



Annual Report
2015

Landore Resources Limited Annual Report 2015

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Landore Resources Limited Annual Report 2015

Company information

Directors	Charles Wilkinson William Humphries Richard Prickett Helen Green	<i>(Non-Executive Chairman)</i> <i>(Chief Executive Officer)</i> <i>(Finance Director)</i> <i>(Non-Executive Director)</i>
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	
Crest Service provider	Computershare Investor Services (Guernsey) Limited 3rd Floor, Natwest House Le Truchot St Peter Port Guernsey GY1 1WD	
Lawyers	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH	

Chief Executive Officer's statement

I am pleased to present the 2015 Annual Report for Landore Resources Limited ("Landore Resources" or the "Group").

During the past year the Group has concentrated exploration efforts on the further exploration of its highly prospective Junior Lake Project culminating in the discovery of the BAM East Gold prospect.

Financial Results

In the year ended 31 December 2015, the Group incurred a loss, after tax, of £1,535,279 (2014: £5,733,760).

Operating expenses are in line with expectations and significant savings were made in respect of administrative expenses.

In November 2015, the Group raised gross proceeds of approximately £664,320 (C\$1.325 million) through a subscription of 1,110,720,000 new ordinary shares of 1p each in the Company at a price of 0.6 pence per New Ordinary Share.

In recognition of the outstanding support from shareholders in the challenging environment for mining companies and the need to utilise available funds to increase asset value through operations, the Directors agreed, with effect from 1st July 2015 to reduce their overall remuneration from £270,000 pa to £137,500 pa. In addition, payment of these fees has been deferred with the exception of £40,000pa of operational charges.

The Group has no debt and will continue to raise further equity as needed to carry out its development plans. 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, platinum, palladium, gold and lithium.

BAM East Gold Prospect: Undoubtedly the exploration highlight for this past year has been the discovery of a significant gold prospect located just two kilometres to the east of our B4-7 Nickel-Copper deposit and one kilometre northwest of our VW Nickel deposit. Drilling has established the presence of a plus 30 metres wide gold mineralised zone, close to surface, with grades and widths improving with depth. The gold mineralisation remains open along strike to the east and west and down dip.

The exploration team is currently completing an intensive campaign of trenching and channel sampling along the 2.7 kilometre geophysical structure on which the BAM East Gold prospect is located. In addition plans for follow up drilling to expand the Gold prospect are in hand to commence in July, subject to funding.

Junior Lake Nickel Project: Landore Resources has been focusing its exploration efforts on the highly prospective Junior Lake nickel-copper-cobalt-PGEs project, with the aim of growing its resource base to plus 100,000 tons of nickel equivalent (NiEq), to ultimately sell the project to a third party or enter into a joint venture partnership to develop the project.

Chief Executive Officer's statement *continued*

In July 2015, the Group engaged independent consultants to complete a Mineral Potential Review including Geophysics of the Junior Lake property. The results were highly encouraging and showed a good growth potential for the B4-7 nickel-copper-cobalt-PGEs resource in addition to identifying numerous prospective areas along the relatively unexplored greenstone belt which traverses Junior Lake for over 30 kilometres east to west.

Full details are set out in the Operations report.

For several years now, base metal prices have been severely depressed, weighed down by an overhang of stocks and the global slowdown. There is a general opinion in the mining market that prices will improve towards the end of 2016. The gold price, however, has remained strong at around the US\$ 1,200 level.

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

On behalf of my fellow Directors I wish to thank our loyal shareholders for their continued support for Landore Resources and also to thank Michele Tuomi and her staff for their perseverance and dedication to the development of Landore's projects.

William Humphries

Chief Executive Officer, 12 May 2016

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 and Root Lake are optioned to third parties. 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, located in Ontario, Canada.

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 including the BAM Gold zone and the newly discovered BAM East Gold prospect. The Junior Lake property extends for 36 kilometres and covers an area of 22,700 hectares.

During 2015 Landore’s primary corporate focus was the growth of the Junior Lake nickel-copper-cobalt-PGEs project resource base to plus 100,000 tonnes of nickel equivalent (NiEq), with a view to ultimately selling the project to a third party or entering into a joint venture partnership to develop the project. To achieve this, in Q3 2015 Landore initiated a mineral potential investigation and a geophysics review on the Junior Lake property.

Results from both investigations were favourable, highlighting the significant prospectivity of the property especially along the Grassy Pond Sill, a favourable host rock for Ni-Cu-Co+PGE+Au mineralisation which can be traced for a total strike length of approximately 20 km of which the B4-7 deposit forms a portion.

Following recommendations from the geophysics review, Landore initiated a drill campaign in November-December 2015 to support a Borehole Transient Electromagnetic (TDEM, also known as Borehole EM or BHEM) survey program in the B4-7 deposit, B4-7 West and other exploration areas.

