LANDORE RESOURCES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 16 FEBRUARY 2005 TO 30 JUNE 2005

LANDORE RESOURCES LIMITED

Directors	Richard James Garber Helen Foster Green William Henry Humphries Richard Öther Prickett Charles Edmund Wilkinson
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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 Company and notes thereto for the period from 16 February 2005 to 30 June 2005. All amounts are stated in GB Sterling.

Overview

Landore Resources Limited is listed on the Alternative Investment Market ("AIM") and its subsidiary Landore Resources Canada Inc. is engaged in the exploration and development of a portfolio of precious and base metal properties in North America. On 6 April 2005, the Company listed on AIM and completed the following:-

- Fund raising of £2 million at 7p per share by the issue of 28,571,429 Ordinary shares, full details are set out in a press release, which can be viewed on the company's website, www.landore.com
- The court approved arrangement with Landore Resources Inc. Pursuant to the Arrangement a further 57,309,879 Ordinary shares were issued to shareholders of Landore Resources Inc. Full details of the arrangement were set out in a management information circular dated 21 February 2005.

Results of Operations

These financial statements for the period 16 February to 30 June 2005 are the first consolidated financial statements.

The financial results show a loss of £3,878,153 for the period (7p loss per share). This loss is after writing off goodwill of £3,386,878 which arose on the acquisition of Landore Resources Canada Inc. The directors consider that this treatment is very prudent and at this stage do not want to attribute values to individual exploration properties until significant resources have been identified.Exploration costs during the period amounted to £313,989.

Administrative expenses during the period amounted to £198,442.

Mineral Exploration Activities

The Group's main operations consist of exploration programmes on the Miminiska Lake and Junior Lake – Lamaune Lake properties located 430 km northeast and 250km north of Thunder Bay, Ontario, respectively.

Miminiska Lake

The recently completed drilling campaign has succeeded in providing the depth extension of the targeted mineralized zones to a vertical depth of up to 250 metres with high grade gold being intersected in most holes. These results continue to reveal an abundance of gold in the project area. Consequently a detailed review of all the drill hole data is being carried out and exploration will continue.

Junior Lake – Lamaune Lake

A 3,500 metre diamond drilling programme has recently been completed, to test the emerging mineral occurrences which had been identified in recent geological surveys.

All the samples are now with the assay laboratory and results are awaited for full interpretation. A further report will be issued in due course when these results are available.

West Graham Property

On 3 August 2005 a press release was issued which gave details of an option / joint venture agreement with First Nickel Inc. whereby that company may acquire a 70% in this property in return for a cash payment of C$150,000 and exploration and development expenditure of C$6 million over a four year period.

Critical Accounting Estimates

Critical accounting estimates used in the preparation of the financial statements include the Company's estimate of recoverable value on its mineral properties as well as the value of stock-based compensation. Both of these estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

The factors affecting stock-based compensation include estimates of when stock options might be exercised and the stock price volatility. The timing for exercise of options is out of the Company's control and will depend, among other things, upon a variety of factors including the market value of the Company's shares and financial objective of the holders of the options. The Company has used historical data to determine volatility in accordance with Black-Scholes modelling, however the future volatility is inherently uncertain and the model has its limitations. While these estimates can have a material impact on the stock-based compensation and hence results of operations, there is no impact on the Company's financial condition.

Accounting Policies

The Company has adopted accounting policies which are in line with International Financial Reporting Standards. A full set of these policies are included in the financial statements.

Use of Financial Instruments

The Company has not entered any specialised financial agreements to minimise its investment risk, currency risk or commodity risk. There are no off-balance sheet arrangements. The principal financial instruments affecting the Company's financial condition and results of operations is currently its cash and short-term money market investments.

Forward Looking Statements

The above contains forward looking statements that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in our forward looking statements. Factors that could cause such differences include: changes in world gold markets, equity markets, costs and supply of material relevant to the mining industry, change in government and changes to regulations affecting the mining industry. Although we believe the expectations reflected in our forward looking statements are reasonable, results may vary, and we cannot guarantee future results, levels of activity, performance or achievements.

UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 16 FEBRUARY TO 30 JUNE 2005

	Notes	Period ended 30 June 2005 £
Exploration costs	**2**	313,989
Administrative expenses		198,442
Impairment of goodwill	**4**	3,386,878
Operating loss		3,899,309
Finance income		(21,156)
Loss before income tax		3,878,153
Income tax expense	**1**	-
Loss for the period		3,878,153
Attributable to:		
Equity holders of the Company		3,878,153
Earnings per share for profit attributable to the equity holders of the Company during the year		
- basic	**3**	(£0.07)
- diluted	**3**	(£0.07)

The Group’s operating loss relates to continuing operations.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 16 FEBRUARY TO 30 JUNE 2005

	Period ended 30 June 2005 £
Loss for the financial year	(3,878,153)
Translation adjustment on consolidation	16,072
Net loss recognised directly in equity	(3,862,081)
Issue of ordinary share capital	858,813
Share premium arising on issue of ordinary share capital	5,152,877
Issue costs	(418,041)
Net increase in shareholders' funds	1,731,568
Opening shareholders' funds	-
Closing shareholders' funds	1,731,568

UNAUDITED CONSOLIDATED BALANCE SHEET
30 JUNE 2005

	Notes	Group As at 30 June 2005 £
Assets		
Non current assets		
Property, plant and equipment		41,804
Goodwill	**4**	-
		41,804
Current assets		
Trade and other receivables		25,145
Cash and cash equivalents		1,958,398
		1,983,543
Total assets		2,025,347
Equity		
Capital and reserves attributable the Company's equity holders		
Share capital	**5**	858,813
Share premium	**6**	4,734,836
Retained earnings	**6**	(3,878,153)
Cumulative translation adjustment		16,072
Total equity		1,731,568
Liabilities		
Current liabilities		
Trade and other payables		293,779
		293,779
Total liabilities		293,779
Total equity and liabilities		2,025,347

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 16 FEBRUARY TO 30 JUNE 2005

	Notes		Period ended 30 June 2005 £
Cash flows from operating activities			
Cash generated from operations	**7**		(307,292)
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		693,642	
Purchases of property, plant and equipment		(25,818)	
			667,824
Cash flows from financing activities			
Issue of ordinary share capital		2,000,000	
Issue costs		(418,043)	
			1,581,957
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of period			-
Exchange gains on cash and cash equivalents			15,909
Cash and cash equivalents at end of period			1,958,398

Basis of accounting
The financial statements have been prepared in accordance with those International Financial Reporting Standards (“IFRS”) standards 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 (July 2005).

The financial statements have not been audited and have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

Interim financial statements
The company has chosen to adopt International Accounting Standard 34, Interim Financial Reporting, in preparing these interim financial statements. The IFRS standards and IFRIC interpretations that will be applicable at 31 December 2005, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing these interim financial statements.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June 2005. 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.

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.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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.

Goodwill
Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group’s interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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 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.

Foreign currencies
Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet 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 the income statement 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 balance sheet 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. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

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

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%	on cost
Computer software	-	100%	on cost
Office equipment	-	20%	on cost
Automotive equipment	-	30%	on cost
Machinery and equipment	-	20%	on cost

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. At 30 June 2005 the company owned the entire share capital of Landore Resources Canada Inc., a company incorporated in Canada and Landore Resources (UK) Limited, a company incorporated in Great Britain.

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 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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Critical accounting estimates and judgements

Management makes various estimates and assumptions in determining the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the interim financial statements and the reported amounts of revenue and expenditure in the period. Changes in estimates and assumptions may occur based on additional information and the occurrence of future events. Actual results could differ from those estimates.

Share-based payments

The Group has applied the requirements of IFRS 2 Share-based Payments. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2005.

The Group issues equity-settled and cash-settled share-based 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 expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Fair value is measured by use of a binomial model. 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.

A liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date for cash-settled share-based payments.

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.

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.

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.

Bank borrowings
Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis to the income statement using effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

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.

1 Income tax expense

Landore Resources Limited is a Guernsey registered company and is eligible for exemption from income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 as amended. An annual fee of £600 is paid in this respect.

The company's subsidiary, Landore Resources Canada Inc., is subject to Canadian federal tax. No tax has been provided in these interim accounts due to losses incurred by that company to date.

