LANDORE RESOURCES

Annual Report 2013

Contents

Company information

Directors	William Humphries *(Chairman)* Richard Prickett *(Chief Executive Officer and Finance Director)* Charles Wilkinson *(Non-Executive Director)* Helen Green *(Non-Executive Director)*
Company Secretary	Rysaffe International Services Limited
Registered office	La Tonnelle House Les Banques St Sampson Guernsey GY1 3HS
Nominated Adviser and Broker	Strand Hanson Limited 26 Mount Row London W1K 3SQ
Auditor	Grant Thornton Limited P O Box 313 Lefebvre House Lefebvre Street St Peter Port Guernsey GY1 3TF
Registrar	Rysaffe International Services Limited P O Box 141 La Tonnelle House Les Banques St Sampson Guernsey GY1 3HS
Crest Service provider	Computershare Investor Services (Guernsey) Limited 3rd Floor, Natwest House Le Truchot St Peter Port Guernsey GY1 1WD

Chairman's statement

I am pleased to present the 2013 Annual Report for Landore Resources Limited ("Landore Resources" or the "Group").

During the last year the Group has concentrated almost all its efforts on further exploration work on its Junior Lake Project. The most important work carried out has been the Quantec Geoscience 3D geophysical survey, the initial results of which were announced in April. The results support the outstanding potential for the Junior Lake Project to be a significant Nickel-Copper – PGEs region hosting many more occurrences similar to those discovered to date.

Financial Results

In the year ended 31 December 2013, the Group incurred a loss, after tax, of £2,415,561 (2012: £4,330,518).

The reduction in losses for the period is mainly due to the reduced level of drilling expenditure. The exploration and administration expenses were funded by share placements raising approximately £1.845 million during 2013.

Landore Resources has no debt and will continue to raise further equity as needed to carry out its development plans. Shareholders have been very supportive of the Group's financing needs and the Directors are confident of raising further funds as required.

The Junior Lake Property

The property is situated 235 kilometres northeast of Thunder Bay in the province of Ontario, and is highly prospective for numerous metals including nickel, copper, cobalt, PGE's, gold and lithium.

This year, all of Landore's activities have been focused on expanding the nickel mineralisation between the B4-7 and VW deposits on the Junior Lake property. A second 3D geophysical survey was carried out by Quantec Geoscience over these areas and the mineralised trends. The initial results were announced in April 2014 which confirmed the great potential of the property and identified more new areas of nickel mineralisation. These new zones range from around 400 metres to 1,200 metres in length along strike and are adjacent to the existing B4-7 Nickel-Copper-Cobalt – PGEs resource and the VW Nickel resource.

A drill programme to test these new targets is scheduled to commence in July 2014.

Based on the geological knowledge we have now amassed, it is estimated that nickel – copper sulphide mineralisation exists along strike length for approximately 10 kilometres.

In addition to the positive news on the Junior Lake project, the outlook for the nickel price is, very favourable. There are supply constraints worldwide, exacerbated by the Indonesian ban on unprocessed ore exports, with political sanctions in Russia adding further concern.

Chairman's statement continued

The Group continues to maintain excellent relationships with the local First Nations on whose traditional lands our Junior Lake property is located. In January 2014 Landore announced that it had renewed its Memorandum of Undertaking with Whitesand and AZA First Nations.

I again thank the shareholders for their strong support and also Michele Tuomi and her staff, both in Thunder Bay and on site, for their perseverance, dedication and performance. Landore Resources is in a very positive position to move forward and create substantial shareholder value.

William Humphries
Chairman

14 May 2014

Operations report

Eastern Canada

INTRODUCTION

Landore Resources Limited, through its 100 per cent. owned subsidiary Landore Resources Canada Inc. ("Landore"), is actively engaged in mineral exploration in Eastern Canada. Landore owns or has the mineral rights to six wholly owned properties in Eastern Canada, of which Mount Fronsac is optioned to a third party. Landore also owns a 30 per cent. interest in the West Graham property.

Landore, through its 100 per cent. owned subsidiary Brancote US, owns or has the mineral rights to a further eight properties for 99 claims in the State of Nevada.

Landore's exploration focus is on the highly prospective Junior Lake property, Ontario.

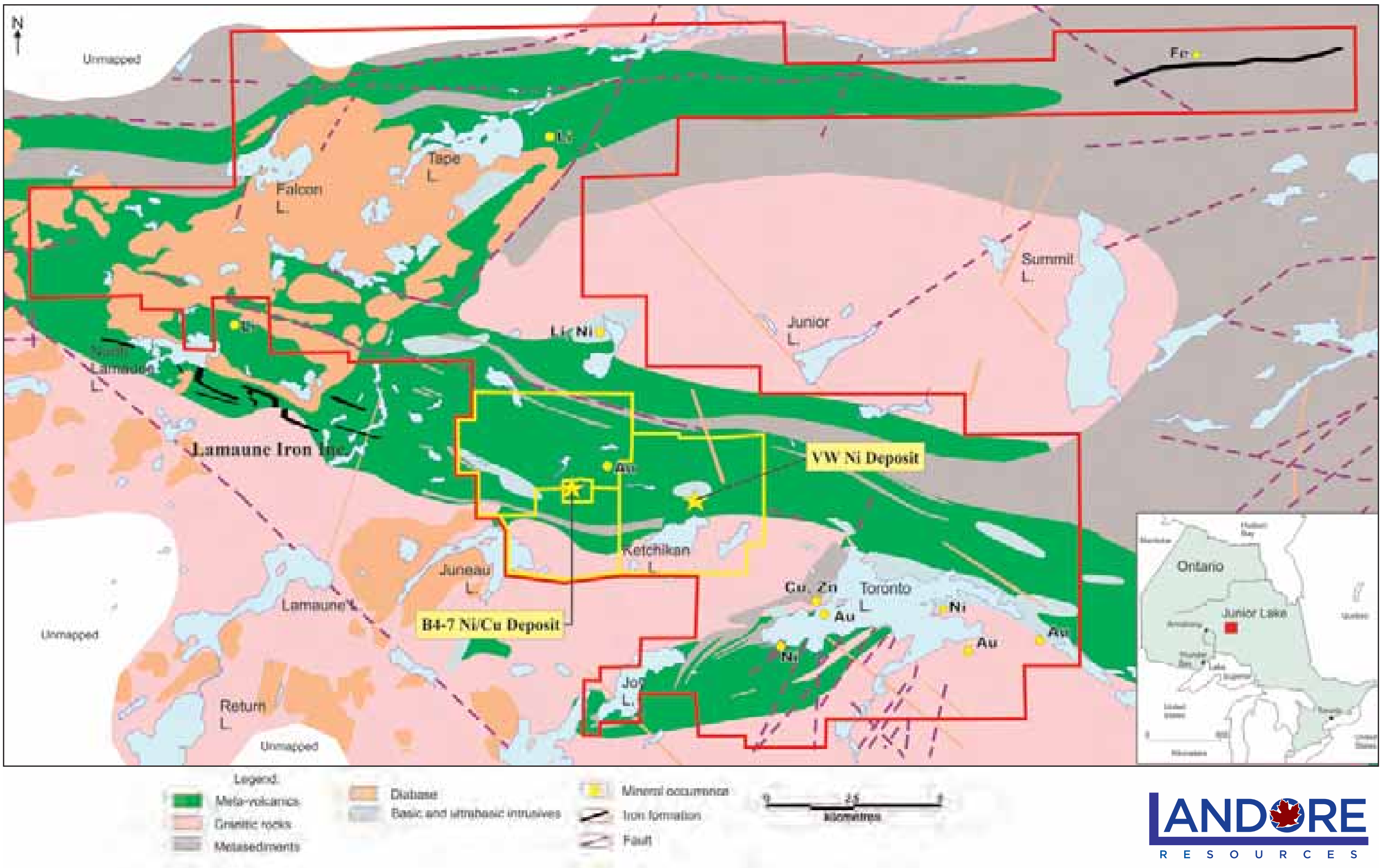
Full details of the Group's projects, including maps, Canadian National Instrument 43-101 (NI 43-101) resource reports, geophysical surveys etc. can be viewed on the Group's website, www.landore.com.

Operations report continued

JUNIOR LAKE PROPERTY

The Junior Lake property, 100 per cent. owned by Landore, is located in the province of Ontario, Canada, approximately 235 kilometres north-northeast of Thunder Bay and is host to the Scorpion Zone which contains the B4-7 Nickel-Copper-Cobalt – PGEs deposit, the Alpha Zone and the Exploration Target located immediately west of the B4-7 deposit. Junior Lake also contains the VW Nickel deposit and numerous other highly prospective mineral occurrences.

The Junior Lake property extends for 39 kilometres and covers an area of 29,490 hectares.



Junior Lake property

In 2005, encouraged by favourable global nickel market conditions, Landore intensified its exploration effort on the Junior Lake property where the historical B4-7 deposit is located. In Q4 2005 the VW deposit was discovered. Subsequent drilling in 2006 and 2007 delineated the VW and B4-7 deposits and brought them to Canadian National Instrument 43-101 (NI 43-101) compliant resources.

Operations report continued

In 2008 with the burgeoning demand for iron on the world market, Landore shifted focus to its prospective Lamaune Magnetite Iron occurrence, located on the western portion of the Junior Lake property. Drilling activities during 2009 and 2010 delineated an 'Exploration Potential' of 300 to 500 million tonnes of mineralisation grading from 25 per cent. Fe to 35 per cent. Fe (2011: NI 43-101 Technical Report). The Lamaune Iron and Lamaune Gold prospects were transferred to the new company Lamaune Iron Inc. in 2011.

In 2011 with improving nickel prices, Landore refocused its exploration efforts on the B4-7 and VW deposits. Further drilling was conducted on the B4-7 deposit, bringing this deposit fully into the Indicated category.

Landore's exploration in 2013 and early 2014 has identified the potential for further significant nickel-copper bearing sulphide mineralisation along the B4-7 and VW Nickel Trends.

B4-7 NICKEL-COPPER-COBALT – PGEs DEPOSIT

The B4-7 deposit is located in the centre of the lease area approximately three kilometres to the northwest of the VW deposit. The B4-7 deposit mineralisation is hosted within a sub-vertical massive sulphide vein with stringers, net-textured and disseminated sulphides in the immediate hanging wall. The B4-7 deposit outcrops at surface with the upper 150 metres of the deposit being amenable to lower cost open pit mining. Below 150 metres, the grade improves sufficiently for underground mining.

The B4-7 deposit resource estimate and report, completed by RPA Inc, of Toronto, Canada ("RPA") in January 2013, identified 2,695,000 tonnes at 1.24 per cent. Nickel equivalent (NiEq) for 33,248 tonnes of contained metal, all in the Indicated category.

The report also identified the Exploration Target located immediately west of the B4-7 deposit containing a potential 1.5 Mt to 2.0 Mt of sulphide mineralisation of similar grade range to that which has been outlined to date.

Drilling on the Exploration Target has also intersected Alpha Zone style disseminated sulphide mineralisation. The Alpha Zone contains significant palladium with elevated nickel, copper, cobalt, platinum and gold values. This mineralisation is found in both the open pit and underground portions of the B4-7 deposit.

Alpha Zone mineralisation has not been included in the B4-7 resource due to its complexity along strike. Landore retained RPA in late March 2013 to conduct a study into the Alpha Zone style mineralisation so as to better understand the structural, lithological, and genetic characteristics of this style of mineralisation. This study determined that portions of the Alpha Zone could be considered as open pit mineral resources, however additional work was needed to further delineate mineralisation.

The B4-7 deposit together with the Alpha Zone and Exploration Target are hosted in the Scorpion Zone, a distinctive geophysical magnetic anomaly which extends 500 metres to the east of the 00 base line of the B4-7 deposit and extends 1,000 metres to the west of line 00 where it is truncated by the Juno Lake shear, and curls north and then to the east around a prominent 150 metre diameter magnetic low. Exploration drilling has established that the Scorpion zone hosts a collective potential massive sulphide mineralisation strike length of 1.5 kilometres.

Operations report continued

Preliminary metallurgical studies completed in 2010 indicate that nickel concentrate grades and recoveries of 13.5 per cent. nickel at 53 per cent. recovery with 17 per cent. copper at 87 per cent. recovery are achievable. Marketable concentrate can be achieved with further processing stages to upgrade the nickel, copper and PGE content with the rejection of pyrrhotite.

The B4-7 deposit, so far delineated over 650 metres of strike, remains open down plunge at depth and along strike to the west. There is further shallow mineralisation potential to the east.

Additional resource potential of the B4-7 deposit at depth and to the west is supported by a deep-penetrating ORION 3D, DCIP + MT geophysical survey on the Scorpion Zone, covering the western portion of the B4-7 deposit and the area one kilometre along strike to the west. This survey acquires three sets of data in multi-directions; DC (direct current), IP (induced polarization) and MT (magnetotellurics), and is a true three dimensional survey. Sophisticated digital signal processing is utilised to obtain high resolution imaging at depths up to 1,000+ metres below surface.

