



**LEMUR RESOURCES LIMITED**

**30 JUNE 2014 HALF YEAR FINANCIAL REPORT**

**LEMUR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**30 JUNE 2014 HALF YEAR REPORT**  
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**LEMUR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**30 JUNE 2014 HALF YEAR REPORT**  
**CORPORATE DIRECTORY**

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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 1, Ground Floor

83 Havelock Street

West Perth, Western Australia, 6005

**Auditor**

Ernst & Young

11 Mounts Bay Road

Perth, Western Australia, 6000

**Solicitor**

Steinepreis Paganin

Level 4 The Read Buildings

16 Milligan Street

Perth, Western Australia, 6000

**Banker**

National Australia Bank

1232 Hay Street

West Perth, Western Australia, 6005

**Stock Exchange**

Australian Stock Exchange (ASX: LMR)

**Share Register**

Computershare Investor Services Pty Limited

Level 2

45 St Georges Terrace

Perth, Western Australia, 6000

# LEMUR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

## 30 JUNE 2014 HALF YEAR REPORT

### DIRECTORS' REPORT

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The Directors of Lemur Resources Limited (the **Company**) and controlled entities (the **Consolidated Entity** or the **Group**) submit the consolidated financial statements for the half year ended 30 June 2014 (the **Period**) and the following report made out in accordance with a resolution of the Directors.

#### 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

Mr Ryan Rockwood (BA, MA, MEng Cantab) – Executive Director

Mr Fortune Mojaelo – Non-Executive Director

Ms Shannon Coates (LLB, ACS, GAICD) – Non-Executive Director (appointed 29 May 2014)

Mr Jonathan Murray (LLB, B.Com) – Non-Executive Director (ceased 29 May 2014)

#### Results of Operations

The result for the half year ended 30 June 2014 for the Consolidated Entity was a net loss after tax of \$986,584 (30 June 2013 \$631,907). The increased net loss is a result of lower interest revenue primarily due to a smaller term deposit base and declining interest rates.

#### Review of Operations

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

###### Mineral Resource Upgrade

During the period, no physical exploration activity was undertaken by the Company on its Imaloto Coal Project in Madagascar, however the Company worked towards upgrading the Mineral Resource for its Imaloto Project, in compliance with the JORC 2012 Code. Post the end of the period, on 29 July 2014, the Company announced to the ASX the Mineral Resource (JORC 2012) of 135.7 million GTIS, of which over 90% is in the measured and indicated category.

###### Independent Power Producer licence

The Company's dialogue with La Jiro Sy Rano Malagasy (Jirama), the Madagascan Government's state owned electricity company, continued 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. A draft Heads of Agreement was submitted to Jirama and is also currently under review by the Ministry of Strategic Resources.

The Company engaged with and short listed a number of service providers on both the engineering and environmental side to advance the IPP. A short list of preferred service providers was determined and it is anticipated that these service providers will be engaged upon receipt of the IPP licence.

###### Permit 4578

The Company reached a positive resolution in relation to the legal claim in a Tulear court case on its permit 4578 mining licence which declared null and void various historical sale agreements, which ultimately resulted in Lemur being granted permit 4578. An "*Extrait de Plumitif*", an extract or summary of the Tulear court judgment that includes all relevant and important points in the judgement was issued. However, whilst the *Extrait de Plumitif* constitutes sufficient evidence that Lemur has won the case, as at the date of this report, the original copy of the full judgement is yet to be issued. Once issued, Ms Rahajasoamampionona Ramiamanana (the plaintiff) has 30 days to lodge an appeal against the Tulear court's decision following which the court decision will be final. The plaintiff will also be liable for any court fees associated with the claim if the court decision becomes final.

The Company is still waiting on the ruling by the Antananarivo court. The plaintiff approached the Antananarivo court for a temporary enforcement of the original (now over-turned) judgement in Tulear regarding permit 4578. However, this was not the normal legal process as the court case was still in progress in Tulear. Furthermore, the Company has recently lodged with the Antananarivo court the "*Extrait de Plumitif*" from the Tulear court cancelling the original judgement withdrawing permit 4578. The Company and its legal advisers remain positive on the outcome of the Antananarivo ruling in its favour.

