

**For Release 19<sup>th</sup> September 2013**

# **LANDORE RESOURCES LIMITED**

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**INTERIM STATEMENT**  
**For the six months ended 30 June 2013**

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# LANDORE RESOURCES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	William Humphries (Chairman) Richard Prickett (Chief Executive Officer and Finance Director) Charles Wilkinson (Non-Executive Director) Helen Green (Non-Executive Director)
<b>Secretary</b>	Rysaffe International Services Limited
<b>Registered office</b>	La Tonnelle House Les Banques St Sampson Guernsey GY1 3HS
<b>Nominated adviser &amp; Broker</b>	Strand Hanson Limited 26 Mount Row London W1K 3SQ
<b>Auditors</b>	Grant Thornton Limited P O Box 313 Lefebvre House Lefebvre Street St. Peter Port Guernsey GY1 3TF
<b>Registrars</b>	Rysaffe International Services Limited PO Box 141 La Tonnelle House Les Banques St Sampson Guernsey GY1 3HS
<b>Crest service provider</b>	Computershare Investor Services (Guernsey) Limited 3rd Floor, Natwest House Le Truchot St Peter Port Guernsey GY1 1WD

## **LANDORE RESOURCES LIMITED**

### **MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2013**

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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 Landore Resources Limited ("Landore" or the "Company") and its subsidiaries (together the "Group") and notes thereto for the period from 1 January 2013 to 30 June 2013. All amounts are stated in Sterling.

#### **Overview**

Landore is listed on the Alternative Investment 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. Its activities are almost entirely focused on the Junior Lake nickel project (the "Junior Lake Project"), in the province of Ontario, where we have now identified approximately 55,000 tonnes of Nickel equivalent (NiEq) in compliant resource categories. The Junior Lake Project has significant exploration upside which is described in more detail below.

#### **Results of Operations**

The financial results for the six months to 30 June 2013 show a loss of £1,546,309 (2012: loss £2,469,980). These results were in line with expectations and reflects the reduced exploration costs during the period amounting to £887,465 (2012: £1,837,894).

During the period under review £835,000 was raised from the issue of 16.7m shares, before issue costs.

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. In January 2013, the Group announced an updated resource estimate for the B4-7 deposit identifying 2,695,000 tonnes at 1.24% NiEq for 33,248 tonnes of contained metal, all in the Indicated category. The deposit remains open down plunge at depth and along strike to the west.

The report also identified an exploration target (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. The 2012 winter drilling programme, completed in March 2013, concentrated on the potential Exploration Target, together with its extension to the west. Results have been highly promising, confirming the presence of B4-7 massive sulphide mineralisation. Further details are set out below.

#### **The Junior Lake property**

The Junior Lake property, 100% owned by the Group, 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 recently-identified Exploration Target. Junior Lake also contains the VW Nickel deposit and numerous other highly prospective mineral occurrences.

#### **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.

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% NiEq for 33,248 tonnes of contained metal, all in the Indicated category.

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### MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2013

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.

The 2012 winter drilling programme, completed in March 2013 and consisting of 14 NQ diamond drill-holes from 0413-463 to 0413-476 for 5,172 metres, concentrated on the potential Exploration Target, together with its extension to the west. Results have been highly promising, confirming the continuation of the B4-7 massive sulphide mineralisation between the existing intercepts on lines 175W and 300W.

B4-7 main zone intersections include:

Drill-hole	From	Width*	Ni	Cu	Co	Pd	Pt	Au
No	Metres	Metres	%	%	%	ppb	ppb	ppb
0413-469	413.00	11.00	0.38	0.23	0.04	274	73	15
including	414.00	3.00	0.63	0.23	0.05	389	183	28
0413-470	453.00	<b>31.00</b>	0.31	0.29	0.04	276	98	10
including	467.00	3.00	0.80	0.39	<b>0.09</b>	636	271	12
and	472.00	1.00	0.18	<b>1.50</b>	<b>0.12</b>	217	81	10
0413-470	488.00	5.00	0.87	0.53	0.08	531	36	17
including	489.00	1.00	0.46	<b>1.17</b>	0.06	379	14	36
0413-472	543.67	6.08	0.49	0.26	0.05	414	34	18
including	543.67	1.33	0.91	0.01	0.07	695	83	19

\*The actual true thickness of mineralisation is estimated to represent between 60-70% of the intervals shown in the above table.

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. This mineralisation is found in both the open pit and underground portions of the B4-7 deposit.

Polymetallic Alpha Zone/Hanging wall intersections include:

Drill-hole	From	Width*	Ni	Cu	Co	Pd	Pt	Au
No	Metres	Metres	%	%	%	ppb	ppb	ppb
0413-470	400.00	3.00	0.73	0.15	0.04	<b>3,283</b>	240	15
including	401.00	1.00	<b>1.34</b>	0.09	0.07	<b>3,790</b>	139	9
0413-471	393.00	6.00	0.29	0.22	0.01	736	110	38
And	408.00	1.00	0.25	0.11	0.02	<b>2,890</b>	580	25
0413-473	425.00	1.00	0.51	0.14	0.03	1,880	112	5

\*The actual true thickness of mineralisation is estimated to represent between 60-70% of the intervals shown in the above table.

