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This document, which comprises an AIM admission document, has been prepared in accordance with the POS Regulations and the AIM Rules. A copy of this document has been delivered to the Registrar of Companies in England and Wales for registration in accordance with regulation 4(2) of the POS Regulations. Copies of this document will be available to the public free of charge during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of Landore at La Tonnelle House, Les Banques, St. Sampson, Guernsey GY1 3HS and at the offices of Lawrence Graham LLP, 190 Strand, London WC2R 1JN for a period of one month following Admission.

Application will be made for the Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings on AIM in the Ordinary Shares will commence on 6 April 2005.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the UK Listing Authority have themselves examined or approved the contents of this document. The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List. The whole text of this document should be read. The attention of investors is drawn in particular to the risk factors set out in Part II of this document.

LANDORE RESOURCES LIMITED

(Incorporated in Guernsey under the Companies (Guernsey) Law 1994 (as amended) with registered number 42821)

Proposed Placing of 28,571,429 Ordinary Shares at 7 pence per share

Application for admission to trading on AIM

Nominated Adviser

Broker

Strand Partners Limited

W.H. Ireland Limited

Share Capital following Admission

<i>Authorised</i>			<i>Issued and fully paid</i>	
<i>£</i>	<i>Number</i>		<i>£</i>	<i>Number</i>
2,500,000	250,000,000	Ordinary Shares of 1p each	858,813.10	85,881,310

The Directors, whose names are set out on page 7 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules of the London Stock Exchange. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Strand Partners, which is regulated in the United Kingdom by the Financial Services Authority, is acting as nominated adviser for Landore and for no one else in connection with the matters described herein and will not be responsible to anyone other than Landore for providing the protections afforded to customers of Strand Partners, or for advising them on the contents of this document or any matter referred to herein.

W.H. Ireland, which is regulated in the United Kingdom by the Financial Services Authority, is acting as broker for Landore and no other person in connection with the matters described herein. W.H. Ireland will not be responsible to any other person for providing the protections afforded to customers of W.H. Ireland or for providing advice in relation to the contents of this document or any matter referred to herein.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not for distribution in or into the United States, Canada, Australia, South Africa, the Republic of Ireland or Japan. The Ordinary Shares have not been and will not be registered under the Under States Securities Act of 1933 (as amended) nor under the securities legislation of any state of the United States or any province or territory of Canada, Australia, South Africa, the Republic of Ireland or Japan or in any country, territory or possession where to do so may contravene local securities law or regulations. Accordingly, the Ordinary Shares may not, subject to certain exemptions be offered or sold directly or indirectly in or into, or to any national, citizen or resident of the United States, Canada, Australia, South Africa, the Republic of Ireland or Japan.

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KEY INFORMATION

- Landore is the holding company of Landore Canada, a Canadian based company engaged in mineral exploration and development, with the present focus of its operations being mineral exploration in Ontario, Quebec and New Brunswick, Canada. Landore Canada's principal properties are the "Junior Lake Property" and the "Miminiska Lake Property", both located in the Thunder Bay Mining District, Ontario, Canada. Landore Canada is also the owner of other properties in Canada and Nevada in the US containing gold and base metal drill intersections.
- The Group's objective is to become a successful mineral explorer and create capital growth for Shareholders through the discovery of economic mineral deposits. Landore Canada will continue to focus on the ongoing exploration of the Junior Lake Property and the Miminiska Lake Property.
- During the second half of 2005, the Directors intend to establish a natural resources fund administered from an offshore jurisdiction and managed by the Group. The objectives of the fund will be to identify development stage projects in the natural resources sector that are possibly, but not exclusively, seeking a flotation onto AIM. The Directors believe that with their background and track record in the natural resources sector and network of contacts they are well placed to launch such a fund and to add significant value to any such investments. It is intended that Landore would receive fees and performance related remuneration in return for the management and administration of the proposed natural resources fund.
- So as to provide additional funding for the ongoing working capital requirements of the Group and for further exploration and development expenses in respect of the Miminiska Lake and Junior Lake Properties which the Company expects to incur, the Company is proposing to raise approximately £2 million gross (£1.625 million net of expenses) by the issue of 28,571,429 Ordinary Shares pursuant to the Placing.
- William Humphries (Chairman), Richard Prickett (Chief Executive Officer) and Charles Wilkinson (Non-executive Director) have conditionally agreed to subscribe for, in aggregate, 4,142,857 Placing Shares at the Issue Price, representing an aggregate investment by the Directors of £290,000.
- The market capitalisation of the Company on Admission, at the Issue Price, will be £6,011,691.70.

IMPORTANT NOTICE

As at the date of publication of this document, the Arrangement will not have become effective, as completion of the Arrangement is made effective upon the filing of articles of arrangement, in prescribed form, along with such other documents as may be required to be filed, with the Registrar of Corporations appointed under the ABCA, which is anticipated to occur at 5.00 p.m. (Calgary time) on 5 April 2005. Notwithstanding the fact that the Arrangement has not yet become effective, this document, where the context so requires, has been drafted on the basis that the Arrangement has been completed.

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“ABCA”	the Business Corporations Act (Alberta), R.S.A. 2000 c.B-9, as amended, including all regulations promulgated thereunder
“Act”	the Companies Act 1985, as amended
“Admission”	the admission of the entire issued and to be issued ordinary share capital to trading on AIM and such admission becoming effective in accordance with the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the rules relating to the admission of securities to trading on AIM, as published by the London Stock Exchange from time to time
“Alberta”	the province of Alberta, Canada
“Arrangement”	the arrangement between the Company and Landore Canada pursuant to the provisions of s193 of ABCA pursuant to which the Company became the holding company of Landore Canada
“Arrangement Agreement”	the conditional agreement dated 18 February 2005 between, (1) the Company and (2) Landore Canada relating to the Arrangement, more particularly described in paragraph 8 of Part VI of this document
“Brancote”	Brancote US Inc., a wholly owned subsidiary of Landore Canada
“business day”	a day (other than a Saturday or Sunday) on which banks are generally open for business in London
“Common Shares”	The 57,309,879 issued common shares of no par value in Landore Canada
“Companies (Guernsey) Law”	the Companies (Guernsey) Law 1994, as amended
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (i.e. not in CREST)
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo Limited is the operator (as defined in the CREST Regulations)
“CRESTCo”	CRESTCo Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“C\$”	Canadian dollars
“Directors” or “Board”	the directors of the Company whose names are listed on page 7 of this document
“Directors’ Options”	the 5 million options to subscribe for Ordinary Shares at the Issue Price which have been granted to certain Directors under the Share Option Scheme as more fully described in paragraph 5 of Part VI of this document
“Effective Date”	the time and date that the Arrangement becomes effective, which is anticipated to be 5.00 p.m. (Calgary time) on 5 April 2005
“FSMA”	Financial Services and Markets Act 2000

“Group”	Landore, Landore Canada and Brancote
“Independent Geologists”	Richard Blair Needham and Marc Sale, who jointly wrote the report on the Miminiska Lake Property, and Allan MacTavish who wrote the report on the Junior Lake Property
“ISA”	a UK Individual Savings Account within the meaning of the ISA Regulations
“ISA Regulations”	the Individual Savings Account Regulations 1998 (UK Statutory Instruments 1998 No. 1870), as amended
“Issue Price”	7 pence per Placing Share
“Landore” or the “Company”	Landore Resources Limited
“Landore Canada”	Landore Resources Inc. an Alberta corporation involved in mineral exploration and development, previously listed on the TSX-V, which became a wholly owned subsidiary of the Company pursuant to the Arrangement
“Landore Canada Shareholders”	the holders of Common Shares
“London Stock Exchange”	London Stock Exchange plc
“Official List”	the official list of the UK Listing Authority
“Optionholders”	holders of options under the Share Option Scheme
“Options”	the 4,420,400 options to subscribe for Ordinary Shares with final exercise dates ranging from 14 September 2005 to 15 June 2009, which have been granted under the Share Option Scheme pursuant to the Arrangement as more fully described in paragraphs 5 and 7 of Part VI of this document
“Ordinary Shares”	ordinary shares of 1p each in the share capital of the Company
“participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Placing”	the conditional placing by W.H. Ireland of the Placing Shares at the Issue Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 31 March 2005 between, (1) the Company, (2) the Directors, (3) Strand Partners and (4) W.H. Ireland relating to the Placing, details of which are set out in paragraph 8 of Part VI of this document
“Placing Shares”	the 28,571,429 new Ordinary Shares to be issued in connection with the Placing
“POS Regulations”	the Public Offers of Securities Regulations 1995, as amended
“Securities Act”	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“SEDAR”	the System for Electronic Document Analysis and Retrieval operated by the Canadian Securities Administrators
“Shareholders”	holders of Ordinary Shares
“Share Option Scheme”	the share option scheme of the Company, details of which are set out in paragraph 7 of Part VI of this document
“Strand Partners”	Strand Partners Limited

“subsidiary” or “subsidiary undertaking”	have the meanings given to them by the Act
“Taxes Act”	the Income and Corporation Taxes Act 1988, as amended
“TCGA”	the Taxation of Chargeable Gains Act 1992, as amended
“TSX-V”	the TSX Venture Exchange, the public venture equity market of the Toronto Stock Exchange
“UK Listing Authority”	the Financial Services Authority acting in its capacity as competent authority for the purposes of Part VI of the FSMA
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the uncertificated share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain & Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and all other areas subject to its jurisdiction
“Warrantholders”	registered holders of the Warrants
“Warrants”	the 13 million warrants, each of which entitles the Warrantholders to subscribe for one Ordinary Share further details of which are set out in paragraphs 5 and 7 of Part VI of this document
“W.H. Ireland”	W.H. Ireland Limited

A glossary of technical terms used in this document is set out at the end of the Independent Geologists’ Reports summarised in Part V of this document.

DIRECTORS, SECRETARY AND ADVISERS

Directors	William H Humphries <i>Chairman</i> Richard Ó Prickett <i>Chief Executive Officer and Finance Director</i> R James Garber <i>Non-Executive Director</i> Charles E Wilkinson <i>Non-Executive Director</i> Helen F Green <i>Non-Executive Director</i> all of: P.O. Box 141 La Tonnelle House Les Banques St. Sampson Guernsey GY1 3HS
Company Secretary	Rysaffe International Services Limited
Registered Office	P.O. Box 141 La Tonnelle House Les Banques St. Sampson Guernsey GY1 3HS
Nominated Adviser	Strand Partners Limited 26 Mount Row London W1K 3SQ
Broker	W.H. Ireland Limited 11 St. James's Square Manchester M2 6WH
Solicitors to the Company	Lawrence Graham LLP 190 Strand London WC2R 1JN
Advocates to the Company	Babbe Le Pelley Tostevin 18 – 20 Smith Street St Peter Port Guernsey GY1 4BL
Auditors to the Company	KPMG Channel Islands Limited 2 Grange Place The Grange St Peter Port Guernsey GY1 4LD
Reporting Accountants	KPMG LLP 38th Floor One Canada Square London E14 5AG
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 PO Box 83 Ordinance House 31 Pier Road St Helier Jersey JE4 8PW
Administrators	Saffery Champness Management International Limited PO Box 141 La Tonnelle House Les Banques St. Sampson Guernsey GY1 3HS

PLACING STATISTICS

Issue Price	7 pence
Number of issued Ordinary Shares upon Arrangement becoming effective	57,309,881
Ordinary Shares to be issued pursuant to the Placing	28,571,429
Number of Ordinary Shares in issue upon Admission	85,881,310
Market capitalisation, upon Admission, at the Issue Price	£6,011,691.70
Gross proceeds of the Placing	£2 million

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2005
Anticipated effective time and date of Arrangement	5 p.m. (Calgary time) on 5 April
Admission and dealings expected to commence in the Ordinary Shares on AIM	8 a.m. (London time) on 6 April
CREST member accounts expected to be credited	6 April
Despatch of definitive share certificates in respect of the Ordinary Shares	by 15 April

IMPORTANT NOTICE

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PART I

Information on the Group

Introduction and History

Landore is the holding company of Landore Canada, a Canadian based company engaged in mineral exploration and development, with the present focus of its operations being mineral exploration in Ontario, Quebec and New Brunswick, Canada. Landore Canada's principal properties are the "Junior Lake Property" and the "Miminiska Lake Property", both located in the Thunder Bay Mining District, Ontario, Canada. Landore Canada is also the owner of other properties in Canada containing gold and base metal drill intersections.

Landore is a newly incorporated company, formed in February 2005 for the purpose of effecting a court approved arrangement with Landore Canada pursuant to which the Company's shares will be admitted to trading on AIM. Pursuant to the Arrangement all of the Landore Canada Shareholders have exchanged the Common Shares that they hold in Landore Canada for Ordinary Shares in the Company and the Company is now the sole shareholder of Landore Canada. Further details of the Arrangement are set out in paragraph 8 of Part VI of this document.

Landore Canada was incorporated in March 1996 and has a wholly owned subsidiary, Brancote, which holds 10 mineral properties in Nevada in the US. These properties include grass roots exploration areas as well as defined drill targets. Landore Canada has financed its activities to date principally through a series of private placements. The funds previously raised by Landore Canada have been used to finance exploration and development activities on Landore Canada's properties in Canada and the US.



Landore Canada properties in Eastern Canada

Strategy and Prospects

The Group's objective is to become a successful mineral explorer and create capital growth for Shareholders through the discovery of economic mineral deposits.

Landore Canada will continue to focus on the ongoing exploration of the Junior Lake Property and the Miminiska Lake Property. The funds raised in connection with the Placing will be used to explore and develop Landore Canada's properties and fund the Group's general and administrative expenses.

During the second half of 2005, the Directors intend to establish a natural resources fund administered from an offshore jurisdiction and managed by the Group. The objectives of the fund will be to identify development stage projects in the natural resources sector that are possibly, but not exclusively, seeking a flotation onto AIM. The Directors believe that with their background and track record in the natural resources sector and network of contacts they are well placed to launch such a fund and to add significant value to any such investments. It is intended that Landore would receive fees and performance related remuneration in return for the management and administration of the proposed natural resources fund.

Summary of Projects

Miminiska Lake Property

Landore Canada wholly owns the Miminiska Lake Property, comprising 28 patented and two un-patented claims, which is located approximately 350km NNE of Thunder Bay Ontario.

The Miminiska Lake Property lies within the Uchi Subprovince, an east-trending, predominantly meta-volcanic-metasedimentary belt in the Superior Province of the Canadian Shield. The property is predominantly underlain by a thick meta-sedimentary sequence consisting predominantly of intercalated greywacke and slate/argillite units. A major, east-west striking unit of oxide iron formation covers the northern portion of the property. To the south, several thinner, sub-axial plane sheared/faulted and folded, oxide, silicate and sulphide iron formation (IF) units are intercalated with clastic metasediments. Regional, post mineralization, north-easterly shear/fault zones have been also interpreted to traverse the property.

Miminiska has many characteristic similarities with a stratabound iron formation model, however there are also several non stratiform characteristics. Miminiska gold showing therefore conforms with Kerswills' (2000) Hybrid Model, similar to Placer Dome's Musselwhite mine.

A total of 73 drill holes have been completed at Miminiska, by Landore Canada and all other companies to May 2004, for a total of 9411.5m. Landore Canada has completed three drilling campaigns over the past 18 months, with 34 NQ diamond drill holes being completed for a total of 5428m, focusing on two potential shoots within a known 800 metre strike length.

Significant drill intersections include: 40.2g/t gold over 2.1m; 9.7g/t gold over 4.3m; 9.8g/t gold over 2.2m; 9.8g/t gold over 3.5m and 132.1g/t gold over 0.5m.

Metallurgical cyanide extractable gold testing by Lakefield Research on 13 samples taken from Miminiska, showed an estimated recovery of gold from these samples, based on the percent ratio of the gold assay grade after 48 hours of cyanide leach divided by the 48 hour gold calculated head grade, ranged from 88.7 to 103.45 per cent. This range suggests that a majority of the samples are not refractory in nature, and the gold should be extractable by conventional extraction techniques.

The 2003/2004 drill program, proved that drilling the extensions of known gold intersections may require significant patience on the behalf of Landore Canada management. To prove the continuity of the interpreted zones, significant infill drilling will be required at less than 20m centres. A majority of the assay zones identified to date, are relatively narrow.

In late November 2004 a fourth drilling campaign, comprising 19 NQ diamond drill holes for a total of 5350 m, commenced at the Miminiska gold occurrence to test for down-dip extensions of the potential ore shoots identified in zones 5 and 7 in the previous drilling campaigns. Drilling is scheduled for completion by the end of April after which results will be compiled in a separate report.

Junior Lake Property

The Junior Lake Property owned by Landore Canada consists of 23 claims and 2 leased claims. The property is located within the central portion of the Caribou-O'Sullivan Greenstone Belt, northern Ontario, 235 km north-northeast of the city of Thunder Bay, and 75 km east-northeast of the town of Armstrong. Primary access is via an active logging road from Armstrong.

