

For Release 2nd September 2011

LANDORE RESOURCES LIMITED

INTERIM STATEMENT
For the six months ended 30 June 2011

www.landore.com

LANDORE RESOURCES LIMITED

COMPANY INFORMATION

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 2011

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 2011 to 30 June 2011. All amounts are stated in sterling.

Overview

Landore Resources Limited 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 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 2011 show a loss of £1,903,093 (2010: loss of £2,098,990). These results are in line with expectations. During the six month period exploration costs were £1,337,695 (2010: £1,483,823) and administrative expenses were £569,490 (2010: £615,192).

During the period under review £3,307,980 net of expenses was raised from the issue of 23,025,000 shares. Subsequent to the period end a further £450,000 has been raised from the issue of 3,000,000 new ordinary shares as a result of warrants being exercised at 15p per share.

As a result of these fundraisings the Group is fully funded for this season's exploration and drilling activities.

Mineral Exploration Activities

In the period under review Group's activities have been almost entirely focused on the Junior Lake project. Firstly in relation to the strategic review and subsequent demerger of the Lamaune Iron Ore assets and secondly in continuing exploration in the vicinity of the B4-7 and VW nickel deposits.

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 VW Nickel deposit, the B4-7 deposit, the Lamaune Iron deposit, the Lamaune Gold prospect and numerous other highly prospective mineral occurrences.

Lamaune Iron Ore Assets

Following a strategic review of the Company's key assets the Board had determined that the Lamaune Iron Ore Assets, which have significant potential value, should be transferred into a separate entity with, in due course, independent management and finance.

Accordingly it was announced on 14 June 2011 that the Company's subsidiary, Landore Resources Canada Inc. had transferred the Lamaune Iron Assets into Lamaune Iron Inc. with a long term intention for this entity to pursue a public listing of its shares. The Lamaune Iron Assets are part of the Company's flagship property, the Junior Lake property, which is situated 235 kilometres north-north east of Thunder Bay in the province of Ontario, and is highly prospective for numerous metals including; iron ore, nickel, copper, PGE's, gold and lithium. The Lamaune Iron Assets consist of 23 staked claims covering approximately 4,096 ha in one contiguous block. The major asset which this includes is a resource definition stage, Algoma-type, iron deposit, historically referred to as the Despard-Zmudzinski deposit.

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MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2011 continued

The Board commissioned Roscoe Postle to undertake a valuation of the Lamaune Iron Assets and based on this valuation Lamaune Iron Inc. has issued a secured loan note to the value of C\$6.2 million in favour of Landore Canada ("Loan Note"). The Loan Note is for a term of 18 months at an interest rate of 3% per annum. In addition, the Company has made a loan facility available to Lamaune Iron Inc to borrow up to C\$100,000 to assist with its working capital requirements in the short-term ("Loan Facility"). The Loan Facility is repayable upon demand of the Company and bears interest at a rate of 3% per annum.

This demerger was completed on 5 July 2011 and full details of this transaction and the technical reports are set out on the website www.landore.com

Exploration Activities

During Q1, 2011, a scout drilling campaign was completed on the eastern end of the B4-8 zone successfully intersecting massive sulphide mineralisation similar to the adjacent B4-7 deposit, including **5.58 metres at 0.59 per cent. nickel (Ni), 0.29 per cent. copper (Cu), and 0.07 per cent. cobalt (Co)** from drill-hole 0411-301.

A follow up drilling campaign consisting of 25 drill-holes (0411-314 to 0411-337 plus one re-entry into 0409-69), for 5,352 metres, has recently concluded, with 'fences' of 3-5 drill-holes completed in the centre and on the western end of the 900 metre long B4-8 zone.

Mineralized intersections include:

Drill-hole No	From Metres	Width Metres	Ni %	Cu %	Co %	Pd ppb	Pt ppb	Au ppb
0411-315	185.50	3.00	0.23	0.33	0.02	134	35	10
0411-318	125.95	2.77	0.27	0.34	0.03	306	51	11
0411-321	209.25	0.64	0.67	0.25	0.03	459	423	16
0411-322	98.71	2.69	0.54	0.15	0.04	472	54	9
0411-323	43.23	25.68	0.13	0.66	0.02	139	26	43
Incl.	55.82	10.01	0.18	1.17	0.03	230	31	83
Incl.	57.70	1.00	0.13	3.69	0.02	289	<15	276
0411-328	76.36	12.64	0.15	1.01	0.03	223	63	124
Incl.	86.63	1.19	0.09	3.49	0.03	186	<15	329
0411-337	167.00	2.15	0.47	1.13	0.06	124	36	84

Note: Drill-hole 0411-328 was drilled as a 'scissor hole' to the elevated copper and nickel intersection in drill-hole 0411-323.