This survey, conducted by Quantec Geoscience, of Toronto, Canada ("Quantec") in Fall 2012, identified five new areas of interest for further exploration, including a prospective zone for sulphide mineralisation at depth and dipping northward from the existing B4-7 deposit.

The results of the recently-completed B4-7 resource estimate, together with encouraging drill results from the Exploration Target and promising geophysical results from the B4-7 and VW Nickel Trends, have contributed to the overall economic viability of the Junior Lake Nickel project.

VW NICKEL DEPOSIT

The VW deposit, discovered by Landore in late 2005, is located at Ketchikan Lake in the central part of the Junior Lake property and is Landore's most advanced project. From 2005 to 2010, Landore has drilled 142 diamond NQ size holes for 35,339 metres on the VW deposit. The VW deposit outcrops at surface with the upper 150 metres of the deposit being amenable to lower cost open pit mining. Below 150 metres, the grade improves sufficiently on the main Katrina zone for underground mining.

In October 2009, a NI 43-101 compliant report on the resource estimate upgrade for the VW deposit was completed by RPA.

The resource estimate, using a cut-off grade of 0.25 per cent. nickel reported:

- Indicated – 3.73 million tonnes at 0.49 per cent. NiEq.
- Inferred – 0.72 million tonnes at 0.49 per cent. NiEq.

For a contained 21,760 tonnes NiEq. 84 per cent. of the resource is in the Indicated category. The resource remains open to the East and to the West as well as down dip.

Metallurgical studies completed in 2008 indicate that nickel concentrate grades and recoveries ranging from 14 per cent. nickel at 74 per cent. recovery to 10 per cent. nickel at 80 per cent. recovery are a reasonable representation of the expected plant recovery.

Planned

A resource expansion drill programme is planned for Q3 2014.

Operations report continued

B4-7 and VW NICKEL TRENDS

The highly prospective three kilometre distance between the B4-7 Nickel-Copper-Cobalt – PGEs resource and the VW Nickel resource has been the focus of review and study during 2013. An investigative report produced by RPA in September 2013 concluded that exploration work completed on the B4-7 and VW deposits to date has clearly demonstrated the existence of a geological environment that is favourable for the deposition of magmatic nickel-copper sulphide mineralisation. RPA further noted in its report that based on geophysical signatures and available geological knowledge, this favourable environment is believed to exist along a strike length of approximately 10 kilometres. At its widest, the favourable rock sequences are in the order of 1,000 metres to 1,500 metres in thickness.

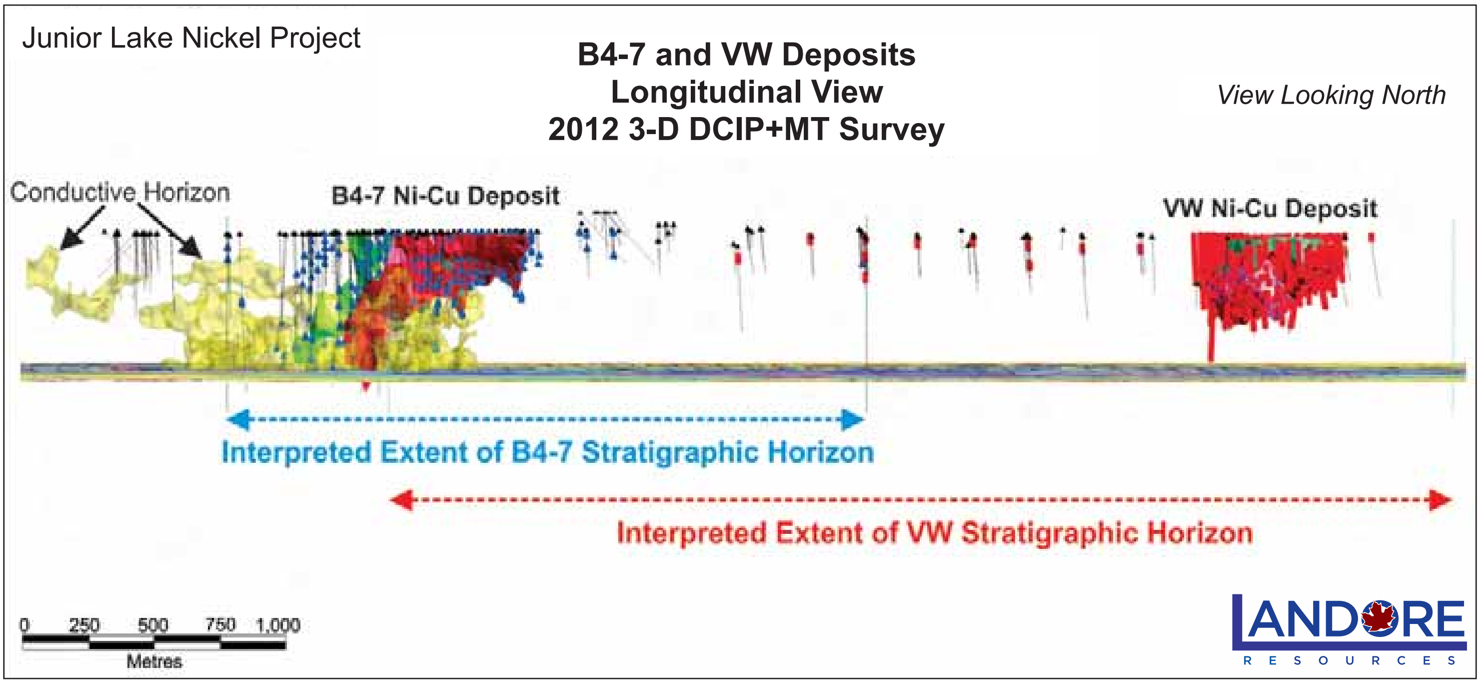
Previous exploration drilling by Landore between the B4-7 and VW deposits intersected promising base and precious metal results with numerous + 0.30 per cent. nickel intersections including 2.50 metres at 0.39 per cent. nickel in drill-hole 0411-288 and 1.50 metres at 0.33 per cent. nickel in drill-hole 0411-289. In addition, drilling intersected 0.75 metres at 26.1 g/t gold in drill-hole 0409-252, 1.4 metres at 662ppb platinum and 1,888ppb palladium in drill-hole 0406-64, and 0.5 metres at 2.23 per cent. copper in drill-hole 0409-247. These results had encouraged Landore to perform ground geophysics over this large area to assist in drill targeting before further drilling was conducted.

Accordingly, Landore retained Geosig Inc. ("Geosig") of Quebec, Canada to conduct in December 2013 additional ground Electromagnetic (MaxMin), VLF and Magnetic geophysical surveys from line 900E, through the VW Nickel Deposit, to line 4000E. Results from these recently completed Geosig surveys have been highly encouraging, identifying three significant near-surface anomalies with a combined length of 1,500 metres and up to 35 metres in width.

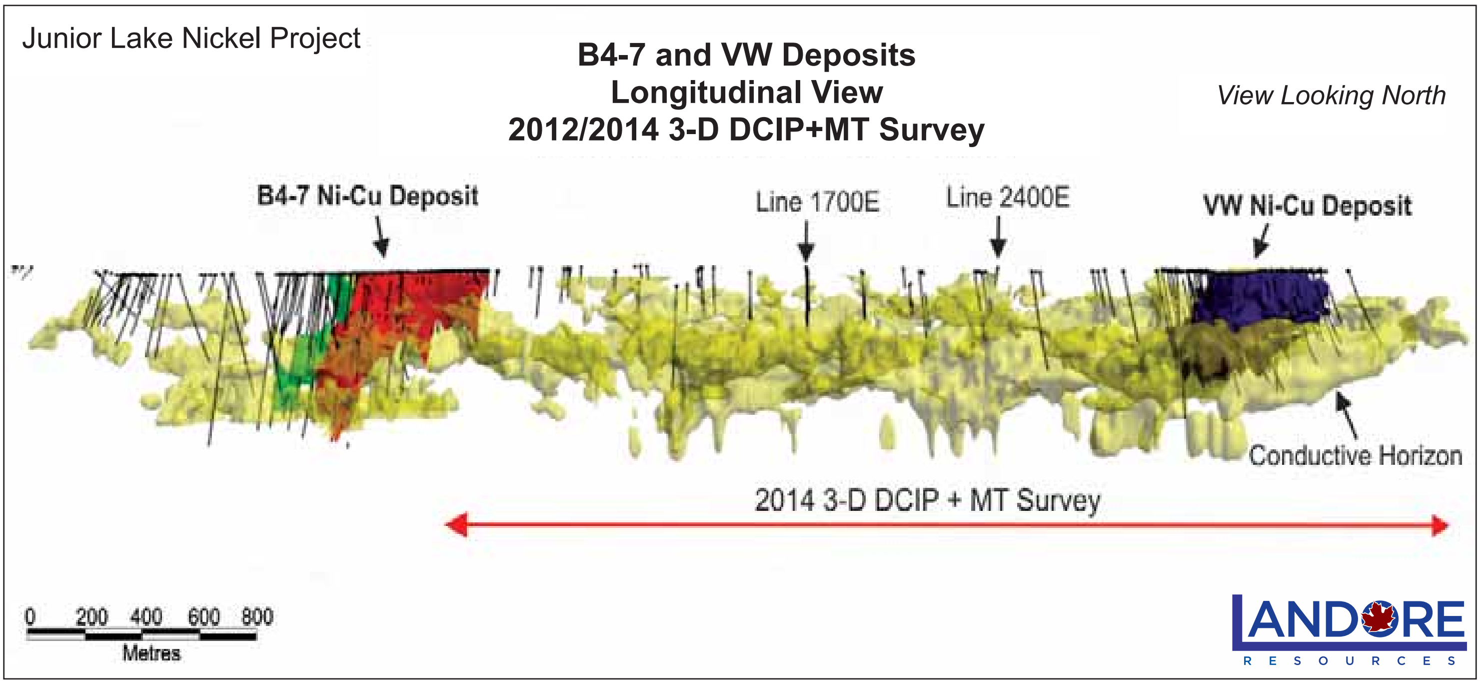
Similar ground Electromagnetic (MaxMin), VLF and Magnetic surveys were conducted by Geosig in the B4-7 Deposit area in late 2001 from line 2000W on the Scorpion Zone, through the B4-7 Nickel-Copper-Cobalt+PGE+Gold deposit, to line 2600E. These surveys were highly successful, accurately delineating the B4-7 main massive sulphide zone to a depth of 150 metres which was subsequently drilled to define the NI 43-101 compliant Indicated Resource.

In January 2014, a second 3-D "Direct Current Induced Polarization" and "Magnetotellurics" (DCIP+MT) ground geophysical survey was conducted on the Junior Lake property by Quantec over the B4-7 and VW Nickel trends. The survey block spans 3,400 metres x 2,200 metres from grid line 300E to 3700E and line 700N to 1500S, and is located directly adjacent to the east of the highly successful 2012 ORION 3D DCIP+MT survey block covering the B4-7 and Scorpion Zone.

