.

The following are controlled entities at 28 February 2015 and have been included in the consolidated financial statements. The financial year of the controlled entities is the same as that of Lemur Resources Limited.

Controlled Entity	Country of Incorporation	Entity Holding Investment	Principal Activity	Beneficial Percentage held by The Consolidated Entity 28 February 2015 %	 31 December 2013 %
Coal of Madagascar Limited	Guernsey	Lemur Resources Limited	Holding Company	100%	100%
Coal Mining Madagascar SARL	Madagascar	Coal of Madagascar Limited	Exploration Company	99%	99%
Pan African Drilling Limited	British Virgin Islands	Coal of Madagascar Limited	Drilling Company	100%	100%
Imaloto Power Project Limited	Mauritius	Lemur Resources Limited	Power Generation Company	100%	100%

Lemur Investments Limited	Mauritius	Lemur Resources Limited	Holding Company	100%	100%
Lemur Exploration SARL	Madagascar	Lemur Investments Limited	Exploration Company	99%	99%

Investments in controlled entities are in ordinary shares.

(i) Portion of interest held by non-controlling entities

Controlled Entity	**Country of Incorporation**	**Principal Activity**	**28 February 2015 %**	**31 December 2013 %**
Coal Mining Madagascar SARL	Madagascar	Exploration Company	1%	1%
Lemur Exploration SARL	Madagascar	Exploration Company	1%	1%

6. REVENUE

	CONSOLIDATED 14 months ended 28 February 2015 $	**CONSOLIDATED 12 months ended 31 December 2013 $**
Interest revenue	618,465	700,486

7. EXPENSES

	CONSOLIDATED 14 months ended 28 February 2015 $	**CONSOLIDATED 12 months ended 31 December 2013 $**
(a) Directors and employee benefits expense		
Employee salaries, superannuation and annual leave expense	29,085	289,071
Directors' fees and superannuation[1]	647,613	534,964
Employee Share Option Expense	240,000	21,849
	916,698	845,884
(b) Professional services expenses		
Audit fees	30,000	30,000
Corporate Tax	17,500	35,000
Company Secretarial	59,000	60,000
Legal	43,890	60,357
Corporate compliance in relation to foreign subsidiaries	52,585	32,366
Consultancy fees	122,538	70,200
Other	-	16,598
	325,513	304,521

(c) Takeover defence		
Legal – Target Statement preparation	-	202,506
Accountants – Independent Experts Report	-	26,123
Technical – Valuation report	-	19,423
Other – Share registry and investor relations	-	28,944
	-	276,996

1. 31 December 2013 includes a $156,000 termination payment paid to Mr Blair Sergeant.

8. INCOME TAX

	CONSOLIDATED 14 months ended 28 February 2015 $	CONSOLIDATED 12 months ended 31 December 2013 $
The major components of income tax expense/(benefit) are:		
Income Statement		
Current income tax		
Current year income tax charge / (benefit)	-	-
Prior year over-provision of current income tax	-	-
Current income (tax charge) / benefit not recognised	-	-
Deferred income tax		
Relating to origination and reversal of temporary differences	-	-
Prior year over-provision of income tax	-	-
Deferred income tax not recognised	-	-
Income tax expense reported in the income statement	-	-
Statement of Recognised Income and Expense		
Deferred income tax related to items charged or credited directly to equity		
Capital raising costs charged to equity not recognised	-	-
Income tax expense reported in equity	-	-

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable income tax rate as follows:	CONSOLIDATED 14 months ended 28 February 2015 $	CONSOLIDATED 12 months ended 31 December 2013 $
Accounting loss before tax from continuing operation	1,839,231	1,328,507
At the Group's statutory income tax rates of 28% (2013: 30%)	514,984	398,552
Effect of lower tax rate and other	(188,813)	(59,554)
Non-deductible expenses	(75,817)	(6,555)
Prior year over-provision of income tax	-	-
Tax losses and other temporary differences not recognised	(250,354)	(332,443)
Income tax expense reported in the income statement	-	-

Deferred income tax

Deferred income tax at 28 February 2015 relates to the following:

