LANDORE

RESOURCES

Annual Report 2014

Contents

Company information

Directors	William Humphries *(Chairman)* Richard Prickett *(Chief Executive Officer and Finance Director)* Charles Wilkinson *(Non-Executive Director)* Helen Green *(Non-Executive Director)*
Company Secretary	Rysaffe International Services Limited
Registered office	P.O. Box 141 La Tonnelle House Les Banques St Sampson Guernsey GY1 3HS
Nominated Adviser and Broker	Strand Hanson Limited 26 Mount Row London W1K 3SQ
Auditor	Grant Thornton Limited P O Box 313 Lefebvre House Lefebvre Street St Peter Port Guernsey GY1 3TF
Registrar	Rysaffe International Services Limited P O Box 141 La Tonnelle House Les Banques St Sampson Guernsey GY1 3HS
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Lawyers	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH

Chairman's statement

I am pleased to present the 2014 Annual Report for Landore Resources Limited ("Landore Resources" or the "Group").

During the last year the Group has concentrated almost all its efforts on further exploration work on its Junior Lake Project.

Financial results

In the year ended 31 December 2014, the Group incurred a loss, after tax, of £5,733,760 (2013: £2,415,561).

A considerable amount of the loss relates to the impairment charge of £3,403,991 which has been applied to the loan note receivable from Lamaune Iron Inc ("Note"). Although the Note is not repayable until April 2019 the Directors have decided that due to the severe downturn in the global iron ore market it was prudent to make a full provision at this stage. The Note remains due and payable on or before April 2019 and assuming there is a medium to long term recovery in the iron ore market the Directors anticipate that the Note would be fully recoverable.

Apart from the above, operating and administrative expenses are in line with expectations.

Landore Resources has no debt and intends to continue to raise further equity as needed to carry out its development plans. To date the Company's shareholders have been very supportive of the Group's financing needs and the Directors are confident of raising further funds as required.

The Junior Lake Property

The property is situated 235 kilometres northeast of Thunder Bay in the province of Ontario, and is highly prospective for numerous metals including nickel, copper, cobalt, PGE's, gold and lithium.

This year, almost all of Landore Resource's activities have been focused on the expansion of nickel, copper, cobalt and PGE's mineralisation at the B4-7 and VW deposits on the Junior Lake Property. Exploration drilling was directed towards the geophysical anomalies between the two deposits and more recently at the Alpha Zone alongside the B4-7 main massive sulphide zone and also on the B4-7's Exploration Target, located along strike and down plunge to the west of the B4-7 resource. These have been successful in confirming the continuity of the palladium enriched Alpha Zone and further validating the Exploration Target. This has the potential to add significant tonnage to the existing compliant resources of nickel equivalent.

The Group is confident that, with added tonnage from the Alpha Zone and Exploration Target, its objective of identifying at least 100,000 tonnes of nickel equivalent is well at-hand.

Further technical studies will be carried out later this year towards completion of pre-feasibility studies and also a drill programme is planned in order to bring the Exploration Target up to inferred status within the formal B4-7 resource. Full details are set out in the Operations Report.

Chairman's statement continued

Nickel prices during this year have been weighed down by an overhang of stocks and the global slowdown. However, most analysts believe that demand is already improving and that as stocks wind down, the outlook for the rest of 2015 and onwards is positive.

The Group continues to enjoy excellent relationships with the local First Nations on whose traditional lands our Junior Lake Property is located.

I reiterate our thanks to our loyal shareholders and also to Michele Tuomi and her staff for their perseverance and dedication to the development of the Group's projects.

William Humphries
Chairman

18 May 2015

Operations report

INTRODUCTION

Landore Resources Limited, through its 100 per cent. owned subsidiary Landore Resources Canada Inc. ("Landore"), is actively engaged in mineral exploration in Eastern Canada. Landore wholly owns or has the mineral rights to six properties in Eastern Canada, of which Mount Fronsac is optioned to a third party. Landore also owns a 30 per cent. interest in the West Graham property.

Landore, through its 100 per cent. owned subsidiary Brancote US, owns or has the mineral rights to a further eight properties for 99 claims in the State of Nevada.

Landore's exploration focus is on the highly prospective Junior Lake property, Ontario.

Full details of the Group's projects, including maps, Canadian National Instrument 43-101 (NI 43-101) resource reports, geophysical surveys etc. can be viewed on the Group's website, www.landore.com.

JUNIOR LAKE PROPERTY

The Junior Lake Property, 100 per cent. owned by Landore, is located in the province of Ontario, Canada, approximately 235 kilometres north-northeast of Thunder Bay and is host to the B4-7 Nickel-Copper-Cobalt – PGEs deposit, the Alpha Zone and the Exploration Target located immediately west of the B4-7 deposit. Junior Lake also contains the VW Nickel deposit and numerous other highly prospective mineral occurrences.

The Junior Lake Property extends for 36 kilometres and covers an area of 23,744 hectares.

In 2005, encouraged by favourable global nickel market conditions, Landore intensified its exploration effort on the Junior Lake Property where the historical B4-7 deposit is located. In Q4 2005 the VW deposit was discovered. Subsequent drilling in 2006 and 2007 delineated the VW and B4-7 deposits and brought them to NI 43-101 compliant resources.

In 2008 with the burgeoning demand for iron on the world market, Landore shifted focus to its prospective Lamaune Magnetite Iron occurrence, located on the western portion of the Junior Lake Property. Drilling activities during 2009 and 2010 delineated an 'Exploration Potential' of 300 to 500 million tonnes of mineralisation grading from 25 per cent. Fe to 35 per cent. Fe (2011: NI 43-101 Technical Report). The Lamaune Iron and Lamaune Gold prospects were transferred to the new company Lamaune Iron Inc. in 2011.

In 2011 with recovering nickel prices, Landore refocused its exploration efforts on the B4-7 and VW deposits. Further drilling was conducted on the B4-7 deposit, bringing this deposit fully into the Indicated category.

Landore's exploration since has identified the potential for further significant nickel-copper bearing sulphide mineralisation along the B4-7 and VW Nickel Trends. In particular, drilling and geophysics have revealed the considerable potential of the B4-7 deposit.

B4-7 NICKEL-COPPER-COBALT – PGEs DEPOSIT

The B4-7 deposit is located in the centre of the lease area, approximately 3 kilometres to the northwest of the VW deposit. The B4-7 deposit mineralisation is hosted within a sub-vertical massive sulphide vein with stringers, net-textured and disseminated sulphides in the immediate hanging wall. The deposit outcrops at surface with the upper 150 metres of the deposit being amenable to lower cost open pit mining. Below 150 metres, the grade improves sufficiently for underground mining.

Operations report continued

B4-7 Nickel-Copper-Cobalt-PGEs Resource

RESOURCE CLASS	VOLUME (tonnes)	GRADE (% NiEq)	Contained Metal (tonnes NiEq)
Indicated	**2,695,000**	**1.24**	**33,248**
Exploration Target	**1,500,000 to 2,000,000**	**~1.24**	**~20,000**

The B4-7 deposit resource estimate and report, completed by RPA Inc, ("RPA") of Toronto, Canada in January 2013, is compliant with the requirements of NI 43-101. The resource, so far delineated over 650 metres of strike, remains open down plunge at depth and along strike to the west. There is further shallow mineralisation potential to the east.

The report also identified the Exploration Target located immediately west of the B4-7 deposit containing a potential 1.5 Mt to 2.0 Mt of sulphide mineralisation of similar grade range to that which has been outlined to date.

Alpha Zone

The Alpha Zone, identified by drilling in 2001, consists of net-textured and disseminated sulphides containing significant palladium with elevated nickel, copper, cobalt, platinum and gold mineralisation and is found in both the open pit and the underground portions of the B4-7 deposit.

The Alpha Zone mineralisation was not included in the B4-7 NI 43-101 compliant resource published in 2013 due to insufficient drilling along strike. However, a review of Alpha style mineralisation intercepts in drilling completed since then has established that the Alpha Zone is far more significant than previously determined.

Landore's recent drilling campaigns completed during Q4 2014 and Q1 2015 successfully intersected Alpha Zone style disseminated sulphide mineralisation containing high grade palladium with drill-hole 0414-503 on line 00 reporting 20.15 metres at 0.11 per cent. Ni, 1.54g/t Pd, and 0.64g/t Pt including 0.56 metres at **10.90g/t Pd** and **11.50g/t Pt**, and also including 0.72 metres at **12.85g/t Pd** and **2.50g/t Pt**. Additionally, drill hole 0415-507 on line 100E reported 1.5 metres at **10.15g/t Pd** and 0.85g/t Pt. The platinum results are the highest reported on the Junior Lake Property to date, and the palladium results are among the highest, all of which are located within the B4-7 deposit.

The drilling has also been successful in further establishing the continuity of the PGE enriched Alpha Zone for 700 metres from line 350W to 350E. The Alpha Zone pinches and swells along strike with true widths ranging from a few metres to **17.1** metres in drill-hole 0406-93 on line 75W; **8.8** metres in drill-hole 0415-503 on line 00E and **10.2** metres in drill-hole 0407-167 on line 100E. The Alpha Zone is open both up and down dip and to the west along strike.

The high grade palladium and platinum intersections in 0414-503 and 0415-507 are not located within units bearing significant visually discernible sulphides. These intersections indicate the substantial potential to delineate further high grade palladium and platinum within low-sulphide portions of the deposit.

Operations report continued

With this in mind, a comprehensive re-logging and sampling programme of existing drill core from the B4-7 deposit is in-progress with more than 3,000 metres of 2012 drill core being re-visited to date. This exercise is proving successful in identifying potential Alpha Zone mineralisation previously not sampled due to low visually discernible sulphide content.

Development of the Alpha Zone could supply significant credits for the B4-7 deposit and form an integral part of the B4-7 resource.

Exploration Target

The 2013 B4-7 compliant resource is defined to approximately line 175W. In addition to this resource, RPA Inc. (RPA) identified an 'Exploration Target' along strike and down plunge to the west to approximately line 500W.

Drilling to-date on the Exploration Target has intersected B4-7 massive sulphide mineralisation as well as Alpha Zone style disseminated sulphide mineralisation thus reaffirming the significant potential along strike to the west of the B4-7 deposit. Further drilling is warranted to bring this 300+ metre strike length into the formal resource.

The B4-7 deposit together with the Alpha Zone and Exploration Target are hosted in a distinctive geophysical magnetic anomaly which extends 500 metres to the east of the 00 base line of the B4-7 deposit and extends 1,000 metres to the west of line 00 where it is truncated by the Juno Lake shear, and curls north and then to the east around a prominent 150 metre diameter magnetic low. Exploration drilling has established that this anomaly hosts a collective potential massive sulphide mineralisation strike length of 1.5 kilometres.

Preliminary metallurgical studies completed in 2010 indicate that nickel concentrate grades and recoveries of 13.5 per cent. nickel at 53 per cent. recovery with 17 per cent. copper at 87 per cent. recovery are achievable. Marketable concentrate can be achieved with further processing stages to upgrade the nickel, copper and PGE content with the rejection of pyrrhotite.

Additional resource potential of the B4-7 deposit at depth and to the west is supported by a deep-penetrating ORION 3D, DCIP + MT geophysical survey on the western portion of the B4-7 deposit and the area one kilometre along strike to the west including the Exploration Target. This survey acquires three sets of data in multi-directions; DC (direct current), IP (induced polarization) and MT (magnetotellurics), and is a true three dimensional survey. Sophisticated digital signal processing is utilised to obtain high resolution imaging at depths up to 1,000+ metres below surface.

This survey, conducted by Quantec Geoscience, of Toronto, Canada ("Quantec") in the fall of 2012, identified five new areas of interest for further exploration, including a prospective zone for sulphide mineralisation at depth and dipping northward from the existing B4-7 deposit.