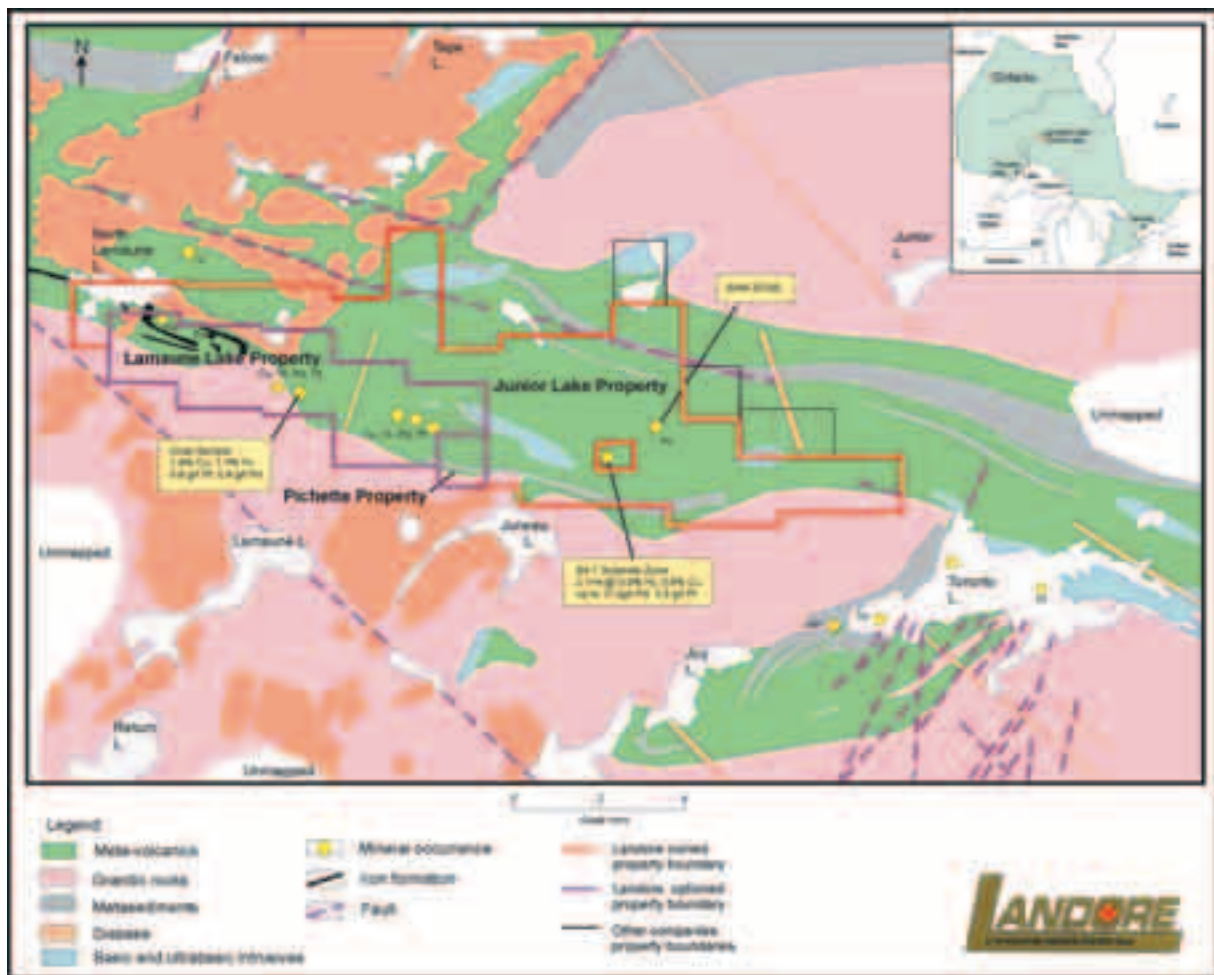
The Junior Lake Property hosts 1 sub-economic massive Ni-Cu-PGE deposit (B4-7 of 2.3 million tons at 0.87 per cent. Ni and 0.59 per cent. Cu), at least 8 PGE-Cu-Ni occurrences, 1 recently discovered Au occurrence, and several Cu, Cu-Zn, and Cr occurrences. The occurrences are hosted by several complex sequences of Archean-age supracrustal and intrusive rocks occurring within the central portion of the Caribou-O'Sullivan Greenstone Belt.

During November 2003 Landore Canada completed a 10 hole, 918m diamond drilling program on the property that tested the historic B4-7/Alpha Ni-Cu-Co-PGE Zones and the recently discovered BAM Au Zone. The 6 BAM Zone holes, totalling 438m, tested the zone over a 100m strike length, to a vertical depth of 35m, in order to better determine its strike, dip, mineralization, and associated alteration. Deeper intersections of the BAM Zone were planned; however, were prevented by an unanticipated offset/displacement of the zone. The 4 B4-7/Alpha Zones holes, totalling 480m were completed to test up-dip projections of the B4-7 and Alpha zones over a strike length of 300m.

A previous report detailing an extensive 2003 program of surface work, drill core relogging and sampling (MacTavish 2004) coupled with the present B4-7/Alpha zones drilling determined that the B4-7 Zone was sub-economic and that the present grade of the deposit was very unlikely to change due to the specific and localized conditions responsible for its formation. The 2003 work did show, however, that the magmas responsible for the formation of the deposit were fertile in base and precious metals and had the potential to form a deposit or deposits of economic grade elsewhere within the project area if the proper conditions were met.

In May, 2004, a high-resolution Aeroquest AeroTEM helicopter-borne electromagnetic (EM) and magnetic survey was flown over the entire 20km strike length of the Junior Lake and Lamaune Lake properties in search of additional Ni-Cu-PGE mineralization. At least twenty-five high conductance targets spread across the properties have been identified, of which only 6, on the Junior Lake Property, appear to have been adequately trenched or drilled. The Junior Lake Ni-Cu-PGE deposit itself responded as a moderate conductance target indicating the necessity for consideration of additional ground follow-up of these anomalies as well.

In September 2004 ground-truthing began on Junior Lake and Lamaune Lake properties of selected airborne anomalies by grid-linecutting, prospecting and geology, trenching and sampling of identified prospective EM conductance targets plus further prospecting and geology of Ni-Cu occurrences located during the last prospecting effort. This work was suspended for the winter and will continue in the spring of 2005.



Junior Lake, Lamaune Lake and Pichette properties

Other Properties

Landore Canada holds 7 other properties, and has the option to purchase a further three properties, all in eastern Canada. These properties contain gold and base metal occurrences. A brief description of each property is as follows:

Lessard

Located in Quebec, about 100km north of the mining city of Chibougamu, consisting of 91 contiguous claims covering 1456ha. The Lessard deposit is contained within the Troilus Greenstone belt, which in turn is part of the much larger Frotet-Evans belt which extends westward 250km. Geology is typical of greenstone belts with intercalated mafic and felsic metavolcanics and metasediments, with mafic and ultramafic intrusives. The potential mineralisation of the area is classic Volcanic Massive sulphide (VMS): copper zinc in massive and disseminated sulphides associated with felsic volcanics (tuffs), near mafic volcanic contact. There is no reported exploration for classical Achaean greenstone gold deposits nor for the exploration for PGE in the gabbroic/ultramafic country rocks. Data compilation and reconnaissance exploration is planned for 2005.

West Graham

The West Graham property is located 35km to the south west of Sudbury, on the southern edge of the Sudbury Intrusive Complex (SIC), only 2km east for the Lockerby mines and 10km west of the Creighton mine. The Property comprises one full patent Lot 12 in the township of Graham for a total area of approximately 130ha, owned outright. The prime target is nickel (copper-gold-PGE) sulphides deposits associated within the SIC. Planned to be optioned to a third party.

Mt. Fronsac

The Mt. Fronsac property is located in Northumberland County, 65km south west of Bathurst, New Brunswick. The property consists of 31 claims covering 471ha. Exploration targets include lead-zinc-copper deposits with associated gold and silver. This property is currently under option to Noranda Mining and Exploration Inc. who has conducted geophysical work and drilling.

Root Lake

The Root Lake property is located in the Patricia Mining District, 300km northwest of Thunder Bay and 150km east of Red Lake. The property consists of 32 patented claims and associated licences of occupation, covering 503ha. The main exploration target includes lithium and rare earth elements associated with pegmatite intrusions. A series of flat lying lithium bearing pegmatites are known to exist on the property. Reconnaissance exploration for rare earth elements is planned for 2005.

Seeley

The Seeley Lake property is located in the Thunder Bay Mining District, 250km to the east of Thunder Bay, along the north shore of Lake Superior. The property is comprised of 18 leased claims covering 289ha. Glass-grade nepheline syenite was confirmed by historic drilling and recent extractive advance has upgraded this prospect. Drilling is planned for this summer.

Lac des Milles Lac

The Lac des Milles Lac property is located in Henderson Township on Lac des Milles Lac in the Thunder Bay Mining District about 70km to the northwest of Thunder Bay. The property consists of 2 leased claims with mining rights only covering 31ha. The main exploration targets include copper-zinc-silver and gold as classic felsic volcanic hosted VMS deposits.

Wottam

The Wottam property is located in the Frond and Ferguson Lake areas in the Thunder Bay Mining District, about 350km to the north north-east of Thunder Bay and 160km east of Pickle Lake. The property is comprised of 20 staked claims covering 4,160ha contiguous to the east of the Miminiska property. Exploration on the Wottam property is targeting gold associated with altered iron formation.

Fronde

The Frond property (option to purchase) is located in the Frond and Ferguson Lake areas in the Thunder Bay Mining District, about 350km to the north north-east of Thunder Bay and 160km east of Pickle Lake. The property is comprised of 24 patented claims covering 485ha contiguous to the east of the Wottam property. Exploration on the property is targeting gold associated with altered iron formation.

Lamaune Lake

The Lamaune Lake property (option to purchase) is located in the Province of Ontario, approximately 235km north-northeast of Thunder Bay and 175km northeast of North American Palladium's Lac des Iles mine. The property is comprised of 8 claims covering 1,616ha and abuts, to the north and east, Landore's Junior Lake Property. Field exploration is being carried out in conjunction with the Junior Lake Property in preparation for a drilling campaign to be carried out in the summer of 2005.

Pichette

The Pichette property (option to purchase) is located in the Province of Ontario, approximately 235km north-northeast of Thunder Bay and 175km northeast of North American Palladium's Lac des Iles mine. The property is comprised of 3 claims covering 96ha and is adjacent to Landore's Junior Lake Property. Field exploration is being carried out in conjunction with the Junior Lake Property in preparation for a drilling campaign to be carried out in the summer of 2005.

In addition Brancote holds 10 mineral properties in Nevada in the US. These properties include grass roots exploration areas as well as defined drill targets. Four of these properties are optioned to third parties.

Technical Review

The mineral assets of the Group have been reviewed by the Independent Geologists. Richard Blair Needham and Marc Sale have jointly reviewed the Miminiska Lake Property and Allan MacTavish has reviewed the Junior Lake Property. A summary of each of these reviews, which includes a glossary, is contained in Part V of this document. The full reports can be viewed at www.sedar.com and will be available at the offices of Lawrence Graham LLP as detailed in paragraph 14 of Part VI of this document.

Arrangement

Landore and Landore Canada have entered into the Arrangement Agreement to effect the Arrangement pursuant to which the Common Shares in Landore Canada will be exchanged for Ordinary Shares in the Company on the Effective Date as follows:

- Landore Canada Shareholders will receive one Ordinary Share for every one issued Common Share held on the Effective Date;
- Holders of options in Landore Canada will receive one Option for every one option in Landore Canada held on the Effective Date; and
- Holders of warrants in Landore Canada will receive one Warrant for every one warrant in Landore Canada held on the Effective Date;

following which such options and warrants in Landore Canada shall be cancelled and the Company shall become the sole shareholder of all the issued Common Shares of Landore Canada.

The Arrangement was conditional upon, *inter alia*:

- a resolution being passed by not less than 66 2/3 per cent. of the votes cast by shareholders of Landore Canada in general meeting and by a simple majority of the votes cast at such meeting by independent shareholders of Landore Canada; and
- an order of the Court of the Queen's Bench of Alberta approving the Arrangement.

These two conditions were satisfied on 23 March 2005 and 29 March 2005, respectively, and it is anticipated that the Arrangement will become effective at 5.00 p.m. (Calgary time) on 5 April 2005 subject only to the Arrangement Agreement not having been terminated prior to such time and the necessary filing with the Registrar of Corporations appointed under the ABCA having been made.

Details of the settlement arrangements in connection with securities issued pursuant to the Arrangement are set out on page 18 below.

Further details of the Arrangement Agreement are set out in paragraph 8 of Part VI of this document.

Background to and reasons for Admission

Given that the majority of Landore Canada's shareholders are based in the UK and Europe and in light of the executive management's experience in London, specifically through AIM listed companies, the Board decided to de-list the Common Shares from the TSX-V, to implement the Arrangement and to apply for the Ordinary Shares to commence trading on AIM.

The Board believes that admission of the Company's shares to trading on AIM will provide a number of benefits to Shareholders, including the opportunity to raise further exploration funds in the future. Whilst the Company has no current plans for raising additional capital following completion of the Placing, it is possible that it will seek to raise further funds in the future.

The Board also believes that a listing on AIM will result in greater institutional support being available to the Company and better retail shareholder interest, which in turn will improve liquidity in the Company's Ordinary Shares, providing a mechanism for Shareholders to realise value and trade their shares if they so wish.

Financial Record

A financial summary of Landore Canada for the 3 years ended 31 December 2004 is set out below:

	<i>Year ended 31 December 2004 C\$</i>	<i>Year ended 31 December 2003 C\$</i>	<i>Year ended 31 December 2002 C\$</i>
Turnover	—	—	—
Loss from operations	(1,036,427)	(927,385)	(630,425)
Loss for the year	(1,004,823)	(895,940)	(616,817)

The above financial information has been extracted from and should be read in conjunction with, the financial information set out in Part IV of this document.

Current trading and prospects

Landore Canada's net loss for the year ended 31 December 2004 was C\$1,004,823 (C\$0.02 per share) compared to a net loss of C\$895,940 (C\$0.02) for the prior year.

Operating expenses for the year ended 31 December 2004 were C\$1,036,427 as compared with C\$927,385 for 2003. The increase of C\$109,042 was largely attributable to the write off of mineral properties in the amount of C\$331,513.

General and administrative expenses decreased by C\$123,460, from C\$463,013 in 2003 and stock-based compensation decreased by C\$43,446 from C\$242,239 in 2003.

During 2004, Landore Canada incurred expenditures of C\$893,910 on mineral interests compared to C\$1,840,703 the same period of 2003. Substantially all of the expenditures incurred in the 2004 period were on the Minimiska Lake Property and Junior Lake Property, both located in the Thunder Bay Mining District, Ontario, Canada. A description of Landore Canada's properties can be found in Note 2 of the financial information on Landore Canada set out in Section B of Part IV of this document.

Market conditions for resource exploration companies have been in a positive cycle for several years with strong commodity prices driving investor demand for such companies. With improving gold prices, there is renewed optimism for the mineral resource industry.

The Directors believe that this development has substantially boosted investor confidence and that this, combined with a slowly reviving world economy and investment climate, will have a positive effect on the Company's future efforts to raise money for further exploration of its properties.

Directors

William Henry Humphries (aged 64) – Chairman

William Humphries has over 30 years' experience in the mining and civil engineering industries. From 1996 to 1998 he was General Manager of Sardinia Gold Mining SpA and from January 1999 to July 2002 he was Managing Director of Brancote Holdings Plc. In June 2000 he became President of Landore Resources Inc. and he has been Managing Director of Patagonia Gold Plc since its inception in November 2000. He is also a Non Executive Director of Regal Petroleum Plc.

Richard Öther Prickett (aged 53) – Chief Executive Officer and Finance Director

Richard Prickett is a chartered accountant and has many years experience in corporate finance. He was Chairman of Brancote Holdings Plc from 1995 until its merger with Meridian Gold Inc. in July 2002. He is a non-executive director of Patagonia Gold Plc and he is also a non-executive director of The Capital Pub Company Plc.

Richard James Garber (aged 54) – Non-Executive Director and Exploration Manager of Landore Canada

James Garber is a qualified geologist and has been exploration manager of Landore Canada since January 2005. From August 2002 to January 2005 he was senior exploration geologist of Landore Canada. Prior to this, between January 2001 and June 2002, he was consultant geologist at Emerald Geological Services in Timmins, Ontario, and between January 1999 and January 2001 he was senior geologist at Battle Mountain Gold, based in Timmins, Ontario.

Charles Edmund Wilkinson (aged 61) – Non-Executive Director

Charles Wilkinson is a practising solicitor and is a former partner of Lawrence Graham LLP. He has given legal advice to a number of mining companies over the years. He is currently a director of European Utilities Trust Plc as well as a number of private companies.

Helen Foster Green (aged 42) – Non-Executive Director

Helen Green is a chartered accountant and a partner in Saffery Champness, a UK top 20 firm of chartered accountants. She joined the firm in 1984, qualified as a chartered accountant in 1988, and became a partner in the London office in 1997. Since November 2000 she has been based in the Guernsey office where she is the client liaison director responsible for trust and company administration.

Certain of the Directors have been granted Directors' Options over an aggregate of 5 million Ordinary Shares at the Issue Price pursuant to the Share Option Scheme.

Details of the Placing

So as to provide additional funding for the ongoing working capital requirements of the Group and for further exploration and development expenses in respect of the Miminiska Lake and Junior Lake properties which the Company expects to incur, the Company is proposing to raise approximately £2 million gross (£1.625 million net of expenses) by the issue of 28,571,429 Placing Shares pursuant to the Placing.

The Company's brokers, W.H. Ireland, have conditionally placed the Placing Shares with certain of the Directors and institutional and other investors at the Issue Price. The Directors have conditionally agreed to subscribe for, in aggregate, 4,142,857 Placing Shares pursuant to the Placing, representing an aggregate investment by the Directors of £290,000, at the Issue Price. The Placing has not been underwritten.

The Placing Shares will represent 33.3 per cent. of the enlarged issued share capital of the Company on Admission.

The Placing is conditional, *inter alia*, upon:

1. the Arrangement becoming effective;
2. the Placing Agreement not having been terminated in accordance with its terms; and
3. Admission.

Further details of the Placing Agreement are set out in paragraph 8 of Part VI of this document.

Use of Proceeds

On becoming unconditional, the Placing is expected to raise approximately £2 million (approximately £1.625 million net of expenses). The net proceeds will be utilised by the Company to provide additional funding for the ongoing working capital requirements of the Group and to fund further exploration and development expenses at Miminiska Lake and Junior Lake properties.