	Opening	Income	Equity	Closing
Deferred tax liabilities				
Exploration expenditure	-	(61,036)	-	(61,036)
Unrealised foreign exchange	(3,072)	3,072	-	-
	(3,072)	57,964	-	(61,036)
Deferred tax assets				
Accruals	7,836	(4,235)	-	3,601
Provisions	6,991	(6,992)	-	(1)
Plant and equipment	1,092	(1,092)	-	(0)
Section 40-880 Costs	276,029	(276,028)	-	1
Losses available for offset against future taxable income	835,418	(494,517)	-	340,901
Not recognised	(1,124,294)	840,829	-	(283,465)
	3,072	(57,964)	-	61,036
Net deferred tax assets	-	-	-	-

Deferred income tax at 31 December 2013 relates to the following:

	Opening	Income	Equity	Closing
Deferred tax liabilities				
Accrued interest	-	-	-	-
Unrealised foreign exchange	(7,456)	4,384	-	(3,072)
	(7,456)	4,384	-	(3,072)
Deferred tax assets				
Accruals	9,820	(1,984)	-	7,836
Provisions	4,679	2,312	-	6,991
Plant and equipment	554	538	-	1,092
Section 40-880 Costs	312,159	(36,130)	-	276,029
Losses available for offset against future taxable income	472,095	363,323	-	835,418
Not recognised	(791,851)	(332,443)	-	(1,124,294)
	7,456	(4,384)	-	3,072
Net deferred tax assets	-	-	-	-

	CONSOLIDATED 28 February 2015 $	CONSOLIDATED 31 December 2013 $
Unrecognised deferred tax assets		
The following deferred tax assets have not been brought to account as follows:		
Temporary differences	-	288,876
Tax losses – revenue[1]	283,465	835,418
	283,465	1,124,294

1. On 1 January 2015 Lemur Resources Limited elected to opt out of the Australian taxation regime as it no longer met the Australian resident requirements for corporate tax purposes. As a result the Company has permanently forgone $2,674,356 (tax effect: $802,307) in carried forward tax losses. The tax note has been prepared in accordance with South African corporate tax regime.

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

The Group's ability to use losses in the future is subject to the companies in the Group satisfying the relevant tax authority's criteria for using these losses.

9. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED 28 February 2015 $	CONSOLIDATED 31 December 2013 $
Sundry debtors[1]	21,291	14,751

Terms and conditions of the above financial instruments:

1. Sundry debtor is comprised primarily of GST receivable is non-interest bearing and has repayment terms between 15 and 60 days.

10. OTHER CURRENT ASSETS

	CONSOLIDATED 28 February 2015 $	CONSOLIDATED 31 December 2013 $
Accrued interest [1]	13,048	69,448
Security deposits[2]	4,191	4,881
Prepayments	21,152	23,387
	38,391	97,716

Terms and conditions of the above financial instruments:

1. Accrued interest represents the portion of interest income earned by the Company on its 90 day term deposits (effective rate 3.11%) though not received at the reporting date.
2. Security deposits represents cash deposits made in the course of renting various mine site plant and equipment.

11. PLANT AND EQUIPMENT

	CONSOLIDATED 28 February 2015 $	CONSOLIDATED 31 December 2013 $
Plant and equipment – Mine Site		
Cost	1,109,991	1,024,803
Accumulated depreciation	(1,017,144)	(726,005)
Written down value	92,847	298,798
Plant and equipment – Head Office		
Cost	11,431	28,742
Accumulated depreciation	(9,025)	(17,892)
Written down value	2,406	10,850
Reconciliation of carrying amount		
Plant and equipment – Mine Site		
Opening balance	298,798	491,676
Additions	85,184	-
Depreciation	(291,135)	(192,878)
	92,847	298,798

	CONSOLIDATED 28 February 2015 $	CONSOLIDATED 31 December 2013 $
Plant and equipment – Head Office		
Opening balance	10,850	15,900
Additions	2,406	3,571
Disposals	(3,826)	
Depreciation expense	(7,024)	(8,621)
	2,406	10,850
	95,253	309,648

12. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	CONSOLIDATED 28 February 2015 $	CONSOLIDATED 31 December 2013 $
Exploration and evaluation costs	11,135,670	10,804,591
Reconciliation of carrying amount		
Exploration and evaluation costs		
Opening balance	10,804,591	10,529,887
Expenditure incurred	331,079	274,704
	11,135,670	10,804,591

Recoverability

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Court Case Involving 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 and ruled in favour of Lemur as expected.