Operations report continued



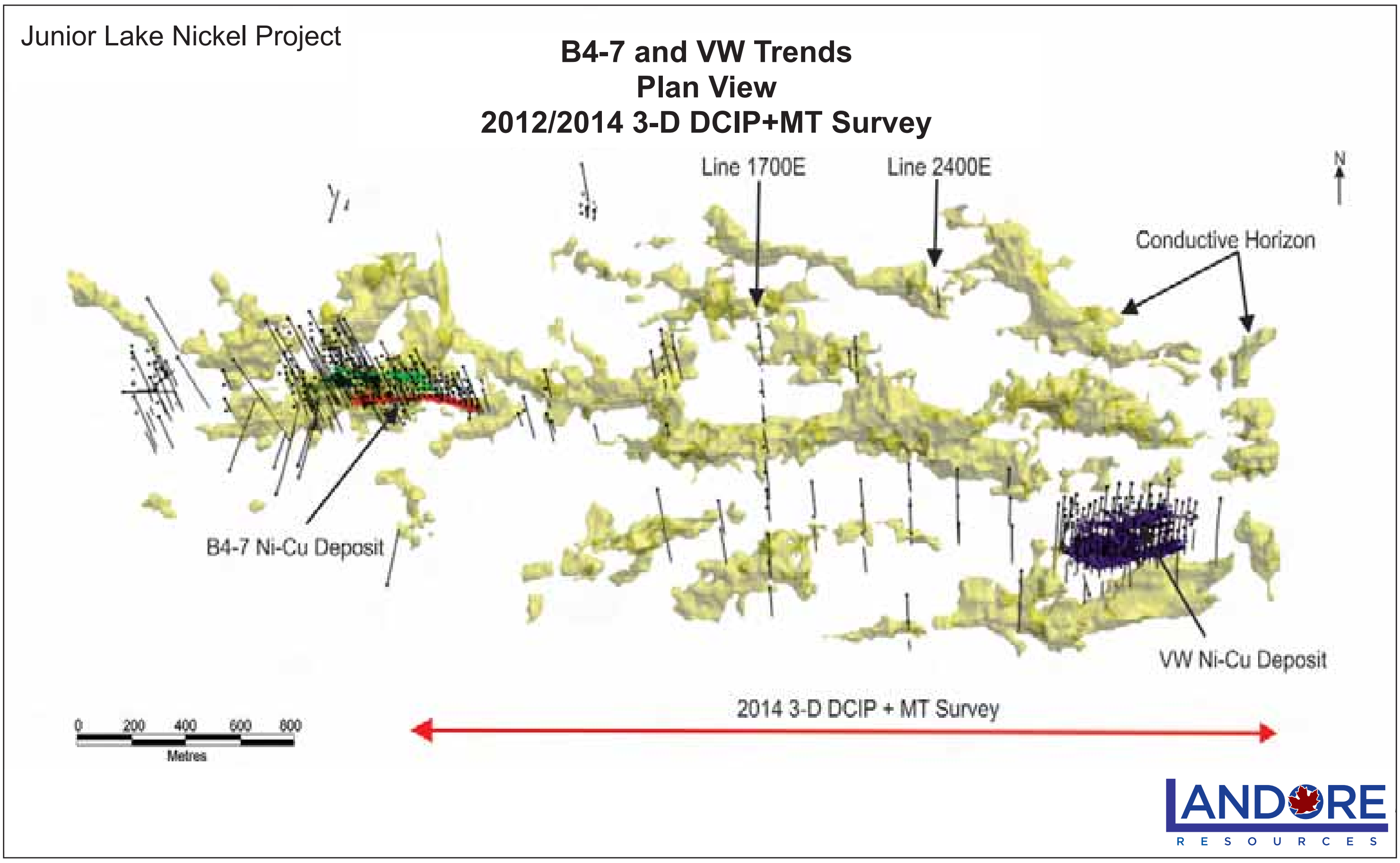
Longitudinal section showing 2012 DC Resistivity results from 3-D DCIP+MT survey (in yellow), with B4-7 and VW deposits



Longitudinal section showing 2012/2014 DC Resistivity results from 3-D DCIP+MT survey (in yellow), with B4-7 and VW deposits

Operations report continued

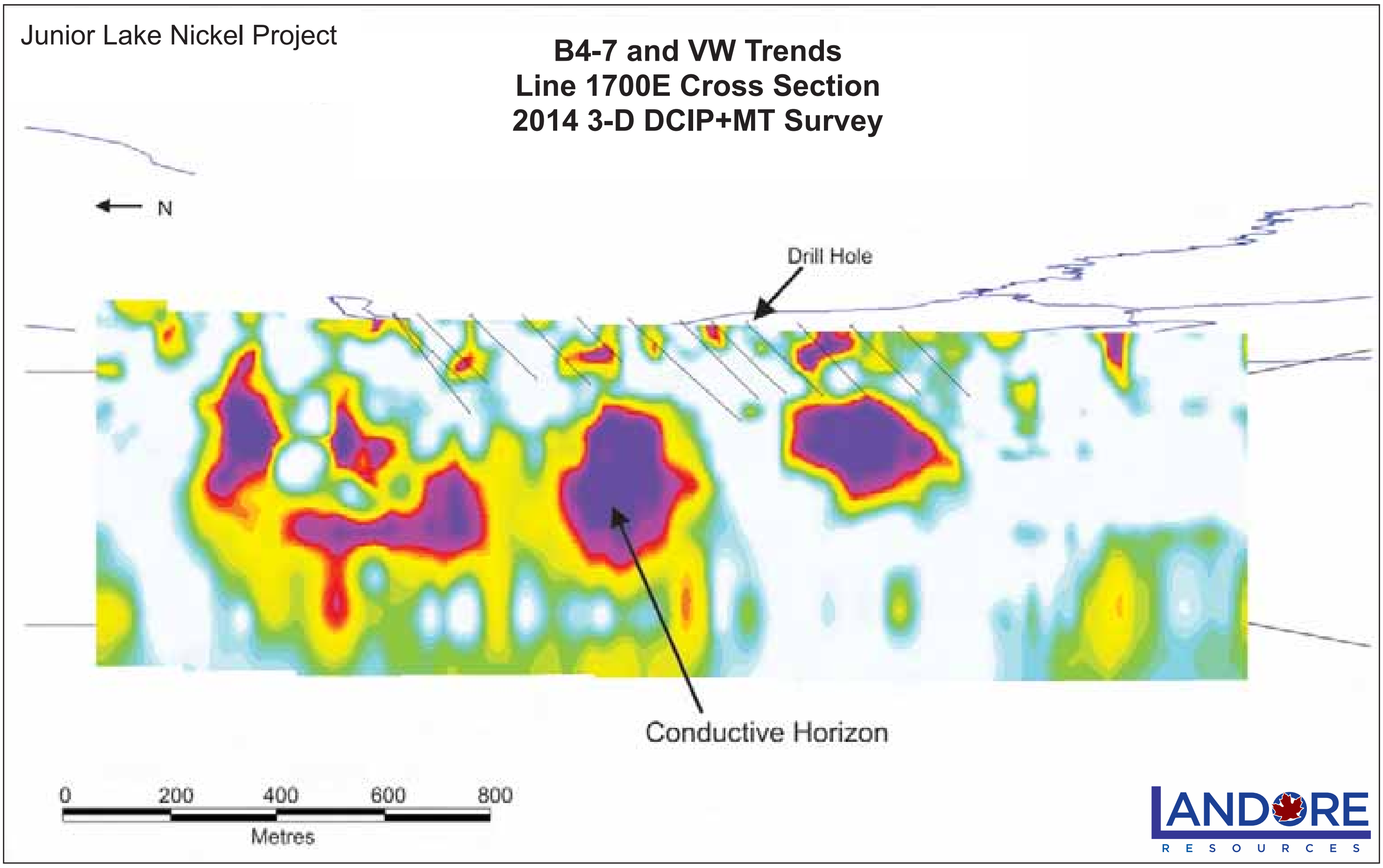
The DC resistivity geophysical results have identified the presence of nine significant new zones, ranging from approximately 400 metres to 1,200 metres in length, of potential nickel sulphide mineralisation along strike and adjacent to the existing B4-7 Nickel-Copper-Cobalt – PGEs resource and the VW Nickel resource. These results correlate well with the December 2013 ground Electromagnetic (MaxMin), VLF and Magnetic geophysical surveys and provide numerous excellent drill targets both near surface and at depth.



Plan view map showing 2014 DC Resistivity results from 3-D DCIP+MT survey (in yellow)

Induced Polarization (IP) and magnetotellurics (MT) data, still being processed from this survey, will be used to validate drill targets and assess mineral potential at greater depths (>700 metres).

The potential sulphide mineralisation identified by DC resistivity results lies below the majority of Landore's previous exploration drilling, substantiating Landore's belief that drilling to date had merely intersected the top of this system. These compelling findings, along with identified potential mineralisation near-surface, warrant follow-up drilling.



Line 1700E cross section showing 2014 DC Resistivity results from 3-D DCIP+MT survey, and exploration drilling

Planned

A drill programme to confirm prospective sulphide mineralisation on the B4-7 and VW Nickel trends is planned for Q3 2014.

Infrastructure

The city of Thunder Bay is located on the northern shore of Lake Superior and is the main supply hub for the mining centres of northern Ontario including Red Lake, Pickle Lake, and the Musselwhite gold mine. It has extensive port facilities and an airport providing daily flights to major provincial cities, as well as a rail line that provides access to both eastern and western North American markets.

Access to Junior Lake from Thunder Bay is via a sealed highway for 235 kilometres to the town of Armstrong and then via a well maintained forest products unsealed road for 100 kilometres that runs to the property.

The Canadian National Railway runs parallel to the Junior Lake property 13 kilometres to the south providing direct transport access to both the nickel smelting centre of Sudbury and the port facilities at Thunder Bay.

Operations report continued

In addition, Junior Lake has abundant water resources nearby and is just 10 kilometres from the planned hydro-electric power station on the Little Jackfish River.

Environmental Baseline Studies

Golder Associates of Sudbury, Ontario, have continued with the Environmental Baseline Studies programme initiated on the mining leases containing the B4-7 and VW deposits in the winter of 2007.

Water surface monitoring of lakes and drainage tributaries within the vicinity of the deposits have continued on a bi-annual basis during 2011 and have been increased to a quarterly basis in 2012. The area of influence has recently been expanded to include lakes and drainage further out from the leases.

The environmental and baseline studies are all pre-requisite for permitting requirements for the development of the B4-7 and VW deposits.

Mining Leases

A pre-requisite for the development of the B4-7 and VW deposits is to secure tenure over an area of land sufficiently large to provide for development, mining, processing, infrastructure and buffer zones around the mining areas and for future expansion. Landore has been granted three mining leases ("Mining Leases"), which include mining and surface rights, over an area encompassing the B4-7 and VW deposits. The mining leases cover 23 existing exploration claims for a total area of 3,676 hectares and have been granted for 21 years renewable for further terms of 21 years.

Within the Mining Leases, Landore has the right, subject to provisions of certain Acts and reservations, to:

- Sink shafts, excavations etc., for mining purposes.
- Construct dams, reservoirs, railways, etc., as needed.
- Erect buildings, machinery, furnaces, etc., as required and to treat ores.

MIMINISKA LAKE – KEEZHIK LAKE PROPERTIES

Miminiska Lake Property

Landore's Miminiska Lake property, 100 per cent. owned by Landore, covers an area of 5,494 hectares and is located approximately 130 kilometres to the north of the Junior Lake property and 115 kilometres to the east of the Pickle Lake mining camp in the highly productive and prospective Uchi Belt. Landore completed four drilling campaigns between 2003 and 2005 on the Miminiska gold occurrence with 47 NQ diamond drill holes for 9,349 metres, focusing on two potential shoots within a known 800 metres strike length. Excellent results were received with grades reporting up to 131 g/t gold over 0.5 metres and 40.2 g/t gold over 2.3 metres.

An independent technical review was completed in 2009 on the Miminiska Lake property which established the presence of two exploration targets:

- Miminiska Lake – 232,000 tonnes at 5.62 g/t gold
- Frond Lake – 271,000 tonnes at 5.10 g/t gold

for a total of 503,000 tonnes at 5.34 g/t for 86,357 ounces of gold.

Both these exploration targets are open along strike and at depth and have good potential for expansion and upgrading to a mineral resource.

Operations report continued

Keezhik Lake Property

Landore holds 45 mining claim blocks, for 9,920 hectares, in the highly prospective Keezhik Lake area, located 20 kilometres north of Landore's Miminiska Lake property and 150 kilometres Southeast of Goldcorp's Musselwhite Gold mine. Landore's land package spans over 20 kilometres across prime gold exploration targets.

The Keezhik Lake area is adjacent to the North-Caribou – Totogan Shear Zone that is also host to Goldcorp's Musselwhite Gold mine, located 150 kilometres to the northwest. The Musselwhite Gold mine has produced in excess of 2.5 million ounces with 2 million ounces of gold in mineral reserve. The Keezhik Lake claims are also located in the highly productive and prospective Uchi Belt.

During Q3 2011, a field reconnaissance, mapping and sampling campaign was carried out at Keezhik Lake. Field investigation of geophysical anomalies, prospective geological features, and historical gold showings revealed several areas of interest on the property warranting follow-up exploration work.

Planned

A 1,500 metre drilling campaign is scheduled for Q1 2015 to test prospective areas indicated by 2011 field investigations.

OTHER PROPERTIES

Landore has other non-core exploration properties which include grass roots exploration and defined drill targets.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Landore believes that a successful project is best achieved through maintaining close working relationships with First Nations and other local communities. This social ideology is at the forefront of all of Landore's exploration initiatives by establishing and maintaining co-operative relationships with First Nations communities, hiring local personnel and using local contractors and suppliers.

Careful attention is given to ensure that all exploration activity is performed in an environmentally responsible manner and abides by all relevant mining and environmental acts. Landore takes a conscientious role in all of its operations, and is aware of its social responsibility and its environmental duty.

Michele Tuomi, P.Geo.
Director/VP Exploration, Landore Resources Canada Inc.

