

**For Release 21<sup>st</sup> August 2012**

# **LANDORE RESOURCES LIMITED**

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**INTERIM STATEMENT**  
**For the six months ended 30 June 2012**

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**[www.landore.com](http://www.landore.com)**

# LANDORE RESOURCES LIMITED

## COMPANY INFORMATION

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**Directors**

|                   |  |
|-------------------|--|
| William Humphries | (Chairman)                                     |
| Richard Prickett  | (Chief Executive Officer and Finance Director) |
| Charles Wilkinson | (Non-Executive Director)                       |
| Helen Green       | (Non-Executive Director)                       |

**Secretary** Rysaffe International Services Limited

**Registered office**

La Tonnelle House  
Les Banques  
St Sampson  
Guernsey GY1 3HS

**Nominated adviser  
& Broker**

Strand Hanson Limited  
26 Mount Row  
London W1K 3SQ

**Auditors**

Grant Thornton Limited  
P O Box 313  
Lefebvre House  
Lefebvre Street  
St. Peter Port  
Guernsey GY1 3TF

**Registrars**

Rysaffe International Services Limited  
PO Box 141  
La Tonnelle House  
Les Banques  
St Sampson  
Guernsey GY1 3HS

**Crest service provider**

Computershare Investor Services (Channel Islands) Limited  
Queensway House  
Hilgrove Street  
St Helier  
Jersey JE1 1ES

## LANDORE RESOURCES LIMITED

### MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2012

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#### General

The following discussion of performance, financial condition and future prospects should be read in conjunction with the interim consolidated financial statements of the Group and notes thereto for the period from 1 January 2012 to 30 June 2012. All amounts are stated in sterling.

#### Overview

Landore Resources Limited is listed on the AIM Market in London, with the trading symbol of LND.L. The Company is based in Guernsey in the Channel Islands and its 100% owned operating subsidiary, Landore Resources Canada Inc, is engaged in the exploration and development of a portfolio of precious and base metal properties in North America.

#### Results of Operations

The financial results for the six months to 30 June 2012 show a loss of £2,469,980 ( 2011 : loss £1,903,093). These results were in line with expectations and as a result of the increased exploration costs of £ 1,837,894 ( 2011 : £1,337,695 ).

During the period under review approximately £2.26 million was raised from the issue of 30,100,000 shares. The Group has no debt but will continue to raise further equity as needed to carry out its exploration and development activities.

#### Mineral Exploration Activities

In the period under review the Group's activities have been almost entirely focused on the Junior Lake project. The drilling programme on the B4-7 deposit has significantly enhanced the volume of the massive sulphide mineralization along the 650 metres of strike, the deposit remains open along strike and down dip. Exploration to the west indicates that there could be a significant extension of up to 600 metres. Further details are set out below:

#### The Junior Lake property

The Junior Lake property, 100% owned by Landore, is located in the province of Ontario, Canada, approximately 235 kilometres north-northeast of Thunder Bay, and is host to; the B4-7 Nickel-Copper-Cobalt-PGMs deposit, the VW Nickel deposit, the B4-8 prospect and numerous other highly prospective mineral occurrences.

The combined resources (Canadian National Instrument (NI) 43-101 compliant) of the VW and B4-7 deposits delineated to date, total 48,281 tonnes of nickel equivalent (NiEq), 82 per cent of which is in the Indicated category, these resources do not include any upgrade from this season's drilling campaign. Both deposits remain open down dip and along strike to the east and west.

#### B4-7 Nickel-Copper-Cobalt-PGEs deposit

The B4-7 deposit is located approximately 3 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. In Q1 2010, a NI 43-101 compliant report and resource estimate upgrade for the B4-7 deposit was completed. The resource reported **26,521 tonnes NiEq**, at a 0.25% Nickel cut-off.

The drilling campaign started in February 2012, aimed at expanding the B4-7 deposit and providing adequate drill density to bring inferred portions of the deposit to indicated status, is now complete. In total, 81 diamond core NQ size holes and 4 re-entered holes (0412-367 to 0412-448 and 0409-202, 0409-237/238 and 0411-359) for 15,868 metres, have been completed.