**LEMUR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**30 JUNE 2014 HALF YEAR REPORT**  
**DIRECTORS' REPORT**

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Drilling Rigs

During the half year period, the Company's drilling rigs were successfully moved to a secure workshop compound where they will undergo routine maintenance to ensure they are in working order, under an arrangement with a drilling company in the area. Import duty free exemption was negotiated by Lemur. The workshop is based in a town just north of the Kenyan border in South Sudan that has not been impacted by any political unrest. The East African region including Ethiopia, South Sudan, Kenya and Uganda are considered to be highly prospective for greenfield precious and base metals exploration with a lot of exploration activity in the area. The exploration equipment will therefore be well positioned to be deployed throughout the region to generate ongoing returns for shareholders.

Board Changes

Mr Jonathan Murray did not seek re-election at the Company's Annual General Meeting and therefore ceased as a Non-executive Director of Lemur at the conclusion of the meeting on 29 May 2014. On that date, the Company appointed its Company Secretary, Ms Shannon Coates, as a Non-executive Director.

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. Ms Coates currently acts as non-executive director of ASX listed Vmoto Limited and Artemis Resources Limited and is a corporate advisor and company secretary to a number of ASX and AIM listed and un-listed companies.

Second asset acquisition

The activity of identifying an acquisition target in the currently depressed markets using Lemur's strong cash position remained a key strategic focus of the Company during the half year and the executive and Board evaluated targets in Southern and East Africa.

In-house target identification

During the period, the Company embarked upon a greenfields evaluation program of prospective East African geologies that could leverage the Company's unique in-house, target development technical expertise and/or utilise the Company's significant exploration equipment to earn into opportunities.

Work planned for the next 12 months

With the Imaloto Coal Project Scoping Study complete, the Company will now focus on the following areas:

- Securing an IPP licence from Jirama to build, own and operate a 3 x 15 MW coal fired power plant within 10km from the Imaloto coal mine;
- Commencement of work on the IPP Environmental Impact Assessment ("EIA") and the IPP Engineering Feasibility Study following award of the concession;
- Negotiating power purchasing agreements for the IPP from Jirama and the regional mines, and entering into a coal supply agreement between the IPP and the Imaloto coal mine;
- Introduction of a strategic partner to advance the technical development and funding of the IPP;
- Using its drill rigs and technical skills to earn-in to projects in Southern or Eastern Africa or generate operating cash flow for the Company; and
- Using its cash balance to invest into greenfield projects with significant exploration upside or projects that are close to or in production.

The Board remains committed to realising value from the Imaloto Coal Project and the Company's other assets.

**LEMUR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**30 JUNE 2014 HALF YEAR REPORT**  
**DIRECTORS' REPORT**

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**Auditors Independence Declaration**

We have obtained an independence declaration from our auditors, Ernst and Young, which is presented on page 5 of this half year financial report and forms part of this report.


Signed in accordance with a resolution of the Directors

A handwritten signature in blue ink, appearing to be 'FM', is positioned above the name Fortune Mojapelo.

Fortune Mojapelo  
4 September 2014

## Auditor's Independence Declaration to the Directors of Lemur Resources Limited

In relation to our review of the financial report of Lemur Resources Limited for the half-year ended 30 June 2014, 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



Gavin Buckingham  
Partner  
4 September 2014

**LEMUR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2014**

		<b>CONSOLIDATED</b>	
	<b>Note</b>	<b>30 June 2014</b>	<b>31 December 2013</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	15,379,436	16,138,212
Trade and other receivables	7	9,484	14,751
Other current assets	8	69,296	97,716
<b>TOTAL CURRENT ASSETS</b>		<b>15,458,216</b>	<b>16,250,679</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	9	112,407	309,648
Deferred exploration and evaluation expenditure	10	10,984,977	10,804,591
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11,097,384</b>	<b>11,114,239</b>
<b>TOTAL ASSETS</b>		<b>26,555,600</b>	<b>27,364,918</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	105,057	144,486
Provisions	12	-	23,305
<b>TOTAL CURRENT LIABILITIES</b>		<b>105,057</b>	<b>167,791</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>105,057</b>	<b>167,791</b>
<b>NET ASSETS</b>		<b>26,450,543</b>	<b>27,197,127</b>
<b>EQUITY</b>			
Contributed equity	13	29,742,731	29,502,731
Employee share option reserve		25,000	25,000
Accumulated losses		(3,317,189)	(2,330,605)
Equity attributable to owners of parent		26,450,542	27,197,126
Non- controlling interest		1	1
<b>TOTAL EQUITY</b>		<b>26,450,543</b>	<b>27,197,127</b>