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. Should these studies provide positive results, the potential exists to consider portions of the Alpha Zone as mineral resources.

The B4-7 deposit, so far delineated over 650 metres of strike, remains open down plunge at depth and along strike to the west. A previously completed airborne electromagnetic survey, as well as the deep-penetrating DCIP + MT survey completed in autumn 2012, suggests the conductive horizon hosting the B4-7 deposit persists to the west indicating the potential for further significant massive sulphide mineralisation.

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### **MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2013**

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The DCIP + MT survey interpretation has also identified five areas of interest for further exploration, based on a review of highly conductive horizons with associated moderate chargeability responses. Three areas of interest, located in the central, eastern and northern parts of the survey area appear to be interconnected, with the northern area extending to depth and dipping from the existing B4-7 deposit and adjacent exploration target immediately west of the deposit.

The results of the recently-completed B4-7 resource estimate, together with encouraging drill results from the Exploration Target, have contributed to the overall economic viability of the Junior Lake Project.

#### **2013 Planned Works**

Pre-feasibility studies, including ancillary metallurgical, geotechnical, environmental and socio economic studies, on the combined B4-7 and the VW deposits have been initiated.

A drill program for metallurgical, geotechnical and infra-structure condemnation is currently being prepared to be carried out during 2014.

Encouraged by the success of the resistivity results in identifying potential nickel targets at depth, Landore intends to expand the DCIP + MT geophysical coverage over the whole prospective area between the B4-7 and VW deposits, including the VW deposit itself, during the winter 2013/14 program.

In preparation for this exercise, approximately 60 kilometres of line cutting is currently underway over the proposed survey area.

**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 2013**

	Notes	Group Six months ended 30 June 2013 £	Group Six months ended 30 June 2012 £
Exploration costs	2	(887,465)	(1,837,894)
Administrative expenses		(687,268)	(694,595)
<b>Operating loss</b>		<u>(1,574,733)</u>	<u>(2,532,489)</u>
Finance income		60,914	62,509
<b>Loss before income tax</b>		<u>(1,513,819)</u>	<u>(2,469,980)</u>
Income tax expense		(32,490)	-
<b>Loss for the period</b>		<u>(1,546,309)</u>	<u>(2,469,980)</u>
<b>Other comprehensive income/(loss):</b>			
Exchange difference on translating foreign operations		61,638	45,929
<b>Other comprehensive income/(loss) for the period net of tax</b>		<u>61,638</u>	<u>45,929</u>
<b>Total comprehensive loss for the period</b>		<u>(1,484,671)</u>	<u>(2,424,051)</u>
<b>Loss attributable to:</b>			
Equity holders of the Company		<u>(1,546,309)</u>	<u>(2,469,980)</u>
<b>Total comprehensive loss attributable to:</b>		<u>(1,484,671)</u>	<u>(2,424,051)</u>
Equity holders of the Company		<u>(1,484,671)</u>	<u>(2,424,051)</u>
<b>Loss per share attributable to the equity holders of the Company during the period</b>			
- basic & diluted	3	<u>(£0.004)</u>	<u>(£0.01)</u>

The Group's operating loss relates to continuing operations.

The notes and accounting policies on pages 9 to 10 form part of these interim financial statements

**LANDORE RESOURCES LIMITED**

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

	Share capital £	Share premium £	Share options £	Warrants £	Retained earnings £	Cumulative translation reserve £	Total £
<b>Balance at 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 the period	—	—	—	—	—	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 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>
<b>Balance at 1 January 2013</b>	3,462,838	25,532,762	1,223,262	—	(25,355,105)	220,039	5,083,796
Loss for the period	—	—	—	—	(1,546,309)	—	(1,546,309)
Other comprehensive gains in the period	—	—	—	—	—	61,638	61,638
Issue of ordinary share capital	167,000	668,000	—	—	—	—	835,000
Issue costs	—	(16,900)	—	—	—	—	(16,900)
Share option adjustments	—	—	(247,357)	—	302,203	—	54,846
<b>Balance at 30 June 2013</b>	<u>3,629,838</u>	<u>26,183,862</u>	<u>975,905</u>	<u>—</u>	<u>(26,599,211)</u>	<u>281,677</u>	<u>4,472,071</u>

The accounting policies and notes on pages 9 to 10 form part of these financial statements.