**LANDORE RESOURCES LIMITED**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE SIX MONTHS ENDED 30 JUNE 2012 continued**

B4-7 mineralised intersections include:

| Drill-hole<br>No | From<br>Metres | Width*<br>Metres | Ni<br>%     | Cu<br>%     | Co<br>%     | Pd<br>ppb   | Pt<br>ppb | Au<br>ppb |
|------------------|----------------|------------------|-------------|-------------|-------------|-------------|-----------|-----------|
| 0412-410         | 52.07          | 11.89            | 0.92        | 0.64        | 0.08        | 691         | 100       | 16        |
| including        | 58.50          | 5.46             | <b>1.06</b> | 0.85        | 0.08        | 808         | 99        | 9         |
| 0412-411         | 137.42         | 14.65            | 0.79        | 0.47        | 0.05        | 684         | 101       | 17        |
| including        | 139.50         | 5.97             | <b>1.02</b> | 0.44        | 0.06        | 720         | 71        | 19        |
| 0412-412         | 60.64          | 14.26            | 0.97        | 0.46        | 0.08        | 679         | 98        | 48        |
| including        | 65.00          | 8.68             | <b>1.02</b> | 0.46        | 0.07        | 749         | 109       | 51        |
| 0412-413         | 82.77          | <b>22.23</b>     | 0.88        | 0.44        | 0.08        | 579         | 78        | 17        |
| including        | 84.00          | 8.00             | <b>1.04</b> | 0.44        | 0.07        | 655         | 115       | 13        |
| including        | 95.50          | 1.00             | 0.63        | <b>1.85</b> | <b>0.31</b> | 517         | 63        | 21        |
| 0412-414         | 38.59          | 3.63             | 0.95        | 0.43        | 0.07        | 836         | 69        | 15        |
| 0412-415         | 232.81         | 8.13             | 0.86        | 0.61        | 0.07        | 695         | 133       | 23        |
| 0412-417         | 23.22          | <b>27.78</b>     | 0.81        | 0.51        | 0.06        | 751         | 112       | 23        |
| including        | 27.00          | 12.00            | <b>1.04</b> | 0.62        | 0.07        | 996         | 140       | 24        |
| 0412-420         | 316.65         | 2.80             | 0.96        | 0.62        | 0.08        | 718         | 218       | 24        |
| including        | 318.00         | 1.45             | <b>1.02</b> | 0.47        | 0.08        | 680         | 133       | 24        |
| 0412-423         | 298.43         | 6.87             | 0.98        | 0.52        | 0.08        | 665         | 157       | 18        |
| including        | 301.05         | 2.95             | <b>1.07</b> | 0.52        | 0.07        | 632         | 158       | 19        |
| 0412-427         | 30.07          | 4.68             | 0.97        | 0.62        | 0.05        | 858         | 146       | 18        |
| including        | 33.00          | 1.00             | <b>1.41</b> | <b>1.16</b> | 0.05        | <b>1090</b> | 242       | 16        |
| and              | 41.18          | 2.47             | <b>1.03</b> | 0.66        | 0.06        | 503         | 21        | 20        |
| 0412-428         | 17.22          | 3.98             | 0.77        | 0.45        | 0.07        | 618         | 99        | 13        |
| 0412-429         | 23.00          | 2.06             | 0.93        | 0.28        | <b>0.10</b> | 676         | 88        | 21        |
| 0412-430         | 60.49          | 3.75             | 0.77        | 0.59        | 0.07        | 581         | 95        | 57        |
| including        | 61.50          | 0.75             | 0.62        | <b>1.23</b> | <b>0.13</b> | 696         | 62        | 142       |
| 0412-432         | 79.38          | 10.04            | 0.85        | 0.47        | 0.06        | <b>1008</b> | 370       | 30        |

*\*The actual true thickness of mineralisation is estimated to represent between 75-80% of the intervals shown in the above table.*

Additionally, drill-hole 0412-437 revealed encouraging zinc results with 1.32 metres at **5.87%Zn**, 0.22% Ni, 0.50% Cu, and 0.04% Co.

These significant drill results have successfully increased the potential tonnage of the B4-7 deposit, most notably within the upper 150-metre portion of the deposit along the eastern 500 metres of strike length. Drilling consistently intersected the B4-7 massive sulphide main zone through this 500 metre section. Drill testing has shown that the mineralisation in this section extends to the surface.

Encouraged by these results, Landore reviewed all assays from drill-holes 0412-367 to 0412-424 and re-entered holes 0409-202, 0409-237/238 and 0411-359. Samples from these drill holes had initially been submitted to Landore's primary laboratory for exploration-grade analysis with ore grade analysis triggered at a threshold metal level.