Junior Lake Nickel project: The combined resources of the VW and B4-7 deposits delineated to date total 48,281 tonnes of nickel equivalent (Nickel + credits of copper, cobalt and PGEs), 82 per cent. of which is in the Indicated category, Canadian National Instrument 43-101 compliant. Both deposits remain open down dip and along strike to the east and west.

Landore believes that for the Junior Lake Nickel project to be economically viable, the above tonnage needs to be increased by 20 to 30 per cent. Accordingly, Landore's exploration effort is focused on the discovery of additional nickel, copper, and cobalt mineralization in the vicinity of the two main deposits.

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MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2011 *continued*

B4-8 zone:In 2004, Landore completed a high resolution helicopter-borne geophysical survey over the Junior Lake property. The 1st derivative magnetics data identified a very strong and continuous east-west trending geophysical anomaly coincident with the B4-8 conductor making this area a prime exploration target.

The anomaly (the 'B4-8 zone') extends for approximately 900 metres along and west of the B4-8 conductor. There, it is truncated by the Juno Lake shear, and curls north and then to the east around a 150 metre diameter magnetic low. There is considerable potential for economic mineralization in the vicinity of the shear's deformation zone.

The recently concluded drilling campaign concentrated on drilling exploratory drill-fences of 3 to 5 holes in the central area and the western end of the B4-8 zone.

Significant copper mineralization has been intersected within the above curl and on the margin of the magnetic low, including **25.68 metres at 0.66 per cent. Cu, 0.13 per cent. Ni, and 0.02 per cent. Co, including 10.01 metres at 1.17 per cent. Cu, 0.18 per cent. Ni, and 0.03 per cent. Co** from drill-hole 0411-323.

Drilling on the B4-8 has revealed a similar style of nickel-copper mineralization to the hanging wall mineralization in the adjacent B4-7 deposit. Elevated mineralisation is hosted in disseminated to massive sulphides in gabbroic rocks and occurs sub-vertically, often within shear zones. Mineralization is also localized in fractures, foliations and gashes. Copper and nickel grades in the B4-7 deposit are as high as 0.5 metres at 7.06 per cent. Cu in drill-hole 0409-210, and 0.86 metres at 3.34 per cent. Ni, 0.31 per cent Cu, and 0.13 per cent. Co in drill-hole 0409-219.

Results from the drilling on the B4-8 are highly encouraging, successfully identifying a potential new area of mineralization on the Junior Lake property. Drilling will recommence in early September 2011 focusing on the western end of the B4-8.

For further information on Landore and the Group's projects please visit the website www.landore.com.

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UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Notes	Group Six months ended 30 June 2011 £	Group Six months ended 30 June 2010 £
Exploration costs	2	(1,337,695)	(1,483,823)
Administrative expenses		(569,490)	(615,192)
Operating loss		(1,907,185)	(2,099,015)
Finance income		4,092	25
Loss before income tax		(1,903,093)	(2,098,990)
Income tax expense		-	-
Loss for the period		(1,903,093)	(2,098,990)
Other comprehensive income/(loss):			
Exchange difference on translating foreign Operations		799	(23,011)
Other comprehensive income/(loss) for the year net of tax		799	(23,011)
Total comprehensive loss for the period		(1,902,294)	(2,122,001)
Loss attributable to:			
Equity holders of the Company		<u>(1,903,093)</u>	<u>(2,098,990)</u>
Total comprehensive loss attributable to:			
Equity holders of the Company		<u>(1,902,294)</u>	<u>(2,122,001)</u>
Loss per share attributable to the equity holders of the Company during the year			
- 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 9 to 11 form part of these interim financial statements

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Share capital £	Share premium £	Share options £	Warrants £	Retained earnings £	Cumulative translation reserve £	Total £
Balance at 1 January 2010	1,899,593	14,691,157	860,880	143,659	(16,968,271)	204,060	831,078
Loss for the period	—	—	—	—	(2,098,990)	—	(2,098,990)
Other comprehensive loss in the year	—	—	—	—	—	(23,011)	(23,011)
Issue of ordinary share capital	117,000	1,143,400	—	—	—	—	1,260,400
Share option adjustment	—	—	27,694	—	16,986	—	44,680
Balance at 30 June 2010	<u>2,016,593</u>	<u>15,834,557</u>	<u>888,574</u>	<u>143,659</u>	<u>(19,050,275)</u>	<u>181,049</u>	<u>14,157</u>
Balance at 1 January 2011	2,371,853	17,951,320	834,958	143,659	(20,688,413)	174,585	787,962
Loss for the financial year	—	—	—	—	(1,903,093)	—	(1,903,093)
Other comprehensive gains in the year	—	—	—	—	—	799	799
Issue of ordinary share capital	230,250	3,223,500	—	—	—	—	3,453,750
Issue costs	—	(145,770)	—	—	—	—	(145,770)
Balance at 30 June 2011	<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>

The accounting policies and notes on pages 9 to 11 form part of these financial statements.