Corporate Governance

The Company has taken steps to ensure that, where practicable for a company of its size and nature, the principles of good governance and code of best practice (the "Combined Code") will be complied with and the appropriate corporate governance structures have been put in place.

The Board comprises two executive directors and three non-executive directors and has a remuneration committee and an audit committee, with delegated duties and responsibilities.

The audit committee comprises Charles Wilkinson, William Humphries and Helen Green and is chaired by William Humphries. The audit committee receives and reviews reports from management and from the Company's auditors relating to the interim and annual accounts and to the internal control procedures in use throughout the Company.

The remuneration committee comprises Charles Wilkinson and William Humphries. The remuneration committee is chaired by Charles Wilkinson and determines and reviews the terms and conditions of service (including remuneration) to executive Directors and employees and the grant of options under the Share Option Scheme.

The Company will take all reasonable steps to ensure compliance by the Directors and relevant employees with the provisions of the AIM Rules relating to dealings in securities.

Dividend Policy

The Directors anticipate that any earnings will be retained by the Company for the development of the business of the Group and will not be distributed for the foreseeable future to Shareholders as cash or other dividends. As the Company is at an early stage of its development, it is inappropriate to give an indication of the likely level of any future dividends.

The declaration and payment by the Company of dividends will, once the Group has achieved its development objectives, be dependent upon the Company's results from operations and other factors deemed to be relevant at the time. This will take into account both the requirements of the business and the expectations of the Shareholders.

Taxation

Your attention is drawn to the taxation information set out in paragraph 11 of Part VI of this document. **Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK should consult their independent financial adviser.**

Admission, settlement and dealings

Application will be made for the Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings on AIM in such Ordinary Shares will commence on 6 April 2005.

The Directors have applied for the Ordinary Shares to be admitted to CREST with effect from Admission and CRESTCo has agreed to such admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if the relevant Shareholder so wishes. CREST is a paperless settlement procedure enabling securities to be evidenced other than by certificate and transferred other than by written instrument.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

Subject to the fulfilment of the conditions of the Placing, the Placing Shares will be registered in the names of the relevant placees and it is expected that certificates in respect of the Placing Shares will be dispatched to relevant Shareholders by first class post at their own risk by 15 April 2005 or, if appropriate, delivery will be made to their CREST accounts by 6 April 2005. No temporary documents of title will be issued.

Pending the issue of definitive share certificates in respect of the Placing Shares (other than in respect of those shares settled through CREST), transfers will be certified against the register.

Option agreements and warrant certificates in respect of the Options and Warrants to be issued pursuant to the Arrangement will be despatched to the relevant holders of such securities by first class post at their own risk by 15 April 2005.

Further Information

Your attention is drawn to the further information set out in Parts II to VI of this document.

PART II

Risk Factors

Potential investors should carefully consider the risks described below before making a decision to invest in the Company. If any of the following risks actually occur, the Group's business, financial condition, results or future operations could be materially adversely affected. In such circumstances, the price of the Company's Ordinary Shares could decline and you could lose all or part of your investment. This document contains forward looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in the forward looking statements as a result of many factors, including the risks faced by the Company which are described below and elsewhere in this document.

Future Revenues

Landore Canada has a limited history of operations and is in the early stage of development. As such, Landore Canada is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that Landore will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. Landore has no intention of paying any dividends in the near future.

Working capital requirements

The Group has limited financial resources, no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of Landore Canada's properties or to fulfil its obligations under any applicable agreements. Although Landore Canada has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of Landore Canada's properties with the possible loss of such properties.

Reliance on third party operators

To the extent that Landore Canada is not the operator of its properties, Landore Canada will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators. As a result, there is no assurance that the development work required to bring the properties of Landore Canada to the next stage development will be completed.

Attraction and retention of key employees

The success of Landore is dependent upon the efforts and abilities of the Directors and key employees. The loss of any member of the management team and the inability to recruit further key personnel could have a material adverse effect upon the business and prospects of Landore.

The Mining Industry

The Group is engaged in exploration and development of mineral properties. The mineral exploration and development industry involves a high degree of risk, which even with a combination of experience, knowledge and careful evaluation, no assurance can be given that commercial quantities of minerals can be successfully found or produced.

Landore Canada's operations are subject to the risks normally incident to the operation and development of mineral properties, including drilling, trenching and surveying, all of which could result in personal injuries, loss of life and damage to the property of Landore Canada and others. In accordance with customary industry practice, Landore Canada is not fully insured against all of these risks, nor are all such risks insurable.

Early stage of development

The properties in which the Group has an interest, or the right to acquire an interest, are in the early exploration stage and are without a known body of commercial ore. Development of the Group's resource properties will only follow upon obtaining satisfactory results. Exploration for and the development of natural resources involves a high degree of risk and few properties which are explored are ultimately developed into producing properties. There is no assurance that the Group's exploration and development activities will result in any discoveries of commercial bodies of ore. The long term profitability of the Group's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Location of key properties

The location of the Miminiska Lake Property and the Junior Lake Property combined with the climate of the area may restrict Landore Canada's access during certain seasons. This restriction may delay or hinder Landore Canada's activities.

The Group's objectives may not be fulfilled

Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. In particular, there is no assurance that the Group will obtain the additional financing necessary to fulfil the work commitments required on either the Miminiska Lake Property or the Junior Lake Property.

Landore Canada has relied and may continue to rely upon consultants and others for construction and operating expertise. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuating mineral markets, costs of processing equipment, competition and such other factors as government regulations, including regulations relating to title to mineral concessions, royalties, allowable production, importing and exporting of minerals and environmental protection. Depending on the price of minerals produced, Landore Canada may determine that it is impractical to commence or continue commercial production.

Environmental risk and regulations

Operations in which the Group has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of natural resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, land slides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs.

Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Group's operations. The Group intends to fully comply with all environmental regulations in all of the countries in which it is active as well as with the sometimes higher standards set by North American environmental regulations.

Fluctuations in commodity prices

The Group's revenues, if any, are expected to be largely derived from the extraction and sale of base and precious metals. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Group's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of base and precious metals, and therefore the economic viability of any of the Group's exploration projects, cannot accurately be predicted.

Competition

The natural resource industry is intensely competitive in all of its phases, and the Group competes with many companies possessing greater financial resources and technical facilities than itself. Competition could adversely affect the Group's ability to acquire suitable properties for exploration in the future.

Joint venture arrangements

The Group may, in the future, be unable to meet its share of costs incurred under option or joint venture agreements to which it is a party and may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Group may be unable to finance the cost required to complete recommended programs.

Governmental regulation

The operations of the Group may require licenses and permits from various governmental authorities. There can be no assurance that the Group will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

The mining industry in Canada operates under various federal and territorial laws governing exploration, development, production, environmental protection and other matters. The operation of mines is subject to substantial regulation by governmental authorities which is, in many instances, discretionary.

Key-Man and Liability Insurance

The success of the Group will be largely dependent upon the performance of its key officers. The Group has not, as yet, purchased any "key-man" insurance with respect to any of its directors, officers, key employees or proposed directors or officers, and has no current plans to do so.

Although the Group has or will obtain liability insurance in an amount which management considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Group might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Group could incur significant costs that could have a material adverse effect upon its financial condition.

Market price of Ordinary Shares

Investors should be aware that the value of shares can rise or fall and that there may not be proper information available for determining the market value of an investment in the Company at all times. The market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets.

Marketability

The market in the Ordinary Shares on AIM may have limited liquidity and investors may receive less than the amount paid by him or her for them. The Ordinary Shares may not be suitable for a short-term investment. Investment in the Company is speculative and the Ordinary Shares will not

be quoted on the Official List. Investment in shares quoted on AIM carries a higher risk than investment in shares listed on the Official List. **Investment in mineral exploration companies is speculative.**

Suitability

The investment described in this document may not be suitable for all those who receive it. Before making a final decision, investors who are in any doubt are advised to consult their stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities in the United Kingdom.

The risks listed above do not necessarily comprise all those faced by the Group and are not intended to be presented in any order of priority.

PART III

Accountants' Report on Landore

The following is the full text of a report on Landore Resources Limited from KPMG LLP, the reporting accountants, to the Directors and Strand Partners.



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The Directors
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PO Box 141
La Tonnelle House
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Strand Partners Limited
28 Mount Row
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31 March 2005

Dear Sirs

Landore Resources Limited

Basis of preparation

The financial information set out in paragraphs 1 and 2 is based on the financial statements of Landore Resources Limited (“the Company”) for the period from incorporation to 28 February 2005 to which no adjustments were considered necessary.

Responsibility

Such financial statements are the responsibility of the Directors of the Company.

The Directors of the Company are responsible for the contents of the admission document of the Company dated 31 March 2005 (“the Admission Document”) in which this report is included.

It is our responsibility to compile financial information set out in our report from the financial statements, to form an opinion on the financial information and to report our opinion to you.

Basis of audit opinion

We conducted our work in accordance with the Statement of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the Company’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company as at 28 February 2005.

We consent to the inclusion in the Admission Document dated 31 March 2005 of this report and to the references to such report and our name in the form and context in which they appear and accept the responsibility for this report for the purposes of paragraph 45(8)(b) of Schedule 1 of the Public Offers of Securities Regulations 1995.

1. Balance Sheet

	<i>As at 28 February 2005 Pence</i>
Current assets	
Debtor: amount due from nominee shareholders	2
Net assets	<u>2</u>
Capital and reserves	
Called up share capital	2
Equity shareholders' funds	<u><u>2</u></u>

2. Notes

2.1 *Introduction*

The Company was incorporated on 16 February 2005. No audited financial statements have been made up and no dividends have been declared or paid since the date of incorporation. The Company had not commenced business as at 28 February 2005 and accordingly no profit and loss account is presented.

2.2 *Basis of preparation*

The financial information has been prepared in accordance with applicable UK accounting standards using the historical cost convention.

2.3 *Share capital*

The authorised share capital of £2,500,000 at 28 February 2005 comprised 250,000,000 ordinary shares of 1 pence each. Two shares of 1 pence each were called up and allotted but were not paid up.

Yours faithfully

KPMG LLP

PART IV

Financial Information on Landore Canada

A. Nature of financial information

The financial information set out in this Part IV comprises the published audited consolidated financial statements of Landore Canada for the year ended 31 December 2004.

Audited statutory financial statements for the three years ended 31 December 2002, 2003 and 2004 on which unqualified audit reports have been issued have been filed on SEDAR. The auditors of Landore Canada for the years ended 31 December 2002, 2003 and 2004 were KPMG LLP, of Suite 3300, Commerce Court West, 199 Bay Street, Toronto ON M5L 1B2, Canada.

B. Financial information on Landore Canada for the year ended 31 December 2004



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Chartered Accountants
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Auditors' report

To the Directors of Landore Resources Inc.

We have audited the consolidated balance sheets of Landore Resources Inc. (a Development Stage Entity) as at 31 December 2004 and 2003 and the consolidated statements of operations and deficit and cash flows for each of the years in the three-year period ended 31 December 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2004 and 2003 and the results of its operations and its cash flows for each of the years in the three-year period ended 31 December 2004 in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slightly slanted font. Below the signature is a horizontal line.

Chartered Accountants

Toronto, Canada

17 February 2005

Consolidated Balance Sheets

31 December 2004 and 2003

	2004 C\$	2003 C\$
Assets		
Current assets:		
Cash and cash equivalents	2,424,127	764,020
GST receivable	28,108	57,720
	<u>2,452,235</u>	<u>821,740</u>
Mineral properties (note 2)	3,634,327	3,071,930
Capital assets, net of accumulated depreciation of C\$48,314 (2003 – C\$33,629)	51,615	53,286
	<u>6,138,177</u>	<u>3,946,956</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	301,665	557,366
Shareholders' equity:		
Share capital (note 3(b))	6,917,557	4,911,008
Warrants (note 3(c))	1,656,362	409,959
Stock options (note 3(d))	397,768	265,239
Contributed surplus	1,145,464	1,079,200
Deficit	(4,280,639)	(3,275,816)
	<u>5,836,512</u>	<u>3,389,590</u>
Subsequent event (note 6)		
	<u>6,138,177</u>	<u>3,946,956</u>

See accompanying notes to consolidated financial statements.

On behalf of the Board:

William H. Humphries Director

Edward J. Badida Director

Consolidated Statements of Operations and Deficit

Years ended 31 December 2004, 2003 and 2002

	2004 C\$	2003 C\$	2002 C\$
Operating expenses:			
Professional fees	141,609	104,420	193,152
General and administration (note 5)	339,553	463,013	315,520
Property maintenance	10,274	37,926	84,480
Write-off of mineral properties	331,513	61,970	—
Stock-based compensation (note 3(d))	198,793	242,239	23,000
Depreciation	14,685	17,817	14,273
Loss from operations	<u>(1,036,427)</u>	<u>(927,385)</u>	<u>(630,425)</u>
Other income (expenses):			
Interest and other income	32,895	32,167	14,540
Interest and bank charges	(1,291)	(722)	(932)
	<u>31,604</u>	<u>31,445</u>	<u>13,608</u>
Loss for the year	(1,004,823)	(895,940)	(616,817)
Deficit, beginning of year	<u>(3,275,816)</u>	<u>(2,379,876)</u>	<u>(1,763,059)</u>
Deficit, end of year	<u><u>(4,280,639)</u></u>	<u><u>(3,275,816)</u></u>	<u><u>(2,379,876)</u></u>
Basic and diluted loss per share (note 3(e))	<u>(0.02)</u>	<u>(0.02)</u>	<u>(0.03)</u>
Weighted average number of common shares outstanding	<u>47,534,537</u>	<u>37,832,570</u>	<u>22,780,162</u>

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Years ended 31 December 2004, 2003 and 2002

	2004 C\$	2003 C\$	2002 C\$
Cash provided by (used in):			
Operations:			
Loss for the year	(1,004,823)	(895,940)	(616,817)
Items not involving cash:			
Depreciation	14,685	17,817	14,273
Stock-based compensation	198,793	242,239	23,000
Write-off of mineral properties	331,513	61,970	—
Change in non-cash working capital:			
GST receivable	29,612	(29,248)	(10,284)
Accounts payable and accrued liabilities	(255,701)	530,093	106,539
	<u>(685,921)</u>	<u>(73,069)</u>	<u>(483,289)</u>
Financing:			
Proceeds from issuance of common shares and warrants	3,500,000	1,900,000	1,456,900
Promissory note from HPD Exploration PLC	—	—	247,100
Share issue costs	(247,048)	(146,423)	—
	<u>3,252,952</u>	<u>1,753,577</u>	<u>1,704,000</u>
Investments:			
Purchase of capital assets	(13,014)	(13,288)	(67,142)
Expenditure on mineral properties	(893,910)	(1,840,703)	(332,972)
	<u>(906,924)</u>	<u>(1,853,991)</u>	<u>(400,114)</u>
Increase (decrease) in cash and cash equivalents	1,660,107	(173,483)	820,597
Cash and cash equivalents, beginning of year	764,020	937,503	116,906
Cash and cash equivalents, end of year	<u><u>2,424,127</u></u>	<u><u>764,020</u></u>	<u><u>937,503</u></u>

See accompanying notes to consolidated financial statements.

The Company is engaged in the business of evaluation, acquisition and exploration of mining properties. Substantially all of the efforts of the Company are devoted to these business activities. To date, the Company has not earned significant revenue and is considered to be in the development stage.

1. Significant accounting policies:

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles. The most significant accounting policies are as follows:

(a) *Principles of consolidation:*

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary, Brancote U.S. Inc. All intercompany transactions have been eliminated.

(b) *Cash and cash equivalents:*

Cash and cash equivalents include those short-term money market instruments which, on acquisition, have a term to maturity of three months or less.

(c) *Capital assets:*

Capital assets are recorded at cost and are being depreciated on a straight-line basis over their estimated useful lives at the following annual rates:

Computer hardware	30%
Computer software	100%
Office equipment	20%
Automotive equipment	30%
Machinery and equipment	20%

(d) *Mineral properties:*

The Company considers its exploration costs to have the characteristics of property, plant and equipment and, as such, all costs related to mineral exploration are capitalized on a property-by-property basis. Such costs include acquisition, exploration and development, net of any recoveries. Until the mineral properties are explored to a point where it has been determined that the mineral properties are or are not capable of being economically developed through assessable exploration results or measurable reserves, in management's opinion, it is impractical to assess the realization of exploration and development costs capitalized to the mineral properties. Properties where the Company has an option or an "earn-in right" are considered to be intangible assets.

When there is little prospect of future work on a property being carried out by the Company or its partners, the costs of the property will be charged to earnings.

The recoverability of amounts shown as mineral properties is dependent on the identification and determination of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production.

(e) *Foreign currency translation:*

For Canadian operations, monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at rates of exchange in effect at the consolidated balance sheet dates. Amounts entering into results of operations are translated at rates in effect at the dates of the transactions. The Company's foreign operation is integrated. Accordingly, monetary assets and liabilities are translated at exchange rates in effect at the consolidated balance sheet dates and the resulting foreign exchange gain or loss is taken into income, and non-monetary assets and liabilities are translated at historical rates. Revenue and expense items, other than amortization, are translated at average exchange rates prevailing during the year. Amortization is translated using historical translation rates of related assets.

(f) *Future income taxes:*

The Company utilizes the asset and liability method of accounting for income taxes. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases reduced by a valuation allowance to reflect the recoverability of any future income tax asset. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that enactment or substantive enactment occurs.

(g) *Stock-based compensation:*

Effective 1 January 2003, the Company adopted the new recommendations of The Canadian Institute of Chartered Accountants (“CICA”) with respect to employee stock-based compensation. The new recommendations are applied prospectively to option grants after that date. In prior years, the Company accounted for stock-based compensation by the settlement method, whereby no compensation expense was recorded for options granted.