Significant mineralised intersections from these drill-holes were re-submitted to the laboratory for full ore grade analysis. Results from this testing have indicated average grade increases of approximately 8.1% for nickel, 1.6% for copper, and 4.4% for cobalt within these intersections.

## LANDORE RESOURCES LIMITED

### MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2012 continued

Re-evaluated mineralised B4-7 intersections include:

| Drill-hole<br>No | From<br>Metres | Width*<br>Metres | Ni<br>%     | Cu<br>% | Co<br>%     | Pd<br>ppb   | Pt<br>ppb | Au<br>ppb |
|------------------|----------------|------------------|-------------|---------|-------------|-------------|-----------|-----------|
| 0409-238         | 116.00         | <b>19.83</b>     | 0.64        | 0.61    | 0.05        | 579         | 117       | 34        |
| including        | 129.30         | 5.75             | <b>0.99</b> | 0.54    | 0.08        | 791         | 110       | 21        |
| 0412-374         | 96.60          | 13.96            | 0.79        | 0.62    | 0.07        | 618         | 101       | 31        |
| including        | 99.00          | 8.50             | <b>0.98</b> | 0.68    | 0.08        | 770         | 120       | 23        |
| 0412-375         | 191.00         | 13.72            | 0.73        | 0.45    | 0.05        | 527         | 113       | 17        |
| 0412-378         | 46.90          | <b>23.97</b>     | 0.87        | 0.59    | 0.07        | 782         | 123       | 27        |
| including        | 61.50          | 7.50             | <b>0.99</b> | 0.70    | 0.06        | <b>1132</b> | 221       | 16        |
| 0412-376         | 285.00         | 8.80             | 0.92        | 0.75    | 0.06        | 502         | 191       | 92        |
| 0412-381         | 256.51         | 13.17            | 0.91        | 0.59    | 0.06        | 695         | 185       | 20        |
| 0412-382         | 145.11         | 7.90             | <b>1.01</b> | 0.59    | 0.08        | 568         | 83        | 23        |
| 0412-385         | 139.00         | <b>30.08</b>     | 0.82        | 0.46    | 0.07        | 597         | 162       | 29        |
| including        | 164.58         | 4.50             | <b>1.03</b> | 0.44    | 0.08        | 189         | 145       | 28        |
| 0412-386         | 20.48          | <b>20.17</b>     | 0.74        | 0.63    | 0.07        | 689         | 173       | 40        |
| including        | 23.20          | 12.90            | <b>1.02</b> | 0.58    | 0.06        | 893         | 214       | 33        |
| 0412-388         | 44.90          | 8.41             | <b>0.99</b> | 0.49    | 0.07        | 494         | 165       | 19        |
| 0412-394         | 33.00          | 3.39             | 0.60        | 0.88    | <b>0.27</b> | 304         | 124       | 55        |
| 0412-396         | 79.36          | 11.34            | 0.68        | 0.41    | 0.05        | 356         | 167       | 44        |

\*The actual true thickness of mineralisation is estimated to represent between 75-80% of the intervals shown in the above table.

Accordingly, Landore modified its B4-7 analysis protocol to include nickel and copper assaying using strict ore grade methodology, and lowered the trigger limit for cobalt ore grade re-analysis. All drill-holes subsequent to 0412-424 (comprising of 0412-425 to 0412-448 and re-entered holes 0409-222 and 0409-257) have followed this new protocol.

#### 2012 Planned Works

The results of the current drilling campaign on the B4-7 deposit are highly encouraging having significantly increased the potential tonnage amenable to open pit development.

Landore has initiated an in-house resource upgrade, including a full review of all quality assurance-quality control (QAQC) data, geological and grade wireframe modelling, internal resource estimate and the updating of all text required for the final NI43-101 report. On completion, Landore will submit all data for an independent audit and external resource upgrade of the B4-7 deposit. The resource upgrade is anticipated for completion in early Q4 2012.

Pre-feasibility studies on the combined B4-7 and the VW deposits will be initiated in Q1 2013.

A drilling program to extend the B4-7 to the west is currently being planned to commence in Q4 2012.