While drilling to test a geophysical target (maxmin anomaly MM-7) located 2 kilometres to the east of the B4-7 deposit, Landore intersected a wide zone of gold mineralisation close to surface. Follow up drilling in February/March 2016 has validated the initial discovery, identifying approximately 100 metres strike length and 100 metres down dip. This zone, currently delineated up to plus 30 metres in true thickness and open to the east and west as well as at depth, consists of low grade gold with periodic intervals of higher grade gold. This significant new discovery, named the BAM East Gold prospect, has potential for the initial development to be progressed as a low cost, bulk tonnage, open pit operation. More information on this new gold zone can be found below.

Operations report *continued*

BAM East Gold Prospect:

This new gold prospect is located approximately midway along a 2.7 kilometre long, east-southeast to west-northwest trending maximum geophysical anomaly (MM-7), at the western end of which is located the historical BAM Gold zone discovered by Landore in 2003. MM-7 has not previously been drilled tested.

Drilling in December 2015 intersected a wide zone of gold mineralisation close to surface including 31.29 metres at 1.12 grams per tonne (g/t) in drill-hole 0415-517. Higher grade intersections within the zone include 3.70 metres 4.21g/t gold in drill-hole 0415-518. Results for drill holes 0415-517/518 include:

NS Line	Drill-hole	From	Interval*	Au
	No	Metres	Metres	g/t
2500E	0415-517	48.00	31.29	1.12
	including	48.00	7.00	2.66
	“	50.00	1.00	5.64
2500E	0415-518	20.30	30.60	0.82
	including	20.30	3.70	4.21
	“	22.50	0.50	12.05
	“	48.00	1.00	3.20

** Both holes were drilled north at 45 degrees into a lithological package dipping approximately 40 degrees to the south. The actual true thickness of mineralisation is estimated to represent between 90-95% of the intervals shown in the above table.*

Following the positive results from the two holes 0415-517/8, Landore remobilised to site late February 2016 to carry out additional sampling on the above holes and to complete a follow-up drill program consisting of 5 NQ diamond drill-holes for a total of 564 metres (0416-519 to 523 with 521 abandoned) on lines 2450E, 2500E, and 2550E to test the east, west and down dip extension of the new gold zone. Results of the above drilling include:

NS Line	Drill-hole	From	Interval*	Au
	No	Metres	Metres	g/t
2500E	0416-519	87.00	40.75	1.82
	including	87.00	0.82	6.94
	“	95.00	2.25	10.28
	“	107.25	3.00	5.74
	“	127.00	0.75	3.28
2550E	0416-520	37.02	25.66	1.36
	including	38.00	3.50	4.61
	and	61.62	1.06	3.96
2450E	0416-522	62.50	4.50	1.60
	and	76.28	6.87	2.04
2450E	0416-523	14.00	7.00	2.62
	including	17.50	0.58	19.70
	and	36.07	4.89	1.35
	and	46.00	1.00	5.07
	and	52.24	0.76	3.86

Operations report *continued*

** Holes were drilled north at 45 degrees into a lithological package dipping approximately 40 degrees to the south. The actual true thickness of mineralisation is estimated to represent between 90-95% of the intervals shown in the above table.*

Drill hole 0416-519, drilled as a 50 metre step back to the discovery hole 0415-517, reported a marked improvement in width and grade over the overall mineralised gold reporting zone. In addition, the high grade intersections show that the mineralisation could be coalescing at depth.

Drill hole 0419-520, drilled as a 50 metre step to the east of 0415-517, reported similar width and grades to the discovery hole. Drill hole 0419-522, drilled as a 50 metre step to the west of 0415-517, and drill hole 0416-523 drilled as a 50 metre step to the west of drill hole 0415-518, also reported similar grades to the discovery hole.

The latest drilling has extended the BAM East Gold Prospect over 100 metres along strike and 100 metres down dip and remains open to the east and west along strike and at depth.

2016 Planned Works:

A trenching and channel sampling program will be carried out along the 2.7 kilometre, east-southeast to west-northwest trending maximum geophysical anomaly (MM-7) in Q2. Further drilling will be planned in H2 to extend the new gold zone down dip and along strike to the east and west.

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 120 metres of the deposit being amenable to lower cost open pit mining. Below 120 metres, the grade improves sufficiently for underground mining.

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
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The B4-7 resource estimate and report, completed by RPA Inc. (RPA) independent engineers 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.

Operations report *continued*

In Q3 2015, Landore retained RPA to review and report on the Mineral Potential of the Junior Lake Nickel-Copper-PGE Project. This investigation entailed an evaluation of drilling subsequent to the 2013 B4-7 resource estimate, including drilling that tested the down-plunge extension of the B4-7 Deposit. The resultant technical report is compliant with the requirements of National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101).