Follow up drilling was conducted in the fall of 2014 to test promising geophysics results down dip from the B4-7 deposit itself. A down dip extension of the B4-7 main massive sulphide zone was intersected 140 metres below the existing resource on line 00 with drill-hole 0414-503 reporting 0.6 metres at 1.01 per cent. Nickel (Ni), 0.9 per cent. Copper (Cu), 0.06 per cent. Cobalt (Co), 0.41g/t Palladium (Pd), and 0.03g/t Platinum (Pt). Further drilling is warranted to further test the down dip potential of the B4-7 resource.

Operations report continued

2015 Planned Works

Landore has initiated selection of independent engineers for the completion of pre-feasibility level metallurgical and geotechnical studies on the B4-7 deposit including the Alpha Zone, by Q4 2015. Additionally, Landore is planning a definition drilling programme to be implemented in the latter half of 2015 aimed at bringing the Exploration Target up to inferred status within the NI 43-101-compliant B4-7 resource.

When results from the above works have been received, an updated resource estimate will be completed which will include portions of the Alpha Zone and Exploration Target as well as various pit and processing optimisations.

VW NICKEL DEPOSIT

The VW deposit, discovered by Landore in late 2005, is located at Ketchikan Lake in the central part of the Junior Lake property and is Landore's most advanced project. From 2005 to 2010, Landore has drilled 142 diamond NQ size holes for 35,339 metres on the VW deposit. The VW deposit outcrops at surface with the upper 150 metres of the deposit being amenable to lower cost open pit mining. Below 150 metres, the grade improves sufficiently on the main Katrina zone for underground mining.

VW Nickel Resource

RESOURCE CLASS	VOLUME (tonnes)	GRADE (% NiEq)	Contained Metal (tonnes NiEq)
Indicated	**3,730,000**	**0.49**	**21,760**
Inferred	**720,000**	**0.49**	

The VW resource estimate and report, completed by RPA in October 2009 is compliant with the requirements of NI 43-101. 84 per cent. of the resource is the Indicated category. The resource remains open to the east and to the west as well as down dip.

Metallurgical studies completed in 2008 indicate that nickel concentrate grades and recoveries ranging from 14 per cent. nickel at 74 per cent. recovery to 10 per cent. nickel at 80 per cent. recovery are a reasonable representation of the expected plant recovery.

B4-7 and VW Nickel Trends

The highly prospective three kilometre distance between the B4-7 Nickel-Copper-Cobalt – PGEs resource and the VW Nickel resource hosts a geological environment that is favourable for the deposition of magmatic nickel-copper sulphide mineralisation. Based on geophysical signatures and available geological knowledge, this favourable environment is believed to exist along a strike length of approximately 10 kilometres. At its widest, the favourable rock sequences are in the order of 1,000 metres to 1,500 metres in thickness.

Operations report continued

Landore retained Geosig Inc. ("Geosig") of Quebec, Canada to conduct in January 2015 additional ground Electromagnetic (MaxMin), VLF and Magnetic geophysical surveys from line 100W extending eastwards 4.1 kilometres to line 4000E in the VW North area. This survey identified further drill targets north of the pre-existing surveys from 2001 and 2013, an area in which the B4-7 polymetallic trend and the BAM gold trend intersect. To date there has been little exploration north of 200N, an area which is highly prospective for further polymetallic nickel, copper, cobalt, PGEs and gold mineralisation.

In January 2014, a second 3-D "Direct Current Induced Polarization" and "Magnetotellurics" (DCIP+MT) ground geophysical survey was conducted on the Junior Lake Property by Quantec over the B4-7 and VW Nickel trends, directly adjacent to the east of the highly successful 2012 ORION 3D DCIP+MT survey block covering the B4-7 and Scorpion Zone. The DC resistivity geophysical results identified the presence of three target areas containing nine significant new zones, ranging from approximately 400m to 1,200m in length, of potential nickel sulphide mineralisation along strike and adjacent to the existing B4-7 Nickel-Copper-Cobalt-PGEs resource and the VW Nickel resource.

Drill programmes during the summer and fall of 2014 followed up on two of these highly prospective target areas identified by the above surveys. Drilling successfully intersected Alpha Zone style disseminated sulphide mineralisation directly east of the B4-7 deposit on line 550E, as well as intersecting a significant copper/gold mineralised structure extending eastwards from the B4-7 deposit for 1,000 metres to line 1600E. Additionally, elevated polymetallic mineralisation was intersected at shallow depth on line 1200E, which together with previous highly encouraging trench results on line 1350E holds potential for near-surface, economic polymetallic mineralisation which could provide added value to the B4-7 deposit.

Drilling to date has validated geophysics results and further drilling is warranted to unlock the full potential of this structurally complex area.

Infrastructure

The city of Thunder Bay is located on the northern shore of Lake Superior and is the main supply hub for the mining centres of northern Ontario including Red Lake, Pickle Lake, and the Musselwhite gold mine. It has extensive port facilities and an airport providing daily flights to major provincial cities, as well as a rail line that provides access to both eastern and western North American markets.

Access to Junior Lake from Thunder Bay is via a sealed highway for 235 kilometres to the town of Armstrong and then via a well maintained forest products unsealed road for 100 kilometres that runs to the property.

The Canadian National Railway runs parallel to the Junior Lake Property 13 kilometres to the south providing direct transport access to both the nickel smelting centre of Sudbury and the port facilities at Thunder Bay. In addition, Junior Lake has abundant water resources nearby and is just 10 kilometres from the planned hydro-electric power station on the Little Jackfish River.

Operations report continued

Environmental Baseline Studies

Golder Associates of Sudbury, Ontario, have continued with the Environmental Baseline Studies programme initiated on the mining leases containing the B4-7 and VW deposits in the winter of 2007.

Water surface monitoring of lakes and drainage tributaries within the vicinity of the deposits have continued on a bi-annual basis during 2011 and have been increased to a quarterly basis in 2012. The area of influence has recently been expanded to include lakes and drainage further out from the leases.

The environmental and baseline studies are all pre-requisite for permitting requirements for the development of the B4-7 and VW deposits.

Mining Leases

A pre-requisite for the development of the B4-7 and VW deposits is to secure tenure over an area of land sufficiently large to provide for development, mining, processing, infrastructure and buffer zones around the mining areas and for future expansion. Landore has been granted three mining leases ("Mining Leases"), which include mining and surface rights, over an area encompassing the B4-7 and VW deposits. The Mining Leases cover 23 existing exploration claims for a total area of 3,676 hectares and have been granted for 21 years renewable for further terms of 21 years.

Within the Mining Leases, Landore has the right, subject to provisions of certain Acts and reservations, to:

- Sink shafts, excavations etc., for mining purposes.
- Construct dams, reservoirs, railways, etc., as needed.
- Erect buildings, machinery, furnaces, etc., as required and to treat ores.

MIMINISKA LAKE – KEEZHIK LAKE PROPERTIES

Miminiska Lake Property

Landore's Miminiska Lake Property, 100 per cent. owned by Landore, covers an area of 5,494 hectares and is located approximately 130 kilometres to the north of the Junior Lake Property and 115 kilometres to the east of the Pickle Lake mining camp in the highly productive and prospective Uchi Belt. Landore completed four drilling campaigns between 2003 and 2005 on the Miminiska gold occurrence with 47 NQ diamond drill holes for 9,349 metres, focusing on two potential shoots within a known 800 metres strike length. Excellent results were received with grades reporting up to 131 g/t gold over 0.5 metres and 40.2 g/t gold over 2.3 metres.

An independent technical review was completed in 2009 on the Miminiska Lake Property which established the presence of two exploration targets:

- Miminiska Lake – 232,000 tonnes at 5.62 g/t gold
- Frond Lake – 271,000 tonnes at 5.10 g/t gold

for a total of **503,000 tonnes at 5.34 g/t for 86,357 ounces of gold**.

Both these exploration targets are open along strike and at depth and have good potential for expansion and upgrading to a mineral resource.

Operations report continued

Keezhik Lake Property

Landore holds 45 mining claim blocks, for 9,470 hectares, in the highly prospective Keezhik Lake area, located 20 kilometres north of Landore's Miminiska Lake property and 150 kilometres Southeast of Goldcorp's Musselwhite Gold mine. Landore's land package spans over 20 kilometres across prime gold exploration targets.

The Keezhik Lake area is adjacent to the North-Caribou – Totogan Shear Zone that is also host to Goldcorp's Musselwhite Gold mine, located 150 kilometres to the northwest. The Musselwhite Gold mine has produced in excess of 2.5 million ounces with 2 million ounces of gold in mineral reserve. The Keezhik Lake claims are also located in the highly productive and prospective Uchi Belt.

During Q3 2011, a field reconnaissance, mapping and sampling campaign was carried out at Keezhik Lake. Field investigation of geophysical anomalies, prospective geological features, and historical gold showings revealed several areas of interest on the property warranting follow-up exploration work.

2015 Planned Works

A 1,500 metre drilling campaign to test prospective areas indicated by 2011 field investigations, subject to receiving approval from local First Nations.

OTHER PROPERTIES

Landore has other non-core exploration properties which include grass roots exploration and defined drill targets.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Landore believes that a successful project is best achieved through maintaining close working relationships with First Nations and other local communities. This social ideology is at the forefront of all of Landore's exploration initiatives by establishing and maintaining co-operative relationships with First Nations communities, hiring local personnel and using local contractors and suppliers.

Careful attention is given to ensure that all exploration activity is performed in an environmentally responsible manner and abides by all relevant mining and environmental acts. Landore takes a conscientious role in all of its operations, and is aware of its social responsibility and its environmental duty.

Michele Tuomi, P.Geo.
Director/VP Exploration, Landore Resources Canada Inc.

18 May 2015

Board of Directors

William Humphries (aged 74) – Chairman

William Humphries has over 40 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 until its merger with Meridian Gold Inc. He has been Managing Director of Patagonia Gold Plc since its inception in November 2000.

Richard Prickett (aged 63) – 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 City Natural Resources High Yield Trust Plc and Non-Executive Chairman of Asian Growth Properties Limited.

Charles Wilkinson (aged 71) – Non-Executive Director

Charles Wilkinson is a solicitor who retired from Lawrence Graham LLP in March 2005. At Lawrence Graham he specialised in corporate finance and commercial law and advised mining companies. He is Chairman of Doric Nimrod Air One Limited and Doric Nimrod Air Three Limited, Non-Executive Director of Doric Nimrod Air Two Limited and Premier Energy and Water Trust Plc.

Helen Green (aged 52) – Non-Executive Director

Helen Green is a Chartered Accountant and has been employed by Saffery Champness, a UK top 20 firm of Chartered Accountants, since 1984. She qualified as a Chartered Accountant in 1988, and became a partner in the London office in 1997. Since 2000 she has been based in the Guernsey office where she is the client liaison director responsible for trust and company administration.

She is a Non-Executive Director of Acorn Income Fund Limited (of which she is Chairman), Henderson Diversified Income Limited, Advance Frontier Markets Fund Limited and John Laing Infrastructure Fund Limited.

Strategic report

The Directors submit their Strategic Report for Landore Resources Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2014.

Principal activity

The Group's principal activity, mainly in Canada, is mineral exploration including the identification, acquisition and development of technically and economically sound mineral projects either alone or with joint venture partners. The main focus, in the year under review, has been on the Junior Lake project in North Eastern Ontario.

A detailed review of the Group's activities, the development of its business and an indication of likely future developments may be found in the Chairman's statement on page 3 and the Operations report on pages 5 to 11.

Principal risks and uncertainties

The Group operates in an uncertain environment that may result in increased risk, costs pressures and schedule delays. The risks that face the Group are common to all of the Group's mining activities. The following are some of the key risks that face the Group:

Exploration and development risk

There is no assurance that the Group's exploration activities will be successful, and statistically few properties that are explored are ultimately developed into producing mines. Accordingly, the Group is seeking to balance this risk by building a portfolio of projects and prospects that carry a range of differing technical and commercial risks and keeping under careful review the amount invested in any one project.

The Group's operations may also be curtailed, delayed or cancelled as a result of economic, environmental and political conditions in the area of operation.