As a result, the Company records all stock-based payments granted on or after 1 January 2003 using the fair value method. The impact of the prospective change in accounting on the year ended 31 December 2004 is disclosed in note 3(d).

Under the fair value method, stock-based payments are measured at the fair value of the equity instruments issued and are amortized over the vesting period. The offset to the recorded cost is to shareholders’ equity.

(h) *Loss per share:*

Basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the year. The treasury stock method is used to calculate diluted loss per share. Diluted loss per share is similar to basic loss per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding assuming that options and warrants with an average market price for the year greater than their exercise price are exercised and the proceeds used to repurchase common shares.

(i) *Financial instruments:*

The Company’s financial instruments recognized in the consolidated balance sheets consist of cash and cash equivalents and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying amounts due to the short-term maturity of these instruments.

(j) *Use of estimates:*

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 dates of the financial statements and the reported amounts of revenue and expenses during the year. Changes in estimates and assumptions may occur based on additional information and the occurrence of future events. Actual results could differ from those estimates.

2. Mineral properties:

	<i>Balance, beginning of year</i>	<i>Expenditures</i>	<i>Written off</i>	<i>Balance, end of year</i>
	C\$	C\$	C\$	C\$
2004				
Miminiska Lake (a)	1,445,351	565,101	—	2,010,452
Junior Lake (b)	875,010	201,642	—	1,076,652
Goldcreek (c)	331,513	—	(331,513)	—
Fronde Lake (d)	77,538	—	—	77,538
Wottam (e)	83,062	54,396	—	137,458
Auden (f)	160,261	—	—	160,261
Lamaune (h)	87,710	65,582	—	153,292
Other	11,485	7,189	—	18,674
	<u>3,071,930</u>	<u>893,910</u>	<u>(331,513)</u>	<u>3,634,327</u>

	<i>Balance, beginning of year</i>	<i>Expenditures</i>	<i>Written off</i>	<i>Balance, end of year</i>
	C\$	C\$	C\$	C\$
2003				
Miminiska Lake (a)	85,698	1,359,653	—	1,445,351
Junior Lake (b)	575,420	299,590	—	875,010
Goldcreek (c)	306,573	24,940	—	331,513
Fronde Lake (d)	65,334	12,204	—	77,538
Wottam (e)	19,871	63,191	—	83,062
Auden (f)	160,261	—	—	160,261
Talbot Lake (g)	43,035	10,051	(53,086)	—
Lamaune (h)	21,542	66,168	—	87,710
Other	15,463	4,906	(8,884)	11,485
	<u>1,293,197</u>	<u>1,840,703</u>	<u>(61,970)</u>	<u>3,071,930</u>

	<i>Balance, beginning of year</i>	<i>Expenditures</i>	<i>Written off</i>	<i>Balance, end of year</i>
	C\$	C\$	C\$	C\$
2002				
Miminiska Lake (a)	1,904	83,794	—	85,698
Junior Lake (b)	563,457	11,963	—	575,420
Goldcreek (c)	232,666	73,907	—	306,573
Fronde Lake (d)	—	65,334	—	65,334
Wottam (e)	—	19,871	—	19,871
Auden (f)	158,980	1,281	—	160,261
Talbot Lake (g)	—	43,035	—	43,035
Lamaune (h)	—	21,542	—	21,542
Other	3,218	12,245	—	15,463
	<u>960,225</u>	<u>332,972</u>	<u>—</u>	<u>1,293,197</u>

(a) *Miminiska Lake:*

Miminiska Lake, wholly owned by the Company, is a gold exploration project located approximately 115km east of Pickle Lake in Northern Ontario, Canada.

(b) *Junior Lake:*

Junior Lake is a nickel, copper, platinum group metals and gold exploration project located approximately 250km north of Thunder Bay in Northern Ontario, Canada.

(c) *Goldcreek:*

Goldcreek is a gold and base metal exploration project located approximately 60km northwest of Thunder Bay in Northern Ontario, Canada. The project is subject to net smelter return (“NSR”) royalties of between 0.06 per cent. and 1.50 per cent. which the Company has an option to buy back a portion of the NSRs for total consideration of C\$3,000,000. The project was discontinued in 2004 and accumulated expenditures written off.

(d) *Fronde Lake:*

Effective 29 August 2002, the Company entered into a letter of understanding with Tandem Resources Ltd. and Ayrex Resources Ltd. (now Yangarra Resources Ltd.) relating to 24 patented mining claims located near Fronde Lake, Ontario. The eastern edge of the Fronde Lake property abuts onto claims already held by the Company.

Under the letter of understanding, the Company has the ability to earn up to an 80 per cent. interest in the Fronde Lake property. The Company can earn a 51 per cent. interest by incurring C\$750,000 in exploration expenditures over two years from the date of the agreement, 50 per cent. of which must be spent in the first year. To earn the additional 29 per cent. interest, the Company must incur an additional C\$750,000 over a two-year period. Upon earning the 80 per cent. interest, Tandem Resources Ltd. and Yangarra Resources Ltd. reserve the right to dilute at an agreed rate or participate through a 3 per cent. NSR. An option agreement is pending. No formal agreement has been signed.

(e) *Wottam:*

The Wottam property is a gold exploration project located 125km east of Pickle Lake in Northern Ontario, Canada. The property is wholly owned by the Company and includes claims contiguous to the east of the Miminiska Lake Property.

(f) *Auden:*

The Auden property is a nickel, copper and platinum group metals project with gold potential located about 250km north of Thunder Bay in Northern Ontario, Canada. The property consists of staked claims contiguous with and surrounding the Junior Lake Property. A portion of the project is subject to a 3 per cent. NSR.

(g) *Talbot Lake:*

The Talbot Lake option was terminated on 25 August 2003.

(h) *Lamaune Lake:*

Effective 5 September 2002, the Company entered into an Option Agreement with Michael Stares, Stephen Stares, James Dawson and Stares Contracting Corp. relating to eight mining claims located near Lamaune Lake, Ontario. The eastern edge of the Lamaune Lake property abuts onto the Auden and Junior Lake Property claims held by the Company. The Company has the ability to earn up to an 80 per cent. interest in the Lamaune Lake property subject to the conditions set forth in the Option Agreement.

3. Share capital:

(a) *Authorized:*

Unlimited common shares

Unlimited preferred shares

(b) *Issued:*

	<i>Number of common shares</i>	<i>Amount C\$</i>
31 December 2001	25,128,400	1,979,937
Issued on conversion of warrants	7,000,000	700,000
Issued for cash by private placement	3,011,600	572,900
Issued on conversion of debt related to the private placement	988,400	247,100
Issued for cash	20,000	4,000
	<hr/>	<hr/>
Balance, 31 December 2002	36,148,400	3,503,937
Escrowed shares cancelled (i)	(2,724,347)	(264,000)
Issued on conversion of warrants	2,000,000	400,000
Value of warrants converted	—	180,000
Issued for cash by private placement (ii)	6,000,000	1,500,000
Allocated to warrants	—	(409,959)
Issued on conversion of debt	685,826	147,453
Share issue costs	—	(146,423)
	<hr/>	<hr/>
Balance, 31 December 2003	42,109,879	4,911,008
Issued for cash by private placement, 5 March 2004 (iii)	5,000,000	1,500,000
Issued for cash by private placement, 15 November 2004 (iv)	10,000,000	2,000,000
Allocated to warrants from private placement, 5 March 2004	—	(217,445)
Allocated to warrants from private placement, 15 November 2004	—	(1,028,958)
Share issue costs	—	(247,048)
	<hr/>	<hr/>
Balance, 31 December 2004	<u>57,109,879</u>	<u>6,917,557</u>

(i) Of the issued shares, 2,724,347 were subject to escrow agreements and could not be traded without regulatory approval. The escrowed shares were subject to a performance escrow related to deferred mining costs being incurred on the Goldcreek property prior to 29 October 2002. As the costs were not incurred, these shares were cancelled on 29 April 2003.

(ii) On 8 August 2003, the Company completed a private placement raising aggregate proceeds of C\$1,500,000. The Company issued a total of 6,000,000 units at a price of C\$0.25 per unit. Each unit consisted of one common share and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant in turn entitled the holder thereof to purchase one additional common share of the Company at a price of C\$0.40 per share, for a period of 18 months from the closing date. Of the common shares comprising the units, 5,000,000 carry "flow-through" privileges.

An agent was paid a cash commission of 7 per cent. of the aggregate gross proceeds raised by the agent on the sale of 5,000,000 units. In addition, the agent was issued 500,000 broker's warrants exercisable at a price of C\$0.25 per share for a period of 24 months from the closing date.

The credit resulting from recognizing the previously unrecognized future income tax asset has been credited to equity.

(iii) On 5 March 2004, the Company completed a private placement raising aggregate proceeds of C\$1,500,000. The Company issued a total of 5,000,000 units at a price of C\$0.30 per unit. Each unit consisted of one common share and one-half of a Warrant. Each whole Warrant in turn entitled the holder thereof to purchase one additional common share of the Company at a price of C\$0.50 per share for a period of 18 months from closing of the financing.

An agent was paid a cash commission of 7 per cent. of the aggregate gross proceeds of the financing in consideration for services rendered.

- (iv) On 15 November 2004, the Company completed a private placement raising aggregate proceeds of C\$2,000,000. The Company issued a total of 10,000,000 units at a price of C\$0.20 per unit. Each unit consisted of one common share and a Warrant. Each whole Warrant in turn entitled the holder thereof to purchase one additional common share of the Company at a price of C\$0.25 per share for a period of 12 months from closing of the financing.

An agent was paid a cash commission of 5 per cent. of the aggregate gross proceeds of the financing in consideration for services rendered.

(c) *Warrants:*

	<i>Number of Warrants</i>	<i>Allocated value C\$</i>	<i>Average exercise price C\$</i>
31 December 2001	7,000,000	—	—
Exercised	(7,000,000)	—	—
Issued on private placement	2,000,000	180,000	—
	<u>2,000,000</u>	<u>180,000</u>	<u>0.20</u>
Balance, 31 December 2002	2,000,000	180,000	0.20
Exercised	(2,000,000)	(180,000)	0.20
Issued on private placement to:			
Shareholders	3,000,000	332,454	0.40
Agent	500,000	77,505	0.25
	<u>3,500,000</u>	<u>409,959</u>	<u>0.38</u>
Balance, 31 December 2003	3,500,000	409,959	0.38
Issued on private placement to shareholders	12,500,000	1,246,403	0.30
	<u>16,000,000</u>	<u>1,656,362</u>	<u>0.32</u>

The Company has recorded the fair value of warrants issued using the Black-Scholes pricing model with the following assumptions:

<i>Grant date</i>	<i>5 March 2004</i>	<i>15 November 2004</i>
Number of warrants	2,500,000	10,000,000
Exercise price	C\$0.50	C\$0.25
Expected term	18 months	12 months
Price volatility	90%	154%
Dividend yield	—	—
Risk-free interest rate of return	3%	3%
Amount recorded	<u>C\$217,445</u>	<u>C\$1,028,598</u>

As at 31 December 2004, the Company had warrants outstanding to purchase common shares as follows:

<i>Expiry date</i>	<i>Grant date</i>	<i>Number of warrants</i>	<i>Assigned value C\$</i>	<i>Exercise price C\$</i>
8 February 2005	8 August 2003	3,000,000	332,454	0.40
8 August 2005	8 August 2003	500,000	77,505	0.25
4 September 2005	5 March 2004	2,500,000	217,445	0.50
15 November 2005	15 November 2004	10,000,000	1,028,958	0.25
		<u>16,000,000</u>	<u>1,656,362</u>	<u>0.32</u>

The 3,000,000 warrants expired unexercised on 8 February 2005.

(d) *Employee stock option program:*

Under the Company's employee stock option program, the Board of Directors may, at its discretion, grant options to purchase common shares, which are exercisable over a period of a maximum of five years, to directors, officers, employees or consultants of the Company or its affiliates. All stock options granted vest immediately. Stock appreciation rights also may be granted. All current options expire in or before June 2009. The maximum number of shares which may be issued under the program shall not exceed 10 per cent. of the issued and outstanding shares, subject to adjustment. The Company has recorded the fair value of option grants using the Black-Scholes options pricing model.

2004:

On 15 June 2004, the Company granted 1,650,000 options to employees, consultants and directors of the Company. These options were valued at C\$198,793 using the Black-Scholes valuation model to estimate the fair market value, using the following assumptions:

Dividend yield	—
Price volatility	118%
Risk-free interest rate of return	4%
Expected life	5 years

2003:

<i>Grant date</i>	<i>27 May 2003</i>	<i>12 December 2003</i>
Number of options	300,000	900,000
Expected life	5 years	5 years
Price volatility	125%	88%
Dividend yield	—	—
Risk-free interest rate of return	4%	4%
Amount recorded	C\$51,208	C\$191,031

The total amount recorded was C\$242,239, which was charged to the consolidated statements of operations and deficit and offset to contributed surplus. The fair value is particularly impacted by the Company's stock price volatility, determined using data from the previous year. Of the total cost of C\$242,239, C\$127,354 relates to non-employee options and C\$114,885 relates to employees options.

Stock option transactions were as follows:

	<i>Options</i>	<i>Value C\$</i>	<i>Weighted average exercise price C\$</i>
Balance, 31 December 2001	1,720,800	—	0.270
Granted	850,000	23,000	0.030
Balance, 31 December 2002	2,570,800	23,000	0.290
Expired	(400,400)	—	0.200
Granted	1,200,000	242,239	0.280
Balance, 31 December 2003	3,370,400	265,239	0.295
Expired	(600,000)	(66,264)	0.300
Granted	1,650,000	198,793	0.145
Balance, 31 December 2004	<u>4,420,400</u>	<u>397,768</u>	<u>0.238</u>

The following is the Company's pro forma loss for the year with the fair value method applied to all options issued during the year ended 31 December 2002:

	C\$
Loss for the year	(616,817)
Pro forma compensation expense related to fair value of stock options issued	(171,000)
Pro forma loss for the year	<u>(787,817)</u>
Pro forma basic loss per share	<u>(0.03)</u>

The Company has also expensed C\$23,000 related to options granted to non-employees during the year ended 31 December 2002.

As at 31 December 2004, the Company had stock options outstanding to purchase common shares as follows:

<i>Expiry date</i>	<i>Grant date</i>	<i>Number of options</i>	<i>Exercise price C\$</i>
14 September 2005	14 September 2000	1,120,400	0.310
8 May 2007	8 May 2002	750,000	0.300
27 May 2008	27 May 2003	300,000	0.200
12 December 2008	12 December 2003	600,000	0.300
15 June 2009	15 June 2004	1,650,000	0.145
		<u>4,420,400</u>	

(e) *Loss per share:*

	2004	2003	2002
Numerator:			
Loss for the year	<u>C\$(1,004,823)</u>	<u>C\$(895,940)</u>	<u>C\$(616,817)</u>
Denominator:			
Average number of common shares outstanding	47,534,537	37,832,570	25,504,509
Escrowed shares	—	—	(2,724,347)
Weighted average number of common shares	<u>47,534,537</u>	<u>37,832,570</u>	<u>22,780,162</u>
Basic and diluted loss per share	<u>C\$(0.02)</u>	<u>C\$(0.02)</u>	<u>C\$(0.03)</u>

The determination of the weighted average number of common shares outstanding for the calculation of diluted loss per common share does not include the effect of outstanding options and warrants since they are anti-dilutive.

4. Income taxes:

(a) *Provision for income taxes:*

The recovery of income taxes differs from the amount that would have resulted by applying Canadian federal and provincial statutory tax rate of approximately 36 per cent. (2003 – 37 per cent.; 2002 – 40 per cent.) as follows:

	2004 C\$	2003 C\$	2002 C\$
Income tax recovery:			
Expected income tax recovery calculated using statutory rate	(362,000)	(332,000)	(263,000)
Non-deductible stock-based compensation expense	72,000	89,000	9,000
Losses not tax-benefited	<u>290,000</u>	<u>243,000</u>	<u>254,000</u>
Income tax recovery	<u>—</u>	<u>—</u>	<u>—</u>

(b) *Future tax balances:*

The tax effects of temporary differences that give rise to future income tax assets and future income tax liabilities are as follows:

	2004 C\$	2003 C\$	2002 C\$
Future tax assets:			
Resource properties	—	79,500	59,000
Capital assets	20,000	12,000	5,800
Share issue costs	118,000	45,500	4,300
Non-capital losses	650,000	476,500	490,000
	<u>788,000</u>	<u>613,500</u>	<u>559,100</u>
Future tax liabilities:			
Resource properties	(283,000)	—	—
	<u>505,000</u>	<u>613,500</u>	<u>559,100</u>
Valuation allowance	(505,000)	(613,500)	(559,100)
Future tax asset	<u>—</u>	<u>—</u>	<u>—</u>

(c) *Tax loss carryforwards:*

The Company has non-capital loss carryforwards for income tax purposes of approximately C\$1,800,000, which expire between 2005 and 2011.

The Company also has non-capital loss carryforwards for income tax purposes in the United States of approximately U.S. \$820,000, which expire between 2005 and 2011. The U.S. tax loss carryforwards relate to a subsidiary, the properties for which the Company has no immediate plans. Since no recovery is available, no amount has been taken into account with respect to these losses in determining the Company's future income tax asset and, as such, has not been included in the above table for the current year.

5. Related party transactions:

During 2003, the Company paid C\$67,200 (2002 – C\$40,687) for management and consulting services to Ovalbay Geological Services Inc. (“Ovalbay”), a company owned and controlled by the Vice-President, who was also a director of the Company until 9 October 2003, at which date, he resigned. These transactions are in the normal course of operations and management is of the opinion that the costs incurred are at fair market value. There was C\$22,800 included in accounts payable at 31 December 2003 in respect of these amounts.

During the year, the Chief Financial Officer, who is also a director, was paid C\$44,500 (2003 – C\$44,000; 2002 – C\$36,000) in consulting fees.