Ms Rahajasoamampionona Ramiaramanana (the plaintiff) subsequently lodged an appeal against the Tulear court's decision following which the court decision will be final. The Tulear court has confirmed that the matter will be re- convened on 11 June 2015, at which stage the plaintiff will be required to file submissions in support of the appeal.

The Company's legal advisers, John W Ffooks & Co., have re- iterated to the Company that, in their view, the claim is ill- founded. However, there can be no guarantee that the appeal will not be successful.

13. TRADE AND OTHER PAYABLES

	CONSOLIDATED 28 February 2015 $	CONSOLIDATED 31 December 2013 $
Trade creditors[1]	94,332	51,460
Accrued expenses	57,650	93,026
	151,982	144,486

Terms and conditions of the above financial instruments:

1. Trade creditors are non-interest bearing and are normally settled on 30 day terms.

14. PROVISIONS

	CONSOLIDATED 28 February 2015 $	CONSOLIDATED 31 December 2013 $
Employee entitlements		
Annual leave	-	23,305

15. CONTRIBUTED EQUITY

	CONSOLIDATED 14 months ended 28 February 2015 $	CONSOLIDATED 12 months ended 31 December 2013 $
(a) Issued and paid up capital		
Ordinary shares fully paid	29,571,780	29,502,731

	CONSOLIDATED	CONSOLIDATED

	28 February 2015 Shares	28 February 2015 $	31 December 2013 Shares	31 December 2013 $
(b) Movements in shares on issue				
Beginning of the period	192,500,001	29,502,731	192,500,001	29,502,731
Issued during the period (d)	8,000,000	240,000	-	-
Share buy-back (d)	(4,304,515)	(170,951)	-	-
End of the period	196,195,486	29,571,780	192,500,001	29,502,731

(c) Share options

At period end 500,000 unlisted options non-transferrable employee share options were on issue. Refer to note 19 for details of these options.

(d) Ordinary Shares

At the Company's General Meeting held on 21 February 2014, the shareholders approved the issue of 4 million ordinary shares to Anthony Viljoen and 4,000,000 ordinary shares to Ryan Rockwood.

During the period the Company initiated an on market share buy- back under which 4,304,515 shares were acquired and cancelled by the Company for total consideration of $170,951 at an average price of $0.0397 per share.

(e) Terms and conditions

Ordinary shares
Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

As per the Corporations Act 2001 the Company does not have authorised capital and ordinary shares do not have a par value.

Options
Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate or in the interest issue of any other registered scheme.

16. LOSS PER SHARE

	CONSOLIDATED 14 months ended 28 February 2015 $	CONSOLIDATED 12 months ended 31 December 2013 $
Loss used in calculating basic and diluted earnings per share	**1,839,231**	**1,328,507**
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	199,185,835	192,500,001
Effect of dilution:		
share options[1]	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	199,185,835	192,500,001

1. All tranches were out of the money at balance date and as such do not have a dilutive effect on the earning per share calculation. Refer to note 19 for unlisted options details.

At balance date the Company had on issue 500,000 unlisted options over ordinary shares of the Company with an exercise price of $0.15 which may be dilutive in future periods.

At the Company's General Meeting held on 21 February 2014, the shareholders approved the issue of 4 million ordinary shares to Anthony Viljoen and 4,000,000 ordinary shares to Ryan Rockwood.

17. CASH FLOW STATEMENT

	CONSOLIDATED 28 February 2015 $	CONSOLIDATED 31 December 2013 $
(a) Reconciliation of cash		
Cash balances comprise:		
Cash at bank	14,288,322	16,138,212

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

	CONSOLIDATED 14 months ended 28 February 2015	CONSOLIDATED 12 months ended 31 December 2013
(b) Reconciliation of loss after income tax to the net cash used in operating activities		
Loss after tax	(1,839,231)	(1,328,507)
Non-cash items		
Depreciation and amortisation	298,164	201,498
Share based payments	240,000	21,849
Forgiveness of loan payable	-	-
Bad and doubtful debts	-	-
Unrealised foreign exchange revaluation	-	(2,319)
Written down value of sale of plant and equipment sold	2,826	-
(Increase) / decrease in assets and increase/ (decrease) in liabilities:		
Sundry debtors	(5,850)	4,510
Accrued interest	56,400	21,099
Prepayments	2,235	9,205
Provisions	(23,304)	7,709
Trade and other payables	7,495	7,969
Net cash used in operating activities	(1,261,265)	(1,056,987)

18. EXPENDITURE COMMITMENTS

(a) Lease commitments

(ii) Johannesburg lease
The Company entered into a sub-lease agreement on 27 November 2013 for head office space and car parking located in Johannesburg, South Africa, totalling ZAR 70,000 per calendar month (plus VAT). The sub-lease can be terminated by either party by providing 3 months' written notice. Refer to note 24(c) for further details of the lease.