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



**LEMUR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 30 JUNE 2014**

	Note	CONSOLIDATED	
		30 June 2014	30 June 2013
		\$	\$
<b>REVENUE</b>			
Interest revenue	4	280,075	373,225
<b>EXPENSES</b>			
Directors' and employee benefits expenses	5	(540,482)	(542,399)
Business development expenses		(68,832)	(54,301)
Occupancy expenses		(88,534)	(55,137)
Professional services expenses	5	(121,151)	(94,634)
Public and investor relations expense		(4,412)	(22,923)
Other expenses		(41,068)	(80,703)
Bushveld offer takeover defence costs		-	(155,035)
Demobilisation costs		(204,939)	-
Depreciation		(197,241)	-
<b>(LOSS) BEFORE INCOME TAX</b>		<b>(986,584)</b>	<b>(631,907)</b>
Income tax expense		-	-
<b>(LOSS) FOR THE PERIOD</b>		<b>(986,584)</b>	<b>(631,907)</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD</b>		<b>(986,584)</b>	<b>(631,907)</b>
<b>(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:</b>			
Members of the parent		(986,584)	(631,907)
Non- controlling interest		-	-
		<b>(986,584)</b>	<b>(631,907)</b>
<b>TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD</b>			
<b>ATTRIBUTABLE TO:</b>			
Members of the parent		(986,584)	(631,907)
Non- controlling interest		-	-
		<b>(986,584)</b>	<b>(631,907)</b>
Basic loss per share (cents per share)		0.50 cents	0.33 cents
Diluted loss per share (cents per share)		0.50 cents	0.33 cents

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

**LEMUR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 30 JUNE 2014**

	Contributed Equity	Employee Share Option Reserve	Accumulated Losses	Non- Controlling Interest	Total
	\$	\$	\$	\$	\$
<b>As at 1 January 2013</b>	29,502,731	3,151	(1,002,098)	1	28,503,785
Loss for the period	-	-	(631,907)	-	(631,907)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	(631,907)	-	(631,907)
Share based payments	-	12,397	-	-	12,397
<b>As at 30 June 2013</b>	29,502,731	15,548	(1,634,005)	1	27,884,275
<b>As at 1 January 2014</b>	29,502,731	25,000	(2,330,605)	1	27,197,127
Loss for the period	-	-	(986,584)	-	(986,584)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	(986,584)	-	(986,584)
Share based payments	240,000	-	-	-	240,000
<b>As at 30 June 2014</b>	29,742,731	25,000	(3,317,189)	1	26,450,543

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

**LEMUR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 30 JUNE 2014**

	Note	CONSOLIDATED	
		30 June 2014	30 June 2013
		\$	\$
<b>CASH FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(661,123)	(797,020)
Interest received		286,982	385,872
Demobilisation costs		(204,939)	-
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<b>(579,080)</b>	<b>(411,148)</b>
<b>CASH FROM INVESTING ACTIVITIES</b>			
Payments for exploration and evaluation		(179,696)	(807,064)
Payments for plant and equipment – head office		-	(1,481)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(179,696)</b>	<b>(808,545)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(758,776)</b>	<b>(1,219,693)</b>
Cash at the beginning of the period		16,138,212	18,072,759
Net foreign exchange differences		-	2,319
<b>CLOSING CASH BALANCE</b>		<b>15,379,436</b>	<b>16,855,385</b>

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

**LEMUR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 30 JUNE 2014**

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**1. Corporate Information**

The financial report of Lemur Resources Limited (the **Company**) and controlled entities (the **Consolidated Entity** or the **Group**) for the half year ended 30 June 2014 was authorised for issue in accordance with a resolution of the Directors on 3 September 2014.

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.

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

**2. Basis of Preparation**

The general-purpose condensed financial report for the half- year ended 30 June 2014 has been prepared in accordance with AASB 134 Interim Financial Reporting and the requirements of the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the period ended 31 December 2013 and considered together with any public announcements made by Lemur Resources Limited during the half-year ended 30 June 2014 in accordance with the continuous disclosure obligations of the ASX listing rules.

The half year report has been prepared on a historical cost basis.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(a) Going Concern

The half year 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.