**For further information on Landore and the Group's projects please visit the website**

[www.landore.com](http://www.landore.com)

**LANDORE RESOURCES LIMITED**

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2012**

|   | Notes | Group<br>Six months ended<br>30 June 2012<br>£ | Group<br>Six months ended<br>30 June 2011<br>£ |
|---|-------|--|--|
| Exploration costs   | 2     | (1,837,894)                                    | (1,337,695)                                    |
| Administrative expenses   |       | (694,595)                                      | (569,490)                                      |
| <b>Operating loss</b>   |       | <u>(2,532,489)</u>                             | <u>(1,907,185)</u>                             |
| Finance income  |       | 62,509   | 4,092  |
| <b>Loss before income tax</b>   |       | <u>(2,469,980)</u>                             | <u>(1,903,093)</u>                             |
| Income tax expense  |       | -  | -  |
| <b>Loss for the period</b>  |       | <u>(2,469,980)</u>                             | <u>(1,903,093)</u>                             |
| <b>Other comprehensive income/(loss):</b>   |       |  |  |
| Exchange difference on translating foreign operations                                   |       | 45,929   | 799  |
| <b>Other comprehensive income/(loss) for the year net of tax</b>                        |       | <u>45,929</u>                                  | <u>799</u>                                     |
| <b>Total comprehensive loss for the period</b>  |       | <u>(2,424,051)</u>                             | <u>(1,902,294)</u>                             |
| <b>Loss attributable to:</b>  |       |  |  |
| Equity holders of the Company   |       | <u>(2,469,980)</u>                             | <u>(1,903,093)</u>                             |
| <b>Total comprehensive loss attributable to:</b>  |       |  |  |
| Equity holders of the Company   |       | <u>(2,424,051)</u>                             | <u>(1,902,294)</u>                             |
| <b>Loss per share attributable to the equity holders of the Company during the year</b> |       |  |  |
| - basic & diluted   | 3     | <u>(£0.01)</u>                                 | <u>(£0.01)</u>                                 |

The Group's operating loss relates to continuing operations.

The notes and accounting policies on pages 7 to 9 form part of these interim financial statements

**LANDORE RESOURCES LIMITED**

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2012**

|  | Share<br>capital<br>£ | Share<br>premium<br>£ | Share<br>options<br>£ | Warrants<br>£  | Retained<br>earnings<br>£ | Cumulative<br>translation<br>reserve<br>£ | Total<br>£       |
|--|-----------------------|-----------------------|-----------------------|----------------|---------------------------|---|------------------|
| <b>Balance at<br/>1 January 2011</b>     | 2,371,853             | 17,951,320            | 834,958               | 143,659        | (20,688,413)              | 174,585                                   | 787,962          |
| Loss for the period                      | —                     | —                     | —                     | —              | (1,903,093)               | —   | (1,903,093)      |
| Other comprehensive loss in the<br>year  | —                     | —                     | —                     | —              | —                         | 799                                       | 799              |
| Issue of ordinary<br>share capital       | 230,250               | 3,223,500             | —                     | —              | —                         | —   | 3,453,750        |
| Issue costs                              | —                     | (145,770)             | —                     | —              | —                         | —   | (145,770)        |
| <b>Balance at<br/>30 June 2011</b>       | <u>2,602,103</u>      | <u>21,029,050</u>     | <u>834,958</u>        | <u>143,659</u> | <u>(22,591,506)</u>       | <u>175,384</u>                            | <u>2,193,648</u> |
| <b>Balance at<br/>1 January 2012</b>     | 2,637,103             | 21,616,466            | 1,139,177             | —              | (21,148,655)              | 257,854                                   | 4,501,945        |
| Loss for the period                      | —                     | —                     | —                     | —              | (2,469,980)               | —   | (2,469,980)      |
| Other comprehensive gains in<br>the year | —                     | —                     | —                     | —              | —                         | 45,928                                    | 45,928           |
| Issue of ordinary share capital          | 302,735               | 1,967,778             | —                     | —              | —                         | —   | 2,270,513        |
| Issue costs                              | —                     | (87,415)              | —                     | —              | —                         | —   | (87,415)         |
| Share option adjustment                  | —                     | —                     | 68,690                | —              | —                         | —   | 68,690           |
| <b>Balance at<br/>30 June 2012</b>       | <u>2,939,838</u>      | <u>23,496,829</u>     | <u>1,207,867</u>      | <u>—</u>       | <u>(23,618,635)</u>       | <u>303,782</u>                            | <u>4,329,681</u> |

The accounting policies and notes on pages 7 to 9 form part of these financial statements.