14 May 2014

Board of Directors

William Humphries (aged 73) – Chairman

William Humphries has over 40 years' experience in the mining and civil engineering industries. From 1996 to 1998 he was General Manager of Sardinia Gold Mining SpA and from January 1999 to July 2002 he was Managing Director of Brancote Holdings Plc until its merger with Meridian Gold Inc. He has been Managing Director of Patagonia Gold Plc since its inception in November 2000.

Richard Prickett (aged 62) – Chief Executive Officer and Finance Director

Richard Prickett is a Chartered Accountant and has many years' experience in corporate finance. He was Chairman of Brancote Holdings Plc from 1995 until its merger with Meridian Gold Inc. in July 2002. He is a Non-Executive Director of City Natural Resources High Yield Trust Plc and Non-Executive Chairman of Asian Growth Properties Limited.

Charles Wilkinson (aged 70) – Non-Executive Director

Charles Wilkinson is a solicitor who retired from Lawrence Graham LLP in March 2005. At Lawrence Graham he specialised in corporate finance and commercial law and advised mining companies. He is Chairman of Doric Nimrod Air One Limited and Doric Nimrod Air Three Limited, Non-Executive Director of Doric Nimrod Air Two Limited and Premier Energy and Water Trust Plc.

Helen Green (aged 51) – Non-Executive Director

Helen Green is a Chartered Accountant and has been employed by Saffery Champness, a UK top 20 firm of Chartered Accountants, since 1984. She qualified as a Chartered Accountant in 1988, and became a partner in the London office in 1997. Since 2000 she has been based in the Guernsey office where she is the client liaison director responsible for trust and company administration.

She is a Non-Executive Director of Acorn Income Fund Limited (of which she is Chairman) Tamar European Industrial Fund Limited, Henderson Diversified Income Limited, Advance Frontier Markets Fund Limited and John Laing Infrastructure Fund Limited.

Strategic report

The Directors submit their Strategic Report for Landore Resources Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2013.

Principal activity

The Group's principal activity, mainly in Canada, is mineral exploration including the identification, acquisition and development of technically and economically sound mineral projects either alone or with joint venture partners. The main focus, in the year under review, has been on the Junior Lake project in North Eastern Ontario.

A detailed review of the Group's activities, the development of its business and an indication of likely future developments may be found in the Chairman's statement on pages 3 and 4.

Principal risks and uncertainties

The Group operates in an uncertain environment that may result in increased risk, costs pressures and schedule delays. The risks that face the Group are common to all of the Group's mining activities. The following are some of the key risks that face the Group:

Exploration and development risk

There is no assurance that the Group's exploration activities will be successful, and statistically few properties that are explored are ultimately developed into producing mines. Accordingly, the Group is seeking to balance this risk by building a portfolio of projects and prospects that carry a range of differing technical and commercial risks and keeping under careful review the amount invested in any one project.

The Group's operations may also be curtailed, delayed or cancelled as a result of economic, environmental and political conditions in the area of operation.

Competition

There is strong competition within the mining industry for the identification and acquisition of suitable properties. The Group competes with other exploration and production companies, some of which have greater financial resources than the Group, for the acquisition of properties, leases and other interests as well as for the recruitment and retention of skilled personnel. The challenge to management is to secure transactions without having to over-pay.

Fiscal regimes

Canadian fiscal policies are complex, and it is therefore difficult to distinguish whether a future tax payment is possible or probable. Where a future tax payment is considered to be possible but not probable, provision has been made in the accounts.

Financing

The development of the Group's properties will depend upon the Group's ability to obtain financing primarily through the raising of new equity capital, but also by means of joint-venture of projects, debt financing, or other means. There is no assurance that the Group will be successful in obtaining the required financing. If the Company is unable to obtain additional financing as needed, some interests may be relinquished and/or the scope of the operations reduced.

Strategic report continued

Environmental and other regulatory requirements

Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Group, the extent of which cannot be predicted. Before exploration and production can commence on any properties, the Group must obtain regulatory approval and there is no assurance that such approvals will be obtained. No assurance can be given that new rules and regulations will not be enacted or existing rules and regulations will not be applied in a manner which could limit or curtail the Group's operations.

Key Performance Indicators

The legislation requires the Board to lay down relevant Key Performance Indicators (KPIs) which, for a company at Landore's stage of development, are focused on managing the activities inherent in exploration and appraisal operations. The KPIs for the Group are as follows:

Non financial KPIs		Financial KPIs	
Health and safety management	Lost time injury frequency rate medical treatment injury frequency rate	Shareholder return	Share price performance
Environment management	Strict environmental policies are in place	Exploration expenditure	Funding and development costs measured as per anticipated ounce of metals
Operational success	The number of successful exploration drilling ventures Resources added	Exploration development	Results of scoping and feasibility studies
Human resource management	Employee retention rate		

Directors and employees

At 31 December 2013 there were four Directors, three male and one female.

At 31 December 2013 there was one female senior manager.

The total number of employees at 31 December 2013 was six, three male and three female.

Social and environmental responsibility

Landore believes that a successful project is best achieved through maintaining close working relationships with First Nations and local communities. Landore has recently renewed its Memorandum of Understanding with Whitesand and AZA First Nations with respect to the Junior Lake Property. This agreement formalises the desire and commitment to develop a positive, mutually beneficial relationship amongst all parties and establishes the process by which this is to be accomplished while Landore is conducting exploration and advanced exploration activities in the area.

Careful attention is given to ensure that all exploration activity is performed in an environmentally responsible manner and abides by all the relevant mining and environmental acts. Landore takes a conscientious role in all of its operations, and is aware of its social responsibility and environmental duty.

Directors' report

The Directors submit their report and the audited consolidated financial statements of Landore Resources Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2013.

Principal activity

The Group's principal activity, mainly in Canada, is mineral exploration including the identification, acquisition and development of technically and economically sound mineral projects either alone or with joint venture partners.

Regulation

The Company was registered in Guernsey, Channel Islands on 16 February 2005 with registered number 42821 under the Companies (Guernsey) Law 2008 (the "New Law").

Review of the year

A detailed review of the Group's activities, the development of its business and an indication of likely future developments may be found in the Chairman's statement on pages 3 and 4.

Results and dividends

The loss of the Group for the year, after taxation was £2,415,561 (2012: £4,330,518). The Directors do not recommend payment of a dividend.

Going concern and management plans

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's statement on pages 3 and 4 and the below principal risks and uncertainties. In addition, note 19 to the consolidated financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

The consolidated financial statements are prepared on a going concern basis with a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The Group's loss, after tax for the year as at 31 December 2013 amounted to £2,415,561. The Group's trade receivable amount of £3,834,913 includes consideration receivable from Lamaune Iron Inc., a company under common control, for the sale of the Lamaune mineral property. The due date for the receivable has been deferred until 30 April 2019, with no interest accruing but remains secured by the Lamaune mineral property. The interest due up to 30 April 2014 has been settled with a payment of £290,781 and the issuance of 1,379,460 common shares in Lamaune Iron Inc. The Group will need to raise more funds for the year 2014.

According to the cash flow forecast, the Group's total projected net expenditure for the year 2014 is £1.675m. As of year end the Group's bank balance amount was approximately £700,000 hence the Group still needs an additional £1,475,000 to fund the ongoing operations for 2014, and for projected administrative expenses in the first half of 2015 of £500,000. The Directors are confident that these funds can be raised from existing and new investors.

Directors' report continued

These conditions indicate the existence of a material uncertainty which may cast a significant doubt about the Group's ability to continue as a going concern. The consolidated financial statements do not include adjustments that would result if the Group was unable to continue as a going concern.

Exploration costs

The Group continues to devote considerable resources to exploration costs.

Directors

The Directors who have held office since 1 January 2013 are as follows:

Executive

William Humphries *(Chairman)*

Richard Prickett *(Chief Executive Officer and Finance Director)*

Non-Executive

Charles Wilkinson
Helen Green

The Directors in office as at 31 December 2013 had the following beneficial interest in the shares of the Company:

	Ordinary shares of 1pence each		Options to acquire shares	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Executive Directors:				
William Humphries	36,960,000	29,710,000	17,000,000	15,000,000
Richard Prickett	7,855,899	6,945,899	10,000,000	9,500,000
Non-Executive Directors:				
Charles Wilkinson	1,754,047	1,254,047	1,250,000	1,000,000
Helen Green	127,583	127,583	750,000	500,000

Directors' report continued

Share options

As at 31 December 2013 the following share options were outstanding to Directors:

Name	Date granted	Number	Price	Expiry date
William Humphries	28 October 2009	1,000,000	£0.1400	28 October 2019
William Humphries	6 July 2011	4,000,000	£0.1612	6 July 2016
William Humphries	20 March 2012	1,000,000	£0.07875	20 March 2017
William Humphries	26 September 2012	1,500,000	£0.0738	26 September 2017
William Humphries	1 July 2013	4,500,000	£0.0500	1 July 2018
William Humphries	25 November 2013	5,000,000	£0.0250	25 November 2018
Richard Prickett	6 July 2011	2,500,000	£0.1612	6 July 2016
Richard Prickett	20 March 2012	1,000,000	£0.07875	20 March 2017
Richard Prickett	26 September 2012	1,500,000	£0.0738	26 September 2017
Richard Prickett	1 July 2013	2,000,000	£0.0500	1 July 2018
Richard Prickett	25 November 2013	3,000,000	£0.0250	25 November 2018
Charles Wilkinson	6 July 2011	250,000	£0.1612	6 July 2016
Charles Wilkinson	26 September 2012	250,000	£0.0738	26 September 2017
Charles Wilkinson	1 July 2013	500,000	£0.0500	1 July 2018
Charles Wilkinson	25 November 2013	250,000	£0.0250	25 November 2018
Helen Green	6 July 2011	250,000	£0.1612	6 July 2016
Helen Green	26 September 2012	250,000	£0.0738	26 September 2017
Helen Green	25 November 2013	250,000	£0.0250	25 November 2018

Directors

Details in respect of the experience of the Executive and Non-Executive Directors are given on page 15.

Related party transactions

Details regarding transactions with related parties and details of Directors' interests in contracts are given in note 18 to the consolidated financial statements.

Share issues

Details of shares issued in the year are given in note 12 to the consolidated financial statements.

Subsequent events

See note 22

Directors' report continued

Substantial shareholdings

Apart from the interests of the Directors referred to above, the Company is aware of the following holdings of more than 3 per cent. of the share capital of the Company as at 6 May 2014:

Shareholder name	Ordinary shares of 1 pence each
Lynchwood Nominees Limited, A/C 2006420	121,751,190
HSBC Global Custody Nominee (UK) Limited, A/C 765526	26,185,000
HSBC Client Holdings Nominee (UK) Limited, A/C 636167	22,707,399
HSBC Global Custody Nominee (UK) Limited, A/C 944287	12,500,000

Payment policy

The Group applies a policy of agreeing payment terms with each of their main suppliers and the Group aims to abide by these terms, subject to satisfactory performance by suppliers.

Auditors

The Directors review the terms of reference for the auditors and obtain written confirmation that the firm has complied with its ethical guidance on ensuring its independence. Grant Thornton Limited provides audit services to the Company. The level of fees charged is reviewed by the Board to ensure they remain competitive and to ensure no conflicts of interest arise.

A resolution to re-appoint Grant Thornton Limited will be put to the members at the Annual General Meeting.

By Order of the Board

Director of Rysaffe International Services Limited
as Secretary to Landore Resources Limited

14 May 2014

Corporate governance report

Financial aspects of corporate governance

The Group has adopted a framework for corporate governance which it believes is suitable for a company of its size and which aims to ensure it complies with the UK Corporate Governance Code, in so far as is appropriate having regard to the size and nature of the Group, prepared by the Financial Reporting Council.

The Board

The Board meets throughout the year and all major decisions are taken by the full Board. The Group's day to day operations are managed by the Executive Directors. All Directors have access to the Company Secretary and any Director needing independent professional advice in the furtherance of his duties may obtain this advice at the expense of the Group.

Corporate Governance Committees

The Board has established two committees comprising Non-Executive Directors and Executive Directors. The composition of the committees is as follows:

Audit

Charles Wilkinson *(Chairman)*
William Humphries
Helen Green

Remuneration

William Humphries *(Chairman)*
Charles Wilkinson
Helen Green

The Audit Committee

The Audit Committee has met twice during the year to review the published financial information, the effectiveness of external audit and internal financial controls including the specific matters set out below.

The terms of reference of the Audit Committee are to assist all the Directors in discharging their individual and collective legal responsibilities and during the meetings the following were considered to ensure that:

- The Group's financial and accounting systems provide accurate and up-to-date information on its current financial position, including all significant issues and going concern;
- The integrity of the Group's financial statements and any formal announcements relating to the Group's financial performance and reviewing significant financial reporting judgments contained therein are monitored;
- The Group's published financial statements represent a true and fair reflection of this position; and taken as a whole are balanced, understandable providing the information necessary for shareholders to assess the Group's performance, business model and strategy;
- The external audit is conducted in an independant, objective thorough, efficient and effective manner, through discussions with management and the external auditor; and
- A recommendation is made to the Board for it to put to shareholders in general meeting, in relation to the reappointment, appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor.