During the year, C\$10,097 was paid to a company with common directors, for consultancy fees. In addition, C\$21,777 was paid to a company controlled by a director for corporate advisory services.

6. Subsequent event:

(a) On 17 December 2004, the directors of the Company announced that they have determined to re-domicile the Company in Guernsey pursuant to a plan of arrangement, whereby generally, a new incorporated Guernsey company, which will initially be controlled by insiders of Landore, will exchange its securities for the securities of Landore on a one-for-one basis. Concurrent with completion of the arrangement, the new Guernsey company will make application to list its shares on the Alternative Investment Market (“AIM”) of the London Stock Exchange plc. Following successful completion of these transactions, the Company will be a wholly owned subsidiary of a Guernsey company and it is the Company's intention to de-list from the TSX Venture Exchange and cease to be a reporting issuer in Canada. The transactions are subject to negotiating and executing definitive agreements and obtaining shareholder and regulatory approval. A special shareholders' meeting has been scheduled for 23 March 2005 in Thunder Bay, Ontario to obtain shareholder approval of the plan of arrangement.

- (b) Pursuant to an agreement dated 20 January 2005 between the Company and Wing Resources Inc. (“Wing”), the Company has purchased one-third or 1 per cent. of the 3 per cent. NSR held by Wing, reducing the Wing NSR to 2 per cent. on the Auden claims. The purchase price for the 1 per cent. NSR was C\$40,000, paid by the issuance of 200,000 common shares of the Company at a deemed issue price of C\$0.20 per share. The shares issued are subject to a 4-month resale restriction.

PART V

Summaries of Independent Geologists' Reports

The information below has been extracted without material adjustment from the reports prepared by the Independent Geologists in connection with the Miminiska Lake Property and the Junior Lake Property.

The full reports can be viewed at www.sedar.com and at the offices of Lawrence Graham LLP as detailed in paragraph 14 of Part VI of this document.

A. Independent Geologists' Report on Miminiska Lake dated May 2004

1. Summary

Landore Resources Inc. ("Landore Canada"), a mining company based in Thunder Bay, Ontario, has undertaken mineral exploration activities exclusively in Canada, exploring for gold, base metals and PGE minerals. Landore Canada is currently exploring for gold in the Miminiska and Wottam Lake areas of Northwestern Ontario. Landore Canada has several other properties in Ontario, Quebec and New Brunswick.

A total of 28 patented and two unpatented claims comprise the 100 per cent. owned Miminiska Lake property ("Miminiska property"). The Miminiska property is located approximately 350km NNE of Thunder Bay Ontario. The property is usually only accessible with the aid of a helicopter or float/ski plane out of the towns of Pickle Lake, Armstrong and/or Nakina, Ontario.

The Miminiska property lies within the Uchi Subprovince, an east-trending, predominantly metavolcanic-meta-sedimentary belt in the Superior Province of the Canadian Shield. The property is predominantly underlain by a thick meta-sedimentary sequence consisting predominantly of intercalated greywacke and slate/argillite units. A major, east-west striking unit of oxide iron formation covers the northern portion of the property. To the south, several thinner, sub-axial plane sheared/faulted and folded, oxide, silicate and sulphide iron formation (IF) units are intercalated with clastic metasediments. Regional, post mineralization northeasterly shear /fault zones have been also interpreted to traverse the property. The Miminiska gold showing is anomalous in the region due to the following geological observations:

- (a) The Miminiska showing occurs in an area of lower greenschist regional metamorphism with a metamorphic index mineral of chlorite. The regional metamorphism observed to the north, south, and east of the property, is dominantly upper greenschist to amphibolite grade with biotite, hornblende and/or garnet being the metamorphic index minerals.
- (b) Bedding measurements in the immediate Miminiska gold showing area, dip steeply to the south. Regionally, bedding was dominantly observed dipping moderately to steeply to the north.

Miminiska has many characteristic similarities with a stratabound iron formation model, however there are also several non stratiform characteristics. Miminiska gold showing therefore conforms with Kerswills' (2000) Hybrid Model, similar to Placer Dome's Musselwhite mine.

A total of 73 drill holes have been completed by Landore Canada and all other companies to date, totaling 9411.5m. In 2003, Landore Canada completed 2370.1m of drilling in 18 diamond drill holes. In 2003/2004, a second phase of drilling was recommended and completed by Landore Canada to follow-up on the results obtained in the winter 2003 diamond drill program. The 2003/2004 diamond drill program included 16 holes, totaling 3057.7m. This program, the subject of this report, concentrated on testing the interpreted plunge, dip and/or strike extension of gold anomalies intersected in previous drill programs.

After the 2003/2004 drill program, the geological data was reviewed. A working geological model was developed, and as a result of this re-interpretation, several of the composites in the drill hole database were re-named. The model includes multiple strongly foliated/sheared horizons. These "shear zones" are interpreted to be subparallel to the hinge axis of anticlinal/synclinal 1st and 2nd order folds. These "shear zones" are interpreted to act as a conduit for late hydrothermal

solutions, evident from the occurrence of quartz chlorite +/- carbonate veining, strongly elevated arsenic analyses, and carbonate/chlorite alteration. The intersection of these “shear zones”, and associated late hydrothermal solutions with magnetite bearing or metamorphic pyrrhotite sulphidized iron formation, may be the loci that results in the precipitation of gold, and also second phase of arsenopyrite mineralization. Iron formation that is prepared by being more susceptible to brittle versus ductile deformation, prior to hydrothermal activity and shearing, is interpreted to be more susceptible for deposition of gold. A spatial relationship of fragmented, irregular quartz chlorite veining to gold anomalous zones was observed in the drill core. The quartz in the iron formation appears to make the iron formation as a whole, more susceptible to brittle deformation versus ductile deformation. The alteration and/or sulphidization of the iron formation caused by the hydrothermal alteration results in areas of magnetite destruction, and therefore linear magnetic lows “breaks” are observed on magnetic maps. These “breaks” interpreted from the residual magnetics, in combination with HLEM conductors, isoclinal folding and rock/soil anomalies should be targeted for future drilling. Strong to intense pervasive chlorite +/- carbonate alteration is associated with the stronger gold mineralized horizons. Chlorite alteration is commonly stronger, occurring as alteration haloes adjacent to irregular, fragmented and crosscutting, quartz chlorite +/- carbonate veinlets.

A total of 6 occurrences of visible gold were identified in the 2003/2004 drill program. Several of the visible gold grains were observed on the margins of quartz carbonate chlorite veinlets, associated with fine grained disseminated arsenopyrite grains or with chlorite +/- carbonate pyrrhotite infilled micro-fractures, not necessarily in heavily sulphidized IF host rock, but in chloritized magnetite bearing silicate IF subunits.

Sulphide mineralization on the Miminiska property can be subdivided into four styles and/or mineralizing events:

- (a) Polished thin section work (Vielreicher, 2004), indicates the presence of colloform textured, diagenetic pyrite, that predates the types of mineralization described below.
- (b) Pyrrhotite +/- disseminated coarse grained arsenopyrite mineralization, associated with the sulphidization of magnetite in the IF. This mineralization is interpreted to be associated with increased pressures and temperatures associated with a regional metamorphic event.
- (c) Fine to medium grained disseminations of arsenopyrite +/- pyrrhotite occurring in the chlorite alteration halo of crosscutting, commonly fragmented and irregular quartz chlorite carbonate veinlets. This mineralization is thought to be contemporaneous with a late hydrothermal alteration event.
- (d) Coarser grained pyrrhotite, pyrite and/or arsenopyrite mineralization, commonly associated with fracture fills that crosscut iron formation banding or occur as irregular clots / fracture fills within quartz chlorite carbonate veinlets.

This mineralization is interpreted to be associated with a re-mobilization of existing metamorphic sulphides, possibly also associated with a late hydrothermal alteration event.

In the 2003/2004 Miminiska drill program, a total of 97 of 1275 samples assayed greater than 0.6 g/t Au. Of these, only 11 assays returned with assays greater than 7.4 g/t Au. The best gold assay was returned from drill hole 0604-32, grading 132.11 g/t Au/0.52m. Other significant individual 2003/2004 Miminiska gold assays include: 29.87 g/t Au/0.70m(0604-33), 18.77 g/t Au/0.9m(0603-20), 17.11 g/t Au/0.80m(0603-26), 11.57 g/t Au/1.10m(0603-31), 9.86 g/t Au/0.76m(0603-30), 9.48 g/t Au/1.0m(0603-22), 8.62 g/t Au/0.5m(0603-20), 8.32 g/t Au/0.5m(0604-32), 8.22 g/t Au/0.7m(0604-33), and 7.68 g/t Au/0.9m(0604-32). The best gold assays in the 2003/2004 drill program were obtained from four different target areas, they include:

- (a) The “sheared” margins of the IF units associated with the North limb of the anticline structure, locally associated with areas of magnetite destruction on the residual magnetics survey e.g. 0604-20, 0604-30, 0603-20, 22 and 26.
- (b) The “sheared” hinge area of the anticline, close to the fold closure e.g. 0604-32.

- (c) The north “sheared” margin of the south limb of the anticline structure, also associated with a magnetic low “break” in the residual magnetics e.g. 0603-33.
- (d) The margins of the 2nd (i.e. eastern) folded oxide IF sequence e.g. 0604-32.

Metallurgical cyanide extractable gold testing by Lakefield Research revealed the following from the 13 samples tested:

An estimate of the recovery of gold from these samples based on the percent. ratio of the gold assay grade after 48 hours of cyanide leach divided by the 48 hour gold calculated head grade, ranged from 88.7 to 103.45 per cent. This range of percentages suggest that a majority of the samples are not refractory in nature, and the gold should be extractable by conventional extraction techniques.

Comparison of the gold calculated head grade (Lakefield) versus the gold fire assay results revealed considerable scatter of assay values on both sides of the trend line. Overall, the trend line of the data series is skewed towards the fire assay gold value.

From the quality analyses of the Landore Canada gold assay samples, both the duplicate sample program, and the independent laboratory check assay program, suggest that the gold anomalous Miminiska samples have significant variability within each sample, that was at least partially attributed to the “nugget effect”. The Accurassay gold assays were positively skewed with respect to the independent (check sample) laboratory results. This finding was also found in the cyanide leach tests noted above. A review with the laboratory of assaying methods to reduce sample heterogeneity is recommended. From the quality control analyses of the data, both the laboratory internal testing, and Landore Canada’s external standard testing indicated that approximately 5 per cent. of the samples were problematical for various reasons, including transcription errors, and assays greater than the industry standard 3 standard deviation error bars.

Systematic core angle measurement of bedding and foliation/crenulation cleavage revealed that foliation angles are commonly 0-30 degrees less than bedding angles. This difference may support the interpretation of “shear zones” obliquely cross cutting stratigraphy both along strike, and also possibly down dip. The eastern limb of strongly magnetic oxide iron formation is interpreted to be strongly transposed by the strong fault/shear zone that subparallels the Miminiska baseline. This results in the north limb of this horizon of interbedded iron formation and greywacke being “pinched out” or non-rooted. Most of the more strongly sulphidized and auriferous iron formation horizons, are also strongly foliated/sheared, have a high percentage of veining, and the veining is commonly strongly fragmented(i.e. breccia and/or pull apart textures).

The 2003/2004 drill program, proved that drilling the extensions of known gold intersections may require significant patience on the behalf of Landore Canada management. To prove the continuity of the interpreted zones, significant infill drilling will be required at less than 20m centres. A majority of the assay zones identified to date, are relatively narrow. Future drill programs should concentrate on:

- (a) Delineating wider, higher grade, gold “shoots” within each mineralized zone.
- (b) Extend the dip-strike and/or plunge extensions of anomalous gold intersections obtained in the 2003/2004 drill program
- (c) Importantly, define additional new zones with significant gold mineralization, that have not been diamond drill tested to date. This work is required to increase the overall potential mineable tonnage of the property. It is believed that multiple shoots/zones of economic grade will be required to make this project feasible. This phase of drilling should be completed, and reviewed by Landore Canada management prior to a phase of delineation drilling.

A third phase of drilling is recommended totaling 4670m at an estimated overall cost of C\$1,401,000. It is in the co-author’s opinions that the project is of merit, and warrants further work, however, after the next proposed phase of drilling, Landore Canada management should define the criteria that the company requires to further explore and/or develop the property (i.e. potential tonnage or ounces of gold). A preliminary internal resource estimate should be calculated, prior to a phase of infill drilling of known mineralized zones, to determine if the project meets these Landore Canada pre-defined exploration requirement(s).

2. Introduction and Terms of Reference

This report was prepared in accordance of National Instrument 43-101 of the Canadian Securities Administrators (“NI 43-101”) for the purpose of a technical report prepared by consultant geologists and technicians under the supervision of M. Sale (Landore Canada Consultant). The principle authors are R. Blair Needham (consultant) and Marc Sale (Qualified Person). The object of this report, is to describe the activities of a 2003/2004 winter exploration diamond drill program. The drill program was designed to test the strike, dip and/or plunge extension of previously intersected gold anomalous drill intersections, and to define areas of interest and/or drill targets for a third Phase of exploration. The data contained in this report was supplied or generated by Landore Canada and/or was obtained by/from the Ontario Geological Survey’s assessment files in Thunder Bay. Needham supervised the drill and logged all the core recovered in the 2003/2004 drill program. M. Sale reviewed the core and drill sites in a field visit in December 2003. J. Garber (Landore Canada Senior Geologist) also made periodic visits to the Miminiska property in December 2003.

3. Disclaimer

This report was prepared for Landore Canada by R. Blair Needham Exploration Services and Marc Sale (Landore Canada Inc.). It is based on information available at the time of preparation. Marc Sale is the qualified person as defined by security commission requirements (i.e. NI 43-101). It is believed that the information and estimates contained herein are reliable under the conditions and subject to the qualifications set forth. The cost estimates are based on data supplied by Landore Canada for the 2003/2004 Miminiska diamond drill program. This report is intended for the exclusive use of Landore Canada. Any other use of or reliance on this report is at the sole risk of the party that so relies.

4. Property Description and Location

The Miminiska property is located in Northwestern Ontario (Figure 1). It consists of 28 patented mining claims and two unpatented mining claims that combined, total 800.53ha. The eastern portion of the property is bisected by the N-S boundary between the 52P/9 and 52P/10 NTS map sheets. Adjoining the Miminiska property, to the immediate east, is the Landore Canada Wottam property. It consists of 20 claim blocks, totaling 260 claim units.

The Miminiska property occurs in the Miminiska Lake area within the Thunder Bay Mining Division (i.e. claim map G-0332), and in the Land Titles Division of Kenora. It occurs in the Ministry of Natural Resources District of Nipigon. Approximately half of the Miminiska property is overlain by Miminiska Lake. Both mining and surface rights are held on all of the land portions of the property by Landore Canada. Mining rights on the water-covered areas are held by a renewable in perpetuity License of Occupation. No annual assessment work requirements are required on the Miminiska patented claims by the Ontario government. Only annual acreage tax, payable to the Crown, is required.

The two unpatented claim blocks included in the Miminiska property, total 24 claim units, are registered to Landore Canada (i.e. 100 per cent.). The claim blocks adjoin to the immediate north, the Miminiska patented claims. The Miminiska property is contiguous to the east with the Landore Canada Wottam property. To keep the Miminiska property claims in good standing, MNR approved mineral exploration work must be completed, totaling C\$400 for each claim unit, once every year. The claims are renewable on a yearly basis, if sufficient work has been applied to the claims. The unpatented claim portion of the Miminiska property has not been legally surveyed. There are several gold and arsenic showings on the property as defined by Company geologists previously working in the area, and by OGS geologists. There are no mine related facilities on the property. The property is not subject to any environmental liabilities. The granting of the mineral title by the Ontario Government gives Landore Canada the right to explore.

5. Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Miminiska Project is a property located in Northwestern Ontario. The property is located approximately 115km ENE of Pickle Lake Ontario. The project area straddles the east shoreline of

Miminiska Lake. The property occurs within the following NTS 1:50,000 map sheets; 52P/9 and 52P/10. Figure 1 illustrates the generalized location of the Miminiska property.

FIGURE 1: Miminiska Property Location, NW Ontario



B. Independent Geologist’s Report on Junior Lake dated February 2004

1. Summary

The Junior Lake Property of Landore Canada consists of 14 claims (169 units) and 2 leased claims. The property is located within the central portion of the Caribou-O’Sullivan Greenstone Belt, northern Ontario, 235km north-northeast of the city of Thunder Bay, and 75km east-northeast of the town of Armstrong. Primary access is via an active logging road from Armstrong. There are no power lines on or near the property and the closest railway is the CN mainline located approximately 17km to the south.

The Junior Lake Properties hosts 1 sub-economic massive Ni-Cu-PGE deposit, at least 8 PGE-Cu-Ni occurrences, 1 recently discovered Au occurrence, and several Cu, Cu-Zn, and Cr occurrences. The occurrences are hosted by several complex sequences of Archean-age supracrustal and intrusive rocks occurring within the central portion of the Caribou-O’Sullivan Greenstone Belt.

During November 2003 Landore Canada completed a 10 hole, 918m diamond drilling program on the property that tested the historic B4-7/Alpha Ni-Cu-Co-PGE Zones and the recently discovered BAM Au Zone. The 6 BAM Zone holes, totalling 438m, tested the zone over a 100m strike length, to a vertical depth of 35m, in order to better determine its strike, dip, mineralization, and associated alteration. Deeper intersections of the BAM Zone were planned; however, were prevented by an unanticipated offset/displacement of the zone. The 4 B4-7/Alpha Zones holes, totalling 480m were completed to test up-dip projections of the B4-7 and Alpha zones over a strike length of 300m.

The 6 BAM Zone holes (0403-01 to 06) intersected several moderately to strongly sheared, altered, and mineralized zones similar to the BAM Zone mineralization observed in Trench T15.