(b) Changes in Accounting Policies

*New standards, interpretations and amendments thereof, adopted by the Group*

The accounting policies adopted in the preparation of the half year financial report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

Reference	Title	Application date of standard	Application date for Group
<b>AASB 1031</b>	<p><b>Materiality</b></p> <p>The revised AASB 1031 is an interim standard that cross-references to other Standards and the <i>Framework</i> (issued December 2013) that contain guidance on materiality.</p> <p>AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.</p> <p>AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their</p>	1 January 2014	1 January 2014

**LEMUR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 30 JUNE 2014**

Reference	Title	Application date of standard	Application date for Group
	references to AASB 1031. The amendments are effective from 1 January 2014.		

Several new standards and amendments apply for the first time in 2014. Adoption of these new and amended standards had no impact on the financial position and performance of the Group.

The Group has not yet early adopted any standard, interpretation or amendment that has been issued, but not yet effective.

**3. 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) and prepares reports internally by this location.

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.

**4. Interest Revenue**

	<b>CONSOLIDATED</b>	
	<b>30 June 2014</b>	<b>30 June 2013</b>
	<b>\$</b>	<b>\$</b>
Interest revenue	280,075	373,225

**5. Expenses**

	<b>CONSOLIDATED</b>	
	<b>30 June 2014</b>	<b>30 June 2013</b>
	<b>\$</b>	<b>\$</b>
<i>Directors and employee benefits expense</i>		
Directors and executives salaries, superannuation and annual leave expense	300,482	530,002
Employee option expense	240,000	12,397
	540,482	542,399
<i>Professional services expenses</i>		
Corporate Tax	8,750	17,500
Company Secretarial	28,000	30,000
Accounting services	18,000	-
Legal	22,441	16,449
Foreign subsidiary corporate compliance	20,761	27,660
Other	23,199	3,025
	121,151	94,634

**LEMUR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 30 JUNE 2014**

**6. Cash**

	<b>CONSOLIDATED</b>	
	<b>30 June 2014</b>	<b>31 December 2013</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	15,379,436	16,138,212

**7. Trade and Other Receivables**

	<b>CONSOLIDATED</b>	
	<b>30 June 2014</b>	<b>31 December 2013</b>
	<b>\$</b>	<b>\$</b>
Sundry debtors	9,484	14,751

Terms and conditions of the above financial instruments:

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

**8. Other Current Assets**

	<b>CONSOLIDATED</b>	
	<b>30 June 2014</b>	<b>31 December 2013</b>
	<b>\$</b>	<b>\$</b>
Accrued interest	62,541	69,448
Security deposits	4,192	4,881
Prepayments	2,563	23,387
	69,296	97,716

**9. Plant and Equipment**

	<b>CONSOLIDATED</b>	
	<b>30 June 2014</b>	<b>31 December 2013</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of the period	309,648	507,576
Additions	-	3,571
Depreciation	(197,241)	(201,499)
Balance at end of the period	112,407	309,648

**LEMUR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 30 JUNE 2014**

**10. Deferred Exploration and Evaluation Expenditure**

	<b>CONSOLIDATED</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation costs	10,984,977	10,804,591
<b>Reconciliation of carrying amount</b>		
<i>Exploration and evaluation costs</i>		
Carrying value at beginning of period	10,804,591	10,529,887
Capitalised expenditure	180,386	274,704
	10,984,977	10,804,591

*Court case involving Permit 4578*

The Company reached a positive resolution in relation to the legal claim in a Tulear court case on its permit 4578 mining licence which declared null and void various historical sale agreements, which ultimately resulted in Lemur being granted permit 4578. An "*Extrait de Plumitif*", an extract or summary of the Tulear court judgment that includes all relevant and important points in the judgement was issued. However, whilst the *Extrait de Plumitif* constitutes sufficient evidence that Lemur has won the case, as at the date of this report, the original copy of the full judgement is yet to be issued. Once issued, Ms Rahajasoamampionona Ramiamanana (the plaintiff) has 30 days to lodge an appeal against the Tulear court's decision following which the court decision will be final. The plaintiff will also be liable for any court fees associated with the claim if the court decision becomes final.

The Company is still waiting on the ruling by the Antananarivo court. The plaintiff approached the Antananarivo court for a temporary enforcement of the original (now over-turned) judgement in Tulear regarding permit 4578. However, this was not the normal legal process as the court case was still in progress in Tulear. Furthermore, the Company has recently lodged with the Antananarivo court the "*Extrait de Plumitif*" from the Tulear court cancelling the original judgement withdrawing permit 4578. The Company and its legal advisers remain positive on the outcome of the Antananarivo ruling in its favour.