Future minimum lease payments under the lease together with the present value of the net minimum lease payments are as follows:

	Minimum Lease Payments 14 months ended 28 February 2015 $	Minimum Lease Payments 12 months ended 31 December 2013 $
CONSOLIDATED		
Within one year	22,105	45,219

(b) Exploration tenement expenditure

In order to maintain current rights of tenure to exploration tenements, Lemur Resources Limited and its controlled entities are required to meet the expenditure requirements of the various mines departments. Based on the current tenement holdings, expenditure commitments for the period ended 28 February 2015 is estimated to be $40,000. All exploration expenditure commitments are non-binding, in respect of outstanding expenditure commitments, in that the Group has the option to relinquish and lose these licences or its contractual commitments at any stage, at the cost of its cumulative expenditure up to the point of relinquishment.

19. SHARE BASED PAYMENTS

Employee Shares

At the Company's General Meeting held on 21 February 2014, the shareholders approved the issue of 4,000,000 ordinary shares to Anthony Viljoen and 4,000,000 ordinary shares to Ryan Rockwood.

	Anthony Viljoen	**Ryan Rockwood**
Number of ordinary shares granted	4,000,000	4,000,000
Vesting conditions	none	none
Grant date	21-February-2014	21-February-2014
Measurement date	01 December 2013	01 December 2013
Valuation	$120,000 being the share price at date of grant multiplied by the number of ordinary shares granted	$120,000 being the share price at date of grant multiplied by the number of ordinary shares granted
Service period commencing	26-November-2013	26-November-2013

Unlisted Employee Share Options:

The following table details the number (No) and weighted average exercise prices (WAEP) of and movements in share options issued during the year:

	14 months ended 28 February 2015		**12 months ended 31 December 2013**	
	No	**WAEP $**	**No**	**WAEP $**
Outstanding at the beginning of the year	500,000	0.15	13,500,000	0.35
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	(13,000,000)	(0.35)
Outstanding at the end of the year	500,000	0.15	500,000	0.15
Exercisable at the end of the year	500,000	0.15	500,000	0.15

The outstanding balance at 28 February 2015 of 500,000 options over ordinary shares has an exercise price of $0.15 each. All options vested on 15 November 2013, and are exercisable until 15 November 2017.

The options will lapse if not exercised by the exercise date. The options cannot be transferred and will not be quoted on the Australian Securities Exchange.

The weighted average share price during the year was $0.042.

The weighted average remaining contractual life for the share options outstanding at 28 February 2015 is 2.72 years.

The exercise price for all options outstanding at the end of the year is $0.15.

The fair value of the equity-settled share options is estimated at the date of grant using a binomial model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used to fair value the options:

	$0.15 cent options
Underlying share price	$0.09
Exercise price	$0.15
Issue date	15/11/2012
Expiration date	15/11/2017
Life of the options	4.00 years
Volatility[1]	100%
Risk-free rate	2.62%
Fair value of one option	$0.05

1. The volatility has been calculated based on the volatility of ASX listed companies considered comparable to Lemur.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instrument is cash.

The main purpose of this financial instrument is to fund the Group's operations.

The Group has various other financial instruments such as trade debtors and trade creditors which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

a) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligation under a financial instrument that will result in a financial loss to the Group. The carrying amount of financial assets represents the maximum credit exposure.

Financial instruments that potentially subject the consolidated entity to concentrations of credit risk consist principally of cash and cash and cash equivalents, term deposits and receivables.

The Group places its cash deposits and derivatives with high credit-quality financial institutions. The cash deposits all mature within three months and attract a rate of interest at normal short-term money market rates. Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

b) Interest rate risk

The Group is exposed to market interest rates and manages this through investment of surplus funds into the short term money market on 30 to 90 day terms with fixed interest rates.