Competition

There is strong competition within the mining industry for the identification and acquisition of suitable properties. The Group competes with other exploration and production companies, some of which have greater financial resources than the Group, for the acquisition of properties, leases and other interests as well as for the recruitment and retention of skilled personnel. The challenge to management is to secure transactions without having to over-pay.

Fiscal regimes

Canadian fiscal policies are complex, and it is therefore difficult to distinguish whether a future tax payment is possible or probable. Where a future tax payment is considered to be possible but not probable, appropriate disclosures are made in the accounts unless the possibility of an outflow of economic resources is remote. See note 8.

Financing

The development of the Group's properties will depend upon the Group's ability to obtain financing primarily through the raising of new equity capital, but also by means of joint-venture of projects, debt financing, or

Strategic report continued

other means. There is no assurance that the Group will be successful in obtaining the required financing. If the Company is unable to obtain additional financing as needed, some interests may be relinquished and/or the scope of the operations reduced.

Environmental and other regulatory requirements

Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Group, the extent of which cannot be predicted. Before exploration and production can commence on any properties, the Group must obtain regulatory approval and there is no assurance that such approvals will be obtained. No assurance can be given that new rules and regulations will not be enacted or existing rules and regulations will not be applied in a manner which could limit or curtail the Group's operations.

Key Performance Indicators

The legislation requires the Board to lay down relevant Key Performance Indicators (KPIs) which, for a company at Landore's stage of development, are focused on managing the activities inherent in exploration and appraisal operations. The KPIs for the Group are as follows:

Non financial KPIs		Financial KPIs	
Health and safety management	Lost time injury frequency rate medical treatment injury frequency rate	Shareholder return	Share price performance
Environment management	Strict environmental policies are in place	Exploration expenditure	Funding and development costs measured as per anticipated ounce of metals
Operational success	The number of successful exploration drilling ventures Resources added	Exploration development	Results of scoping and feasibility studies
Human resource management	Employee retention rate		

Directors and employees

At 31 December 2014 there were four Directors, three male and one female.

At 31 December 2014 there was one female senior manager.

The total number of employees at 31 December 2014 was three, one male and two female.

Social and environmental responsibility

Landore believes that a successful project is best achieved through maintaining close working relationships with First Nations and local communities. Landore has a Memorandum of Understanding with Whitesand and AZA First Nations with respect to the Junior Lake Property. This agreement formalises the desire and commitment to develop a positive, mutually beneficial relationship amongst all parties and establishes the process by which this is to be accomplished while Landore is conducting exploration and advanced exploration activities in the area.

Careful attention is given to ensure that all exploration activity is performed in an environmentally responsible manner and abides by all the relevant mining and environmental acts. Landore takes a conscientious role in

Directors' report

The Directors submit their report and the audited consolidated financial statements of Landore Resources Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2014 which comprise the Consolidated Statement of Comprehensive Income, Company Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Statement of Cash Flows, Accounting Policies and Notes to the Consolidated Financial Statements.

Principal activity

The Group's principal activity, mainly in Canada, is mineral exploration including the identification, acquisition and development of technically and economically sound mineral projects either alone or with joint venture partners.

Regulation

The Company was registered in Guernsey, Channel Islands on 16 February 2005 with registered number 42821 under the Companies (Guernsey) Law 2008 (the "New Law"). The Company is listed on AIM with the trading symbol LND.L.

Review of the year

A detailed review of the Group's activities, the development of its business and an indication of likely future developments may be found in the Chairman's statement on page 3.

Results and dividends

The total comprehensive loss of the Group for the year, after taxation was £5,890,449 (2013: £2,787,762). The loss per share for the year was 0.012 per share (2013: 0.007 per share). The Directors do not recommend payment of a dividend.

Going concern and management plans

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's statement on page 3 and the principal risks and uncertainties set out on page 13. In addition, note 22 to the consolidated financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

The consolidated financial statements are prepared on a going concern basis with a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group's loss, after tax, before provisions for impairment, for the year as at 31 December 2014 amounted to £2,486,458. The Group will need to raise more funds for the year 2015.

Directors' report continued

According to the cash flow forecast, the Group's total projected net expenditure for the year 2015 is £1.455m. As of year end the Group's bank balance amount was approximately £1.07m hence the Group still needs an additional £385,000 to fund the ongoing operations for 2015, and for projected administrative expenses in the first half of 2016 of £500,000. The Directors are confident that these funds can be raised from existing and new investors.

These conditions indicate the existence of a material uncertainty which may cast a significant doubt about the Group's ability to continue as a going concern. The consolidated financial statements do not include adjustments that would result if the Group was unable to continue as a going concern.

Exploration costs

The Group continues to devote considerable resources to exploration costs.

Directors

The Directors who have held office since 1 January 2014 are as follows:

Executive

William Humphries *(Chairman)*

Richard Prickett *(Chief Executive Officer and Finance Director)*

Non-Executive

Charles Wilkinson
Helen Green

The Directors in office as at 31 December 2014 had the following beneficial interest in the shares of the Company:

	Ordinary shares of 1pence each		Options to acquire shares	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Executive Directors:				
William Humphries	39,914,119	36,960,000	21,500,000	17,000,000
Richard Prickett	8,255,899	7,855,899	12,500,000	10,000,000
Non-Executive Directors:				
Charles Wilkinson	2,154,047	1,754,047	1,500,000	1,250,000
Helen Green	527,583	127,583	1,000,000	750,000

Directors' report continued

Share options

As at 31 December 2014 the following share options were outstanding to Directors:

Name	Date granted	Number	Price	Expiry date
William Humphries	28 October 2009	1,000,000	£0.1400	28 October 2019
William Humphries	6 July 2011	4,000,000	£0.1612	6 July 2016
William Humphries	20 March 2012	1,000,000	£0.07875	20 March 2017
William Humphries	26 September 2012	1,500,000	£0.0738	26 September 2017
William Humphries	1 July 2013	4,500,000	£0.0500	1 July 2018
William Humphries	25 November 2013	5,000,000	£0.0250	25 November 2018
William Humphries	21 July 2014	4,500,000	£0.03525	21 July 2019
Richard Prickett	6 July 2011	2,500,000	£0.1612	6 July 2016
Richard Prickett	20 March 2012	1,000,000	£0.07875	20 March 2017
Richard Prickett	26 September 2012	1,500,000	£0.0738	26 September 2017
Richard Prickett	1 July 2013	2,000,000	£0.0500	1 July 2018
Richard Prickett	25 November 2013	3,000,000	£0.0250	25 November 2018
Richard Prickett	21 July 2014	2,500,000	£0.03525	21 July 2019
Charles Wilkinson	6 July 2011	250,000	£0.1612	6 July 2016
Charles Wilkinson	26 September 2012	250,000	£0.0738	26 September 2017
Charles Wilkinson	1 July 2013	500,000	£0.0500	1 July 2018
Charles Wilkinson	25 November 2013	250,000	£0.0250	25 November 2018
Charles Wilkinson	21 July 2014	250,000	£0.03525	21 July 2019
Helen Green	6 July 2011	250,000	£0.1612	6 July 2016
Helen Green	26 September 2012	250,000	£0.0738	26 September 2017
Helen Green	25 November 2013	250,000	£0.0250	25 November 2018
Helen Green	21 July 2014	250,000	£0.03525	21 July 2019

Directors

Details in respect of the experience of the Executive and Non-Executive Directors are given on page 12.

Related party transactions

Details regarding transactions with related parties and details of Directors' interests in contracts are given in note 21 to the consolidated financial statements.

Share issues

Details of shares issued in the year are given in note 15 to the consolidated financial statements.

Subsequent events

See note 26.

Directors' report continued

Substantial shareholdings

Apart from the interests of the Directors referred to above, the Company is aware of the following holdings of more than 3 per cent. of the share capital of the Company as at 11 May 2015:

Shareholder name	Ordinary shares of 1 pence each
Taheh International Holdings Ltd	90,024,667
Lynchwood Nominees Limited, A/C 2006420	46,931,116
Arconas International Ltd	31,552,008
The Bank of New York Nominees Limited	30,185,000
HSBC Global Custody Nominee (UK) Limited, A/C 944287	20,000,000

Payment policy

The Group applies a policy of agreeing payment terms with each of their main suppliers and the Group aims to abide by these terms, subject to satisfactory performance by suppliers.

Auditors

The Directors review the terms of reference for the auditors and obtain written confirmation that the firm has complied with its ethical guidance on ensuring its independence. Grant Thornton Limited provides audit services to the Company. The level of fees charged is reviewed by the Board to ensure they remain competitive and to ensure no conflicts of interest arise.

A resolution to re-appoint Grant Thornton Limited will be put to the members at the Annual General Meeting.

By Order of the Board

Director of Rysaffe International Services Limited
as Secretary to Landore Resources Limited

18 May 2015

Corporate governance report

Financial aspects of corporate governance

The Group has adopted a framework for corporate governance which it believes is suitable for a Group of its size and which aims to ensure it complies with the Financial Reporting Council's *UK Corporate Governance Code*, in so far as is appropriate having regard to the size and nature of the Group.

The Board

The Board meets throughout the year and all major decisions are taken by the full Board. The Group's day-to-day operations are managed by the Executive Directors. All Directors have access to the Company Secretary and any Director needing independent professional advice in the furtherance of their duties may obtain this advice at the expense of the Group.

Corporate Governance Committees

The Board has established two committees comprising Non-Executive Directors and Executive Directors.

The composition of the committees is as follows:

Audit

Charles Wilkinson *(Chairman and Independent)*
William Humphries
Helen Green

Remuneration

Helen Green *(Chairman)*
Charles Wilkinson
William Humphries

The Audit Committee

The Audit Committee has met twice during the year to review the published financial information, the effectiveness of external audit and internal financial controls including the specific matters set out below. At the meetings the committee reviewed independently and in discussions with management all of the above and where necessary management/operations reports.

In addition the committee reviews the whistleblower policy and ensures that effective arrangements are in place for investigation and follow up procedures.

The terms of reference of the Audit Committee are to assist all the Directors in discharging their individual and collective legal responsibilities and during the meetings the following were considered and reviewed. The committee concluded that:

- The Group's financial and accounting systems provide accurate and up-to-date information on its current financial position, including all significant issues and going concern;
- The integrity of the Group's financial statements and any formal announcements relating to the Group's financial performance and reviewing significant financial reporting judgments contained therein are monitored;
- The Group's published financial statements represent a true and fair reflection of this position; and taken as a whole are balanced, understandable providing the information necessary for shareholders to assess the Group's performance, business model and strategy;

Corporate governance report continued

- Through discussions with management, its own independent review, and the external auditor; the external audit is conducted in an independent, objective, thorough, efficient and effective manner,. The Audit Committee has primary responsibility for making recommendations to the Board for the reappointment or otherwise of the external auditor, and
- A recommendation is made to the Board for it to put to shareholders in general meeting, in relation to the reappointment, appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor.

The audit committee has recommended there is no need for an internal audit function given the size and nature of the Group.

Significant issues considered by the Audit Committee during the year have been Principal Risks and Uncertainties as set out in the strategic report, on page 13, and their effect on the financial statements. The Audit Committee tracked the Principal Risks and Uncertainties through the year and kept in contact with the Group's Management, External Service Providers and Advisors and received regular updates. The Audit Committee is satisfied that there has been appropriate focus and challenge on the high risk areas.

Grant Thornton, the current external auditors, have been in office since 2006 which was the last time a tender for the audit took place.

The external auditors are invited to attend the Audit Committee meeting to present their findings and this provides them with a direct line of communication to the Directors.

Remuneration Committee

The terms of reference of the Remuneration Committee are to:

- recommend to the Board a framework for rewarding senior management, including Executive Directors, bearing in mind the need to attract and retain individuals of the highest calibre and with the appropriate experience to make a significant contribution to the Group; and
- ensure that the elements of the remuneration package are competitive and help in underpinning the performance-driven culture of the Group.