Alteration style and intensity was variable and consisted of moderate to strong biotitization, weak to strong carbonatization, and localized moderate to strong silicification. Mineralization consisted of 1 to 8 per cent. finely disseminated pyrite and fine needles of arsenopyrite. Also several of the holes intersected similarly sheared, altered, and mineralized intermediate dykes, of highly variable thicknesses, that occurred in close proximity to the BAM Zone intercepts. All pyrite-arsenopyrite-bearing zones exhibited anomalous to strongly anomalous Au values and moderately to strongly enriched As values. Low-grade intersections of 1.9 gpt Au/1.2m, 2.1 gpt Au/0.5m and 2.6 gpt Au/0.8m, were encountered within drill holes 0403-02, -04, and -05, respectively.

The 4 B4-7/Alpha Zones holes all intersected the anticipated up-dip mineralization. The grades obtained from the massive, fault/breccia zone-hosted pyrrhotite-chalcopyrite-pyrite mineralization included 2663 ppm Ni, 1002 ppm Cu, 4039 ppm Co, and 352 ppb Pd/0.39 m (0403-07) and 10,598 ppm Ni, 5994 ppm Cu, 995 ppm Co, 950 ppb Pd, and 120 ppb Pt/12.45 m (0403-10). Several nearby subsidiary zones, emplaced within splays or sub parallel structures associated with the main structure, locally occur stratigraphically above and below the B4-7 Zone. These narrow intervals (designated B4-7U and B4-7L) varied greatly in grade and included 22,528 ppm Ni, 1167 ppm Cu, 1913 ppm Co, 5906 ppb Pd and 1046 ppm Pt/0.36 m (0403-08), 1512 ppm Ni, 4196 ppm Cu, 213 ppm Co, 193 ppb Pd, and 92 ppm Pt/1.30 m (0403-09), and 6448 ppm Ni, 3116 ppm Cu, 998 ppm Co, 567 ppb Pd, and 16 ppb Pt/0.30 m (0403-07). The numerous Alpha Zone intersections consist of mineralized carbonate veinlets, massive sulphide stringers, and narrow, mineralized hornblendite dykes that comprise the core of several, diffuse PGE-Cu-Ni-anomalous to enriched zones, most of which occur in the hanging wall to the B4-7 Zone.

Grades within these zones include 6909 ppm Ni, 497 ppm Cu, 662 ppm Co, and 1592 ppb Pd/0.30 m (0403-07); 2502 ppm Ni, 1019 ppm Cu, 214 ppm Co, 1151 ppb Pd, and 149 ppb Pt/1.13 m (0403-07); and 5482 ppm Ni, 3259 ppm Cu, 430 ppm Co, 1220 ppb Pd, and 150 ppb Pt/2.67 m (0403-08).

A previous report detailing an extensive 2003 program of surface work, drill core relogging and sampling (MacTavish 2004) coupled with the present B4-7/Alpha zones drilling determined that the B4-7 Zone was sub-economic and that the present grade of the deposit was very unlikely to change due to the specific and localized conditions responsible for its formation. The 2003 work did show; however, that the magmas responsible for the formation of the deposit were fertile in base and precious metals and had the potential to form a deposit or deposits of economic grade elsewhere within the project area if the proper conditions were met.

An exploration program comprising grid extension, an IP-EM survey, trenching, sampling, trench and grid mapping, and diamond drilling is recommended to systematically explore the potential of the BAM Au Zone on the Junior Lake Property during 2004. The total estimated cost of the surface and diamond drilling programs are estimated at C\$316,000.

The following C\$316,000 program is recommended for the continued exploration of the BAM Au Zone located on the Junior Lake Property. Please note that much of the cost and some of the particulars of the program outlined below have already been accounted for in earlier recommendations (MacTavish 2004).

1. *Linecutting:*

The existing B4-7 grid should be extended to 10+00N between L0+00 and L20+00E.

2. *Detailed Prospecting:*

The extended portions of the grid should be prospected in detail and mapped at a scale of 1:2000.

3. *Ground Geophysical Surveys:*

An IP-EM over the existing and extended portions of the B4-7 Grid between L0+00 and L20+00E from 4+00N to 10+00N.

4. *Backhoe Trenching, Sampling, and Mapping:*

Backhoe stripping and trenching of suitable chargeability and/or resistivity anomalies upon completion of grid geophysics, mapping, and detailed prospecting. All new trenches should be channel sampled and mapped in detail.

5. *Diamond Drilling:*

At least 1500m of diamond drilling (NQ-size core) to test the BAM Zone and any suitable IP-EM chargeability and/or resistivity anomalies.

2. **Introduction and Terms of Reference**

Landore Canada acquired the Junior Lake Cu-Ni-PGE Property, situated within the central portion of the Caribou-O'Sullivan Greenstone Belt of north-western Ontario, during late mid 1990's and optioned the Lamaune Property early in 2003. The properties are considered highly prospective due to the presence of the historical 2.28 million ton B4-7 Cu-Ni Deposit, a moderate-grade Au occurrence within the Junior Lake Property and several low- to moderate-grade PGE-Cu-Ni occurrences within the adjacent Lamaune Lake Property.

This report describes the exploration program completed by Landore Canada between 2 June and 22 September 2003; summarizes the exploration history, geological setting, mineralization, appropriate deposit models, and exploration potential; and proposes a 3-phase exploration program to further test the potential of the Junior Lake and Lamaune properties. All compilation and field work was conducted or supervised by the author.

3. **Property Description and Location**

The Junior Lake Property is 100 per cent. owned by Landore Canada and consists of 14 unpatented and 2 leased mineral claims, totalling 169 units (2756.97ha). The property is located in Northern Ontario approximately 240km north-northeast of the City of Thunder Bay and 75km east-northeast of the town of Armstrong. It occurs within the western Junior Lake (G-0057) and northern Toronto Lake (G-0140) areas, Thunder Bay Mining Division, north-western Ontario; NTS blocks 42L/05NW and SW; and is centred on Latitude 48°51'45"N, Longitude 86°14'00". All claims are in good standing.

No environmental liabilities are known to exist on the property. No permits were required prior to conducting the work described in this report.

GLOSSARY OF TERMS

“Ag”	the chemical symbol for the element silver
“amphibolite”	a faintly foliated metamorphic rock developed during regional metamorphism
“anomaly, anomalous”	a localized change in the geophysical data characteristic of a discrete source, such as a conductive or magnetic body. Something locally different from the background.
“Archean”	a period of geologic time beyond 2,500 million years
“Au”	the chemical symbol for the element gold
“breccia”	clastic rock made up of angular fragments of such size that an appreciable percentage of rock volume consists of particles of granule size or larger
“chargeability”	a geophysical term referring to a physical property that describes how well materials tend to retain an electrical charge, measured by IP surveys
“claim” or “unpatented claim”	mining claim, meaning a parcel of land that has been staked in accordance with the Mining Act, allowing the claim holder the right to explore for minerals
“conductor”	a geophysical term used to describe anything in the ground more conductive than the surrounding geology. Conductivity is the inverse of resistivity.
“contiguous”	adjacent claims, connected along a common claim boundary
“Co”	the chemical symbol for cobalt
“Cr”	the chemical symbol for chromium
“Cu”	the chemical symbol for copper
“cyanide leach”	chemical extraction method using a dilute cyanide solution to leach gold from the mineralisation
“deposit”	coherent geological body such as a mineralized body
“diamond drilling”	drilling method which obtains a cylindrical core of rock by drilling with an annular bit impregnated with diamonds
“dip”	the angle of a non-horizontal plane measured from the horizontal, and perpendicular to the strike of the plane
“drilling”	diamond drilling
“electromagnetic (EM)”	a geophysical technique used to measure various aspects of the electrical characteristics of rocks
“fault”	surface of rock fracture along which has been differential movement

“geochemical”	prospecting techniques which measure the content of specified metals in soils and rocks; sampling defines anomalies for further testing
“geophysical”	prospecting techniques which measure the physical properties (magnetism, conductivity, density, etc.) of rocks and define anomalies for further testing
“grade”	relative quantity or the percentage of ore mineral or metal content in an ore body
“greenschist”	low temperature and pressure metamorphism, generally resulting in green, chlorite rich rocks
“greenstone”	green, chlorite rich, generally metavolcanic rocks resulting from low temperature and pressure metamorphism
“g/t”	gram per metric tonne
“ha”	hectares
“hydrothermal”	hot fluids
“IP”	an electromagnetic geophysical method that uses electrodes with time-varying currents and voltages to map the variation of electrical permittivity (dielectric constant) in the earth at low frequencies
“iron formation”	chemically derived sedimentary rock rich in iron; includes oxide, silicate, sulphide and carbonate facies
“km(s)”	kilometres
“magnetic”	a geophysical technique used to measure the magnetic susceptibility of rocks
“metallurgical”	describing the science concerned with the production, purification and properties of metals and their applications
“meta-sedimentary”	metamorphosed sedimentary rocks
“metamorphism”	the process by which heat, pressure and chemically active fluids change the characteristics of rocks.
“metavolcanic”	metamorphosed volcanic rocks
“mineralization”	process of formation and concentration of elements and their chemical compounds within a mass or body of rock
“mineral resource”	a concentration or occurrence of material of intrinsic economic interest in or on the earth’s crust in such form that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are sub-divided, in order of increasing confidence, into <i>Inferred</i> , <i>Indicated</i> and <i>Measured</i> categories

“Ni”	the chemical symbol for nickel
“NQ”	reference to size of diamond drill core with a diameter of 1.875 inches or 4.76 centimetres
“ore”	rock that can be mined and processed at a profit
“patent”	referring to a land grant from the Crown in fee simple, or for a less estate made under the Great Seal and includes freehold patents and leasehold patents. Leasehold patents are generally referred to as leases.
“Pd”	the chemical symbol for palladium
“PGE’s”	abbreviation for platinum group elements
“plunge”	measurement of the angle between the axis of the fold (or other structure) that is not horizontal and a horizontal line lying in a common vertical plane
“ppb”	parts per billion
“ppm”	parts per million
“Pt”	the chemical symbol for platinum
“recovery”	proportion of valuable material obtained in the processing of an ore, stated as a percentage of the material recovered compared with the total material present
“resistivity”	a geophysical technique to measure the electrical resistance of rocks
“shear zone”	plastically deformed ‘fault’ zone
“silicification”	the introduction of silica into a rock, either filling pore spaces or replacing pre-existing minerals
“stratigraphy”	the succession and age relation of layered rocks
“strike length”	the longest horizontal dimension of an orebody or zone of mineralization
“sulphide”	mineral containing sulphur in its non-oxidised form
“Zn”	the chemical symbol for zinc

PART VI

Additional Information

1. The Company

- (a) The Company was incorporated in Guernsey on 16 February 2005 under the name Landore Resources Limited with registered number 42821 as a limited company under the Companies (Guernsey) Law. The liability of the members of the Company is limited to the amount paid up on their Ordinary Shares.
- (b) The registered office of the Company is at P.O. Box 141, La Tonnelles House, Les Banques, St. Sampson, Guernsey, GY1 3HS.

2. Subsidiary Undertakings

The Company is the holding company of the Group and has the following subsidiary undertakings:

<i>Name</i>	<i>Principal activity</i>	<i>Country of incorporation</i>	<i>Status</i>
Landore Canada Inc.	Mineral exploration and development	Canada	Active
Brancote US Inc.	Mineral exploration and development	US	Active

3. Share Capital

- (a) At incorporation, the authorised share capital of the Company was £2,500,000 Ordinary Shares of 1p each divided into 250,000,000 Ordinary Shares of which 2 were issued to nominees as the subscribers to the Memorandum of Association.
- (b) On 14 March 2005 the 2 Ordinary Shares registered in the names of nominees supplied by formation agents were transferred to William Humphries and Richard Prickett, respectively and are credited and acknowledged as fully paid.
- (c) Pursuant to the terms of the Arrangement, a further 57,309,879 Ordinary Shares will be issued to Landore Canada Shareholders and 4,420,400 Options and 13,000,000 Warrants will be issued to those persons who held options and warrants respectively in Landore Canada. Further details of the Options and the Warrants are set out in paragraph 7 below.
- (d) The authorised, issued and fully paid share capital of the Company (i) as it is at the date of this document and (ii) as it will be on Admission is set out below:

	<i>Authorised</i>		<i>Issued and fully paid</i>	
	<i>£</i>	<i>Number</i>	<i>£</i>	<i>Number</i>
(i) Ordinary Shares	2,500,000	250,000,000	0.02	2
(ii) Ordinary Shares	2,500,000	250,000,000	858,813.10	85,881,310

- (e) The Ordinary Shares will be capable of being held in certificated or uncertificated form.
- (f) The Placing Shares will rank *pari passu* in all respects with all other Ordinary Shares and will rank in full for all dividends and other distributions hereafter declared, made or paid in respect of the ordinary share capital of the Company.
- (g) The Companies (Guernsey) Law does not limit the power of directors to issue shares, nor does it impose any pre-emption rights. However pursuant to the terms of the Articles of Association the Directors are not permitted to allot relevant securities (as defined in the Articles of Association) unless authorised to do so by the Company in general meeting. The Articles of Association also contain pre-emption rights further details of which are set out in paragraph 4(iii) below.
- (h) Pursuant to a resolution passed on 30 March 2005 the Directors were generally and unconditionally authorised in accordance with Article 3 of the Articles of Association to allot relevant securities:
- (i) in connection with the Arrangement;
- (ii) in connection with the Placing;

- (iii) in connection with the grant of 5 million options to Directors as more fully described in paragraph 5(b) below;
 - (iv) in connection with the grant of 1,624,525 warrants to W.H. Ireland as more fully described in paragraph 8(c) below; and
 - (v) in connection with any other issue up to an aggregate nominal amount of £286,271;
- such authority to expire on 30 June 2006 or if earlier the date of the first annual general meeting of the Company.
- (i) Pursuant to a resolution passed on 30 March 2005, the Directors were empowered pursuant to Article 4 of the Articles of Association to issue equity securities (as defined therein) for cash pursuant to the authority referred to in paragraph 3(h) above as if Article 4.1 of the Articles of Association did not apply to such issue provided that the power conferred by such resolution was limited to the issue of equity securities:
 - (i) in connection with the Placing;
 - (ii) in connection with the grant of 5 million options to Directors as more fully described in paragraph 5(b) below;
 - (iii) in connection with the grant of 1,624,525 warrants to W.H. Ireland as more fully described in paragraph 8(c) below; and
 - (iv) in connection with any other issue up to an aggregate nominal amount of £171,762.62;

such authority to expire on 30 June 2006 or if earlier the date of the first annual general meeting of the Company.
 - (j) Approval has been obtained from the Guernsey Financial Services Commission under the provisions of the Control of Borrowing (Baliwick of Guernsey) Ordinances 1959 to 1989 for the issue of Ordinary Shares pursuant to the Arrangement and the Placing Shares and the issue of the Options, Directors' Options and Warrants. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council (formerly known as the Advisory and Finance Committee) takes any responsibility for the financial soundness of any of the statements made or any opinions expressed with regard to this document.
 - (k) Save as disclosed in paragraphs 5 (Directors' and other interests in the share capital of the Company), 7 (Share Option Scheme and Warrants) and 8 (Material Contracts) of this Part VI, no share of the Company or any subsidiary is under option or has been agreed conditionally or unconditionally to be put under option.

4. Memorandum and Articles of Association

Memorandum of Association

The Memorandum of Association of the Company provides that the objects of the Company include carrying on business as an investment company. The objects of the Company are set out in full in Clause 3 of the Memorandum of Association, a copy of which is available for inspection at the address specified in paragraph 14 of this part.

Articles of Association

The Articles of Association of the Company contain provisions, *inter alia*, to the following effect:

(i) *Issue of Shares*

The board shall not exercise any power of the Company to allot relevant securities unless they are authorised to do so by the Company in a general meeting in accordance with the Articles of Association. The maximum amount of securities that maybe allotted under it and the date of which it will expire must be stated and it must not be more than five years from the date which the resolution was passed. Shares in the company do not carry any rights of pre-emption (except regarding allotment).

(ii) *Transfer of Shares*

The board may refuse to register a transfer of shares unless:

- (a) it is delivered for registration to the office or at such other place as the board may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer;
- (b) it is in respect of only one class of share; and
- (c) it is in favour of not more than four transferees;
- (d) the share transferred is not fully paid; or
- (e) where the Company has served a notice under Article 9 on the holder and such holder has not given any information required by the notice.

The board has power to refuse a transfer of shares where such transfer may give rise to or constitute (in the absolute discretion of the board) a legal, regulatory, fiscal, tax or pecuniary disadvantage to the Company, except where to refuse a transfer would constitute a breach of the regulations of any relevant exchange.

(iii) *Pre-emption rights*

The Articles of Association contain pre-emption rights on the issue of shares. These are that the Company shall not allot any equity security in any terms to a person unless it has made an offer to each person who holds relevant shares or employee shares to allot to him on the same or more favourable terms a proportion of those securities which is, as nearly as is practical, equal to the proportion in nominal value held by him of the aggregate of relevant shares and relevant employee shares. The Company may by special resolution give the board power to allot equity securities as if the above pre-emption rights do not apply or as if such rights apply with such modifications as the directors may determine.

(iv) *Return of Capital*

On a winding up or other return of capital the surplus assets of the Company available for distribution shall be applied:

Firstly in paying to the holders of Ordinary Shares the amounts paid up or credited as paid up on such shares together with any premium paid or credited as paid on the issue of such shares; and

Secondly in distributing the balance amongst the holders of Ordinary Shares in proportion to the amounts paid up or credited as paid up on the Ordinary Shares held by them.

If the Company is wound up the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by Guernsey law, divide amongst the members in specie the whole or any part of the assets of the Company.

