Imaloto Coal Project: Scoping Study Produces Positive Results

Coal exploration company Lemur Resources Limited ("**Lemur**" or the "**Company**") (**ASX:LMR**) is pleased to announce the consolidated results of the mining, infrastructure, land logistics and port scoping studies undertaken at the Company's flagship Imaloto Coal Project ("**Imaloto**" or the "**Project**") in Madagascar.

The combined study highlights the potential of the Project, and provides a pathway for the proposed development of Imaloto.

SCOPING STUDY PARAMETERS – CAUTIONARY STATEMENT

The scoping study referred to in this announcement:

- is based on lower-level technical and economic assessments, and are 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;
- contains scoping study results and production targets which are preliminary in nature. The Life of Mine ("LOM") Run of Mine ("ROM") production target of 21 million tonnes is based on the exploitation of the Measured and Indicated portions only of the JORC compliant resource. The Measured and Indicated portions represent 91% of the resource equating to a total of 123 million tonnes. Refer to Appendix 1 for a copy of the JORC compliant resource statement;
- contains outputs relating to 100% of the Project; and
- contains cash flows which, unless otherwise stated, are in US dollars which are undiscounted and are not subject to inflation/escalation factors and all years are calendar years.

Refer to page 15 for further details on Cautionary and Forward looking statement.

Highlights Include:

- **modelled net present value (NPV) of US$36 million at a post-tax real discount rate of 10%;**
- **low capital expenditure of less than US$12 million in order to commence the open pit operation (Phase 1);**
- **LOM of 19 years (Phase 1 & 2) for total ROM production of 21 million tonnes1;**
- **phase 1 RAW product with an average CV of 5,504 kcal/kg net as received (NAR); and**
- **phase 2 primary products yielding over 62% with an average CV of 5,689 kcal/kg NAR and 16.5% Ash, and a secondary product yielding 33% with an average CV of 3,627 kcal/kg NAR for a combined yield in excess of 95%.**

A LOM export price of US$3.40 per GJ equating to US$81 per tonne has been applied. When using the medium export term price assumption of US$3.74 per GJ equating to US$89 per tonne, the Project NPV increases to US$55 million at a post- tax real discount rate of 10%.

Phase 1 includes an initial truck and shovel open pit mining operation whereby the Main Seam will be mined, crushed, screened and sold RAW to a proposed coal fired Independent Power Producer (“IPP”), which is planned to be located adjacent to the mine. Initial capital for Phase 1 is estimated at approximately US$12 million with a LOM of 9 years. No IPP exists at this time however, the Company has been working towards being issued an Independent Power Producing Concession that would provide Lemur with the right to operate and construct a coal fired power station in near proximity to the Imaloto Coal Project.

Phase 2 involves the commencement of an underground mining operation whereby the ROM coal will be beneficiated for the purposes of producing a primary export grade 5,600 NAR Kcal/kg product which will be trucked to the existing Port of Tulear for export. The discard coal will be sold to the IPP as referred to above. Capital required for Phase 2 is estimated at US$84 million and will have a LOM of 10 years.