The following sensitivity analysis represents a reasonable and possible change based on the variable interest rate risk exposures in existence at balance date. It is assumed that the balance at the reporting date is representative for the year as a whole.

At 28 February 2015, with an interest rate movement as illustrated in the table below, with all other variables held constant, post tax profit would have been affected as follows:

	CONSOLIDATED 28 February 2015		CONSOLIDATED 31 December 2013	
	Post Tax Loss Higher/(Lower)	**Impact on Equity Higher/(Lower)**	**Post Tax Profit Higher/(Lower)**	**Impact on Equity Higher/(Lower)**
Reasonable possible change	**$**	**$**	**$**	**$**
+0.5% (50 basis points)	69,600	(69,600)	80,620	(80,620)
-0.5% (50 basis points)	(69,600)	69,600	(80,620)	80,620

At balance date the Group and Company's exposure to variable interest rate risks on financial assets and liabilities are as follows:

	CONSOLIDATED 28 February 2015 $	CONSOLIDATED 31 December 2013 $
Financial Assets		
Cash (net exposure)	14,288,322	16,138,212

c) Liquidity risk

The Group's liquidity position is managed to ensure that sufficient funds are available to meet its financial commitments in a timely and cost effective manner.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow. The table below reflects a balanced view of cash inflows and outflows and shows the implied risk based on those values. Trade payables and other financial liabilities originate from the financing of assets used in the Group's ongoing operations. These assets are considered in the Group's overall liquidity risk.

Management continually reviews the Group's liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining year from the balance date to the contractual maturity date.

28 February 2015	**Maturity**			
CONSOLIDATED	**< 1 year**	**>1 to <2 Years**	**>2 to 5 Years**	**Total**
	$	**$**	**$**	**$**
Financial Liabilities				
Trade and other payables	151,980	-	-	151,980

31 December 2013	**Maturity**			
CONSOLIDATED	**< 1 year**	**>1 to <2 Years**	**>2 to 5 Years**	**Total**
	$	**$**	**$**	**$**
Financial Liabilities				
Trade and other payables	144,486	-	-	144,486

d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities when expenses are denominated in different currency from the Group's functional currency.

The Group's functional currency is Australian Dollars ("AUD"). Other than AUD, the Group predominantly transacts in United States Dollars ("USD") and South African Rand ("ZAR").

The Group manages its foreign currency risk by hedging material transactions that are expected to occur within a maximum 24-month year. Hedging instruments used by the Group include 90 day open forward contracts along with holding foreign currency.

No open forward contracts were in place at balance date (31 December 2013: nil) and no foreign currency was held at balance date (31 December 2013: nil).

e) Capital risk management

Capital is defined as shareholders' equity of $25,426,945 (31 December 2013: $27,197,127).

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

In order to maintain or adjust the capital structure, the entity may adjust the amount of dividends paid to shareholders, issue new shares, enter into joint arrangements or sell assets.

During the period the Company initiated an on market share buy- back under which 4,304,515 shares were acquired and cancelled by the Company for total consideration of $170,951 at an average price of $0.0397 per share.

No dividends were paid in 2014 and no dividends are expected to be paid in 2015.

There is no current intention to incur debt funding on behalf of the Consolidated Entity as on-going exploration expenditure will be funded via current cash reserves.

The Consolidated Entity is not subject to any externally imposed capital requirements.

f) Fair values

The Directors have performed a review of the financial assets and liabilities as at 28 February 2015 and have concluded that the fair value of those assets and liabilities are not materially different to book values. The methods and assumptions used to estimate the fair value of financial instruments were:

- Cash - The carrying amount is fair value due to the liquid nature of these assets.
- Receivables/payables - Due to the short term nature of these financial rights and obligations, their carrying values are estimated to represent their fair values and equals the amount to be settled by the contracting party.

21. DIRECTOR AND EXECUTIVE DISCLOSURES

Compensation of Key Management Personnel

	CONSOLIDATED 14 months ended 28 February 2015 $	CONSOLIDATED 12 months ended 31 December 2013 $
Key Management Personnel		
Short-term	627,954	659,474
Post-employment	135,171	60,702
Share- based payments	150,362	111,487
	913,487	831,663

22. AUDITOR'S REMUNERATION

	CONSOLIDATED 14 months ended 28 February 2015 $	CONSOLIDATED 12 months ended 31 December 2013 $
The auditor of Lemur Resources Limited is Ernst & Young		
Amounts received or due and receivable by Ernst & Young for:		
- auditing the accounts	30,000	30,000
- corporate tax advice	17,500	35,000
	47,500	65,000

Ernst & Young received no other benefits.