2 Exploration expenditure and mineral properties

	1 April 2005 £	Expenditure in period £	Accumulated expenditure 30 June 2005 £
Miminiska Lake	1,117,599	12,537	1,130,137
Junior Lake	474,582	68,064	542,646
Frond Lake	33,917	-	33,917
Wottam	60,128	-	60,128
Auden	70,102	-	70,102
Lamaune	68,953	165,776	234,729
Seeley Lake	-	68,583	68,583
Other	11,260	(971)	10,288
	1,836,541	313,989	2,150,530

Mineral properties at 1 April 2005 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 2005 the fair value of those costs incurred to date was considered to be £Nil (see note 8). All subsequent expenditure in the period has been charged to the income statement in accordance with the group accounting policy.

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.

	30 June 2005 £
Loss for period	3,878,153
Weighted average number of shares	54,476,950

In calculating diluted earnings per share, share options and warrants have been considered to be non-dilutive.

4 Goodwill

Goodwill of £3,386,878 arose on the acquisition of Landore Resources Canada Inc. as detailed in note 8. The directors consider that a full provision against the carrying value of the goodwill is necessary as it is not yet known with certainty whether the underlying assets to which the goodwill relates, being the investment in Landore Resources Canada Inc., will generate future cash flows. This is dependent upon the discovery and successful commercial exploitation of mineral properties in North America.

5 Share capital

	Company 2005 £
Authorised:	
250,000,000 deferred shares of 1pence each	2,500,000

	Ordinary shares 2005 £	Total 2005 £
At 16 February 2005		
2 ordinary shares of 1 pence each	-	-
Issue of 85,881,310 ordinary shares of 1 pence each	858,813	858,813
At 30 June 2005	858,813	858,813

6 Reserves

	Share premium £	Profit and loss £
Group		
At 16 February 2005	-	-
Premium on shares issued in the year	5,152,877	-
Cost of issue	(418,041)	-
Loss for the year	-	(3,878,153)
At 30 June 2005	4,734,836	(3,878,153)

7 Cash generated from operations

	30 June 2005 £
Operating loss	(3,878,153)
Impairment of goodwill	3,386,878
Depreciation of property, plant and equipment	5,091
Decrease in receivables	5,684
Increase in payables	173,208
Net cash outflow from operating activities	(307,292)

8 Fair value of subsidiary company acquired

	Net assets acquired £	Fair value adjustments £	Fair value of net assets acquired £
Cash and cash equivalents	693,642	-	693,642
Receivables	22,315	-	22,315
Mineral properties	1,836,541	(1,836,541)	-
Property, plant and equipment	21,810	-	21,810
	2,574,308	(1,836,541)	737,767
Liabilities	(112,953)	-	(112,953)
Net assets	2,461,355	(1,836,541)	624,814

Consideration paid:

Securities issued on a one for one exchange of existing securities of Landore Resources Canada Inc	4,011,692
Goodwill on acquisition	3,386,878

9 **Foreign exchange**

The directors consider the functional currency of Landore Resources Limited to be GB Sterling and the functional currency of the main trading subsidiary, Landore Resources Canada Inc., to be Canadian Dollars. The directors have adopted a presentational currency of GBSterling for the accounts and the results of Landore Resources Canada Inc. have been translated into GB Sterling using the following exchange rates:

31 March 2005	2.286 C$/£
30 June 2005	2.195 C$/£
Average rate	2.241 C$/£

FORM 52-109FT2

CERTIFICATION OF INTERIM FILINGS DURING TRANSITION PERIOD

I, Richard Ö. Prickett, Chief Financial Officer and Director of Landore Resources Limited., certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings)* of Landore Resources Limited., (the issuer) for the interim period ending June 30, 2005;

2. Based on my knowledge, the interim filings do not contain any untrue statement of a material factor omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and

3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings.

Date: 24 August 2005

Richard Ö Prickett
Chief Financial Officer and Director

FORM 52-109FT2

CERTIFICATION OF INTERIM FILINGS DURING TRANSITION PERIOD

I, Richard O. Prickett, Chief Executive Officer and Director of Landore Resources Limited., certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings)* of Landore Resources Limited., (the issuer) for the interim period ending June 30, 2005;

2. Based on my knowledge, the interim filings do not contain any untrue statement of a material factor omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and

3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings.

Date: 25 August 2005

Richard O Prickett
Chief Executive Officer and Director