Internal control

The Directors acknowledge their responsibility for the Group's system of internal control, which is designed to ensure adherence to the Group's policies whilst safeguarding the assets of the Group, in addition to ensuring the completeness and accuracy of the accounting records. Responsibility for implementing a system of internal financial control is delegated to the Finance Director. The essential elements of the Group's internal financial control procedures involve:

Corporate governance report continued

- *Strategic business planning*
  Detailed financial projections for the current financial year are prepared and subject to formal review at quarterly Board meetings.
- *Performance review*
  The Directors aim to monitor the Group's performance through the preparation of quarterly management accounts and regular reviews of expenditure and projections.

Going concern

The Directors confirm that it is suitable for the financial statements to be drawn up on the going concern basis.

A full explanation of the Directors' reasoning behind this assumption is given on page 15.

Statement of Directors' responsibilities

The Directors are responsible for the preparation of the Directors' report and the consolidated financial statements for each financial period which give a true and fair view of the state of affairs of the Company and the Group and of the profit and loss of the Group for that year. In preparing those consolidated financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business; and
- state whether applicable accounting policies have been followed, subject to any material departures disclosed and explained in the consolidated financial statements.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and Group and to enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. The Directors have reviewed during the current year the effectiveness of the Group's risk management and internal control systems, including financial, operational and compliance controls. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors take responsibility for ensuring that the Group's published consolidated financial statements represent a true and fair reflection of its current financial position, and taken as a whole are balanced, understandable and providing the information necessary for Shareholders to assess the Group's performance, business model and strategy, and they consider them to be as such.

In accordance with the Companies (Guernsey) Law, 2008 each Director confirms that so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware. The Directors also confirm that they have taken all steps they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Grant Thornton

Independent auditor's report

To the members of Landore Resources Limited

We have audited the accompanying consolidated financial statements of Landore Resources Limited (the 'Company') and its subsidiaries (collectively the 'Group') for the year ended 31 December 2014 which comprise the Consolidated and Company's statement of comprehensive income, the Consolidated and Company's statement of financial position, the Consolidated and Company's statement of changes in equity, the Consolidated and Company's statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities on page 22 the directors are responsible for the preparation of the consolidated financial statements which give a true and fair view.

Our responsibility is to audit and express an opinion on the consolidated financial statements in accordance with applicable legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the consolidated financial statements

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the consolidated financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Auditor commentary

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Group's business and is risk-based. The day-to-day management of the Company's operations and the maintenance of the Company's accounting records is outsourced to third-party service providers. Accordingly, our audit work is focused on obtaining an understanding of, and evaluating, internal controls at the Company and the third-party service providers, and inspecting records and documents held by the third-party service providers. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks.

The Group consolidated financial statements represent the consolidation of four reporting units comprising the Company, its subsidiary Landore Resources Canada Inc. and its subsidiary Brancote US Inc. and Landore Resources (UK) Limited. The overall approach to the Group's audit includes performing the full audit of the Company and its consolidated subsidiaries, and the financial information of Landore Resources Canada Inc. No audit procedures were performed on dormant subsidiaries Brancote US Inc. and Landore Resources (UK) Limited.

In establishing the overall approach to the Group audit, we determined the work that needed to be performed by the subsidiary undertakings auditors who operated under our instructions. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work of those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the consolidated financial statements are free from material misstatement we define materiality as the magnitude of a misstatement or an omission from the consolidated financial statements or related disclosures that would make it probable that the judgement of a reasonable person relying on the information would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the consolidated financial statements as a whole. We established a materiality for the consolidated financial statements taken as a whole to be £47,000, which is 2 per cent. of the Group's Operating Expenses. For the financial information of the Company and subsidiary undertakings, we set our materiality based on a proportion of Group's materiality appropriate to the relative scales of the Company.

We have determined the threshold at which we communicate misstatements to the Audit Committee to be £2,400. In addition, we communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Our assessment of risk

Without modifying our opinion, we highlight the following matters that are, in our judgement, likely to be most important to users' understanding of our audit. Our audit procedures relating to these matters were designed in the context of our audit of the consolidated and Company's financial statements as a whole, and not to express an opinion on individual transactions, account balances or disclosures.

Independent auditor's report continued

To the members of Landore Resources Limited

Management override of internal control

Under the ISAs (UK and Ireland), for all our audits we are required to consider the risk of management override of financial controls. Due to the unpredictable nature of this risk we are required to assess it as a significant risk requiring special audit consideration.

Our audit work included, but was not restricted to, specific procedures relating to this risk that are required by ISA (UK and Ireland) 240, "The Auditors Responsibilities relating to Fraud in an Audit of the Financial Statements". This includes tests of journal entries, the evaluation of judgments and assumptions in management's estimates and determining whether there are significant transactions outside the normal course of business.

Exploration costs

The Board is required to lay down relevant Key Performance Indicators (KPIs) which, for a Company at development stage, are focused on managing the activities inherent in exploration. Exploration costs are one of the significant financial KPIs. Until the Board determines that a particular project is viable based on a positive feasibility study and decides to move it into production, exploration costs are written off. Accordingly the exploration costs are significant and material item. The recognition and completeness are therefore a risk that require particular audit attention.

Our audit work included, but was not restricted to, reviewing the exploration costs recorded and checking their proper authorisation and completeness of expenses by testing unrecorded liabilities and performing cut-off test.

The Group's accounting policy and the disclosure of exploration costs are included in Accounting Policies and Note 9, respectively.

Share-based payments

Group issues equity-settled payments to the certain employees. The equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of the Black-Scholes model and involves significant judgement and estimates.

Our audit work included, but was not restricted to, obtaining an understanding of management's process to recognise and measure share-based payments. We reviewed the documents relating to the share options granted, lapsed during the year and checked whether all share options granted, lapsed have been correctly recorded. We obtained an understanding of how the fair value was determined, reviewed the assumptions used in computing the fair value of the share options using the Black-Scholes model and considered whether they were reasonable.

The Group's accounting policy and the disclosure of share options are included in Accounting Policies and Note 16, respectively.

Grant Thornton

Independent auditor's report continued

To the members of Landore Resources Limited

Shares issued

The Group finances its operations through shares issues. Share capital represents the nominal value of the Company's ordinary shares. Share premium represents the excess over nominal value of the fair value of consideration received for ordinary shares, net of expenses of the share issue. Issuance of shares is a significant transaction requiring specific documentation to be prepared and appropriately approved and involves the flow of large amounts of funds all of which require particular audit attention.

Our audit work consisted of checking the approval for issuance by the Board of Directors. We reviewed supporting documentation with regards to share subscriptions and checked cash collections. We checked that issuance costs were appropriately recorded in accordance with accounting policies.

The Group's accounting policy and the disclosure of share capital are included in Accounting Policies and Note 15, respectively.

Opinion on the consolidated financial statements

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the Group's and the Company's affairs as at 31 December 2014 and of the Group's and the Company's losses for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- comply with the requirements of The Companies (Guernsey) Law, 2008.

Emphasis of matter – Going concern

We draw attention to the Going Concern note in the consolidated financial statements. The Group and the Company incurred a net loss after taxation of £5,733,760 and £1,435,034, respectively, for the year ended 31 December 2014.

Current operations are financed by contributions from investors, therefore the Group and the Company rely on the continuing financial support from investors for the continuance of operations. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group and the Company's ability to continue as a going concern. As discussed more fully in the Going Concern Note 3, these consolidated financial statements have been prepared on a going concern basis on the assumption that the Group and the Company will continue to receive financial support from existing shareholders of the Company and from new investors. Our opinion is not qualified in respect of this matter.

Grant Thornton

Independent auditor's report continued

To the members of Landore Resources Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited consolidated financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group and Company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that were communicated to the audit committee which we consider should have been disclosed.

Under The Companies (Guernsey) Law, 2008 we are required to report to you, if in our opinion:

- proper accounting records have not been kept by the Group; or
- the consolidated financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 15, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Grant Thornton Limited
Chartered Accountants
St Peter Port
Guernsey
Channel Islands

18 May 2015

Consolidated statement of comprehensive income

For the year ended 31 December 2014

	Notes	Group 31 December 2014 £	Group 31 December 2013 £
Exploration costs	9	(1,194,299)	(1,206,799)
Other income	4	—	8,221
Administrative expenses	24	(1,174,432)	(1,302,731)
Allowance for impairment	13	(3,403,991)	—
Operating loss		(5,772,722)	(2,501,309)
Finance income	5	38,962	117,808
Loss before income tax		(5,733,760)	(2,383,501)
Income tax (expense)/recovery	8	—	(32,060)
Loss for the year		(5,733,760)	(2,415,561)
Other comprehensive loss:			
Items that will be reclassified subsequently to profit and loss			
Exchange difference on translating foreign operations	18	(156,689)	(372,201)
Other comprehensive loss for the year net of tax		(156,689)	(372,201)
Total comprehensive loss for year		(5,890,449)	(2,787,762)
Loss attributable to:			
Equity holders of the Company		(5,733,760)	(2,415,561)
Total comprehensive loss attributable to:			
Equity holders of the Company		(5,890,449)	(2,787,762)
Loss per share attributable to the equity holders of the Company during the year			
– basic	10	(0.012)	(0.007)
– diluted	10	(0.012)	(0.007)

The Group's operating loss relates to continuing operations.

The accounting policies and notes on pages 36 to 59 form an integral part of these consolidated financial statements.

Company statement of comprehensive income

For the year ended 31 December 2014

	Notes	Company 31 December 2014 £	Company 31 December 2013 £
Administrative expenses	24	(838,171)	(794,888)
Operating loss		(838,171)	(794,888)
Interest receivable		6,126	3,102
Foreign exchange loss		(602,990)	(1,989,091)
Loss before income tax		(1,435,035)	(2,780,877)
Income tax expense		—	—
Total comprehensive loss for the year		(1,435,035)	(2,780,877)

The Company's operating loss relates to continuing operations.

The accounting policies and notes on pages 36 to 59 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2014

	Notes	Group At 31 December 2014 £	Group At 31 December 2013 £
Assets			
Non current assets			
Property, plant and equipment	11	53,297	72,225
		53,297	72,225
Current assets			
Trade and other receivables	13	26,519	3,834,913
Cash and cash equivalents	25	1,072,243	699,633
		1,098,762	4,534,546
Total assets		1,152,059	4,606,771
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	15	5,174,838	4,134,838
Share premium	15	28,084,421	26,653,862
Share-based payment reserve	16	891,709	707,775
Accumulated deficit	17	(32,839,649)	(27,126,179)
Translation reserve	18	(308,851)	(152,162)
Total equity shareholders' funds		1,002,468	4,218,134
Liabilities			
Non current liabilities			
Income tax liabilities	14	—	—
		—	—
Current liabilities			
Trade and other payables	14	116,411	354,505
Current income tax liabilities	14	33,180	34,132
		149,591	388,637
Total liabilities		149,591	388,637
Total equity and liabilities		1,152,059	4,606,771

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 18 May 2015.

William Humphries
Director

Richard Prickett
Director

The accounting policies and notes on pages 36 to 59 form an integral part of these consolidated financial statements.

Company statement of financial position

As at 31 December 2014

	Notes	Company At 31 December 2014 £	Company At 31 December 2013 £
Assets			
Non current assets			
IInvestment in subsidiaries	12	94,889	94,889
		94,889	94,889
Current assets			
Trade and other receivables	13	22,067,573	21,258,736
Cash and cash equivalents	25	1,067,777	666,312
		23,135,350	21,925,048
Total assets		23,230,239	22,019,937
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	15	5,174,838	4,134,838
Share premium	15	28,084,421	26,653,862
Share-based payment reserve	16	891,709	707,775
Accumulated deficit	17	(10,967,405)	(9,552,660)
Total equity shareholders' funds		23,183,563	21,943,815
Liabilities			
Current liabilities			
Trade and other payables	14	46,676	76,122
Total liabilities		46,676	76,122
Total equity and liabilities		23,230,239	22,019,937

These financial statements were approved and authorised for issue by the Board of Directors on 18 May 2015.