Corporate governance report continued

The audit committee does not consider there is a need for an internal audit function given the size and nature of the Group.

Significant issues considered by the Audit Committee during the year have been Principal Risks and Uncertainties described in the Directors' report and their effect on financial statements. The Audit Committee tracked the Principal Risks and Uncertainties through the year and kept in contact with Group's Management, External Service Providers and Advisors and received regular updates. The Audit Committee is satisfied that there has been appropriate focus and challenge on the high risk areas.

Grant Thornton, the current external auditors, have been in office since 2006 which was the last time a tender for the audit took place.

The external auditors are invited to attend the Audit Committee meeting to present their findings and this provides them with a direct line of communication to the Directors.

Remuneration Committee

The terms of reference of the Remuneration Committee are to:

- recommend to the Board a framework for rewarding senior management, including Executive Directors, bearing in mind the need to attract and retain individuals of the highest calibre and with the appropriate experience to make a significant contribution to the Group; and
- ensure that the elements of the remuneration package are competitive and help in underpinning the performance-driven culture of the Group.

Internal control

The Directors acknowledge their responsibility for the Group's system of internal control, which is designed to ensure adherence to the Group's policies whilst safeguarding the assets of the Group, in addition to ensuring the completeness and accuracy of the accounting records. Responsibility for implementing a system of internal financial control is delegated to the Finance Director. The essential elements of the Group's internal financial control procedures involve:

- *Strategic business planning*
  Detailed financial projections for the current financial year are prepared and subject to formal review at quarterly Board meetings.
- *Performance review*
  The Directors aim to monitor the Group's performance through the preparation of quarterly management accounts and regular reviews of expenditure and projections.

Going concern

The Directors confirm that it is suitable for the financial statements to be drawn up on the going concern basis.

A full explanation of the Directors' reasoning behind this assumption is given on pages 18 and 19.

Statement of Directors' responsibilities

The Directors are responsible for the preparation of the Directors' report and the financial statements for each financial period which give a true and fair view of the state of affairs of the Company and the Group and of the profit and loss of the Group for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business; and
- state whether applicable accounting policies have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and Group and to enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. The Directors have reviewed during the current year the effectiveness of the Group's risk management and internal control systems, including financial, operational and compliance controls. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors take responsibility for ensuring that the Group's published financial statements represent a true and fair reflection of its current financial position, and taken as a whole are balanced, understandable and providing the information necessary for Shareholders to assess the Group's performance, business model and strategy.

In accordance with the Companies (Guernsey) Law, 2008 each Director confirms that so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware. The Directors also confirm that they have taken all steps they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Grant Thornton

Independent auditor's report

To the members of Landore Resources Limited

We have audited the accompanying consolidated financial statements of Landore Resources Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2013 which comprise the consolidated and Company's statement of comprehensive income, the consolidated and Company's statement of financial position, the consolidated and Company's statement of changes in equity, the consolidated and Company's statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the statement of Directors' responsibilities on page 24, the Directors are responsible for the preparation of the consolidated financial statements which give a true and fair view.

Our responsibility is to audit and express an opinion on the consolidated financial statements in accordance with applicable legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the consolidated financial statements

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the consolidated financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Auditor commentary

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Group's business and is risk-based. The day-to-day management of the Company's operations and the maintenance of the Company's accounting records is outsourced to third-party service providers. Accordingly, our audit work is focussed on obtaining an understanding of, and evaluating, internal controls at the Company and the third-party service providers, and inspecting records and documents held by the third-party service providers. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks.

The Group consolidated financial statements represent the consolidation of four reporting units comprising the Company, Landore Resources Canada Inc. and its subsidiary Brancote US Inc., Landore Resources (UK) Limited. The overall approach to the Group's audit includes performing the full audit of the Company and its consolidated subsidiaries, and the financial information of Landore Resources Canada Inc. No audit procedures were performed on dormant subsidiaries Brancote US Inc. and Landore Resources (UK) Limited.

In establishing the overall approach to the Group audit, we determined the work that needed to be performed at the subsidiary level by the component auditors. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work of those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the consolidated financial statements are free from material misstatement we define materiality as the magnitude of a misstatement or an omission from the consolidated financial statements or related disclosures that would make it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the consolidated financial statements as a whole. We established a materiality for the consolidated financial statements taken as a whole to be £23,000, which is 0.5 per cent. of the Group's total assets value. For the financial information of the Company and subsidiary undertakings, we set our materiality based on a proportion of Group's materiality appropriate to the relative scales of each of the businesses.

We have determined the threshold at which we communicate misstatements to the Audit Committee to be £1,150. In addition, we communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Our assessment of risk

Without modifying our opinion, we highlight the following matters that are, in our judgment, likely to be most important to users' understanding of our audit. Our audit procedures relating to these matters were designed in the context of our audit of the consolidated and Company's financial statements as a whole, and not to express an opinion on individual transactions, account balances or disclosures.

Exploration costs

The Board is required to lay down relevant Key Performance Indicators (KPIs) which, for the Company at development stage, are focused on managing the activities inherent in exploration. Exploration costs is one

Independent auditor's report continued

To the members of Landore Resources Limited

of the significant financial KPIs. Until the Board determines that a particular project is viable based on a positive feasibility study and decides to move it into production exploration costs are written off.

Our audit work included, but was not restricted to, reviewing the exploration costs recorded and checking their proper authorisation and completeness in consolidated financial statements.

The Group's accounting policy and the disclosure of exploration costs are included into Accounting Policies and Note 6, respectively.

Share-based payments

The Group issues equity-settled payments to certain employees. The equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of the Black-Scholes model and involves significant judgment and estimates.

Our audit work included, but was not restricted to, obtaining an understanding of management's process to recognise and measure share-based payments. We reviewed documents relating to the share options granted lapsed during the year and checked whether all share options granted/lapsed have been correctly recorded. We obtained an understanding of how the fair value was determined, reviewed the assumptions used in computing the fair value of the share options using the Black-Scholes model and considered whether they were reasonable.

The Group's accounting policy and the disclosure of share options are included into Accounting Policies and Note 13, respectively.

Opinion on the consolidated financial statements

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the Group's and the Company's affairs as at 31 December 2013 and of the Group's and the Company's losses for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- comply with the requirements of The Companies (Guernsey) Law, 2008.

Emphasis of matter – Going concern

We draw attention to the going concern note in the consolidated financial statements. The Group and the Company incurred a net loss after taxation of £2,787,762 and £2,780,877, respectively, for the year ended 31 December 2013.

Current operations are financed by contributions from investors, therefore the Group and the Company rely on the continuing financial support from investors for the continuance of operations. These factors indicate the existence of an uncertainty which may cast significant doubt about the Group and the Company's ability to continue as going concern. As discussed more fully in the Going Concern note in the consolidated financial statements, these consolidated financial statements have been prepared on a going concern basis on the assumption that the Group and the Company will continue to receive financial support from existing shareholders of the Company and from new investors. Our opinion is not qualified in respect of this matter.

Independent auditor's report continued

To the members of Landore Resources Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited consolidated financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group and Company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that were communicated to the audit committee which we consider should have been disclosed

Under The Companies (Guernsey) Law, 2008 we are required to report to you, if in our opinion:

- proper accounting records have not been kept by the Group; or
- the consolidated financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Grant Thornton Limited
Chartered Accountants
St Peter Port
Guernsey
Channel Islands

14 May 2014

Consolidated statement of comprehensive income

For the year ended 31 December 2013

	Notes	Group 31 December 2013 £	Group 31 December 2012 £
Exploration costs	6	(1,206,799)	(3,126,093)
Other income	1	8,221	8,255
Administrative expenses	21	(1,302,731)	(1,368,189)
Operating loss		(2.501,309)	(4,486,027)
Finance income	2	117,808	123,217
Loss before income tax		(2,383,501)	(4,362,810)
Income tax (expense)/recovery	5	(32,060)	32,292
Loss for the year		(2,415,561)	(4,330,518)
Other comprehensive (loss):			
Exchange difference on translating foreign operations	15	(372,201)	(37,815)
Other comprehensive loss for the year net of tax		(372,201)	(37,815)
Total comprehensive loss for year		(2,787,762)	(4,368,333)
Loss attributable to:			
Equity holders of the Company		(2,415,561)	(4,330,518)
Total comprehensive loss attributable to:			
Equity holders of the Company		(2,787,762)	(4,368,333)
Loss per share for losses attributable to the equity holders of the Company during the year			
– basic	7	(0.007)	(0.014)
– diluted	7	(0.007)	(0.014)

The Group's operating loss relates to continuing operations.

The accounting policies and notes on pages 37 to 57 form an integral part of these consolidated financial statements.

Company statement of comprehensive income

For the year ended 31 December 2013

	Notes	Company 31 December 2013 £	Company 31 December 2012 £
Administrative expenses	21	(794,888)	(781,194)
Operating loss		(794,888)	(781,194)
Interest receivable		3,102	8,752
Foreign exchange loss		(1,989,091)	(438,629)
Loss before income tax		(2,780,877)	(1,211,071)
Income tax expense		—	—
Total comprehensive loss for the year		(2,780,877)	(1,211,071)

The Company's operating loss relates to continuing operations.

The accounting policies and notes on pages 37 to 57 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2013

	Notes	Group At 31 December 2013 £	Group At 31 December 2012 £
Assets			
Non current assets			
Property, plant and equipment	8	72,225	86,496
		72,225	86,496
Current assets			
Trade and other receivables	10	3,834,913	4,178,142
Cash and cash equivalents	22	699,633	1,166,919
		4,534,546	5,345,061
Total assets		4,606,771	5,431,557
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	12	4,134,838	3,462,838
Share premium	12	26,653,862	25,532,762
Share options reserve	13	707,775	1,223,262
Accumulated deficit	14	(27,126,179)	(25,355,105)
Translation reserve	15	(152,162)	220,039
Total equity shareholders' funds		4,218,134	5,083,796
Liabilities			
Non current liabilities			
Income tax liabilities	11	—	7,445
		—	7,445
Current liabilities			
Trade and other payables	11	354,505	310,536
Current income tax liabilities	11	34,132	29,780
		388,637	340,316
Total liabilities		388,637	347,761
Total equity and liabilities		4,606,771	5,431,557

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 14 May 2014.

William Humphries
Director

Richard Prickett
Director

The accounting policies and notes on pages 37 to 57 form an integral part of these consolidated financial statements.

Company statement of financial position

As at 31 December 2013

	Notes	Company At 31 December 2013 £	Company At 31 December 2012 £
Assets			
Non current assets			
Investment in subsidiaries	9	94,889	94,889
		94,889	94,889
Current assets			
Trade and other receivables	10	21,258,736	21,697,236
Cash and cash equivalents	22	666,312	1,050,790
		21,925,048	22,748,026
Total assets		22,019,937	22,842,915
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	12	4,134,838	3,462,838
Share premium	12	26,653,862	25,532,762
Share options reserve	13	707,775	1,223,262
Accumulated deficit	14	(9,552,660)	(7,416,270)
Total equity shareholders' funds		21,943,815	22,802,592
Liabilities			
Current liabilities			
Trade and other payables	11	76,122	40,323
Total liabilities		76,122	40,323
Total equity and liabilities		22,019,937	22,842,915

These financial statements were approved and authorised for issue by the Board of Directors on 14 May 2014.

William Humphries
Director

Richard Prickett
Director

The accounting policies and notes on pages 37 to 57 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2013

	Equity shareholders' funds					
	Share capital £	Share premium £	Share options £	Accumulated deficit £	Translation reserve £	Total £
Balance as at 1 January 2012	2,637,103	21,616,466	1,139,177	21,148,655	257,854	4,501,945
Share option reserve adjustment for lapsed options (note 13)	—	—	84,085	124,068	—	208,153
Issue of ordinary share capital (note 12)	825,735	4,059,778	—	—	—	4,885,513
Issue cost (note 12)		(143,482)	—	—	—	(143,482)
Total transactions with owners	825,735	3,916,296	84,085	124,068	—	4,950,184
Loss for the year	—	—	—	(4,330,518)	—	(4,330,518)
Exchange difference from translating foreign operations	—	—	—	—	(37,815)	(37,815)
Total comprehensive income for the year	—	—	—	(4,330,518)	(37,815)	(4,368,333)
Balance as at 31 December 2012	3,462,838	25,532,762	1,223,262	(25,355,105)	220,039	5,083,796
Balance as at 1 January 2013	3,462,838	25,532,762	1,223,262	(25,355,105)	220,039	5,083,796
Share option reserve adjustment for lapsed options (note 13)	—	—	(515,487)	644,487	—	129,000
Issue of ordinary share capital (note 12)	672,000	1,173,000	—	—	—	1,845,000
Issue cost (note 12)	—	(51,900)	—	—	—	(51,900)
Total transactions with owners	672,000	1,121,100	(515,487)	644,487		1,922,100
Loss for the year	—	—	—	(2,415,561)	—	(2,415,561)
Exchange difference from translating foreign operations	—	—	—	—	(372,201)	(372,201)
Total comprehensive income for the year	—	—	—	(2,415,561)	(372,201)	(2,787,762)
Balance as at 31 December 2013	4,134,838	26,653,862	707,775	(27,126,179)	(152,162)	4,218,134

The accounting policies and notes on pages 37 to 57 form an integral part of these consolidated financial statements.