(v) *Reduction of capital on purchase of own shares*

The Articles of Association contain provisions stating that the Company may purchase its own shares in any manner authorised by Guernsey law.

(vi) *Alteration of capital*

The Company may increase, consolidate, divide, sub-divide and cancel, convert or otherwise alter its capital by ordinary resolution. The Company may by special resolution and in accordance with Guernsey law reduce its share capital, any capital redemption reserve, any share premium account or other undistributable reserve in any way.

(vii) *Uncertificated securities*

Shares may be issued in uncertificated form if they are admitted to settlement on CREST and provisions of the Articles of Association requiring a transfer of such uncertificated shares to be effected by an instrument in writing and the production of certificates shall not apply.

(viii) *Votes of members*

On a show of hands every holder of Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or duly appointed proxy, not being himself a member entitled to vote, shall have one vote and on a poll every holder of Ordinary Shares shall have one vote for every Ordinary Share of which he is the holder.

(ix) *Variation of rights*

The Articles of Association contain provisions that all of the rights or privileges attached to any class of shares in the Company may be varied or abrogated in such a manner as they be provided by those rights or privileges or, in the absence of any such provisions, with the consent in writing of the holders of three quarters in nominal value of issued shares of that class, or with the sanction of a resolution passed by not less than three-quarters of the votes cast at a separate general meeting of the holders of the shares of the class. At every such separate general meeting, the quorum is two persons holding or presenting by proxy one-tenth in nominal value of the issued shares of that class, save at an adjourned meeting where the quorum shall be one person holding shares of the class in question or as proxy.

(x) *Dividends*

Subject to the provisions of Guernsey law, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Directors. Subject to the provisions of Guernsey law, the Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of a period in respect of which the dividend is paid. There is no fixed date on which an entitlement to dividend arises.

5. Directors' and other interests in the share capital of the Company

- (a) In so far as is known to the Company, the interests of the Directors, including any connected person, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held through another party, in the issued share capital of the Company as at the date hereof and as they will be immediately following Admission are set out below. All such Ordinary Shares allotted and issued will be beneficially held by such Directors unless otherwise stated.

<i>Director</i>	<i>At the date of this document</i>		<i>On Admission</i>	
	<i>No. of Ordinary Shares</i>	<i>% of issued ordinary share capital</i>	<i>No. of Ordinary Shares</i>	<i>% of issued ordinary share capital</i>
W H Humphries	1	50	5,792,064	6.74
R Ö Prickett	1	50	3,851,275	4.48
R J Garber	—	—	—	—
C E Wilkinson	—	—	435,714	0.51
H F Green	—	—	—	—

- (b) The following Directors hold options over Ordinary Shares pursuant to the Share Option Scheme as set out in the table below. Further details relating to the Share Option Scheme are set out in paragraph 7 below.

<i>Director</i>	<i>Option price (p)</i>	<i>Number of Ordinary Shares under option</i>	<i>Latest exercise date</i>
W H Humphries	13.7*	200,000	14.09.2005
	13.2*	100,000	08.05.2007
	6.4*	700,000	15.06.2009
	7.0	2,000,000	06.04.2010
R Ö Prickett	13.7*	200,000	14.09.2005
	6.4*	100,000	15.06.2009
	7.0	2,000,000	06.04.2010
R J Garber	8.8*	300,000	27.05.2008
	6.4*	200,000	15.06.2009
	7.0	500,000	06.04.2010
C E Wilkinson	7.0	500,000	06.04.2010

* These option prices are based on an exchange rate of £1=C\$2.27 as at 29 March 2005 being the latest practicable date prior to publication of this document. The actual option prices will be determined by reference to the closing mid-point rate of exchange on the date that the Arrangement becomes effective (which is anticipated to be 5 April 2005).

- (c) In addition the following Directors will, pursuant to the Arrangement, hold Warrants as set out in the table below. Further details relating to the terms of the Warrants are set out in paragraph 7 below.

<i>Director</i>	<i>Exercise price* (p)</i>	<i>Number of Warrants</i>	<i>Expiry date</i>
W H Humphries	11.0	1,000,000	15.11.2005
C E Wilkinson	11.0	150,000	15.11.2005

* These exercise prices are based on an exchange rate of £1=C\$2.27 as at 29 March 2005 being the latest practicable date prior to publication of this document. The actual exercise prices will be determined by reference to the closing mid-point rate of exchange on the date that the Arrangement becomes effective (which is anticipated to be 5 April 2005).

- (d) As at 30 March 2005 (being the latest practicable date prior to the publication of this document), save as disclosed above, there are no persons who are interested, directly or indirectly, in three per cent. or more of the existing Ordinary Share capital of the Company. Following Admission it is expected that, in addition to the Directors' interests detailed in paragraph 5(a) above, the following persons could directly or indirectly, jointly or severally exercise or could exercise control over the Company or will be interested in 3 per cent. or more of the issued share capital of the Company:

<i>Name</i>	<i>On Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital</i>
CDS & Co	27,802,931*	32.37
Hargreave Hale Limited	4,285,714	4.99
J P Morgan Fleming	4,285,714	4.99
Taher Holdings Limited	3,000,000	3.49
Warrant Trustees Limited	2,800,000	3.26

*These Ordinary Shares will be issued pursuant to the Arrangement and will be registered in the name of CDS & Co, the Canadian Depository of Securities. The Directors believe that these Ordinary Shares will be held on behalf of a number of unrelated institutional and other investors, including, *inter alia*, 4,279,076 Ordinary Shares which will be held on behalf of certain of the Directors.

The above figures include shares to be issued pursuant to the Arrangement and are based on the register of members of Landore Canada as at 29 March 2005 and the assumption that there are no changes to the register of members of Landore Canada until the Arrangement becomes effective.

- (e) Save as set out below, or as disclosed elsewhere in this document, no directorships of any company, other than the Company, have been held or occupied over the previous five years by any of the Directors, nor over that period has any of the Directors been a partner in a partnership:

<i>Director</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
W H Humphries	HPD Mining Limited Landore Resources, Inc. Patagonia Gold Plc Regal Petroleum Plc	Brancote Holdings Limited NC Assets Limited
R Ö Prickett	European Sales Company Limited HPD Exploration Limited HPD Mining Limited Landore Resources, Inc. Patagonia Gold Plc The Capital Pub Company Plc	Brancote Holdings Limited NC Assets Limited Probus Estates Plc Primeent Plc
R J Garber	Landore Resources, Inc.	none
C E Wilkinson	European Utilities Trust Plc Keepsafe Limited Keepsafe Containers Limited Keepsafe Management Limited Keepsafe Self-Storage (UK) Limited	ERP (2004) Plc Lawrence Graham LLP

<i>Director</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
H F Green	Albany International Corporation	Bandar Holdings Limited
	Alicante Services Limited	Bluescop Limited
	Anna Corporation	Canadian Gold Inc.
	Astraeus Limited S.A.	Clore/Duffield Foundations
	Auriga Nominees Limited	Nominees Limited
	Balaga Limited	Consolidated Funds Investment
	Barba Family Foundation	Nominees Limited
	Company Ltd. S.A.	Easson Property Investments (Pty) Limited
	Carina Nominees Limited	Englefield Trustee Company Limited
	Champness Limited	European Internet Capital Limited
	Clairwood Limited	Farrago Inc.
	Chrysolite Investments Limited	Fenchurch Enterprises Linc
	Dove Holdings Inc.	First Arrow Global Currency Fund
	Draco Nominees Limited	Trustees Limited
	Euro Petroleum Trading Limited	First Arrow Global Fund Trustees Limited
	Eythrope Trustee Co. Limited	First Arrow Managed Fund
	Fizzyberry Limited	Trustees Limited
	Garfield Investments S.A.	Georgiana Inc.
	GB Partnership Investment Associates Inc.	Henry Investment Holdings Limited
	Gowerton Holdings Limited	HN Properties (Overseas) Limited
	Ivybrook Limited	Katherine Inc.
	Jermyn Pte Ltd	Nile Holdings Limited
	J. Rothschild Nominees (Guernsey) Limited	Oakhill Limited
	Lewdown Holdings Limited	Proteus Nominees Limited
	Markton Limited	RMS Investments Limited
	Medsea Limited	Rockhurst Limited
	Mensa Nominees Limited	Seap Corporation Limited
	Mica Enterprises Limited SA	Telematix (Guernsey) Limited
	MiNC Residential Property Fund Limited	Tintoretto Limited
	Octavian Nominees Limited	Willesden Limited
	Ophelia Holdings Inc.	Woodland Holdings Limited
	Palmus Trust Company Limited	
	Pavo Nominees Limited	
	Pictor Nominees Limited	
	Project 407 Limited	
	RHK Nominees Limited	
	Rushington Investments Limited	
	Rysaffe International Services Limited	
	Rysaffe Nominees (C.I.) Limited	
	Rysaffe Trustee Company (C.I.) Limited	
	Saffery Champness	
	Saffery Champness GAT	
	Saffery Champness Holdings Limited	
	Saffery Champness Management International Limited	
	Saffery Champness Societe Avec Responsabilite Limitee	
	Saffery Champness Trust Corporation	

<i>Director</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
H F Green <i>continued</i>	Saffery Champness Trustees Limited Saffery Limited Saffery Trustee Company (C.I.) Limited Saffron Maritime Limited Shalford Limited Silverdale Holdings Limited Silver Firs Limited Stanco International Inc. Thea Investments Topibel S.A. Tucana Nominees Limited Westerwald Holdings Inc. Yardarm Investments Limited Yellowstrand Limited Yillman Limited Zodiac Trading Limited	

- (f) Save as disclosed in paragraph 5(g) below, no Director:
- (i) has any unspent convictions in relation to indictable offences; or
 - (ii) has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such director; or
 - (iii) has been a director of any company which, while he was a director or within 12 months after he ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or
 - (iv) has been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
 - (v) has had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
 - (vi) has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- (g) (i) W Humphries was a Director of the following family owned companies which went into receivership, liquidation, administration or creditor arrangement: WH Humphries' Nominees Pty Ltd was put into liquidation in January 1991; Urntali Pty Ltd. was put into receivership in January 1991, coming out of receivership in 1994 following the sale of assets; Bolwarra Pty Ltd entered into a Deed of Arrangement with its creditors in January 1994, which was cleared in August 1994 and Tolo Pty Ltd entered into voluntary administration in January 1994, came out of administration in December 1995.
- (ii) R Prickett was a director of London Securities Plc which agreed a corporate voluntary arrangement ("CVA") with its creditors and shareholders on 16 October 1992 for a 2 year period. The shares were never suspended from trading on the London Stock Exchange during the CVA and Mr Prickett resigned as a director in July 1994. The CVA was completed in October 1994 as agreed.
- Mr Prickett was appointed a non-executive director of Cloud Cover Limited in June 1996 and resigned in November 1996. On 12 June 1997, approximately six months after his resignation, Cloud Cover Limited went into liquidation.

Mr Prickett was a director of Brancote Australia NL at the time it was placed into voluntary administration on 3 March 2000. The company was subsequently placed in creditors voluntary liquidation. The company's sole creditor at such time was Brancote Holdings plc, which subsequently wrote off the outstanding debt due from Brancote Australia NL. The liquidation has since been finalised and the company has been struck off.

- (iii) As a non-executive director of Bestwood plc, C Wilkinson, together with other directors, was criticised (in a 1991 report) by DTI Inspectors for making, in 1988, an inaccurate confirmation to auditors. The proceedings that followed this criticism were quashed by order of the Court (there being no case to answer) and C Wilkinson's full defence costs were paid out of Central Court Funds.
- (iv) H Green was appointed a non-executive director of European Internet Capital Limited in July 2002 and resigned in July 2003. On 16 March 2004, approximately 8 months after her resignation, the company went into liquidation.
- (h) No Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group and was effected during the current or immediately preceding financial year or effected during any earlier financial year and which remains outstanding and unperformed.

6. Directors' service contracts and emoluments

- (a) The terms of the Directors' service agreements or letters of engagement are summarised below:
 - (i) The services of William Humphries and Richard Prickett are provided to the Company under the terms of consultancy agreements between the Company and each of Mining Management – Europe ("MME") and European Sales Company Limited ("ESC") respectively. The agreements, which are conditional upon Admission, are for an initial period of 12 months and are terminable thereafter on six months notice. Pursuant to the agreements MME and ESC are required to procure the services of William Humphries and Richard Prickett, respectively, for an average of three days per week. MME and ESC will each receive fees of £50,000 per annum and are entitled to a discretionary bonus.
 - (ii) The services of James Garber are provided to Landore Canada under the terms of a service agreement dated 1 August 2002. The service agreement may be terminated by either party giving not less than 60 days' notice and may be terminated by Landore Canada without notice in certain circumstances. Mr Garber receives an annual salary of C\$120,000 and is eligible for a discretionary bonus of up to 25 per cent. of his salary during any calendar year. In addition, Landore Canada is required to contribute an amount equal to 10 per cent. of Mr Garber's annual salary to a personal pension. Mr Garber has also entered into an appointment letter with the Company, which is conditional upon Admission, pursuant to which Mr Garber will provide his services as a non-executive director to the Company. The appointment is subject to 3 months' written notice by either party, save for certain circumstances where it is terminable without notice. A nominal remuneration is payable to Mr Garber pursuant to the terms of this appointment letter.
 - (iii) The services of Charles Wilkinson and Helen Green as non-executive directors are provided under the terms of appointment letters dated 31 March 2005. The appointments, which are conditional upon Admission, are subject to 3 months written notice by either party, save for certain circumstances where they are terminable without notice. Under the terms of their appointment letters they will receive fees of £15,000 and £10,000 per annum, respectively.
- (b) Save as disclosed above, there are no service agreements in existence as at the date of this document between any of the Directors and the Company, or its subsidiaries, which cannot be determined by the employing company without payment of compensation (other than statutory compensation) within one year.

- (c) The aggregate remuneration and benefits in kind in respect of the Directors for the financial year ended 31 December 2005, based on the arrangements in place at the date of this document, is estimated to be approximately £171,000.

7. Share Option Scheme and Warrants

(a) *The Share Option Scheme*

The Company has adopted the Share Option Scheme, the principal provisions of which are summarised below:

- (i) Options to subscribe for Ordinary Shares may be granted (at the discretion of the Board or the remuneration committee of the Board) to selected employees, directors or consultants of the Group or previous holders of options in Landore Canada.
- (ii) Options must be granted at a subscription price per Ordinary Share which is no lower than the nominal value of an Ordinary Share.
- (iii) No payment is required for the grant of an Option. Options are not transferable or assignable.
- (iv) The number of Ordinary Shares which may be utilised under the Share Option Scheme shall not exceed 10 per cent. of the issued Ordinary Share capital of the Company from time to time.
- (v) The number of Ordinary Shares over which Options may be granted to any individual Optionholder is limited so that no person may be granted options to purchase Ordinary Shares equalling more than 5 per cent. of the issued Ordinary Shares in any twelve month period unless Shareholder consent has been obtained. In addition no person may be granted Options if the exercise thereof would result in the issue of more than 2 per cent. of the issued Ordinary Shares to a consultant or to any persons employed to perform investor relations activities.
- (vi) An Option is exercisable (in whole or in part) at any time up to the 5th anniversary of the date of grant and in the case of Options granted pursuant to the Arrangement, five years from the date of grant of the options in Landore Canada. If the Optionholder (other than Optionholders who previously held options in Landore Canada) ceases to be an employee, director or consultant of the Group for whatever reason (other than death), the Options must be exercised within 90 days of him ceasing to be an employee, director or consultant of the Group or within 30 days if the Optionholder is engaged in investor relations activities. On the death of an Optionholder, such option must be exercised within one year of the date of death or if earlier on or prior to the expiry date.
- (vii) The number and/or class of shares and the subscription price of shares subject to an Option may be varied by the Board in the event of a reorganisation of capital (such as a capitalisation or rights issue).
- (viii) The Share Option Scheme will be administered by the remuneration committee of the Board. The Board has the power to amend the Share Option Scheme, but no amendment may be made which would have a material adverse effect on the existing rights of an Optionholder unless Shareholder consent has been obtained.
- (ix) The Board may terminate or suspend the Share Option Scheme at any time.
- (x) As at the date of this document, in addition to the Options held by Directors detailed in paragraph 5(b) above, the following Options were outstanding:

<i>Optionholder</i>	<i>Option price* (p)</i>	<i>Number of Ordinary Shares under option</i>	<i>Latest exercise date</i>
E Badida	13.7	200,000	14.09.2005
	13.2	200,000	08.05.2007
	13.2	300,000	12.12.2008
B Irwin	6.4	200,000	15.06.2009
	13.7	200,000	14.09.2005
	13.2	100,000	08.05.2007
C Alanen	6.4	100,000	15.06.2009
	13.7	120,400	27.05.2008
	13.2	50,000	08.05.2007
M Sale	6.4	150,000	15.06.2009
	13.2	300,000	08.05.2007
	13.2	300,000	12.12.2008
Harland Capital	6.4	200,000	15.06.2009
	13.7	200,000	14.09.2005

* These option prices are based on an exchange rate of £1=C\$2.27 as at 29 March 2005 being the latest practicable date prior to publication of this document. The actual option prices will be determined by reference to the closing mid-point rate of exchange on the date that the Arrangement becomes effective (which is anticipated to be 5 April 2005).

(b) *Warrants*

Under the terms of the individual Warrant certificates, Warrants may be exercised in whole or in part until their expiry date and will lapse thereafter. In certain cases, the Warrants may be transferred to a third party in accordance with the terms of the Warrant certificates. In certain circumstances, there will be an adjustment to the number of Warrants which the Warrantholder holds, the type of securities which may be purchased, or the price at which the Warrants may be exercised. Warrantholders shall have no rights as shareholders other than in respect of Ordinary Shares in respect of which they have exercised their right to purchase and shall have paid for.