William Humphries
Director

Richard Prickett
Director

The accounting policies and notes on pages 36 to 59 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2014

	Share capital £	Share premium £	Share-based payment £	Accumulated deficit £	Translation reserve £	Total £
	Equity shareholders' funds					
Balance as at 1 January 2013	3,462,838	25,532,762	1,223,262	(25,355,105)	220,039	5,083,796
Share option reserve adjustment for lapsed options (note 16)	—	—	(515,487)	644,487	—	129,000
Issue of ordinary share capital (note 15)	672,000	1,173,000	—	—	—	1,845,000
Issue cost (note 15)	—	(51,900)	—	—	—	(51,900)
Total transactions with owners	672,000	1,121,100	(515,487)	644,487	—	1,922,100
Loss for the year	—	—	—	(2,415,561)	—	(2,415,561)
Exchange difference on translation of foreign operations	—	—	—	—	(372,201)	(372,201)
Total comprehensive income for the year	—	—	—	(2,415,561)	(372,201)	(2,787,762)
Balance as at 31 December 2013	4,134,838	26,653,862	707,775	(27,126,179)	(152,162)	4,218,134
Balance as at 1 January 2014	4,134,838	26,653,862	707,775	(27,126,179)	(152,162)	4,218,134
Share option reserve adjustment for lapsed options (note 16)	—	—	(20,290)	20,290	—	—
Issue of options and warrants (note 16)	—	—	204,224	—	—	204,224
Issue of ordinary share capital (note 15)	1,040,000	1,560,000	—	—	—	2,600,000
Issue cost (note 15)	—	(129,441)	—	—	—	(129,441)
Total transactions with owners	1,040,000	1,430,559	183,934	20,290	—	2,674,783
Loss for the year	—	—	—	(5,733,760)	—	(5,733,760)
Exchange difference on translation of foreign operations	—	—	—	—	(156,689)	(156,689)
Total comprehensive income for the year	—	—	—	(5,733,760)	(156,689)	1,002,468
Balance as at 31 December 2014	5,174,838	28,084,421	891,709	(32,839,649)	(308,851)	1,002,468

The accounting policies and notes on pages 36 to 59 form an integral part of these consolidated financial statements.

Company statement of changes in equity

For the year ended 31 December 2014

	Equity shareholders' funds				
	Share capital £	Share premium £	Share-based payment £	Accumulated deficit £	Total £
Balance at 1 January 2013	3,462,838	25,532,762	1,223,262	(7,416,270)	22,802,592
Share option reserve adjustment for lapsed options (note 16)	—	—	(515,487)	644,487	129,000
Issue of ordinary share capital (note 15)	672,000	1,173,000	—	—	1,845,000
Issue cost (note 15)	—	(51,900)	—	—	(51,900)
Total transactions with owners	672,000	1,121,100	(515,487)	644,487	1,922,100
Loss for the year	—	—	—	(2,780,877)	(2,780,877)
Total comprehensive income for the year	—	—	—	(2,780,877)	(2,780,877)
Balance as at 31 December 2013	4,134,838	26,653,862	707,775	(9,552,660)	21,943,815
Balance as at 1 January 2014	4,134,838	26,653,862	707,775	(9,552,660)	21,943,815
Share option reserve adjustment for lapsed options (note 16)	—	—	(20,290)	20,290	—
Issue of options and warrants (note 16)	—	—	204,224	—	204,224
Issue of ordinary share capital (note 15)	1,040,000	1,560,000	—	—	2,600,000
Issue cost (note 15)	—	(129,441)	—	—	(129,441)
Total transactions with owners	1,040,000	1,430,559	183,934	20,290	2,674,783
Loss for the year	—	—	—	(1,435,035)	(1,435,035)
Total comprehensive income for the year	—	—	—	(1,435,035)	(1,435,035)
Balance as at 31 December 2014	5,174,838	28,084,421	891,709	(10,967,405)	23,183,563

The accounting policies and notes on pages 36 to 59 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2014

	Notes	Group 31 December 2014 £	Group 31 December 2013 £
Cash flows from operating activities			
Operating loss		(5,772,722)	(2,501,309)
Finance income	5	38,962	117,808
Impairment of note receivable		3,665,300	—
Impairment of investment		75,737	—
Depreciation of tangible fixed assets	11	16,796	23,343
Share options	16	170,533	129,000
Foreign exchange loss on non-cash items		(21,047)	(342,293)
Decrease in debtors		10,712	277,317
(Decrease)/increase in creditors		(239,046)	48,321
Net cash used in operating activities		(2,054,775)	(2,247,813)
Cash flows from investing activities			
Purchase of investment in Lamaune		(75,737)	(15,664)
Net cash outflow from investing activities		(75,737)	(15,664)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	15	2,600,000	1,845,000
Issue costs	15	(95,751)	(51,900)
Net cash generated by financing activities		2,504,249	1,793,100
Net increase/(decrease) in cash and cash equivalents		373,737	(470,377)
Cash and cash equivalents at beginning of the year		699,633	1,166,919
Exchange (loss)/gain on cash and cash equivalents		(1,127)	3,091
Cash and cash equivalents at end of the year		1,072,243	699,633

The accounting policies and notes on pages 36 to 59 form an integral part of these consolidated financial statements.

Company statement of cash flows

For the year ended 31 December 2014

	Notes	Company 31 December 2014 £	Company 31 December 2013 £
Cash flows from operating activities			
Operating loss		(838,170)	(794,888)
Finance income		6,126	3,102
Foreign exchange loss on non-cash items		(602,990)	(1,989,091)
Share options	16	170,533	129,000
(Increase)/decrease in debtors		(808,838)	438,500
(Decrease)/increase in creditors		(29,445)	35,799
Net cash used in operating activities		(2,102,784)	(2,177,578)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	15	2,600,000	1,845,000
Issue costs	15	(95,751)	(51,900)
Net cash generated by financing activity		2,504,2490	1,793,100
Net increase/(decrease)/in cash and cash equivalents		401,465	(384,478)
Cash and cash equivalents at beginning of year		666,312	1,050,790
Cash and cash equivalents at end of year		1,067,777	666,312

The accounting policies and notes on pages 36 to 59 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. General information

The Company was registered in Guernsey, Channel Islands on 16 February 2005 with registered number 42821 under the Companies (Guernsey) Law 2008 (the "New Law"). The Company is listed on AIM with the trading symbol LND.L. The principal activity, mainly in Canada, is mineral exploration including the identification, acquisition and development of technically and economically sound mineral projects either alone or with joint venture partners.

2. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), the International Financial Reporting Interpretations Committee ("IFRIC"), the International Accounting Standards and Standards Interpretations Committee Interpretations approved by the International Accounting Standards Committee ("IASC") that remain in effect and to the extent that they have been adopted by the European Union.

3. Summary of Significant Accounting Policies

Basis of accounting

The consolidated and Company financial statements have been prepared on the historical cost basis. The functional currency for the Company is considered to be Pounds Sterling. The principal accounting policies adopted are set out below.

The Directors have a reasonable expectation and with continued support from the shareholders, that the Company will have adequate resources to continue trading for a period of at least twelve months following the date of approval of these accounts. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Landore Resources Limited is domiciled in Guernsey. Its registered office is shown on page 2.

Changes in Accounting Policies

New and revised standards that are effective for the annual periods beginning on or after 1 January 2014.

- **Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)**

  Entities meeting the definition of 'Investment Entities' must account for investment in subsidiaries at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement.

  Management has reviewed the application of IFRS 10 and has concluded that there is no material effect on these financial statements for the year ended 31 December 2014.

- **Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)**

  These amendments clarify the application of certain offsetting criteria in IAS 32, including:

  – the meaning of 'currently has a legally enforceable right of set-off'

  – that some gross settlement mechanisms may be considered equivalent to net settlement.

  Management has reviewed the amendment of IAS 32 and has concluded that there is no material effect on these financial statements for the year ended 31 December 2014.

Notes to the consolidated financial statements

continued

3. **Summary of Significant Accounting Policies** *continued*

- **Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)**

  These amendments clarify that an entity is required to disclose the recoverable amount of an asset (or cash generating unit) whenever an impairment loss has been recognised or reversed in the period. In addition, they introduce several new disclosures required to be made when the recoverable amount of impaired assets is based on fair value less costs of disposal, including:

  – additional information about fair value measurement including the applicable level of the fair value hierarchy, and a description of any valuation techniques used and key assumptions made

  – the discount rates used if fair value less costs of disposal is measured using a present value technique.

Management has reviewed the application of IAS 36 and has concluded that it did not have a material impact on these financial statements for the year ended 31 December 2014.

New Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group. Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's consolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's consolidated financial statements.

- IFRS 9 'Financial Instruments' (IFRS 9)
  The IASB aims to replace IAS 39 'Financial Instruments: Recognition and Measurement' (IAS39) in its entirety with IFRS 9. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning on or after 1 January 2015. Chapters dealing with impairment methodology and hedge accounting are still being developed. Further, in November 2011, the IASB tentatively decided to consider making limited modifications to IFRS 9's financial asset classification model to address application issues. The Company's management have yet to assess the impact of this new standard on the Company's financial statements.

  Management does not expect to implement IFRS 9 until it has been completed and its overall impact can be assessed.

- IFRS 2 'Share-based payment' (IFRS 2)
  Amendments set to come for periods beginning after 1 July 2014. Amendments added the definitions of performance conditions and service conditions and amended the definitions of vesting conditions and market conditions.

Other standards endorsed by the EU for adoption on or after 1 January 2015, including IFRS 8, IFRS 10, IFRS 11, IFRS 12 and the amended IAS 27 are considered not applicable to this Group and as such will have no effect on these consolidated financial statements upon their introduction.

Notes to the consolidated financial statements

continued

3. Summary of Significant Accounting Policies *continued*

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries and collectively the "Group") made up to 31 December 2014. Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until control ceases.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the period of acquisition.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The Directors consider that the Company exerts control over its subsidiaries listed in Note 12 by virtue of its ownership of 100 per cent. of the share capital in each of those companies and therefore 100 per cent. of the voting rights and rights to variable returns from its involvement with those companies. The Directors therefore consider that the Company has control over the companies it identifies as its subsidiaries in accordance with IFRS 10.

Separate financial statements

Under Section 244(5) of The Companies (Guernsey) Law 2008, the Directors are not required to present the separate financial statements of the Company but have elected to present separate financial statements for the purposes of investor information.

In accordance with IAS 27, the Company accounts for investments in subsidiaries at cost. All other accounting policies applied by the Company are consistent with those stated for the Group.

The separate financial statements of the Company are presented in accordance with IFRS10 and the names, principal place of business and proportion of the ownership interest held in the Company's subsidiaries are disclosed in Note 12.

Investment in joint ventures

Entities whose economic activities are controlled jointly by the Group and other ventures independent of the Group are accounted for using the proportionate consolidation method, whereby the Group's share of the assets, liabilities, income and expenses are included line by line in the condensed consolidated financial statements. The share of jointly controlled entities results is recognised in the Group's consolidated financial statements from the date that joint control commences until the date on which control ceases.

Unrealised gains and losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

Notes to the consolidated financial statements

continued

3. Summary of Significant Accounting Policies *continued*

Deferred exploration expenditure

When the Group has incurred expenditure on mining properties that have not reached the stage of commercial production, the costs of acquiring the rights to such properties, and related exploration and development costs, are capitalised or deferred where the expected recovery of costs is considered probable by the successful exploitation or sale of the asset. Full provision is made in respect of deferred costs on properties in the case that insufficient exploration has taken place to ascertain future recoverability. Where mining properties are abandoned, the deferred expenditure is written off in full.

Option income

Option income is recognised based upon amounts contractually due pursuant to the underlying option agreement. Specifically, income is recognised in accordance with the terms of the underlying option agreements subject to (i) the pervasive evidence of the existence of arrangements; (ii) the risks and rewards having been transferred; (iii) the option income being fixed or determinable; and (iv) the collectability of the option income being reasonably assured.

Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Pounds Sterling, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Transactions in currencies other than Pounds Sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the statement of comprehensive income for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve.

Profit/loss from operations

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

Interest income

Interest income is recognised as the interest accrues and is credited to the statement of comprehensive income in the period to which it relates.

Notes to the consolidated financial statements

continued

3. Summary of Significant Accounting Policies *continued*

Property, plant and equipment

Property, plant and equipment are stated at cost less provision for depreciation. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost of each asset less its estimated residual value evenly over its estimated useful life, as follows:

Computer hardware	–	30 per cent declining balance
Office equipment	–	20 per cent declining balance
Automotive equipment	–	30 per cent declining balance
Machinery and equipment	–	20 per cent declining balance

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period.

Non-current investments

Non-current investments relate to the Company's investments in subsidiaries and are stated at cost less provision for any diminution in value.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Notes to the consolidated financial statements

continued

3. Summary of Significant Accounting Policies *continued*

Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted. Any contingent rents are expensed in the period they are incurred.

Share-based payments

The Group issues equity-settled payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is recognised immediately in the income statement as expense where options have been granted with no conditions attached. Options granted with vesting period conditions are recognised over the vesting period.

Fair value is measured by use of the Black-Scholes model, see note 16. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Upon exercise of share options, the proceeds received net of any directly attributable transaction cost up to the nominal value of the shares issues are allocated to share capital with any excess being recorded as share premium. Further details are set out in note 16.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. Financial assets and financial liabilities are measured initially at fair value adjusted by transaction costs, and subsequently accounted for at amortised cost, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Notes to the consolidated financial statements

continued

3. Summary of Significant Accounting Policies *continued*

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics.

The impairment assessment includes estimating the expected future cash flows from the asset or group of assets, which are then discounted using the original effective interest rate calculated for the asset. If this is lower than the carrying value of the asset, an impairment allowance is raised and a provision for impairment is recognised in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

The fair value of cash and cash equivalents is considered to be their carrying amount due to their short term maturity, see note 25.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liability and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial liabilities are measured subsequently at the amortised cost using the effective interest rate method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of the Company's ordinary shares.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for ordinary shares, net of expenses of the share issue.
- "Cumulative translation reserve" represents the differences arising from translation of the financial statements of the Group's foreign entities to the presentational currency.
- "Share-based payment reserve" represents equity-settled share-based employee remuneration and warrants until such instruments are exercised or lapse.
- "Accumulated deficit" includes all current and prior period profits and losses.

Notes to the consolidated financial statements

continued

3. Summary of Significant Accounting Policies *continued*

Critical accounting estimates and judgments

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about the estimates and judgments made by the Group to reach their conclusions are contained in the accounting policies and/or the notes to the financial statements, and the key areas are summarised below:

- Classification of mining and exploration interests (note 9).
- Exploration expenditure relating to a particular project will be written off until such time as the Board has determined that the project is viable based on a positive feasibility study and a decision made to move into production.
- The group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The group recognises liabilities for anticipated outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

In addition, the Directors also make judgements in assessing the recoverability of the Company's financial assets which consist of investments in subsidiaries and trade and other receivables. This assessment involves review of the underlying exogenous factors which might impact the recoverability of the Company's financial assets. Where this review demonstrates evidence of potential impairment, an appropriate provision for impairment is made until such time that the financial asset is recovered, the company no longer has the right to recover the economic benefits of an identified financial asset or a future assessment of the recoverability of financial assets determines that the factors causing impairment no longer apply and the provision for impairment is reversed. Further detail is given in the Group's accounting policy for *Loans and Receivables*.

Employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted. The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Operating segments

The Group has only one reportable segment as the Directors are of the opinion that the Group is engaged in a single segment of business being mineral exploration.

The entity wide disclosures are not applicable to the Group at this stage because the Group has no major customers or revenues and is at an exploration stage.

For disclosures regarding geographical areas, please see note 9.

Notes to the consolidated financial statements

continued

3. Summary of Significant Accounting Policies *continued*

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's statement on page 3 and the principal risks and uncertainties set out on page 13. In addition, note 22 to the consolidated financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

The consolidated financial statements are prepared on a going concern basis with a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group's loss after tax as at 31 December 2014 amounted to £5,733,760. The Group will need to raise more funds for the year 2015.

According to the cash flow forecast, the Group's total projected net expenditure for the year 2015 is £1.455m. As of year end the Group's bank balance amount was approximately £1.07m hence the Group still needs an additional £385,000 to fund the ongoing operations for 2015, and for projected administrative expenses in the first half of 2016 of £500,000. The Directors are confident that these funds can be raised from existing and new investors.

These conditions indicate the existence of a material uncertainty which may cast a significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The consolidated financial statements do not include adjustments that would result if the Group was unable to continue as a going concern.

4. Loss from operations

	Note	2014 £	2013 £
Loss from operations is stated after charging/(crediting):			
Group			
Depreciation of property, plant and equipment	11	16,796	23,343
Auditors' remuneration – audit services		23,627	40,444
Option income	9	—	(18,501)
Share-based payment charge – options and warrants	24	170,533	129,000
Non-cancellable operating leases	23	2,470	65,044
Foreign exchange (profit)/loss		(21,960)	16,586
Company			
Auditors' remuneration – audit services		11,000	9,450
Share-based payment charge – options and warrants	16	170,533	129,000
Foreign exchange loss		602,990	1,989,091

5. Finance income – Group

	2014 £	2013 £
Interest receivable from Lamaune Iron Inc.	34,298	114,706
Interest receivable on bank account	4,664	3,102
	38,962	117,808

Notes to the consolidated financial statements
continued

6. Employees

	2014 Number	2013 Number
The average monthly number of persons (excluding Directors) employed by the Group during the period was:		
Management and administration and operations	4	6
	£	£
Staff costs (for the above persons):		
Wages and salaries	114,925	278,110
Social security costs	36,390	26,686
Pension costs	44,950	23,091
	196,265	327,887

7. Key management compensation

	2014 £	2013 £
Executive Directors:		
William Humphries	140,000	140,000
Richard Prickett	95,000	95,000
	235,000	235,000
Non-Executive Directors:		
Helen Green	15,000	15,000
Charles Wilkinson	20,000	20,000
	35,000	35,000
Total	270,000	270,000

The highest paid Director received aggregate remuneration of £140,000 (2013: £140,000).

Share options in issue to Directors are disclosed on page 17.

Notes to the consolidated financial statements

continued

8. Taxation

With effect from 1 January 2008, Guernsey abolished the exempt company regime. The Company was therefore taxed at the company standard rate of 0 per cent. with effect from 1 January 2008.

The Company's subsidiary, Landore Resources Canada Inc., is subject to Canadian Federal tax. No tax has been provided in the accounts of Landore Resources Canada Inc. since there were no taxable profits generated by the subsidiary during the year.

Landore Resources Canada Inc. has potential deferred tax assets of CA$10,384,000 (2013: CA$9,660,000) which are not recognised at the end of the year. These deferred tax assets are in relation to exploration expenditures which are carried forward to be utilised against profits of future years.

Landore Resources Canada Inc. also has a subsidiary, Brancote US Inc. which is subject to taxation in the United States. This subsidiary has estimated non-capital losses of US$522,159 (2013: US$522,159) which will expire between 2018 and 2020.

Other tax adjustments represents write off of tax refunds receivable by Landore Resources Canada Inc. in relation to previous years.

	2014 £	2013 £
Loss for the year	(4,621,754)	(1,295,105)
Loss for the year multiplied by standard rate of Canadian corporation tax 26.5 per cent. (2013: 26.5 per cent.)	(1,224,765)	(343,203)
Effect of:		
Losses not utilised in the current year	1,224,765	343,203
Other tax adjustments	—	(32,060)
Income tax (expense)/recovery	—	(32,060)

Notes to the consolidated financial statements

continued

9. Mineral properties, exploration costs – Group

	1 January 2014 £	Net expense in the period £	Accumulated expenditure at 31 December 2014 £	Option income in the period £	Accumulated expenditure at 31 December 2014 £
Junior Lake	14,258,509	1,182,287	15,440,796	—	15,440,796
Miminiska Lake	1,517,386	1,615	1,519,001	—	1,519,001
Frond Lake	77,981	1,196	79,177	—	79,177
Wottam	61,558	—	61,558	—	61,558
Lessard	696,164	1,756	697,920	—	697,920
Other, including Swole Lake and West Graham	55,794	7,445	63,238	—	63,238
	16,667,392	1,194,299	17,861,690		17,861,690

Mineral properties – Company

	1 January 2014 £	Net expense in the period £	Accumulated expenditure at 31 December 2014 £
Junior Lake	97,314	—	97,314
	97,314	—	97,314

9.1 Junior Lake

Junior Lake is a nickel, copper, platinum group metals, iron, gold, and lithium property located approximately 230 kilometres north of Thunder Bay in Northern Ontario, Canada. The property consists of five leased claims and 123 staked mining claims, wholly-owned by the Company. A total of eight claims in the original property block are subject to a 2 per cent. net smelter return ("NSR"). The Junior Lake property encompasses the Swole property block. An option agreement exists between the Company and Lamaune Iron Inc., a company under common control, related to the Summit Lake property where Lamaune Iron Inc. has been granted working rights in and to the property and an exclusive right and option to purchase up to 100 per cent. of the Summit Lake property.

9.2 Miminiska Lake

Miminiska Lake is a gold exploration project located approximately 115 kilometres east of Pickle Lake in Northern Ontario, Canada. The property consists of a southern block of 28 patented and two staked claims ("Miminiska Lake"), and a northern block consisting of 43 staked claims ("Keezhik Lake"). Both blocks are wholly-owned by the Company.

9.3 Frond Lake

Frond Lake is a gold property located approximately 125 kilometres east of Pickle Lake in Northern Ontario, Canada. The property is comprised of 24 patented claims contiguous to the east of the Wottam Property. The Frond Lake property claims are wholly-owned by the Company subject to a 2 per cent. NSR to the original owners of the property.

Notes to the consolidated financial statements

continued

9. Mineral properties, exploration costs – Group *continued*

9.4 Wottam

Wottam is a gold property located approximately 120 kilometres east of Pickle Lake in Northern Ontario, Canada. The property is wholly-owned by the Company and includes 20 claims contiguous between the Miminiska and Frond properties.

9.5 Lessard

Lessard is a zinc and copper property comprised of 57 mining claims located approximately 107 kilometres north of Chibougamau in Quebec, Canada. The property is wholly-owned by the Company.

9.6 Swole Lake

Swole Lake is host to nickel, copper, platinum group metals, and lithium occurrences. The Swole Lake mining claim, wholly-owned by the Company, is consolidated into the greater Junior Lake property. The Swole Lake claim is subject to a 2 per cent. NSR to the original holder of the claim.

9.7 West Graham

West Graham is a nickel, copper, and platinum group metals property comprised of one patented claim wholly-owned by the Company. The property is located 25 kilometres southwest of Sudbury and 1.5 kilometres east of the Lockerby nickel mine. On 21 November 2005, First Nickel Inc. optioned the property from the Company. In 2010, First Nickel Inc. earned a 70 per cent. interest in the property, with a possibility of earning a further 15 per cent. interest subject to certain conditions.

10. Loss per share

The calculation of the basic loss per share is based on the loss attributable to the equity holders of the parent for the financial year divided by the weighted average number of shares being 464,201,631 (2013: 369,650,126) in issue during the year.

The potential ordinary shares which arise as a result of the options in issue are not dilutive under the terms of IAS 33 because they would reduce the loss per share. Accordingly there is no difference between the basic and dilutive loss per share. The maximum number of option shares and warrants that could be exercised is 46,930,000 (2013: 35,700,000).