Company statement of changes in equity

For the year ended 31 December 2013

	Equity shareholders' funds				
	Share capital £	Share premium £	Share options £	Accumulated deficit £	Total £
Balance at 1 January 2012	2,637,103	21,616,466	1,139,177	(6,329,267)	19,063,479
Share option reserve adjustment for lapsed options (note 13)	—	—	84,085	124,068	208,153
Issue of ordinary share capital (note 12)	825,735	4,059,778	—	—	4,885,513
Issue cost (note 12)		(143,482)	—	—	(143,482)
Total transactions with owners	825,735	3,916,296	84,085	124,068	4,950,184
Loss for the year	—	—	—	(1,211,071)	(1,211,071)
Total comprehensive income for the year	—	—	—	(1,211,071)	(1,211,071)
Balance as at 31 December 2012	3,462,838	25,532,762	1,223,262	(7,416,270)	22,802,592
Balance as at 1 January 2013	3,462,838	25,532,762	1,223,262	(7,416,270)	22,802,592
Share option reserve adjustment for lapsed options (note 13)	—	—	(515,487)	644,487	129,000
Issue of ordinary share capital (note 12)	672,000	1,173,000	—	—	1,845,000
Issue cost (note 12)	—	(51,900)	—	—	(51,900)
Total transactions with owners	672,000	1,121,100	(515,487)	644,487	1,922,100
Loss for the year	—	—	—	(2,780,877)	(2,780,877)
Total comprehensive income for the year	—	—	—	(2,780,877)	(2,780,877)
Balance as at 31 December 2013	4,134,838	26,653,862	707,775	(9,552,660)	21,943,815

The accounting policies and notes on pages 37 to 57 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2013

	Notes	Group 31 December 2013 £	Group 31 December 2012 £
Cash flows from operating activities			
Operating loss		(2,501,309)	(4,486,027)
Finance income	2	117,808	123,217
Depreciation of tangible fixed assets	8	23,343	25,624
Foreign exchange loss on non-cash items		(342,293)	(352,392)
Decrease in debtors		277,317	11,351
Increase in creditors		48,321	476,131
Net cash used in operating activities		(2,376,813)	(4,202,096)
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(15,664)	(22,890)
Proceeds from sales of property, plant and equipment		—	5,971
Net cash outflow from investing activities		(15,664)	(16,919)
Cash flows from financing activities			
Proceeds from issue or ordinary shares	12	1,845,000	4,885,513
Issue costs	12	(51,900)	(143,482)
Share options	13	129,000	208,153
Net cash generated by financing activities		1,922,100	4,950,184
Net (decrease)/increase in cash and cash equivalents		(470,377)	731,169
Cash and cash equivalents at beginning of the year		1,166,919	435,519
Exchange gain on cash and cash equivalents		3,091	231
Cash and cash equivalents at end of the year		699,633	1,166,919

The accounting policies and notes on pages 37 to 57 form an integral part of these consolidated financial statements.

Company statement of cash flows

For the year ended 31 December 2013

	Notes	Company 31 December 2013 £	Company 31 December 2012 £
Cash flows from operating activities			
Operating loss		(794,888)	(781,194)
Finance income		3,102	8,752
Foreign exchange loss on non-cash items		(1,989,091)	(438,629)
Decrease in debtors		438,500	(3,101,857)
Increase in creditors		35,799	7,697
Net cash used in operating activities		(2,306,578)	(4,305,231)
Cash flows from financing activities			
Proceeds from issue or ordinary shares	12	1,845,000	4,885,513
Issue costs	12	(51,900)	(143,482)
Share options	13	129,000	208,153
Net cash generated by financing activity		1,922,100	4,950,184
Net (decrease)/increase in cash and cash equivalents		(384,478)	644,953
Cash and cash equivalents at beginning of year		1,050,790	405,837
Cash and cash equivalents at end of year		666,312	1,050,790

The accounting policies and notes on pages 37 to 57 form an integral part of these consolidated financial statements.

Accounting policies

Significant accounting policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), the International Financial Reporting Interpretations Committee ("IFRIC"), the International Accounting Standards and Standards Interpretations Committee Interpretations approved by the International Accounting Standards Committee ("IASC") that remain in effect and to the extent that they have been adopted by the European Union.

New and revised standards that are effective for annual periods beginning on or after 1 January 2013

- IFRS 13 'Fair Value Measurement' (IFRS 13)
  IFRS 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of IFRS 13 is broad and it applies for both financial and non-financial items for which other IFRSs require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances. IFRS 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application.

  Management has reviewed the application of IFRS 13 and has concluded that there is no effect on these financial statements for the year ended 31 December 2013.

- Amendments to IAS 19 'Employee Benefits' (IAS 19)
  The 2011 amendments to IAS 19 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments: eliminate the 'corridor method' and requires the recognition of remeasurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

  Management has reviewed the application of IAS 19 and has concluded that it did not have a material impact on these financial statements for the year ended 31 December 2013.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Company. Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

- IFRS 9 'Financial Instruments' (IFRS 9)
  The IASB aims to replace IAS 39 'Financial Instruments: Recognition and Measurement' (IAS39) in its entirety with IFRS 9. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning on or after 1 January 2015. Chapters dealing with impairment methodology and hedge accounting are still being developed.

Accounting policies continued

Further, in November 2011, the IASB tentatively decided to consider making limited modifications to IFRS 9's financial asset classification model to address application issues. The Company's management have yet to assess the impact of this new standard on the Company's financial statements.

Management does not expect to implement IFRS 9 until it has been completed and its overall impact can be assessed.

Other standards endorsed by the EU for adoption on or after 1 January 2014, including IFRS 10, IFRS 11, IFRS 12, the amended IAS 27 and the amended IAS 28 are considered not applicable to this Company and as such will have no effect on these financial statements upon their introduction.

Basis of accounting

The consolidated and Company financial statements have been prepared on the historical cost basis. The functional currency for the Group is considered to be GBP Sterling. The principal accounting policies adopted are set out below.

The Directors have a reasonable expectation and with continued support from the shareholders, that the Company will have adequate resources to continue trading for a period of at least twelve months following the date of approval of these accounts. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Landore Resources Limited is domiciled in Guernsey. Its registered office is shown on page 2.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries and collectively the "Group") made up to 31 December 2013. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until control ceases.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the period of acquisition.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Investment in joint ventures

Entities whose economic activities are controlled jointly by the Group and other ventures independent of the Group are accounted for using the proportionate consolidation method, whereby the Group Company's share of the assets, liabilities, income and expenses are included line by line in the condensed consolidated interim financial statements. The share of jointly controlled entities results is recognised in the Group's financial statements from the date that joint control commences until date on which control ceases.

Unrealised gains and losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

Accounting policies continued

Deferred exploration expenditure

When the Group has incurred expenditure on mining properties that have not reached the stage of commercial production, the costs of acquiring the rights to such properties, and related exploration and development costs, are capitalised deferred where the expected recovery of costs is considered probable by the successful exploitation or sale of the asset. Full provision is made in respect of deferred costs on properties in the case that insufficient exploration has taken place to ascertain future recoverability. Where mining properties are abandoned, the deferred expenditure is written off in full.

Option income

Option income is recognised based upon amounts contractually due pursuant to the underlying option agreement. Specifically, income is recognised in accordance with the terms of the underlying option agreements subject to (i) the pervasive evidence of the existence of arrangements; (ii) the risks and rewards having been transferred; (iii) the option income being fixed or determinable; and (iv) the collectability of the option income being reasonably assured.

Foreign currencies

(a) 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 GBP Sterling, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Transactions in currencies other than GBP Sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the statement of comprehensive income for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve.

Profit/loss from operations

Loss from operations is stated before investment income and finance costs.

Interest income

Interest income is recognised as the interest accrues and is credited to the statement of comprehensive income in the period to which it relates.

Accounting policies continued

Property, plant and equipment

Property, plant and equipment are stated at cost less provision for depreciation. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost of each asset less its estimated residual value evenly over its estimated useful life, as follows:

Computer hardware	–	30 per cent. declining balance
Office equipment	–	20 per cent. declining balance
Automotive equipment	–	30 per cent. declining balance
Machinery and equipment	–	20 per cent. declining balance

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period.

Non-current investments

Non-current investments relate to the Company's investments in subsidiaries and are stated at cost less provision for any diminution in value.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are not recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Accounting policies continued

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted. Any contingent rents are expensed in the period they are incurred.

Share-based payments

The Group issues equity-settled payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is recognised immediately in the income statement where options have been granted with no conditions attached. Options granted with vesting period conditions are recognised over the vesting period.

Fair value is measured by use of the Black-Scholes model, see note 13. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Upon exercise of share options, the proceeds received net of any directly attributable transaction cost up to the nominal value of the shares issues are allocated to share capital with any excess being recorded as share premium.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. Financial assets and financial liabilities are measured initially at fair value adjusted by transaction costs, and subsequently accounted for at amortised cost, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics.

Cash and cash equivalents

The fair value of cash and cash equivalents is considered to be their carrying amount due to their short term maturity, see note 22.

Accounting policies continued

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liability and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial liabilities are measured subsequently at the amortised cost using the effective interest rate method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of the Company's ordinary shares.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for ordinary shares, net of expenses of the share issue.
- "Cumulative translation reserve" represents the differences arising from translation of the financial statements of the Group's foreign entities to the presentational currency.
- "Share options" represents equity-settled share-based employee remuneration until such share options are exercised.
- "Accumulated deficit" includes all current and prior period profits and losses.

Critical accounting estimates and judgments

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about the estimates and judgments made by the Group to reach their conclusions are contained in the accounting policies and/or the notes to the financial statements, and the key areas are summarised below:

- Classification of mining and exploration interests (note 6).
- Exploration expenditure relating to a particular project will be written off until such time as the Board has determined that the project is viable based on a positive feasibility study and a decision to move into production.

Accounting policies continued

Employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted. The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Operating segments

The Group has only one reportable segment as the Directors are of the opinion that the Group is engaged in a single segment of business being mineral exploration.

The entity wide disclosures are not applicable to the Group at this stage because the Group has no major customers or revenues and is at an exploration stage.

For disclosures regarding geographical areas, please see note 6.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's statement on pages 3 and 4 and the principal risks and uncertainties. In addition, note 19 to the consolidated financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

The consolidated financial statements are prepared on a going concern basis with a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group's loss after tax as at 31 December 2013 amounted to £2,415,561. The Group's trade receivable amount of £3,834,913 includes consideration receivable from Lamaune Iron Inc., a company under common control, for the sale of the Lamaune mineral property. The interest due at 30 April 2014 has been settled with a payment of £290,781 and the issuance of 1,379,460 common shares in Lamaune Iron Inc. The Group will need to raise more funds for the year 2014. The due date for the receivable has been deferred until 30 April 2019, with no interest accruing but remains secured by the Lamaune mineral property. The Group will need to raise more funds for the year 2014.

According to the cash flow forecast, the Group's total projected net expenditure for the year 2014 is £1.675m. As of year end the Group's bank balance amount was approximately £700,000 hence the Group still needs an additional £1,475,000 to fund the ongoing operations for 2014 and for projected administrative expenses in the first half of 2015 of £500,000. The Directors are confident that these funds can be raised from existing and new investors.

These conditions indicate the existence of a material uncertainty which may cast a significant doubt about the Group's ability to continue as a going concern. The consolidated financial statements do not include adjustments that would result if the Group was unable to continue as a going concern.