Permit 4578 is a mining permit and is where the coal seams are at their shallowest and holds a material portion of the Imaloto Coal Resource.

**11. Trade and Other Payables**

	<b>CONSOLIDATED</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Trade creditors	105,057	51,460
Accrued expenses	-	93,026
	105,057	144,486

Terms and conditions of the above financial instruments:

- (i) Trade creditors are non-interest bearing and are normally settled on 30 day terms.

**LEMUR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 30 JUNE 2014**

**12. Provisions**

	<b>CONSOLIDATED</b>	
	<b>30 June 2014</b>	<b>31 December 2013</b>
	<b>\$</b>	<b>\$</b>
<i>Employee entitlements</i>		
Annual leave	-	23,305

**13. Contributed Equity**

	<b>CONSOLIDATED</b>			
	<b>30 June 2014</b>		<b>31 December 2013</b>	
	<b>\$</b>		<b>\$</b>	
Ordinary shares	29,742,731		29,502,731	
	<b>\$</b>	<b>Shares</b>	<b>\$</b>	<b>Shares</b>
<b>Movement in shares on issue</b>				
Opening	29,502,731	192,500,001	29,502,731	192,500,001
Shares issued	240,000	8,000,000	-	-
Closing	29,742,731	200,500,501	29,502,731	192,500,001

No shares have been issued subsequent to year end up to and including the date of this report.

**14. Dividends**

No dividends were declared or paid during the half year.

**15. Commitments or Contingencies**

There are no significant commitments or contingent assets or liabilities as at the reporting date.

**16. Events After the Balance Sheet Date**

The Directors are not aware of any other matters or circumstance that has arisen since 30 June 2014 which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent years.



**LEMUR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 30 JUNE 2014**

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**17. Related Party Disclosures**

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

(b) 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 year 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 half year ended 30 June 2014, 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.

(c) Transaction with related parties:

(i) Transactions with Director related entities:

- The Company entered into a consultancy agreement on 25 May 2011 with Evolution Capital Partners Pty Ltd (Evolution) as trustee for the Evolution Trust under which it paid a consultancy fee of \$5,000 per calendar month (plus GST) for company secretarial services provided by Evolution's employee Shannon Coates. From 1 April 2014 the agreement was varied such that fees paid for company secretarial services were reduced to \$4,000 per month and Evolution was further engaged to provide management consulting services for a period of 12 months, at a rate of \$5,000 per month. The management consulting services are provided by Evolution's Director, Mr Blair Sergeant. At any time after 31 December 2014, the Company can terminate the contract by giving three months' written notice.

Ms Coates was appointed as an interim Non-Executive Director of Lemur on 29 May 2014. Ms Shannon Coates is a director of Evolution and a beneficiary of the Evolution Trust.

Under the contract, Evolution was paid \$38,000 (plus GST) between 1 January and 30 June 2014.

- The Company entered into a sub-lease agreement on 15 October 2011 with Evolution 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 to terminate the remaining 50% of the sub-let space on 15 January 2014.

Ms Shannon Coates is a director of Evolution.

Under the sub-lease agreements, Evolution was paid \$26,249 (plus GST) between 1 January and 30 June 2014.

- The Company entered into a sub-lease agreement on 27 November 2013 with VM Investments (Pty) Ltd (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 Ilovo, 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.

**LEMUR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 30 JUNE 2014**

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Mr Anthony Viljoen and Mr Fortune Mojapelo are controlling shareholders and directors of VMI.

Under the sub- lease VMI was paid \$47,156 from 1 January to 30 June 2014.

**18. Financial Instruments**

(a) Fair values

The Directors have performed a review of the financial assets and liabilities as at 30 June 2014 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.

**LEMUR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES  
DIRECTORS' DECLARATION  
FOR THE HALF YEAR ENDED 30 JUNE 2014**

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

1. In the opinion of the Directors:

- (a) The half year financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - (i) Giving a true and fair view of its financial position as at 30 June 2014 and its performance for the half year ended on that date;
  - (ii) Complying with Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

**On behalf of the Board**



**Fortune Mojapelo  
Non-Executive Director**

4 September 2014

## To the members of Lemur Resources Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Lemur Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, 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 the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Lemur Resources Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

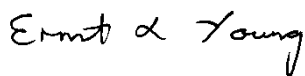
### Independence

In conducting our review, 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.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lemur Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Gavin Buckingham  
Partner  
Perth  
4 September 2014