Notes to the consolidated financial statements

continued

11. Property, plant and equipment – Group

	Automotive equipment £	Computer hardware £	Machinery and equipment £	Office equipment £	Total £
Cost					
At 1 January 2014	123,219	27,633	117,675	17,949	286,476
Additions	—	—	—	—	—
Disposals	—	—	—	—	—
Foreign exchange movements					
At 31 December 2014	119,791	26,864	114,401	17,450	278,506
Depreciation					
At 1 January 2014	97,457	23,812	77,112	15,870	214,251
Charge for the year	7,458	1,106	7,830	402	16,796
Disposals	—	—	—	—	—
Foreign exchange movements					
At 31 December 2014	102,258	24,264	82,854	15,833	225,209
Net book value					
At 31 December 2014	17,533	2,600	31,547	1,617	53,297
At 31 December 2013	25,762	3,821	40,563	2,079	72,225

	Automotive equipment £	Computer hardware £	Machinery and equipment £	Office equipment £	Total £
Cost					
At 1 January 2013	134,387	30,138	112,582	19,576	296,683
Additions	—	—	15,664	—	15,664
Disposals	—	—	—	—	—
Foreign exchange movements	(11,168)	(2,505)	(10,571)	(1,627)	(25,871)
At 31 December 2013	123,219	27,633	117,675	17,949	286,476
Depreciation					
At 1 January 2013	94,249	24,185	75,012	16,741	210,187
Charge for the year	11,969	1,775	9,035	564	23,343
Disposals	—	—	—	—	—
Foreign exchange movements	(8,761)	(2,148)	(6,935)	(1,435)	(19,279)
At 31 December 2013	97,457	23,812	77,112	15,870	214,251
Net book value					
At 31 December 2013	25,762	3,821	40,563	2,079	72,225
At 31 December 2012	40,138	5,953	37,570	2,835	86,496

Notes to the consolidated financial statements

continued

12. Non-current asset investments – Company

	Investment in subsidiaries £
Cost	
At 1 January/31 December 2014 and 2013	4,111,191
Provision for diminution in value	
At 1 January/31 December 2014 and 2013	4,016,302
Net book value	
At 1 January/31 December 2014 and 2013	94,889

At 31 December 2014 the Company held the entire issued share capital of the following subsidiary undertakings:

Subsidiary	*Nature of business*	*Country of incorporation*
Landore Resources Canada Inc. (100 per cent.)	Exploration of precious metals	Canada
Brancote US Inc.* (100 per cent.) *(Dormant)*	Exploration of precious metals	United States
Landore Resources (UK) Limited (100 per cent.) *(Dormant)*	Administration (dormant)	United Kingdom

*The entire share capital of Brancote US Inc. is held by Landore Resources Canada Inc.

All subsidiaries have been included in the consolidated financial statements.

13. Trade and other receivables

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Due within one year:				
Loans receivable	3,428,824	—	3,797,682	—
Allowance for impairment	(3,428,824)	—	—	—
Trade receivables	26,519	7,290	37,231	4,523
Tax receivables	—	—	—	—
Amounts due from related parties	—	—	—	—
Amounts due from subsidiary undertakings	—	22,060,283	—	21,254,213
	26,519	22,067,573	3,834,913	21,258,736

The Group's loans receivable include £3,428,824 (2013: £3,797,682) denominated in Canadian dollars, receivable from Lamaune Iron Inc., a company under common control, for the sale of the Lamaune mineral property. The allowance for impairment has been provided in full against the year end loans receivable balance which is denominated in Canadian dollars. In accordance with the Group's accounting policy, the year end balance is therefore translated at the closing rate. The impairment charge in the Statement of Comprehensive Income has been recognised at the average rate, resulting in a difference of £24,833 which has been recognised as a foreign exchange loss.

Notes to the consolidated financial statements

continued

13. Trade and other receivables *continued*

During the second half of the year, the iron ore market suffered a severe downturn. As a result, the Directors decided to make an allowance for impairment against the receivable from Lamaune Iron Inc. In accordance with IAS39, a provision for impairment has been recognised in the consolidated Notes to the consolidated financial statements statement of comprehensive income. Further details of the transaction with Lamaune Iron Inc. are presented in note 21.

14. Trade and other payables: amounts falling due within one year

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Trade payables	116,411	46,676	354,505	76,122
Current tax liabilities	33,180	—	34,132	—
	149,591	46,676	388,637	76,122

Trade and other payables: amounts falling due after one year

	Group 2014 £	Group 2013 £
Income tax liability maturity analysis		
One to two years (non-current liabilities)	—	—

15. Share Capital

	Company 2014 £	Company 2013 £
Issued and fully paid:		
517,483,825 (2013: 413,483,825) ordinary shares of 1 pence each each ranking *pari passu*	5,174,838	4,134,838

	Ordinary shares 2014 £	Share premium 2014 £
Issued:		
At 1 January 2014	4,134,838	26,653,862
Issued in the year	1,040,000	1,560,000
Issue costs	—	(129,441)
At 31 December 2014	5,174,838	28,084,421

Notes to the consolidated financial statements

continued

15. Share Capital *continued*

The Company made allotments of 1p ordinary shares with an aggregate nominal value of £1,040,000 during the period as follows:

	Number of shares	Nominal value £	Share premium £
Placing 7 July 2014	36,600,000	366,000	549,000
Subscription 7 July 2014	67,400,000	674,000	1,011,000
	104,000,000	1,040,000	1,560,000

Issue costs totalling £129,441 (2013: £51,900) were incurred when allocating the shares. The total issue costs were debited against share premium in accordance with IAS 32. Issue costs include £33,690 (2013: £nil), the fair value of warrants issued to the Company's broker as disclosed in Note 16.2. The warrants were recognised in accordance with IFRS2 and constitute a non-cash issue cost. Further issue costs of £95,751 (2013: £51,900) were in cash settlement of broker's fees.

Under the Companies (Guernsey) Law, 2008 there is no longer a requirement for a company to have a specific authorised share capital. The Company adopted new style Articles of Incorporation on 20 June 2013, clause 4.1 of the Articles refers to the unlimited share capital.

16. Share-based payment reserve – Group and Company

	£
Share-based payment reserve – share options	858,019
Share-based payment reserve – warrants	33,690
Total	891,709

16.1 Share options reserve

Grant date	Expiry date	Exercise price £	Number of options at 1 January 2014	(Lapsed)/ Granted	Number of options at 31 December 2014	Fair value £
27 April 2009	27 April 2014	0.1025	800,000	(800,000)	—	—
28 October 2009	28 October 2019	0.1400	1,000,000	—	1,000,000	53,616
6 July 2011	6 July 2016	0.1612	8,000,000	—	8,000,000	306,400
20 March 2012	20 March 2017	0.0788	3,500,000	—	3,500,000	66,449
4 July 2012	4 July 2017	0.0650	500,000	—	500,000	7,228
25 September 2012	25 September 2017	0.0738	4,700,000	—	4,700,000	124,792
1 July 2013	1 July 2018	0.0500	7,000,000	—	7,000,000	54,846
25 November 2013	25 November 2018	0.0250	10,200,000	—	10,200,000	74,154
21 March 2014	21 March 2019	0.0217	—	900,000	900,000	9,029
21 July 2014	21 July 2019	0.03525	—	9,300,000	9,300,000	161,505
			35,700,000	9,400,000	45,100,000	858,019

Notes to the consolidated financial statements

continued

16.1 Share options reserve *continued*

During the year ended 31 December 2014, the Company granted 10,200,000 share options. During the same period 800,000 share options lapsed and no share options expired. All of the above options vest in full on the grant date.

The weighted average exercise prices relating to the above movements in the number of share options are as follows:

	2014 £	2013 £
Outstanding at beginning of the period	0.08	0.12
Granted during the period	0.03	0.04
Exercised during the period	—	—
Lapsed during the period	0.10	0.12
Outstanding at end of the period	0.13	0.08
Exercisable at end of the period	0.13	0.08
Weighted average remaining contractual life of share options outstanding at end of the period (years)	2.36	3.87
Weighted average share price of share options exercised in year	—	—

During the financial year ended 31 December 2014 there were 10,200,000 share options issued to numerous employees.

The estimated fair value of the above options was calculated by applying the Black-Scholes pricing model.

The model inputs were:

Options granted	21 March 2014	21 July 2014
Share price at grant date	£0.022	£0.0352
Expected volatility	52.82 per cent.	58.55 per cent.
Risk-free interest rate	0.5 per cent.	0.5 per cent.
Exercise price	£0.0217	£0.03525
Option life	5 years	5 years

The expected volatility is wholly based on the historic volatility of share prices (calculated based on the average life of the share options).

The movements on the share options reserve are detailed below:

	2014 £	2013 £
Share options reserve as at 1 January	707,775	1,223,262
Charge in statement of comprehensive loss	170,534	129,000
Transfer to accumulated deficit for lapsed options	(20,290)	(644,487)
Share options reserve at 31 December	858,019	707,775

Costs that were settled by way of the issue of warrants were directly attributable to the issue of shares and therefore charged against share premium in accordance with IAS 32.

Notes to the consolidated financial statements

continued

16.2 Share options reserve – warrants

The weighted average exercise prices relating to the movements in the number of warrants are as follows:

	2014 £	2013 £
Outstanding at beginning of the period	—	—
Granted during the period	0.0184	—
Exercised during the period	—	—
Lapsed during the period	—	—
Outstanding at end of the period	0.0184	—
Exercisable at end of the period	0.0184	—
Weighted average remaining contractual life of share options outstanding		—
at end of the period	0.0184	—
Weighted average share price of share options exercised in year	—	—

During the financial year ended 31 December 2014 there were 1,830,000 warrants issued to Hume Capital Securities Plc.

The estimated fair value of the above warrants was calculated by applying the Black-Scholes pricing model.

The model inputs were:

Warrants granted	**14 July 2014**
Share price at grant date	£0.037
Expected volatility	58.36 per cent.
Risk-free interest rate	0.5 per cent.
Exercise price	£0.03625
Option life	3 years

The expected volatility is wholly based on the historic volatility of share prices (calculated based on the average life of the share options).

The movements on the warrant reserve are detailed below:

	2014 £	2013 £
Warrant reserve as at 1 January	—	—
Charge in statement of comprehensive loss	33,690	—
Transfer to statement of comprehensive income reserve for lapsed warrants	—	—
Warrant reserve at 31 December	33,690	—

Notes to the consolidated financial statements

continued

17. Accumulated deficit

	2014 £	2013 £
Group		
At 1 January	(27,126,179)	(25,355,105)
Loss for the year	(5,733,760)	(2,415,561)
Transfer from share options reserve	20,290	644,487
At 31 December	(32,839,649)	(27,126,179)
Company		
At 1 January	(9,552,660)	(7,416,270)
Loss for the year	(1,435,035)	(2,780,877)
Transfer from share options reserve	20,290	644,487
At 31 December	**(10,967,405)**	**(9,552,660)**

18. Cumulative translation reserve

	Translation reserve £
Group	
At 1 January 2014	(152,162)
Exchange differences on translation of overseas operations	(156,689)
At 31 December 2014	(308,851)

The translation reserve records exchange differences arising from the translation of the accounts of the foreign currency denominated subsidiaries, Landore Resources Canada Inc. and Brancote US Inc.

19. Reconciliation of net cash flow to movement in net funds – Group

	2014 £	2013 £
Opening net funds	699,633	1,166,919
Increase/(decrease) in cash and cash equivalents	373,738	(470,377)
Net funds before foreign exchange	1,073,371	696,542
Foreign exchange (loss)/gain	(1,129)	3,091
Closing net funds	1,072,242	699,633

Notes to the consolidated financial statements

continued

20. Analysis of net funds – Group

	At 1 January 2014	Cash flow	Exchange gains	At 31 December 2014
Cash and cash equivalents	699,633	373,738	(1,129)	1,072,242
Total	699,633	373,738	(1,129)	1,072,242

21. Related party transactions

Advances were received by Landore Resources Canada Inc. from Landore Resources Limited. These were unsecured, non-interest bearing and repayable on demand. Amounts due from subsidiary undertakings are presented in note 13.