As at the date of this document, in addition to the Warrants held by Directors, detailed in paragraph 5(c) above and the warrants issued to W.H. Ireland (detailed in paragraph 8(c) below), the following Warrants are outstanding:

<i>Number of Warrants</i>	<i>Exercise price* (p)</i>	<i>Expiry date</i>
500,000	11.0	07.08.2005
2,500,000	22.0	04.09.2005
8,850,000	11.0	15.11.2005

* These exercise prices are based on an exchange rate of £1=C\$2.27 as at 29 March 2005 being the latest practicable date prior to publication of this document. The actual exercise prices will be determined by reference to the closing mid-point rate of exchange on the date that the Arrangement becomes effective (which is anticipated to be 5 April 2005).

8. **Material Contracts**

The following contracts, not being entered into in the ordinary course of business have either been entered into by the Company or its subsidiaries in the two years preceding publication of this document and are or may be material or contain a provision under which the Company or its subsidiaries has an obligation or entitlement which is material to the Group as at the date of this document:

- (a) A nominated adviser agreement dated 31 March 2005 between the Company and Strand Partners pursuant to which the Company has appointed Strand Partners to act as nominated adviser to the Company for the purpose of the AIM Rules. The Company has agreed to pay Strand Partners a fee of £25,000 per annum for its services as nominated adviser together with all reasonable expenses and any applicable VAT. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement may be terminated by either party on 30 days' written notice.

- (b) A broker agreement dated 31 March 2005 between the Company and W.H. Ireland pursuant to which the Company has appointed W.H. Ireland to act as broker to the Company for the purpose of the AIM Rules. The Company has agreed to pay W.H. Ireland a fee of £20,000 per annum for its services as broker, together with all reasonable expenses and any applicable VAT. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement is for a fixed period of one year and thereafter is subject to termination by either party on 6 months' written notice.
- (c) Upon Admission, the Company will issue a warrant certificate to W.H. Ireland in respect of 1,624,525 Ordinary Shares, exercisable for a period of three years at an exercise price of 7p. The terms of these warrants will be the same as the other Warrants detailed in paragraph 7(b) above.
- (d) The Arrangement Agreement dated 18 February 2005 between the Company and Landore Canada, pursuant to which Landore will become the holding company of Landore Canada as a result of an exchange of securities pursuant to an Arrangement pursuant to the provisions of section 193 of the ABCA. It is anticipated that the Arrangement will become effective at 5.00 p.m. (Calgary time) on 5 April 2005 subject only to the Arrangement Agreement not having been terminated prior to such time and the necessary filing with the Registrar of Corporations appointed under the ABCA having been made.
- (e) The Placing Agreement dated 31 March 2005 between the Company (1) Strand Partners (2) and W.H. Ireland (3) pursuant to which W.H. Ireland agreed, conditionally, *inter alia*, upon Admission, to use its reasonable endeavours to procure places for the Placing Shares at the Issue Price.

Under the terms of the Placing Agreement, the Company has agreed to pay W.H. Ireland a corporate finance fee of £15,000 plus VAT and commission of 3 per cent. of the value of the Placing Shares subscribed at the Issue Price. The Placing Agreement contains certain warranties given by the Company and an indemnity from the Company in favour of each of Strand Partners and W.H. Ireland together with provisions which enable either Strand Partners or W.H. Ireland to terminate the Placing Agreement in certain circumstances prior to the completion of the Placing, including (amongst other matters) circumstances where any warranties are found to be untrue or inaccurate in any material respect.

- (f) An administration agreement dated 18 February 2005 (as amended by a letter dated 18 March 2005) pursuant to which the Company has engaged Saffery Champness Management International Limited ("Safferys") to provide administration, registrars and secretarial services to the Company. The Company has agreed to pay Safferys a fee of £10,000 per annum together with certain scale fees. The agreement may be terminated by either party on 6 months' written notice.

9. Litigation

Neither the Company nor any of its subsidiaries has been engaged in, during the 12 months preceding the date of this document, nor is it currently engaged in, any litigation or arbitration proceedings which has or may have had a significant effect on the financial position of the Company or any of its subsidiaries and, so far as the Directors are aware, there are no such proceedings pending or threatened by or against the Company or any of its subsidiaries.

10. Working capital

The Directors are of the opinion that, having made due and careful enquiry and taking into account the funds raised pursuant to the Placing, the working capital available to the Group is sufficient for its present requirements, that is, for at least the next twelve months from the date of Admission.

11. Taxation

General

The statements set out below are intended only as a general guide to certain aspects of current Guernsey and United Kingdom ("UK") tax law and practice and apply only to certain Shareholders. The summary does not purport to be a complete analysis or listing of all the potential

tax consequences of holding Ordinary Shares. Prospective purchasers of Ordinary Shares are advised to consult their own tax advisers concerning the consequences under Guernsey and UK tax law of the acquisition, ownership and disposition of Ordinary Shares. This summary is based on Guernsey law, UK law and UK Inland Revenue practice which may be subject to change possibly with retrospective effect. A Shareholder or potential investor subject to tax in any jurisdiction other than Guernsey and/or the UK should consult his or her professional adviser without delay.

The statements are not applicable to all categories of Shareholders, and in particular are not addressed to (i) Shareholders who do not hold their Ordinary Shares as capital assets, (ii) Shareholders who own (or are deemed to own) 10 per cent. or more of the voting power of the Company, (iii) special classes of Shareholders such as dealers in securities, broker-dealers, insurance companies and investment companies, (iv) Shareholders who hold Ordinary Shares as part of hedging or commercial transactions, (v) Shareholders who hold Ordinary Shares in connection with a trade, profession or vocation carried on in Guernsey or the UK (whether through a permanent establishment or otherwise) or (vi) Shareholders who are not resident or ordinarily resident in Guernsey or the UK for tax purposes.

GUERNSEY

The Company

The Company will be eligible for exemption from income tax in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 as amended. Under the provisions of this Ordinance, exemption is granted by the Guernsey Income Tax Authority on an annual basis provided the Company continues to comply with the requirements of the Ordinance and upon the payment of an annual fee which is currently fixed at £600. Application will be made for exemption and it is the intention of the Directors to conduct the affairs of the Company so as to ensure that it retains such exempt status.

A company with exempt status for Guernsey tax purposes is exempt from tax in Guernsey on all income except income that is regarded as having its source in Guernsey other than bank deposit interest. Income derived from a business carried on by a permanent establishment located in Guernsey is regarded as having its source in Guernsey. The holding of board meetings in Guernsey would not constitute a permanent establishment provided the other activities conducted in Guernsey were of an administrative or clerical nature.

There is a liability to document duty at the rate of one half of one per cent (subject to a minimum of £50 and a maximum of £5,000) on the nominal value of the Company's authorised share capital (of which the maximum of £5,000 has been paid on incorporation). No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of shares.

Shareholders

Investors other than residents of Guernsey are not subject to any tax in Guernsey in respect of any shares owned by them. Guernsey income tax will not be deducted from dividends (if any) payable in respect of shares held by or on behalf of residents of Guernsey. Such distributions will, however, be reported to the Administrator of Income Tax. No other deductions will be made in respect of tax.

No withholding tax is currently payable in Guernsey in respect of shares held by persons resident outside Guernsey.

Guernsey does not levy taxes upon capital inheritances, capital gains (with the exception of a Dwellings Profits Tax on Guernsey real property), gifts, sales or turnover, nor are there any estate duties.

In the event of the death of a Shareholder, a Guernsey grant of probate or administration may be required in respect of which certain ad valorem fees will be payable.

The States of Guernsey have announced the abolition of the exempt company regime with effect from 1 January 2008. No formal announcements have been made but our understanding is that it is the intention of the States that former exempt companies will be subject to a zero tax regime from 1 January 2008.

UNITED KINGDOM

The Company

The Company will be managed and controlled in such a way that it should not be resident in the UK for UK tax purposes. Accordingly, and provided that the Company does not carry on a trade in the UK (whether or not through a permanent establishment situated there), the Company will not be subject to UK corporation tax on its income or capital gains other than on any UK source income.

Shareholders

Dividends

The Company will not be required to withhold tax at source when paying a dividend.

Individual shareholders who are domiciled and ordinarily resident for tax purposes in the UK will not be entitled to a tax credit in respect of a dividend received from the Company but they will be treated as though they had paid income tax at the Schedule F ordinary rate (10 per cent.) in respect of that dividend. UK tax resident shareholders who are not liable to income tax, will not be able to claim a repayment of the tax treated as paid at the Schedule F ordinary rate. UK tax resident individual shareholders who are liable to income tax at the starting or basic rate will have no further liability to UK income tax. UK tax resident individual shareholders who are liable to income tax at the higher rate will be subject to income tax at the Schedule F higher rate (32.5 per cent.), subject to credit being given for income tax treated as paid at the Schedule F ordinary rate, resulting in a net rate of 22.5 per cent. on the gross amount of the dividend.

UK resident taxpayers who are not liable to UK tax on dividends, including pension funds and charities will have no liability to income tax.

A UK resident corporate Shareholder will normally be liable for corporation tax on any dividends paid by the Company. Where a UK corporate Shareholder controls at least 10 per cent. of the voting power in the Company, it will be entitled to underlying tax relief in respect of distributions received by the Company from its overseas subsidiaries which suffer tax on profits in their country of residence.

Taxation of capital gains

A disposal of Ordinary Shares by a Shareholder who is either resident or, in the case of individuals, ordinarily resident for tax purposes in the UK, or who carries on a business in the UK through a permanent establishment with which its investment in the Company is connected, may, depending on the Shareholder's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of the taxation of chargeable gains.

On a subsequent disposal by an individual Shareholder who is resident or ordinarily resident in the UK for tax purposes, the Ordinary Shares may attract taper relief which reduces the amount of chargeable gain according to how long the Ordinary Shares have been held. A Shareholder which is a body corporate resident in the UK for tax purposes will benefit from indexation allowance which, in general terms, increases the capital gains tax base cost of an asset in accordance with the rise in the retail prices index.

A Shareholder who is an individual and who has, on or after 17 March 1998, ceased to be resident or ordinarily resident for tax purposes in the UK for a period of less than five years and who disposes of the Ordinary Shares during that period may also be liable to UK taxation of chargeable gains (subject to any available exemption or relief) as if, broadly, the disposal was made in such Shareholder's year of return to the UK.

Inheritance and gift taxes

The Ordinary Shares will not be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or on the death of, a UK domiciled individual shareholder may (subject to certain exemptions and reliefs) be a transfer of value chargeable to inheritance tax. A non-UK domiciled individual shareholder should not be subject to UK inheritance tax on any gift of such assets.

Shareholders should consult an appropriate professional adviser if they intend to make a gift of any kind or intend to hold any Ordinary Shares through trust arrangements, or through a company or partnership.

UK stamp duty and stamp duty reserve tax (“SDRT”)

No UK stamp duty or SDRT will arise on the issue of Ordinary Shares. Nor will stamp duty generally arise on instruments transferring Ordinary Shares. Though such transfer documents will technically be within the scope of stamp duty at 0.5 per cent. if they are executed within the UK.

The Ordinary Shares will not be “chargeable securities” for the purposes of SDRT, whether in certificated form or uncertificated form within the CREST system. Accordingly, transactions in the Ordinary Shares including transfers effected on a paperless basis within CREST will not be subject to SDRT.

ISAs

Ordinary Shares allotted under the Placing are not eligible for direct transfer into an ISA nor are Ordinary Shares acquired subsequently in the secondary market eligible for inclusion in an ISA.

Other United Kingdom Tax Considerations

UK resident companies having an interest in the Company, such that 25 per cent. or more of the Company’s profits for an accounting period could be apportioned to them, may be liable to UK corporation tax in respect of their share of the Company’s undistributed profits in accordance with the provisions of Chapter IV of Part XVII of the Taxes Act relating to controlled foreign companies. These provisions only apply if the Company is controlled by UK residents.

Individuals ordinarily resident in the UK should note that Chapter III of Part XVII of the Taxes Act which contains provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad, may render them liable to taxation in respect of any undistributed income and profits of the Company. However, those provisions will not apply if the Shareholder can satisfy the Inland Revenue that either:

1. the purpose of avoiding liability to UK taxation was not the purpose or one of the purposes of his investment in the Company; or
2. the investment was a *bona fide* commercial transaction and was not designed for the purpose of avoiding UK taxation.

The attention of UK Shareholders resident or ordinarily resident and, if an individual, domiciled in the UK is drawn to the provisions of section 13 of the TCGA under which, in certain circumstances, a portion of capital gains made by the Company can be attributed to a Shareholder who holds, alone or together with associated persons, more than 10 per cent. of the Ordinary Shares. The capital gains attributed to the Shareholder may (in certain circumstances) be liable to UK tax on capital gains in the hands of the Shareholder.

12. Consents

- (a) KPMG LLP, Canada, has given and not withdrawn its written consent to the inclusion herein of its audit report in respect of the statutory accounts of Landore Canada for the year ended 31 December 2004 and for the purposes of Regulations 13(1) and 14(1) of the POS Regulations, accepts responsibility for its report and has not become aware, since the date of such audit report, of any matter affecting the validity of such report at that date.
- (b) Strand Partners has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to its name in the form and context in which they appear.
- (c) W.H. Ireland has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to its name in the form and context in which they appear.
- (d) R Blair Needham and M Sale have given and not withdrawn their written consent to the issue of this document and the inclusion herein of the summary of their written report contained in Part V of this document and the references to such report and their names in the form and context in which they appear.

- (e) A MacTavish has given and not withdrawn his written consent to the issue of this document and the inclusion herein of the summary of his written report contained in Part V of this document and the references to such report and his name in the form and context in which they appear.
- (f) The directors of Landore Canada have confirmed that they are responsible for the audited accounts of Landore Canada for the year ended 31 December 2004, which are contained in Part IV of this document, that such accounts have been properly prepared in accordance with the applicable law and that they accept responsibility for them. The directors of Landore Canada comprise William Humphries, Richard Prickett, James Garber, Edward Badida and Brian Irwin, all of 555 Central Avenue, Thunder Bay, Ontario, Canada.

13. General

- (a) There have been no significant authorised or contracted capital commitments made by the Company as at the date of publication of this document
- (b) Save as described in this document, there have been no significant trends concerning the development of the Group nor any significant acquisition or disposal of assets since the latest date to which audited accounts have been prepared.
- (c) The expenses of, and incidental to, the Placing and Admission, including registration and listing fees, printing, advertising and distribution costs, legal and accounting fees and expenses, are estimated to amount to approximately £375,000 (exclusive of VAT) and are payable by the Company.
- (d) Save as disclosed in this document there are currently no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Group's business. There are no exceptional factors which have influenced the Company's activities.
- (e) The accounting reference date of the Company is 31 December.
- (f) The Ordinary Shares have not been sold, nor are they available, in whole or in part, to the public in conjunction with the application for admission to trading on AIM.
- (g) The arrangements for paying for the Placing Shares are set out in the specimen placing letter annexed to the Placing Agreement. All monies received from applicants will be held by W.H. Ireland prior to issue of the Placing Shares. If any application is unsuccessful or scaled down, any monies returned will be sent by cheques crossed "A/C Payee" in favour of the first named applicant. Any monies returned will be first class post at the risk of the addressee within three days of the completion of the Placing.
- (h) Copies of the audited consolidated accounts of Landore Canada for the three years ended 31 December 2004 have been filed on SEDAR. These accounts contained unqualified auditors' reports. KPMG LLP of Suite 3300, Commerce Court West, 199 Bay Street, Toronto ON M5L 1B2, Canada, have audited the accounts of Landore Canada for each of the last three financial years.
- (i) The Company has not prepared any statutory accounts since the date of its incorporation.
- (j) Except as disclosed in this document no person (excluding professional advisors otherwise disclosed in this document and trade suppliers) has (i) received directly or indirectly from the Company within the 12 months preceding the application for Admission, or (ii) entered into contractual arrangements to receive directly or indirectly from the Company on or after Admission either (a) fees totalling £10,000 or more, (b) securities in the Company with a value of £10,000 or more or (c) any other benefit with a value of £10,000 or more at the date of Admission.
- (k) The minimum amount which, in the opinion of the Directors, must be raised to provide the sums required in respect of the matters specified in Schedule 1 of the POS Regulations is £2 million, divided as follows:

(1) the purchase price of any property	£nil
(2) preliminary expenses and expenses of Admission	£375,000
(3) repayment of money borrowings in respect of sub-paragraphs (1) and (2) above	£nil
(4) working capital	£1,625,000

- (l) The accounts of Landore Canada have been prepared in accordance with Canadian GAAP. The Company will prepare its accounts in accordance with UK GAAP. It is the understanding of the Directors that the principal difference between Canadian GAAP and UK GAAP, which would impact the net assets and results of the Company, relates to the treatment of exploration expenditure. Under UK GAAP, all such expenditure would be expensed. Under Canadian GAAP it is capitalised until it becomes clear that the properties are not capable of being economically developed through assessable exploration results or measurable reserves.

14. Documents on Display

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Lawrence Graham LLP, 190 Strand, London, WC2R 1JN for a period of one month following Admission:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the management information circular sent to shareholders of Landore Canada in connection with the Arrangement;
- (c) the audited and consolidated accounts of Landore Canada for the years ended 31 December 2004, 31 December 2003 and 31 December 2002;
- (d) the report of KPMG LLP set out in Part III of this document;
- (e) the full reports of the Independent Geologists, extracts of which are set out in Part V of this document;
- (f) the rules of the Share Option Scheme referred to in paragraph 7 above;
- (g) the material contracts referred to in paragraph 8 above;
- (h) the Directors' service contracts and letters of engagement referred to in paragraph 6 above;
- (i) the written consents referred to in paragraph 12 above; and
- (j) this document.

The audited and consolidated accounts of Landore Canada and the full reports of the Independent Geologists, referred to above, can also be viewed at www.sedar.com.

Dated 31 March 2005