**LANDORE RESOURCES LIMITED**

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 30 JUNE 2012**

|  | Notes | Group<br>As at<br>30 June 2012<br>£ | Group<br>As at<br>30 June 2011<br>£ | Group<br>As at<br>31 December 2011<br>£ |
|--|-------|-------------------------------------|-------------------------------------|---|
| <b>Assets</b>  |       |                                     |                                     |   |
| <b>Non current assets</b>  |       |                                     |                                     |   |
| Property, plant and equipment  |       | 99,862                              | 104,485                             | 97,224                                  |
|  |       | 99,862                              | 104,485                             | 97,224                                  |
| <b>Current assets</b>  |       |                                     |                                     |   |
| Trade and other receivables  | 6     | 4,362,853                           | 106,756                             | 4,249,129                               |
| Cash and cash equivalents  |       | 724,496                             | 2,511,018                           | 435,519                                 |
|  |       | 5,087,349                           | 2,617,774                           | 4,684,648                               |
| <b>Total assets</b>  |       | 5,187,211                           | 2,722,259                           | 4,781,872                               |
| <b>Equity</b>  |       |                                     |                                     |   |
| <b>Capital and reserves attributable to the Company's equity holders</b> |       |                                     |                                     |   |
| Share capital  | 4     | 2,939,838                           | 2,602,103                           | 2,637,103                               |
| Share premium  | 4     | 23,496,829                          | 21,029,050                          | 21,616,466                              |
| Share options  |       | 1,207,867                           | 834,958                             | 1,139,177                               |
| Other reserves/warrants  |       | -                                   | 143,659                             | -                                       |
| Retained earnings  | 5     | (23,618,635)                        | (22,591,506)                        | (21,148,655)                            |
| Cumulative translation adjustment  |       | 303,782                             | 175,384                             | 257,854                                 |
| <b>Total equity</b>  |       | 4,329,681                           | 2,193,648                           | 4,501,945                               |
| <b>Liabilities</b>   |       |                                     |                                     |   |
| <b>Non current liabilities</b>   |       |                                     |                                     |   |
| Income tax liabilities   |       | 11,249                              | 19,363                              | 15,225                                  |
|  |       | 11,249                              | 19,363                              | 15,225                                  |
| <b>Current liabilities</b>   |       |                                     |                                     |   |
| Trade and other payables   |       | 820,034                             | 489,886                             | 241,865                                 |
| Income tax liabilities   |       | 26,247                              | 19,362                              | 22,837                                  |
|  |       | 846,281                             | 509,248                             | 264,702                                 |
| <b>Total liabilities</b>   |       | 857,530                             | 528,611                             | 279,927                                 |
| <b>Total equity and liabilities</b>                                      |       | 5,187,211                           | 2,722,259                           | 4,781,872                               |

The notes and accounting policies on pages 7 to 9 form part of these interim financial statements



**LANDORE RESOURCES LIMITED****UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2012**

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|   | <b>Group<br/>Six months<br/>ended<br/>30 June<br/>2012<br/>£</b> | <b>Group<br/>Six months<br/>ended<br/>30 June<br/>2011<br/>£</b> |
|---|--|--|
| <b>Cash flows from operating activities</b>                 |  |  |
| Operating loss  | (2,532,489)  | (1,907,185)  |
| Finance income  | 62,509   | 4,092  |
| Depreciation of tangible fixed assets                       | 12,821   | 14,938   |
| Foreign exchange gain on non-cash items                     | 49,051   | 10,934   |
| Share options   | 68,690   | -  |
| (Increase) in receivables                                   | (113,724)  | (23,462)   |
| Increase in payables  | 577,604  | 319,734  |
| <b>Net cash outflow from operating activities</b>           | <u>(1,875,538)</u>   | <u>(1,580,949)</u>   |
| <b>Cash flows from investing activities</b>                 |  |  |
| Purchase of property, plant and equipment                   | (22,900)   | -  |
| Proceeds from sale of property, plant and equipment         | 5,974  | -  |
|   | <u>(16,926)</u>  | <u>-</u>   |
| <b>Cash flows from financing activities</b>                 |  |  |
| Issue of ordinary share capital                             | 2,270,513  | 3,453,750  |
| Issue costs   | (87,415)   | (145,770)  |
| Share options   | -  | -  |
|   | <u>2,183,098</u>   | <u>3,307,980</u>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | 290,634  | 1,727,031  |
| Cash and cash equivalents at beginning of financial year    | 435,519  | 782,959  |
| Exchange (loss)/gain on cash and cash equivalents           | (1,657)  | 1,028  |
| <b>Cash and cash equivalents at end of financial year</b>   | <u><u>724,496</u></u>  | <u><u>2,511,018</u></u>  |

The notes and accounting policies on pages 7 to 9 form part of these interim financial statements

## LANDORE RESOURCES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

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#### 1 Basis of accounting and accounting policies

The financial statements have been prepared in accordance with those International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations issued and effective or issued and early adopted as at the time of preparing these financial statements (August 2012).