23. CONTINGENT LIABILITIES

No contingent liabilities existed at period end (31 December 2013: nil).

24. RELATED PARTY DISCLOSURES

(a) Subsidiaries of the Company can be found in the Parent Entity Information in note 5.

(b) Directors who held office for any time during the year are disclosed in the Director's Report.

(c) Terms and conditions of transactions with related parties:

Transactions with related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the 14 months ended 28 February 2015, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

25. EVENTS AFTER THE BALANCE DATE

Bushveld Takeover Offer
On 20 May 2015, Bushveld Minerals Limited announced its intention to make an off-market takeover offer to acquire all of the ordinary shares that it does not currently own in Lemur for consideration of A$0.06 per share. On 29 May 2015, Bushveld Minerals Limited served its Bidder's Statement on the Company.

Share Buy Back
Subsequent to the period end, the Company completed its on-market share buy-back on 15 May 2015. 14,945,485 shares were bought back and cancelled subsequent to the period end, for consideration of $772,844, at an average price per share of $0.052. In total during the on-market share buy-back, 19,250,000 shares were bought back and cancelled pursuant to the buy-back for total consideration of $929,984, at an average price per share of $0.048.

Acquisition of Zaaiplaats Tin Project
On 17 March 2015 Lemur Resources Limited, via its 100% owned, newly formed South African subsidiary Pamish Investments No 71 (Pty) Ltd acquired 99.1% of the Zaaiplaats Tin Project for consideration of ZAR 2,500,000 (A$268,334). The project is located in South Africa.

Other than the above, since the end of the financial year no other matters or circumstances have occurred that have or may significantly affect the operations or the state of affairs of the Consolidated Entity in subsequent financial years.

In accordance with a resolution of the Directors of Lemur Resources Limited, I state that:

In the opinion of the Directors:

(a) The financial statements and notes of Lemur Resources Limited for the 14 months ended 28 February 2015 are in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of its financial position as at 28 February 2015 and performance for the 14 months then ended; and

(ii) Complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a).

(c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the 14 months ended 28 February 2015.

Fortune Mojapelo
Non- Executive Director
Perth
29 May 2015

Building a better working world

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Independent auditor’s report to the members of Lemur Resources Limited

Report on the financial report

We have audited the accompanying financial report of Lemur Resources Limited, which comprises the consolidated statement of financial position as at 28 February 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the fourteen month period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at period end or from time to time during the period.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(c), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor’s Independence Declaration, a copy of which is included in the directors’ report.

Opinion

In our opinion:

(a) the financial report of Lemur Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 28 February 2015 and of its performance for the fourteen month period ended on that date

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(c).

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the fourteen month period ended 28 February 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Lemur Resources Limited for the fourteen month period ended 28 February 2015 complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
29 May 2015

ADDITIONAL SHAREHOLDER INFORMATION

The following information is current as at 15 May 2015:

Voting Rights
The voting rights attaching to ordinary shares are that on a show of hands, every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options do not carry any voting rights.

Substantial Shareholders
The number of shares held by substantial shareholders and their associates who have provided the Company with substantial shareholder notices are set out below:

Name of Substantial Shareholder	*Date Notice provided to Company*	*Number of Shares in Notice*	*Interest Notice %*
Bushveld Minerals Limited	25 August 2014	114,697,097	57.20
ACP Investments Pty Ltd Azure Capital Limited Alex Pismiris	2 August 2013	32,500,000	5.43
Adam Rankine-Wilson	2 December 2011	10,088,450	5.24

On-Market Buy Back
On 24 November 2014, the Company announced an on-market share buy-back of up to 10% of its issued share capital on market over a 12 month period. The on-market share buy-back concluded on 15 May 2015 with a total of 19,250,000 shares having been bought back.

Distribution Schedules
Distribution schedules for each class of security as at 15 May 2015 are set out below. Where a person holds 20% or more of the securities in an unquoted class, the name of that holder and number of securities is also provided.

