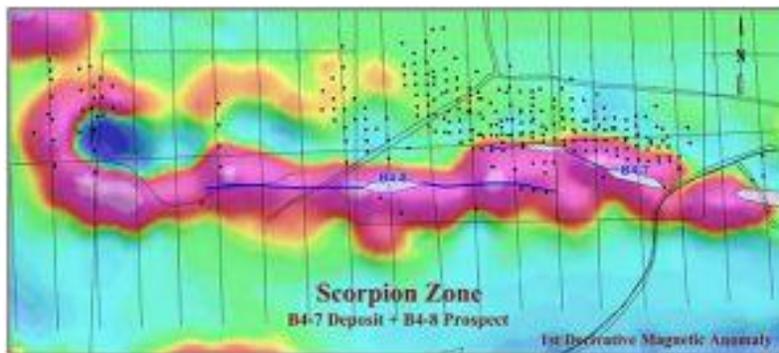


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Landore Resources Will Commence Pre-Feasibility Work At B4-7 Early Next Year, After Updating Its Resource

By Alastair Ford

“The most important thing is: let’s get a resource update out”, says Richard Prickett of [Landore](#) Resources. He’s speaking shortly after the release of a drilling update from the B4-7 nickel deposit on [Landore](#)’s 31,600 hectare Junior Lake property, 235 miles north of Thunder Bay in Ontario, Canada.



The Scorpion zone

B4-7 already contains a known two million tonnes of 1.06% nickel equivalent in the indicated category, and a further 610,000 tonnes at 0.87%, adding up to a total of just over 26,500 tonnes of nickel contained.

But drilling in 2012 has now extended the mineralisation down-dip and along strike to the west, and the total strike length now amounts to 800 metres.

Among the better results from the recent campaign were 9.99 metres at 0.56% nickel and 0.93% copper, with additional cobalt, palladium, platinum and gold showings, and 1.17 metres at 0.16% nickel and 1.54% copper, with additional cobalt, palladium, platinum and gold.

Together with the B4-8 deposit immediately to the west, the company has now dubbed this mineralised zone the Scorpion zone, on account of the hooked tail at one end of the structure, and argues that the potential strike length could now amount to 1.5 kilometres.

“We’ve done some very intense drilling on the B4-7 deposit to update the resource into indicated”, says Richard.

“And it’s still open along strike and at depth. We put several holes in the extension going all the way down the scorpion’s tail to extend the strike length, and we’ve coming up with good nickel and copper grades at depth. We could double the tonnage.”

And in the wake of the latest update, investors have not been slow to appreciate the potential.

[Landore](#) subsequently raised £2.615 million at 5p per share in order to put a dozen or so more deep holes into the extension at hundred metre spacing, and also to have a closer look at the other significant resource on Junior Lake, the VW deposit.

[Landore](#)’s two key directors, Richard and chairman Bill Humphries, both came in on the raise, Bill subscribing for six million shares to take his total holding in the company to 8.6 per cent, and Richard subscribing for a more modest 500,000 to take his total holding to two per cent.

Perhaps more significantly though, new institutions also came in. That’s no mean feat in the current market in which institutional investors are widely believed to be fighting shy of exploration.

But [Landore](#) may be the exception that proves the rule, and on this occasion, the new investors have already reaped their reward. Two weeks on, and the shares have risen to 7p, a gain of around 30 per cent.

True, the shares are still down from the 13p level at which they were trading at this time last year. But equity markets have taken a pounding since then, and the nickel price has been depressed too.

Having said that, in recent days nickel has started to show some improvement, as investors have sought safe haven from the Fed’s printing presses and piled into commodities across the board. The nickel price has risen from US\$15,000 a tonne to US\$18,000 per tonne.

But Richard himself is fairly sanguine about the nickel price. “We’re in nickel sulphide”, he says. “It’s cheap to process. Costs will be pretty low. At US\$15,000 B4-7 is economic, so we’re quite happy even at these levels. At US\$15,000 we’ll require modest capital of around US\$50 million or US\$60 million, and we’ll be able to get payback within a couple of years.”

We’ll know more about what the precise parameters of any nickel development at Junior Lake will look like next year, after the company completes the pre-feasibility studies that will get underway in the first quarter.

In the meantime, further drilling at B4-7 designed to confirm the western extension of the deposit will get underway shortly.

In the grand scheme things, the Junior Lake nickel deposits may be fairly small. But that doesn’t bother Richard. In fact, he sees it as a plus, with nickel at sub-US\$20,000. “The days of these huge projects have been put into question”, he says.

For much the same reason, other junior miners financed out of London are looking at a variety of nickel laterite deposits. But [Landore](#) has the virtue of being in sulphide, and of being in a mining friendly jurisdiction.

Which is perhaps why [Landore](#)'s shares are now on the move, while African Eagle's remain range-bound, European Nickel hasn't survived at all, and [Regency Mines](#) is still bobbing around at a three year low.

Watch this space for further updates, and a possible appearance at Minesite forum later in the year. It should be an interesting time for the company.