The financial statements have not been audited and have been prepared on the historical cost basis. The principal accounting policies adopted are consistent with those adopted in the annual accounts to 31 December 2011.

#### 2 Exploration expenditure and mineral properties

|   | 1 January<br>2012<br>£ | Net<br>Expenditure<br>in period<br>£ | Accumulated<br>expenditure<br>30 June 2012<br>£ |
|---|------------------------|--------------------------------------|---|
| Junior Lake/Lamaune Lake                      | 9,945,130              | 1,794,654                            | 11,739,784                                      |
| Miminiska Lake                                | 1,502,315              | 14,242                               | 1,516,557                                       |
| Lessard                                       | 701,678                | 22,865                               | 724,543   |
| Fronde Lake                                   | 73,858                 | 1,376                                | 75,234  |
| Wottam  | 61,558                 | -                                    | 61,558  |
| Other/including Swole Lake<br>and West Graham | 49,961                 | 4,757                                | 54,718  |
|   | <u>12,334,500</u>      | <u>1,837,894</u>                     | <u>14,172,394</u>                               |

Mineral properties at 30 June 2012 represent accumulated costs to date incurred by Landore Resources Canada Inc., a subsidiary of Landore Resources Limited. On acquisition of Landore Resources Canada Inc. on 5 April 2006 the fair value of those costs incurred to date was considered to be £Nil. All subsequent expenditure in the period has been charged to the income statement in accordance with the group accounting policy.

**LANDORE RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2012**

**3 Loss per share**

The loss per share is based on the loss for the period and the weighted number of ordinary shares in issue during the period, being 283,279,383 (2011: 200,777,391).

**Diluted loss per share**

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 not increase the loss per share. Accordingly there is no difference between the basic and dilutive loss per share.

**4 Share capital**

|  | <b>30 June<br/>2012<br/>£</b>             | <b>1 January<br/>2012<br/>£</b>         |
|--|---|---|
| Authorised:<br>500,000,000 (2011: 500,000,000) ordinary shares of 1 pence each | 5,000,000                                 | 5,000,000                               |
| Issued:<br>293,983,825 ordinary shares of 1 pence each                         | 2,939,838                                 | 2,637,103                               |
|  | <b>Ordinary<br/>shares<br/>2012<br/>£</b> | <b>Share<br/>premium<br/>2012<br/>£</b> |
| Issued:<br>At 1 January 2012   | 2,637,103                                 | 21,616,466                              |
| Issued in the period   | 302,735                                   | 1,967,778                               |
| Share issue costs  | -   | (87,415)                                |
| <b>At 30 June 2012</b>   | <b>2,939,838</b>                          | <b>23,496,829</b>                       |

The company made allotments of ordinary 1p shares with an aggregate nominal value of £302,735 (before issue costs) during the year as follows:

|   | <b>Number of<br/>shares</b> | <b>Nominal<br/>value</b> | <b>Share<br/>premium</b> |
|---|-----------------------------|--------------------------|--------------------------|
| 6 March 2012 – shares issued for 7.5p per share | 30,273,500                  | 302,735                  | 1,967,778                |
|   | 30,273,500                  | 302,735                  | 1,967,778                |

30,100,000 shares were issued for cash and the balance in settlement of a fee to an adviser.

## LANDORE RESOURCES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

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#### 5 Profit and loss reserve

|                        | £                          |
|------------------------|----------------------------|
| At 1 January 2012      | (21,148,655)               |
| Loss for the period    | <u>(2,469,980)</u>         |
| <b>At 30 June 2012</b> | <b><u>(23,618,635)</u></b> |

#### 6 Trade and other receivables

The Group's trade receivables include consideration receivable from Lamaune Iron Inc., a company under common control, for the sale of the Lamaune mineral property. The receivable is due by 10<sup>th</sup> December 2012, incurring interest at 3 per cent per annum, and is secured by the Lamaune mineral property. The parties to the loan agreement have agreed to extend the repayment date to 10<sup>th</sup> December 2013.

#### 7 Post balance sheet events

On 4 July 2012 the Group issued 500,000 of ordinary share options, each with a nominal value of 1 pence, which were valued at 6.5 pence per share at the time of issue.