Helen Green, a Director of the Company, is also a Director of Saffery Champness Management International Limited ("SCMIL") and Rysaffe International Services Limited ("Rysaffe"). SCMIL were paid £78,761 (2013: £82,468) in the period in respect of its role as administrators for the Company and Rysaffe was paid £10,000 (2013: £10,000) in respect of its role as Company Secretary. An amount of £9,776 (2013: £17,951) was owing to SCMIL at the year-end and the amount owing to Rysaffe was £nil (2013: £nil). All transactions are at market value.

Landore Resources Canada Inc. paid management fees to a Director of the Company in the amount of C$35,000 (2013: C$35,000). At the year end, C$35,000 (2013: C$70,000) remains outstanding and has been included in trade payables.

On 7 July 2014, 1,200,000 shares were purchased at 2.5 pence per share by William Humphries, a Director of the Company. On 19 December 2014, a further 1,754,119 shares were purchased at 1.675 pence per share by William Humphries. William Humphries held 39,914,119 shares at 31 December 2014.

On 7 July 2014, 400,000 shares were purchased at 2.5 pence per share by Richard Prickett, a Director of the Company. Richard Prickett held 8,255,899 shares at 31 December 2014.

On 7 July 2014, 400,000 shares were purchased at 2.5 pence per share by Charles Wilkinson, a Director of the Company. Charles Wilkinson held 2,154,047 shares at 31 December 2014.

On 7 July 2014, 400,000 shares were purchased at 2.5 pence per share by Helen Green, a Director of the Company. Helen Green held 527,583 shares at 31 December 2014.

For key management compensation see note 7. The Group does not have any single ultimate controlling party.

Pursuant to a Loan Amendment Agreement effective April 30, 2014 Landore Resources Canada Inc. (Landore) and Lamaune Iron Inc. ("Lamaune") have agreed to amend the terms of the Original Loan Agreement as follows:

(a) The original promissory note dated 10 June 2011 issued by Lamaune to Landore in the amount of C$6,200,000 will be amended and Lamaune has issued a new promissory note repayable 30 April 2019;

(b) The Security Agreement, a legal charge over the Lamaune mineral property, issued pursuant to the Original Loan Agreement remains.

(c) The total interest accrued and owing by Lamaune on 30 April 2014 is C$537,946 has been satisfied by Lamaune paying C$400,000 and issuing 1,379,460 common shares of Lamaune to Landore; The value of the shares issued were C$137,946 (2.15 per cent. of Lamaune's share capital) were subsequently impaired in full.

Notes to the consolidated financial statements

continued

21. Related party transactions *continued*

(d) Subsequent to 30 April 2014 the loan does not bear any interest;

(e) Landore will have the right to convert the loan into common shares of Lamaune at the applicable price per share pursuant to a Going Public Transaction or at a mutually agreeable price per common share in the event of a Joint Venture Transaction; and

(f) In consideration of the amendments provided in the Loan Amendment Agreement, Lamaune agrees to issue warrants to Landore to purchase common shares of Lamaune equal to the Black-Scholes valuation of the warrants equal to the discount recorded by Landore estimated to be approximately C$900,000 (at a discount rate of 3 per cent).

During the second half of 2014, the iron ore market suffered a severe downturn. As a result, the Directors decided to make a full provision for impairment against the recoverability of the receivable from Lamaune and investment in shares as explained in note 13.

22. Financial instruments/Financial risk management

In the course of its business, the Group is exposed primarily to liquidity risk. As the Company grows it is expected that capital management risk, foreign exchange risk, credit risk and interest rate risk will also become focuses of the Group's financial risk management policies.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to provide adequate resources to fund its exploration activities with a view to providing returns to its investors and to maintain sufficient financial resources to mitigate against risk and unforeseen events.

The Company meets its capital needs by equity financing. The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The objectives will be achieved by maintaining and adding value to existing extraction projects and identifying new exploration projects, adding value to these projects and ultimately taking them through to production and cash flow, either with partners or by the Group's means.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the balance sheet. Capital for the reporting periods under review is summarised in the consolidated statement of changes in equity.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders in the future, return capital to shareholders or issue new shares.

Liquidity risk

The Group attempts to accurately forecast the cash flow requirements of its ongoing operations and ensures that it has sufficient funding in place to meet these needs. The Group currently uses equity finance as its main source of funding.

Notes to the consolidated financial statements

continued

22. Financial instruments/Financial risk management *continued*

Foreign currency risk

The Group primarily operates in Canada but reports its financial results in GBP Sterling. It manages the potential exposure to fluctuations in the GBP Sterling to Canadian Dollar exchange rate by holding its main asset, being its cash reserves, in GBP Sterling. Cash is converted to Canadian Dollars to meet the expenditure requirements of its Canadian business only when required. Currently, the Group's net asset position is not significantly impacted by movements in the exchange rate.

As the Group remains a development phase entity it only has small and infrequent foreign currency transaction exposures.

In addition, the market for metals is principally denominated in United States Dollars. As the Group has not reached production stage it does not currently engage in active hedging to minimise exchange rate risk, although this will remain under review.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group does not have trade receivables and does not hold collateral as security.

Credit risk from balances with banks and financial institutions is managed by the Board. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Counterparty credit limits are reviewed by the Board on a regular basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

No material exposure is considered to exist by virtue of the possible non-performance of the counterparties to financial instruments.

The on-going global financial situation is being monitored by the Board but is not affecting the Company at present.

Interest rate risk

As the Group does not currently have any borrowings it is not exposed to interest rate fluctuations.

The Group and Company held the following financial assets and liabilities:

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Financial assets				
Trade and other receivables	26,519	22,067,573	3,834,913	21,258,736
Investment in subsidiaries	—	94,889	—	94,889
Financial liabilities				
Trade and other payables	149,593	46,676	388,637	76,122

Trade and other receivables are shown net of a provision for impairment as explained in note 13.

Notes to the consolidated financial statements

continued

23. Commitments

Operating lease commitments

The Group leases its premises under an informal arrangement on a monthly basis. There is in addition a lease on a small office suite in Toronto which expires on 30 September 2015, the commitment is £7,412 as at 31 December 2014.

Contractual commitments

As at 31 December 2014, the Group had no significant contractual obligations.

24. Administrative expenses

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Administrative expenses	588,532	289,564	779,546	315,230
Directors fees	270,000	270,000	270,000	270,000
Legal, accountancy and audit expenses	111,676	74,383	124,185	80,658
Share-based payments expense	204,224	204,224	129,000	129,000
	1,174,432	838,171	1,302,731	794,888

25. Cash and cash equivalents

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Cash at bank	1,072,243	383,037	92,625	89,304
Short term deposits	—	684,740	577,008	577,008
	1,072,243	1,067,777	699,633	666,312

26. Subsequent events

The Directors considered there to be no material events after the reporting period to disclose in accordance with IAS 10 *Events After the Reporting Period*.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Landore Resources Limited (the "Company") will be held at La Tonnelle House, Les Banques, St Sampson, Guernsey GY1 3HS on Tuesday, 30 June 2015 at 11.30 am at which the following resolutions will be proposed, in the case of resolutions 1 to 5 as Ordinary Resolutions and in the case of resolution 6 as a Special Resolution:

Ordinary Business

1. to receive and adopt the statement of accounts and the balance sheet of the Company with the report of the Directors and the auditor's report for the year ended 31 December 2014;

2. to re-elect Richard Prickett who retires in accordance with Article 19.12 of the Articles of Association of the Company (the "Articles");

3. to re-elect William Humphries who retires in accordance with Article 19.12 of the Articles;

4. to re-appoint Grant Thornton Limited as auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration;

Special Business

5. That in substitution for all previous authorities which are hereby revoked, the Directors be and they are hereby generally and unconditionally authorised for the purposes of Article 5.1 of the Articles to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £2,000,000 provided that this authority shall expire five years from the date of this resolution and that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred hereby has expired and in this resolution the expression "relevant securities" and references to the allotment of relevant securities shall bear the same respective meanings as in the Articles;

6. That in substitution for all previous authorities which are hereby revoked, the Directors be and they are hereby empowered pursuant to Article 6.8 of the Articles to allot equity securities for cash pursuant to the authority conferred by the previous resolution as if Article 6.1 of the Articles did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

   (a) in connection with an offer of such securities by way of rights to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and

   (b) otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £2,000,000;

Notice of Annual General Meeting continued

provided that this authority shall expire five years from the date of this resolution and that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the authority conferred hereby has expired and in this resolution the expression "equity securities" and references to the allotment of equity securities shall bear the same respective meanings as in the Articles.

By Order of the Board

Director of Rysaffe International Services Limited
as Secretary to Landore Resources Limited

18 May 2015

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy (or more than one proxy) to attend and, on a poll, vote in his stead. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.
2. For the convenience of members who may be unable to attend the meeting, a Form of Proxy is attached which should be completed and returned to the registrar's agents, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 11.30 am on Friday 26 June 2015. The fact that members may have completed Forms of Proxy will not prevent them from attending and voting in person should they afterwards decide to do so.
3. Members who hold ordinary shares in uncertificated form must have been entered on the Company's Register of Members 48 hours prior to meeting in order to be entitled to attend and vote at the meeting. Such members may only vote at the Meeting in respect of ordinary shares in the Company held at that time.
4. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) by 11.30 am on Friday 26 June 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Article 34 of the Uncertificated Securities (Guernsey) Regulations 2009.
5. Pursuant to Regulation 48 of the Uncertificated Securities (Guernsey) Regulations 2009, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on Friday 26 June 2015. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

For your notes

Produced by Portman Lodge Limited

Form of Proxy

Landore Resources Limited
Annual General Meeting

I/We ....

of...

....

being (a) member(s) of Landore Resources Limited (the "Company") hereby appoint

....

failing whom, the Chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Shareholders of the Company to be held at La Tonnelle House, Les Banques, St. Sampson, Guernsey GY1 3HS on Tuesday, 30 June 2015 at 11.30 am and at any adjournment thereof and to vote thereat as indicated below.

Please indicate with an "X" in the appropriate space how you wish your votes to be cast:

Ordinary Business	For	Against
1. Ordinary Resolution to receive and adopt the accounts for the year ended 31 December 2014		
2. Ordinary Resolution to re-elect Richard Prickett		
3. Ordinary Resolution to re-elect William Humphries		
4. Ordinary Resolution to re-appoint Grant Thornton Limited as Auditor and to authorise the Directors to determine the remuneration of the Auditor		
Special Business		
5. Ordinary Resolution to authorise the Directors to allot relevant securities		
6. Special Resolution to authorise the Directors to disapply pre-emption rights in relation to the allotment of equity securities		

Date: .... Signature(s) or common seal: ....

Notes:

1. A proxy need not be a member of the Company.
2. If you do not indicate how you wish your proxy to use your vote in a particular matter, the proxy will exercise his/her discretion as to how he/she votes and as to whether or not he/she abstains from voting.
3. In the case of a corporation this Form of Proxy must be executed under seal or under the hand of an officer or attorney duly authorised in writing.
4. Forms of Proxy, to be valid, must be signed and must be lodged, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, to the registrar's agents, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 11.30 am on Friday, 26 June 2015.
5. In the case of joint holders, the signature of any one of them will suffice, but if a holder other than the first-named holder signs, it will help the Registrars if the name of the first-named holder is given.
6. Any alteration to this Form of Proxy must be initialled.
7. Completion and return of this Form of Proxy does not preclude a member subsequently attending and voting at the meeting.
8. CREST members should use the CREST electronic proxy appointment service and refer to Note 4 of the Notice of Annual General Meeting in relation to the submission of a proxy appointment via CREST. CREST voting cut off will be 11.30 am on Friday, 26 June 2015.
9. Pursuant to Regulation 48 of the Uncertificated Securities (Guernsey) Regulations 2009, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on Friday, 26 June 2015. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

www.landore.com