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UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2011

	Notes	Group As at 30 June 2011 £	Group As at 30 June 2010 £	Group As at 31 December 2010 £
Assets				
Non current assets				
Property, plant and equipment		104,485	128,680	119,862
		104,485	128,680	119,862
Current assets				
Trade and other receivables		106,756	137,340	83,390
Cash and cash equivalents		2,511,018	809,030	782,959
		2,617,774	946,370	866,349
Total assets		2,722,259	1,075,050	986,211
Equity				
Capital and reserves attributable to the Company's equity holders				
Share capital	4	2,602,103	2,016,593	2,371,853
Share premium	4	21,029,050	15,834,557	17,951,320
Share options		834,958	888,754	834,958
Other reserves/warrants		143,659	143,659	143,659
Retained earnings		(22,591,506)	(19,050,275)	(20,688,413)
Cumulative translation adjustment		175,384	181,049	174,585
Total equity		2,193,648	14,157	787,962
Liabilities				
Non current liabilities				
Income tax liabilities		19,363	26,581	23,265
		19,363	26,581	23,265
Current liabilities				
Trade and other payables		489,886	1,022,921	159,474
Income tax liabilities		19,362	11,392	15,510
		509,248	1,034,313	174,984
Total liabilities		528,611	1,060,894	198,249
Total equity and liabilities		2,722,259	1,075,050	986,211

The notes and accounting policies on pages 9 to 11 form part of these interim financial statements

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UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Group Six months ended 30 June 2011 £	Group Six months ended 30 June 2010 £
Cash flows from operating activities		
Operating loss	(1,907,185)	(2,099,015)
Finance income	4,092	25
Depreciation of tangible fixed assets	14,938	18,744
Foreign exchange gain on non-cash items	10,934	105,411
(Increase)/decrease in receivables	(23,462)	87,899
Increase in payables	319,734	624,320
Net cash outflow from operating activities	<u>(1,580,949)</u>	<u>(1,262,616)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(20,090)
	<u>-</u>	<u>(20,090)</u>
Cash flows from financing activities		
Issue of ordinary share capital	3,453,750	1,267,000
Issue costs	(145,770)	(6,600)
Share options	-	44,680
	<u>3,307,980</u>	<u>1,305,080</u>
Net decrease in cash and cash equivalents	1,727,031	22,374
Cash and cash equivalents at beginning of financial year	782,959	792,583
Exchange (loss)/gain on cash and cash equivalents	1,028	(5,927)
Cash and cash equivalents at end of financial year	<u><u>2,511,018</u></u>	<u><u>809,030</u></u>

The notes and accounting policies on pages 9 to 11 form part of these interim financial statements

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NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

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 2011).

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 2010.

2 Exploration expenditure and mineral properties

	1 January 2011 £	Net Expenditure in period £	Accumulated expenditure 30 June 2011 £
Miminiska Lake	1,253,919	1,876	1,255,795
Junior Lake	10,055,143	1,330,939	11,386,082
Fron Lake	72,509	1,230	73,739
Wottam	61,558	-	61,558
Lamaune	1,172,288	384	1,172,672
Lessard	650,983	(241)	650,742
Other	43,183	3,507	46,690
	<u>13,309,583</u>	<u>1,337,695</u>	<u>14,647,278</u>

Mineral properties at 30 June 2011 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

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 200,777,391 (2010: 195,726,452).

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

	30 June 2011	1 January 2011
	£	£
Authorised:		
500,000,000 (2010: 250,000,000) ordinary shares of 1 pence each	5,000,000	2,500,000
Issued:		
260,210,325 ordinary shares of 1 pence each	2,602,103	2,371,853
	Ordinary shares 2011	Share premium 2011
	£	£
Issued:		
At 1 January 2011	2,371,853	17,951,320
Issued in the year	230,250	3,223,500
Share issue costs	-	(145,770)
At 30 June 2011	2,602,103	21,029,050

The company made allotments of ordinary 1p shares with an aggregate nominal value of £230,250 (before issue costs) during the year as follows:

	Number of shares	Nominal value	Share premium
1 February 2011 – shares issued for 15p per share	11,340,000	113,400	1,587,600
9 June 2011 – shares issued for 15p per share	11,685,000	116,850	1,635,900
	23,025,000	230,250	3,223,500

All issues were settled in cash.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

5 Profit and loss reserve

	£
Issued:	
At 1 January 2011	(20,688,413)
Loss for the period	<u>(1,903,093)</u>
At 30 June 2011	<u><u>(22,591,506)</u></u>

6 Post balance sheet events

- a) On 4 July 2011 3,000,000 ordinary shares were issued as a result of the exercise of share warrants, this raised £450,000 for the Company .
- b) On 5 July 2011 the demerger and distribution of all the shares in Lamaune Iron Inc to shareholders of Landore Resources Limited was completed.
- c) On 6 July 2011 the Group issued 8,600,000 of ordinary share options, each with a nominal value of 1 pence, which were valued at 16.12 pence per share at the time of issue.