Fully paid ordinary shares

Range			**Holders**	**Units**	**%**
1	-	1,000	8	165	0.00
1,001	-	5,000	7	26,929	0.01
5,001	-	10,000	43	416,114	0.22
10,001	-	100,000	129	7,000,955	3.81
100,001	-	Over	83	176,141,288	95.95
Total			270	183,585,451	100.00

Unlisted options exercisable at $0.15 each on or before 15 November 2017

Range			**Holders**	**Units**	**%**
1	-	1,000	-	-	-
1,001	-	5,000	-	-	-
5,001	-	10,000	-	-	-
10,001	-	100,000	-	-	-
100,001	-	Over	1[1]	500,000	100.00
,					
Total			1	500,000	100.00

[1]Mr Dale Brian Hanna holds 500,000 options comprising 100% of this class.

Unmarketable Parcels

Holdings of less than a marketable parcel of ordinary shares (being 8,621 as at 15 May 2015):

Holders	Units
18	45,444

Top Holders

The 20 largest registered holders of quoted securities as at 15 May 2015 were:

Fully paid ordinary shares

	Name	No. Shares	%
1.	BUSHVELD MINERALS LIMITED	109,547,097	59.67
2.	J P MORGAN NOMINEES AUSTRALIA LIMITED	8,741,483	4.76
3.	BUSHVELD MINERALS LTD	5,150,000	2.81
4.	MR RYAN ROCKWOOD	4,250,000	2.31
5.	MR ANTHONY RICHARD VILJOEN	4,000,000	2.18
6.	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	3,558,203	1.94
7.	SURFBOARD PTY LTD <ARW SUPER FUND NO 1 A/C>	3,500,000	1.91
8.	BAYONET INVESTMENTS PTY LTD <SOUTHPOINT A/C>	2,750,000	1.50
9.	SURFBOARD PTY LTD <ARW SUPER FUND NO 1 A/C>	2,650,000	1.44
10.	COLBERN FIDUCIARY NOMINEES PTY LTD	2,000,000	1.09
11.	ZERO NOMINEES PTY LTD	2,000,000	1.09
12.	NATIONAL NOMINEES LIMITED	1,541,950	0.84
13.	ACP INVESTMENTS PTY LTD	1,475,000	0.80
14.	BNP PARIBAS NOMS PTY LTD <DRP>	1,411,000	0.77
15.	RPM SUPER PTY LTD <RPM SUPER FUND A/C>	1,300,000	0.71
16.	SURFBOARD PTY LTD <ARW SUPER FUND NO 1 A/C>	1,199,830	0.65
17.	EVOLUTION CAPITAL PARTNERS PTY LTD <GOLDEN TRIANGLE A/C>	1,100,000	0.60
18.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	968,883	0.53
19.	CITICORP NOMINEES PTY LTD	878,925	0.48
20.	TESS CORPORATION PTY LTD	758,633	0.41
		158,781,004	**86.49**

Permit Number	Status	Registered Holder	Region	Total Area km2	%age Interest	Original Date Granted	Expiry Date	
12653[3]	Granted Exploration License	CMM[1]	Imaloto	25	99%	11/02/2009	Pending	99%
3196[3]	Granted Exploration License (subject to Transfer)[2]	4th Island Investments	Imaloto	18.75	99%	07/11/2008	Pending	99%
4578	Granted Mining License	CMM[1]	Imaloto	25	99%	29/11/2005	28/11/2045	99%
27163	Granted Exploration License (subject to Transfer)[2]	Genyus Sarl	Imaloto Extension	6.25	99%	23/10/2007	Pending	99%
26904	Granted Exploration License (subject to Transfer)[2]	Genyus Sarl	Imaloto Extension	6.25	99%	23/10/2007	Pending	99%
31892[3]	Granted Exploration License	CMM[1]	Ianapera	25	99%	11/02/2009	Pending	99%
31808[3]	Granted Exploration License	CMM[1]	Sakaraha	62.5	99%	08/09/2008	Pending	99%

1. Coal Mining Madagascar SARL (CMM). Lemur Resources Limited holds 100% of Coal of Madagascar Limited, which in turn holds 99% of CMM.
2. As disclosed in the Company’s Prospectus dated 30 June 2011, these permits have purported to have been transferred to CMM and are awaiting formal signature of the Ministry, at which time the new expiry date will be notified to the Company.
3. Permits 12653, 31892 and 31808 have been renewed and are awaiting formal signature of the Ministry, at which time the new expiry date will be notified to the Company.