**LANDORE RESOURCES LIMITED**

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 30 JUNE 2013**

	Notes	Group As at 30 June 2013 £	Group As at 30 June 2012 £	Group As at 31 December 2012 £
<b>Assets</b>				
<b>Non current assets</b>				
Property, plant and equipment		91,175	99,862	86,496
		91,175	99,862	86,496
<b>Current assets</b>				
Trade and other receivables		4,140,791	4,362,853	4,178,142
Cash and cash equivalents		505,367	724,496	1,166,919
		4,646,158	5,087,349	5,345,061
<b>Total assets</b>		4,737,333	5,187,211	5,431,557
<b>Equity</b>				
<b>Capital and reserves attributable to the Company's equity holders</b>				
Share capital	4	3,629,838	2,939,838	3,462,838
Share premium	4	26,183,862	23,496,829	25,532,762
Share options		975,905	1,207,867	1,223,262
Other reserves/warrants		-	-	-
Retained earnings	5	(26,599,211)	(23,618,635)	(25,355,105)
Cumulative translation adjustment		281,677	303,782	220,039
<b>Total equity</b>		4,472,071	4,329,681	5,083,796
<b>Liabilities</b>				
<b>Non current liabilities</b>				
Income tax liabilities		3,750	11,249	7,445
		3,750	11,249	7,445
<b>Current liabilities</b>				
Trade and other payables		227,764	820,034	310,536
Income tax liabilities		33,748	26,247	29,780
		261,512	846,281	340,316
<b>Total liabilities</b>		265,262	857,530	347,761
<b>Total equity and liabilities</b>		4,737,333	5,187,211	5,431,557

The notes and accounting policies on pages 9 to 10 form part of these interim financial statements



**LANDORE RESOURCES LIMITED****UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

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	<b>Group Six months ended 30 June 2013 £</b>	<b>Group Six months ended 30 June 2012 £</b>
<b>Cash flows from operating activities</b>		
Operating loss	(1,574,733)	(2,532,489)
Finance income	60,914	62,509
Depreciation of tangible fixed assets	12,055	12,821
Foreign exchange gain on non-cash items	51,076	49,051
Share options	54,846	68,690
Decrease/(increase) in receivables	37,351	(113,724)
(Decrease)/increase in payables	(82,499)	577,604
<b>Net cash outflow from operating activities</b>	<u>(1,440,990)</u>	<u>(1,875,538)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(16,179)	(22,900)
Proceeds from sale of property, plant and equipment	-	5,974
	<u>(16,179)</u>	<u>(16,926)</u>
<b>Cash flows from financing activities</b>		
Issue of ordinary share capital	835,000	2,270,513
Issue costs	(16,900)	(87,415)
Share options	-	-
	<u>818,100</u>	<u>2,183,098</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(639,069)	290,634
Cash and cash equivalents at beginning of financial year	1,166,919	435,519
Exchange (loss)/gain on cash and cash equivalents	(22,483)	(1,657)
<b>Cash and cash equivalents at end of financial period</b>	<u><u>505,367</u></u>	<u><u>724,496</u></u>

The notes and accounting policies on pages 9 to 10 form part of these interim financial statements

# LANDORE RESOURCES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

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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 2013).

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 2012.

### 2 Exploration expenditure and mineral properties

	1 January 2013 £	Net Expenditure in period £	Accumulated expenditure 30 June 2013 £
Junior Lake/Lamaune Lake	13,025,353	901,882	13,927,235
Miminiska Lake	1,515,525	1,505	1,517,030
Lessard	727,923	(19,444)	708,479
Fron Lake	75,233	2,838	78,071
Wottam	61,558	-	61,558
Other/including Swole Lake and West Graham	55,001	684	55,685
	<u>15,460,593</u>	<u>887,465</u>	<u>16,348,058</u>

Mineral properties at 30 June 2013 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.

### 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 356,617,527 (2012: 283,279,383).

#### 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.

**LANDORE RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2013 continued**

<b>4 Share capital</b>	<b>30 June 2013 £</b>	<b>1 January 2013 £</b>
Authorised: 500,000,000 (2012: 500,000,000) ordinary shares of 1 pence each	5,000,000	5,000,000
Issued: 362,983,825 ordinary shares of 1 pence each	3,629,838	3,462,838
	<b>Ordinary shares 2013 £</b>	<b>Share premium 2013 £</b>
Issued: At 1 January 2013	3,462,838	25,532,762
Issued in the period	167,000	668,000
Share issue costs	-	(16,900)
<b>At 30 June 2013</b>	<b>3,629,838</b>	<b>26,183,862</b>

The company made allotments of ordinary 1p shares with an aggregate nominal value of £167,000 (before issue costs) during the year as follows:

	<b>Number of shares</b>	<b>Nominal value</b>	<b>Share premium</b>
11 March 2013 – shares issued for cash, at 5p per share	16,700,000	167,000	668,000
	16,700,000	167,000	668,000

<b>5 Profit and loss reserve</b>	<b>£</b>
At 1 January 2013	(25,355,105)
Loss for the period	(1,546,309)
Transfer from share options reserve	302,203
<b>At 30 June 2013</b>	<b>(26,599,211)</b>

**6 Trade and other receivables**

The Group's trade and other 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 December 2013, 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 December 2014.