Notes to the financial statements

For the year ended 31 December 2013

1. Loss from operations

	Notes	2013 £	2012 £
Loss from operations is stated after charging/(crediting):			
Group			
Depreciation of property, plant and equipment	8	23,343	25,624
Auditors' remuneration – audit services		40,444	30,593
Option income	6	(18,501)	(8,255)
Share-based payment charge	21	129,000	208,153
Non-cancellable operating leases	20	65,044	71,616
Foreign exchange loss		(16,586)	(495,554)
Company			
Auditors' remuneration – audit services		9,450	9,500
Share-based payment charge	13	129,000	208,153
Foreign exchange loss		(1,989,091)	(438,629)

2. Finance income – Group

	2013 £	2012 £
Interest receivable from Lamaune Iron Inc.	114,706	120,868
Interest receivable on bank account	3,102	2,349
	117,808	123,217

3. Employees

	2013 Number	2012 Number
The average monthly number of persons (excluding Directors) employed by the Group during the period was:		
Management and administration and operations	6	6

	£	£
Staff costs (for the above persons):		
Wages and salaries	278,110	365,628
Social security costs	26,686	31,351
Pension costs	23,091	23,467
	327,887	420,446

Notes to the financial statements continued

For the year ended 31 December 2013

4. Key management compensation

	2013 £	2012 £
Executive Directors:		
William Humphries	140,000	140,000
Richard Prickett	95,000	95,000
	235,000	235,000
Non-Executive Directors:		
Helen Green	15,000	15,000
Charles Wilkinson	20,000	20,000
	35,000	35,000
Total	270,000	270,000

The highest paid Director received aggregate remuneration of £140,000 (2012: £140,000)

Share options in issue to Directors are disclosed on page 20.

5. Taxation

With effect from 1 January 2008, Guernsey abolished the exempt company regime. The Company was therefore taxed at the company standard rate of 0 per cent. with effect from 1 January 2008.

The Company's subsidiary, Landore Resources Canada Inc., is subject to Canadian Federal tax. No tax has been provided in the accounts of Landore Resources Canada Inc. since there were no taxable profits generated by the Company during the year.

Landore Resources Canada Inc. has potential deferred tax assets of CA$9,660,000 (2012: CA$8,963,000) which are not recognised at the end of the year. These deferred tax assets are in relation to exploration expenditures which are carried forward to be utilised against profits of future years.

Landore Resources Canada Inc. also has a subsidiary, Brancote US Inc. which is subject to taxation in the United States. This subsidiary has estimated non-capital losses of US$522,159 (2012: US$522,159) which will expire between 2018 and 2020.

Other tax adjustments represents write off of tax refunds receivable by Landore Resources Canada Inc. in relation to previous years.

	2013 £	2012 £
Loss for the year	(1,295,105)	(1,354,121)
Loss for the year multiplied by standard rate of Canadian corporation tax 26.5 per cent. (2012: 26.5 per cent.)	(343,203)	(358,842)
Effect of:		
Losses not utilised in the current year	343,203	358,842
Other tax adjustments	(32,060)	32,292
Income tax (expense)/recovery	(32,060)	32,292

Notes to the financial statements continued

For the year ended 31 December 2013

6. Mineral properties – Group

	1 January 2013 £	Net expense in the period £	Accumulated expenditure at 31 December 2013 £	Option income in the period £	Accumulated expenditure at 31 December 2013 £
Junior Lake	13,025,353	1,251,657	14,277,010	(18,501)	14,258,509
Miminiska Lake	1,515,525	1,861	1,517,386	—	1,517,386
Frond Lake	75,233	2,748	77,981	—	77,981
Wottam	61,558	—	61,558	—	61,558
Lessard	727,923	(31,759)	696,164	—	696,164
Other, including Swole Lake and West Graham	55,001	793	55,794	—	55,794
	15,460,593	1,225,300	16,685,893	(18,501)	16,667,392

Mineral properties – Company

	1 January 2013 £	Net expense in the period £	Accumulated expenditure at 31 December 2013 £
Junior Lake	97,314	—	97,314
	97,314	—	97,314

6.1 Junior Lake

Junior Lake is a nickel, copper, platinum group metals, iron, gold, and lithium property located approximately 230 kilometres north of Thunder Bay in Northern Ontario, Canada. The property consists of five leased claims and 123 staked mining claims, wholly-owned by the Company. A total of eight claims in the original property block are subject to a 2 per cent. net smelter return ("NSR"). The Junior Lake property encompasses the Swole property block. An option agreement exists between the Company and Lamaune Iron Inc., a company under common control, related to the Summit Lake property where Lamaune Iron Inc. has been granted working rights in and to the property and an exclusive right and option to purchase up to 100 per cent. of the Summit Lake property.

6.2 Miminiska Lake

Miminiska Lake is a gold exploration project located approximately 115 kilometres east of Pickle Lake in Northern Ontario, Canada. The property consists of a southern block of 28 patented and two staked claims ("Miminiska Lake"), and a northern block consisting of 43 staked claims ("Keezhik Lake"). Both blocks are wholly-owned by the Company.

Notes to the financial statements continued

For the year ended 31 December 2013

6. Mineral properties – Group *continued*

6.3 Frond Lake

Frond Lake is a gold property located approximately 125 kilometres east of Pickle Lake in Northern Ontario, Canada. The property is comprised of 24 patented claims contiguous to the east of the Wottam Property. The Frond Lake property claims are wholly-owned by the Company subject to a 2 per cent. NSR to the original owners of the property.

6.4 Wottam

Wottam is a gold property located approximately 120 kilometres east of Pickle Lake in Northern Ontario, Canada. The property is wholly-owned by the Company and includes 20 claims contiguous between the Miminiska and Frond properties.

6.5 Lessard

Lessard is a zinc and copper property comprised of 57 mining claims located approximately 107 kilometres north of Chibougamau in Quebec, Canada. The property is wholly-owned by the Company.

6.6 Swole Lake

Swole Lake is host to nickel, copper, platinum group metals, and lithium occurrences. The Swole Lake mining claim, wholly-owned by the Company, is consolidated into the greater Junior Lake property. The Swole Lake claim is subject to a 2 per cent. NSR to the original holder of the claim.

6.7 West Graham

West Graham is a nickel, copper, and platinum group metals property comprised of one patented claim wholly-owned by the Company. The property is located 25 kilometres southwest of Sudbury and 1.5 kilometres east of the Lockerby nickel mine. On 21 November 2005, First Nickel Inc. optioned the property from the Company. In 2010, First Nickel Inc. earned a 70 per cent. interest in the property, with a possibility of earning a further 15 per cent. interest subject to certain conditions.

7. Loss per share

The calculation of the basic loss per share is based on the loss for the financial year divided by the weighted average number of shares being 369,650,126 (2012: 303,720,325) in issue during the year.

The potential ordinary shares which arise as a result of the options in issue are not dilutive under the terms of IAS 33 because they would reduce the loss per share. Accordingly there is no difference between the basic and dilutive loss per share, the maximum number of option shares that could be issued is 35,700,000.

Notes to the financial statements continued

For the year ended 31 December 2013

8. Property, plant and equipment – Group

	Automotive equipment £	Computer hardware £	Machinery and equipment £	Office equipment £	Total £
Cost					
At 1 January 2013	134,387	30,138	112,582	19,576	296,683
Additions	—	—	15,664	—	15,664
Disposals	—	—	—	—	—
Foreign exchange movements	(11,168)	(2,505)	(10,571)	(1,627)	(25,871)
At 31 December 2013	123,219	27,633	117,675	17,949	286,476
Depreciation					
At 1 January 2013	94,249	24,185	75,012	16,741	210,187
Charge for the year	11,969	1,775	9,035	564	23,343
Disposals	—	—	—	—	—
Foreign exchange movements	(8,761)	(2,148)	(6,935)	(1,435)	(19,279)
At 31 December 2013	97,457	23,812	77,112	15,870	214,251
Net book value					
At 31 December 2013	25,762	3,821	40,563	2,079	72,225
At 31 December 2012	40,138	5,953	37,570	2,835	86,496

	Automotive equipment £	Computer hardware £	Machinery and equipment £	Office equipment £	Total £
Cost					
At 1 January 2012	145,607	30,814	111,903	20,015	308,339
Additions	19,712	—	3,178	—	22,890
Disposals	(27,839)	—	—	—	(27,839)
Foreign exchange movements	(3,093)	(676)	(2,499)	(439)	(6,707)
At 31 December 2012	134,387	30,138	112,582	19,576	296,683
Depreciation					
At 1 January 2012	105,112	22,119	67,491	16,393	211,115
Charge for the year	13,202	2,584	9,120	718	25,624
Disposals	(21,868)	—	—	—	(21,868)
Foreign exchange movements	(2,197)	(518)	(1,599)	(370)	(4,684)
At 31 December 2012	94,249	24,185	75,012	16,741	210,187
Net book value					
At 31 December 2012	40,138	5,953	37,570	2,835	86,496
At 31 December 2011	40,495	8,695	44,412	3,622	97,224

Notes to the financial statements continued

For the year ended 31 December 2013

9. Non-current asset investments – Company

	Investment in subsidiaries £
Cost	
At 1 January/31 December 2013 and 2012	4,111,191
Provision for diminution in value	
At 1 January/31 December 2013 and 2012	4,016,302
Net book value	
At 1 January/31 December 2013 and 2012	94,889

At 31 December 2013 the Company held the entire issued share capital of the following subsidiary undertakings:

Subsidiary	*Nature of business*	*Country of incorporation*
Landore Resources Canada Inc. (100 per cent.)	Exploration of precious metals	Canada
Brancote US Inc.* (100 per cent.)	Exploration of precious metals	United States
Landore Resources (UK) Limited (100 per cent.)	Administration (dormant)	United Kingdom

*The entire share capital of Brancote US Inc. is held by Landore Resources Canada Inc.

All subsidiaries have been included in the consolidated financial statements.

10. Trade and other receivables

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Due within one year:				
Trade receivables	3,834,913	4,523	4,145,850	5,960
Tax receivables	—	—	32,292	—
Amounts due from related parties	—	—	—	—
Amounts due from subsidiary undertakings	—	21,254,213	—	21,691,276
	3,834,913	21,258,736	4,178,142	21,697,236

The Group's trade receivables include consideration of £3,797,682 receivable from Lamaune Iron Inc., a company under common control, for the sale of the Lamaune mineral property. The receivable is due by 10 December 2014, incurring interest at 3 per cent. per annum, and is secured on the Lamuane mineral property.

The receivable has since been rescheduled, see note 23.

Notes to the financial statements continued

For the year ended 31 December 2013

11. Trade and other payables: amounts falling due within one year

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Trade payables	354,505	76,122	310,536	40,323
Current tax liabilities	34,132	—	29,780	—
	388,637	76,122	340,316	40,323

Trade and other payables: amounts falling due after one year

	Group 2013 £	Group 2012 £
Income tax liability maturity analysis		
One to two years (non-current liabilities)	—	7,445

12. Share Capital

	Company 2013 £	Company 2012 £
Authorised:		
500,000,000 (2012: 500,000,000) ordinary shares of 1 pence each ranking *pari passu*	5,000,000	5,000,000
Issued and fully paid:		
413,483,825 (2012: 346,283,825) ordinary shares of 1 pence each ranking *pari passu*	4,134,838	3,462,838

	Ordinary shares 2013 £	Share premium 2013 £
Issued:		
At 1 January 2013	3,462,838	25,532,762
Issued in the year	672,000	1,121,100
At 31 December 2013	4,134,838	26,653,862

Notes to the financial statements *continued*

For the year ended 31 December 2013

12. Share capital *continued*

The Company made allotments of 1p ordinary shares with an aggregate nominal value of £672,000 during the period as follows:

	Number of shares	Nominal value £	Share premium £
19 March 2013	16,700,000	167,000	668,000
22 October 2013	50,500,000	505,000	505,000
	67,200,000	672,000	1,173,000

Issue costs totalling £51,900 (2012: £143,482) were incurred when allocating the shares. The total issue costs were debited against share premium in accordance with IAS 32.

13. Share options reserve – Group and Company

Grant date	Expiry date	Exercise price £	Number of options at 1 January 2013	(Lapsed)/ Granted	Number of options at 31 December 2013	Fair value £
6 April 2005	30 June 2013	0.0700	2,500,000	(2,500,000)	—	—
19 September 2006	19 September 2013	0.0975	1,200,000	(1,200,000)	—	—
22 January 2008	30 June 2013	0.1375	4,500,000	(4,500,000)	—	—
4 November 2008	4 November 2013	0.1200	4,500,000	(4,500,000)	—	—
27 April 2009	27 April 2014	0.1025	900,000	(100,000)	800,000	20,290
28 October 2009	28 October 2019	0.1400	300,000	(300,000)	—	—
28 October 2009[1]	28 October 2019	0.1400	1,000,000		1,000,000	53,616
6 July 2011	6 July 2016	0.1612	8,600,000	(600,000)	8,000,000	306,400
20 March 2012	20 March 2017	0.0788	3,500,000		3,500,000	66,449
2 May 2012	2 May 2017	0.0788	200,000	(200,000)	—	—
4 July 2012	4 July 2017	0.0650	500,000		500,000	7,228
26 September 2012	26 September 2017	0.0738	4,900,000	(200,000)	4,700,000	124,792
1 July 2013	1 July 2018	0.0500	—	7,000,000	7,000,000	54,846
25 November 2013	25 November 2018	0.0250	—	10,200,000	10,200,000	74,154
			32,600,000	3,100,000	35,700,000	707,775

During the year ended 31 December 2013, the Company granted 17,200,000 share options. During the same period 1,400,000 share options lapsed and 12,700,000 share options expired.

The share option indicated with a [1] was granted with a vesting condition of completion of a trial period of six months, resulting in 1,000,000 shares being exercisable at 31 December 2013.

Notes to the financial statements continued

For the year ended 31 December 2013

13. Share options – Group and Company *continued*

The weighted average exercise prices relating to the above movements in the number of share options are as follows:

	2013 £	2012 £
Outstanding at beginning of the period	0.12	0.13
Granted during the period	0.04	0.08
Exercised during the period	—	—
Lapsed during the period	0.12	0.14
Outstanding at end of the period	0.08	0.12
Exercisable at end of the period	0.08	0.12
Weighted average remaining contractual life of share options outstanding at end of the period	3.87 years	2.69 years
Weighted average share price of share options exercised in year	—	—

During the financial year ended 31 December 2013 there were 17,200,000 share options issued to numerous employees.

The estimated fair value of the above options was calculated by applying the Black-Scholes pricing model.

The model inputs were:

Options granted	1 July 2013	25 November 2013
Share price at grant date	£0.035	£0.02
Expected volatility	37.91 per cent.	45.77 per cent.
Risk-free interest rate	0.5 per cent.	0.5 per cent.
Option life	5 years	5 years

The expected volatility is wholly based on the historic volatility of share prices (calculated based on the average life of the share options).

The movements on the share options reserve are detailed below:

	2013 £	2012 £
Share options reserve as at 1 January	1,223,262	1,139,177
Charge in statement of comprehensive loss	129,000	208,153
Transfer to statement of comprehensive income reserve for lapsed options	(644,487)	(124,068)
Share options reserve at 31 December	707,775	1,223,262

Notes to the financial statements continued

For the year ended 31 December 2013

14. Accumulated deficit

	2013 £	2012 £
Group		
At 1 January	(25,355,105)	(21,148,655)
Loss for the year	(2,415,561)	(4,330,518)
Transfer from share options reserve	644,487	124,068
At 31 December	(27,126,179)	(25,355,105)
Company		
At 1 January	(7,416,270)	(6,329,267)
Loss for the year	(2,780,877)	(1,211,071)
Transfer from share options reserve	644,487	124,068
At 31 December	(9,552,660)	(7,416,270)

15. Cumulative translation reserve

	Translation reserve £
Group	
At 1 January 2013	220,039
Exchange differences on translation of overseas operations	(372,201)
At 31 December 2013	(152,162)

The translation reserve records exchange differences arising from the translation of the accounts of the foreign currency denominated subsidiaries, Landore Resources Canada Inc and Brancote US Inc.

16. Reconciliation of net cash flow to movement in net funds – Group

	2013 £	2012 £
Opening net funds	1,166,919	435,519
(Decrease)/increase in cash and cash equivalents	(470,377)	731,169
Net funds before foreign exchange	696,542	1,166,688
Foreign exchange gain	3,091	231
Closing net funds	699,633	1,166,919

Notes to the financial statements continued

For the year ended 31 December 2013

17. Analysis of net funds – Group

	At 1 January 2013 £	Cash flow £	Exchange gains £	At 31 December 2013 £
Cash and cash equivalents	1,166,919	(470,377)	3,091	699,633
Total	1,166,919	(470,377)	3,091	699,633

18. Related party transactions

Advances were received by Landore Resources Canada Inc. from Landore Resources Limited. These were unsecured, non-interest bearing and repayable on demand.

Helen Green, a Director of the Company, is also a Director of Saffery Champness Management International Limited ("SCMIL") and Rysaffe International Services Limited ("Rysaffe"). SCMIL were paid £82,468 (2012: £89,005) in the period in respect of its role as administrators for the Company and Rysaffe was paid £10,000 (2012: £10,000) in respect of its role as Company Secretary. An amount of £17,951 (2012: £13,366) was owing to SCMIL at the year-end and the amount owing to Rysaffe was £nil (2012: £nil). All transactions are at market value.

Landore Resources Canada Inc. paid management fees to a Director of the Company in the amount of C$35,000 (2012: C$35,000). At the year end, C$70,000 (2012: C$35,000) remains outstanding and has been included in trade payables.

At year end, advances and receivables are outstanding from Lamaune Iron Inc., a company under common control, in the amount of C$6,675,946 (2012: C$6,503,902). The equivalent sterling amount is £3,797,682, the interest at 3 per cent. for the year was £114,706 (2012: £120,868). The loan has since been restructured, see note 23.

On 19 March 2013, 3,000,000 shares were purchased at 5 pence per share by William Humphries, a Director of the Company. On 22 October 2013, a further 4,250,000 shares were purchased at 2 pence per share by William Humphries. William Humphries held 39,960,000 shares at 31 December 2013.

On 19 March 2013, 410,000 shares were purchased at 5 pence per share by Richard Prickett, a Director of the Company. On 22 October 2013, a further 500,000 shares were purchased at 2 pence per share by Richard Prickett. Richard Prickett held 7,855,899 shares at 31 December 2013.

On 22 October 2013, 500,000 shares were purchased at 2 pence per share by Charles Wilkinson, a Director of the Company. Charles Wilkinson held 1,754,047 shares at 31 December 2013.

For key management compensation see note 4. The Group does not have any single ultimate controlling party.

Notes to the financial statements continued

For the year ended 31 December 2013

19. Financial instruments/Financial risk management

In the course of its business, the Group is exposed primarily to liquidity risk. As the Company grows it is expected that capital management risk, foreign exchange risk, credit risk and interest rate risk will also become focuses of the Group's financial risk management policies.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company meets its capital needs by equity financing. The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The objectives will be achieved by maintaining and adding value to existing extraction projects and identifying new exploration projects, adding value to these projects and ultimately taking them through to production and cash flow, either with partners or by the Group's means.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the balance sheet. Capital for the reporting periods under review is summarised in the consolidated statement of changes in equity.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders in the future, return capital to shareholders or issue new shares.

Liquidity risk

The Group attempts to accurately forecast the cash flow requirements of its ongoing operations and ensures that it has sufficient funding in place to meet these needs. The Group currently uses equity finance as its main source of funding.

Foreign currency risk

The Group primarily operates in Canada but reports its financial results in GBP Sterling. It manages the potential exposure to fluctuations in the GBP Sterling to Canadian Dollar exchange rate by holding its main asset, being its cash reserves, in GBP Sterling. Cash is converted to Canadian Dollars to meet the expenditure requirements of its Canadian business only when required. Currently, the Group's net asset position is not significantly impacted by movements in the exchange rate.

As the Group remains a development phase entity it only has small and infrequent foreign currency transaction exposures.

In addition, the market for metals is principally denominated in United States dollars. As the Group has not reached production stage it does not currently engage in active hedging to minimise exchange rate risk, although this will remain under review.

Notes to the financial statements continued

For the year ended 31 December 2013

19. Financial instruments/Financial risk management *continued*

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group does not have trade receivables and does not hold collateral as security.

Credit risk from balances with banks and financial institutions is managed by the Board. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Counterparty credit limits are reviewed by the Board on a regular basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

No material exposure is considered to exist by virtue of the possible non-performance of the counterparties to financial instruments.

The on-going global financial situation is being monitored by the Board but is not affecting the Company at present.

Interest rate risk

As the Group does not currently have any borrowings it is not exposed to interest rate fluctuations.

The Group and Company held the following financial assets and liabilities:

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Financial assets				
Trade and other receivables	3,834,913	21,258,736	4,178,142	21,697,236
Investment in subsidiaries	—	94,889	—	94,889
Financial liabilities				
Trade and other payables	388,637	76,122	310,536	40,323

20. Commitments

Operating lease commitments

The Group leases its premises under a non-cancellable operating lease which expired on 31 December 2013. There were no future aggregate minimum lease payments under non-cancellable operating leases. The lease has since been renewed for a further year expiring on 31 December 2014.

Contractual commitments

As at 31 December 2013, the Group had no significant contractual obligations.

Notes to the financial statements continued

For the year ended 31 December 2013

21. Administrative expenses

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Administrative expenses	779,546	315,230	786,035	275,341
Directors fees	270,000	270,000	270,000	270,000
Legal, accountancy and audit expenses	124,185	80,658	104,001	27,700
Share-based payments expense	129,000	129,000	208,153	208,153
	1,302,731	794,888	1,368,189	781,194

22. Cash and cash equivalents

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Cash at bank	92,625	89,304	290,090	173,961
Short term deposits	577,008	577,008	876,829	876,829
	699,633	666,312	1,166,919	1,050,790

23. Subsequent events

Pursuant to a Loan Amendment Agreement effective April 30, 2014 Landore Resources Canada Inc. (Landore) and Lamaune Iron Inc. ("Lamaune") have agreed to amend the terms of the Original Loan Agreement as follows:

(a) The original promissory note dated June 10, 2011, issued by Lamaune to Landore in the amount of £3,351,351 (C$6,200,000) will be amended and Lamaune will issue a new promissory note repayable April 30, 2019;

(b) The Security Agreement issued pursuant to the Original Loan Agreement will be unamended;

(c) The total interest accrued and owing by Lamaune on April 30, 2014 is £290,781 (C$537,946) and will be satisfied by Lamaune paying £216,216 (C$400,000) and issuing 1,379,460 common shares of Lamaune to Landore;

(d) Subsequent to April 30, 2014, the loan shall not bear any interest;

(e) Landore will have the right to convert the loan into common shares of Lamaune at the applicable price per share pursuant to a Going Public Transaction or at a mutually agreeable price per common share in the event of a Joint Venture Transaction; and

(f) In consideration of the amendments provided in the Loan Amendment Agreement, Lamaune agrees to issue warrants to Landore to purchase common shares of Lamaune equal to the Black-Scholes valuation of the warrants equal to the discount recorded by Landore estimated to be approximately £486,486 (C$900,000) (at a discount rate of 3 per cent.).

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Landore Resources Limited (the "Company") will be held at The Cavalry & Guards Club, 127 Piccadilly, London W1J 7PX on Wednesday, 2 July 2014 at 11.30 am at which the following resolutions will be proposed, in the case of resolutions 1 to 5 as Ordinary Resolutions and in the case of resolution 6 as a Special Resolution:

Ordinary Business

1. to receive and adopt the statement of accounts and the balance sheet of the Company with the report of the Directors and the auditor's report for the year ended 31 December 2013;
2. to re-elect Charles Wilkinson who retires in accordance with Article 19.12 of the Articles of Association of the Company (the "Articles");
3. to re-elect Helen Green who retires in accordance with Article 19.12 of the Articles;
4. to re-appoint Grant Thornton Limited as auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration;

Special Business

5. That in substitution for all previous authorities which are hereby revoked, the Directors be and they are hereby generally and unconditionally authorised for the purposes of Article 5.1 of the Articles to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £2,000,000 provided that this authority shall expire five years from the date of this resolution and that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred hereby has expired and in this resolution the expression "relevant securities" and references to the allotment of relevant securities shall bear the same respective meanings as in the Articles;
6. That in substitution for all previous authorities which are hereby revoked, the Directors be and they are hereby empowered pursuant to Article 6.8 of the Articles to allot equity securities for cash pursuant to the authority conferred by the previous resolution as if Article 6.1 of the Articles did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

   (a) in connection with an offer of such securities by way of rights to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and

Notice of Annual General Meeting continued

(b) otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £2,000,000;

provided that this authority shall expire five years from the date of this resolution and that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the authority conferred hereby has expired and in this resolution the expression "equity securities" and references to the allotment of equity securities shall bear the same respective meanings as in the Articles.

By Order of the Board

Director of Rysaffe International Services Limited
as Secretary to Landore Resources Limited

14 May 2014

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy (or more than one proxy) to attend and, on a poll, vote in his stead. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.

2. For the convenience of members who may be unable to attend the meeting, a Form of Proxy is enclosed which should be completed and returned to the registrar's agents, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY not less than 48 hours before the time fixed for the meeting. The fact that members may have completed Forms of Proxy will not prevent them from attending and voting in person should they afterwards decide to do so.

3. Members who hold ordinary shares in uncertificated form must have been entered on the Company's Register of Members 48 hours prior to meeting in order to be entitled to attend and vote at the meeting. Such members may only vote at the Meeting in respect of ordinary shares in the Company held at that time.

4. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Article 34 of the Uncertificated Securities (Guernsey) Regulations 2009.

For your notes

Produced by Portman Lodge Limited


LANDORE
RESOURCES
www.landore.com