As noted by RPA in its report, “These down-plunge drilling programs have been successful in extending the limits of the B4-7 Deposit along the down-plunge direction by 250 m to 300 m from the previously known limits as of late 2012. The 2014 and 2015 drill holes could increase the B4-7 underground resource by approximately 15% to 20% and RPA is of the opinion that sufficient drill hole information is available to classify the newly outlined material in the Indicated Mineral Resource category.”

Drilling was conducted during November-December 2015 to support a Borehole Transient Electromagnetic (TDEM, also known as Borehole EM or BHEM) survey program in the B4-7 deposit and B4-7 West areas. Drilling successfully intersected B4-7 massive sulphide and Alpha zone disseminated sulphide mineralisation. Drill hole 0415-514 on line 700W intersected B4-7 style mineralisation at 491.30 metres down hole. The subsequent BHEM survey on this hole showed two large conductive plates directly beneath this intersection, along plane and down plunge to the existing B4-7 Resource which ends at 175W.

Drill hole 0415-513 on line 200E reported multiple Alpha zone intersections with elevated platinum and palladium grades.

Results of the drilling include:

NS Line	Drill-hole	From	Interval*	Ni	Cu	Co	Pt	Pd	Au	NiEq
	No	Metres	Metres	%	%	%	g/t	g/t	g/t	%
700W	0415-514	491.30	2.70	0.18	0.61	0.03	0.09	0.19	0.17	0.75
200E	0415-513	129.07	1.17	0.46	0.17	0.04	0.26	2.75	0.01	1.43
	and	162.50	4.14	0.17	0.05	0.01	0.17	1.42	-	0.64
	and	191.92	1.73	0.66	0.10	0.04	0.20	1.03	0.01	1.10
	and	199.87	0.80	0.39	0.28	0.04	0.33	1.85	0.01	1.22
250E	0415-516	166.19	9.42	0.41	0.32	0.04	0.08	0.29	0.02	0.77
	and	198.20	2.13	1.05	0.30	0.08	0.41	1.17	0.01	1.77

**The actual true thickness of mineralisation is estimated to represent between 70-80% of the intervals shown in the above table.*

In December 2015, Landore engaged WSP Canada Inc. for the completion of a geotechnical study to pre-feasibility standards for rock mechanics and open pit slope angles for the proposed B4-7 starter pit. Preliminary results of the study have given an inter-ramp angle of 59 degrees. This will allow the pit to be substantially deepened from the original 2013 design capturing far more of the ore whilst retaining the same stripping ratio.

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.

Operations report *continued*

Alpha zone style disseminated sulphide mineralisation drilled to date has intersected moderate to 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**. The platinum and the palladium results are among the highest reported on the Junior Lake property to-date, all of which are located within 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. Subsequent drilling has been successful in further establishing the continuity of the PGE enriched Alpha zone for 700 metres from line 350W to 350E. The Alpha zone is open both up and down dip and to the west along strike.

As recommended by RPA in its mineral potential report, further work is warranted to evaluate the strike extensions of the Alpha zone deposit at shallow depths to test for the presence of additional mineralized areas that may be exploited by means of open pit mining methods.

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. Upon review of the drilling conducted subsequent to the 2013 B4-7 resource estimate in the Exploration Target area, RPA concluded that these drill results could be incorporated into the resource, potentially increasing the B4-7 deposit resources by approximately 15% to 20%. Further drilling is warranted to bring additional 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.

In December 2015, Abitibi Geophysics Inc. of Thunder Bay, Canada was retained by Landore to complete borehole transient electromagnetic (TDEM) surveys on selected drill-holes on or near to the B4-7 deposit. Six drill holes were surveyed in the B4-7 nickel-copper-cobalt-PGE deposit area with one each in the VW West and BAM East areas. These surveys, commonly known as Borehole EM (BHEM), have identified excellent quality conductive targets which appear to represent the westerly and down plunge extension of the B4-7 deposit for a further 500+ metres past the existing defined resource.

Operations report *continued*

2016 Planned Works:

Landore has retained RPA Inc. (RPA) of Toronto, Canada, to conduct a review of the borehole EM (BHEM) geophysical information and drilling results from the recently-completed exploration program on the B4-7 deposit area with the aim of ascertaining the works required to bring the newly identified potential B4-7 mineralisation into the formal resource. The results from this review are expected by the end of Q2.

Landore is currently seeking quotations for the completion of a pre-feasibility standard pit design. This study will incorporate pit design parameters received from WSP Canada Inc., and optimize the existing pit shell.

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 Inc. (RPA) of Toronto, Canada in October 2009, is compliant with the requirements of NI 43-101. 84 per cent. of the resource is in the Indicated category. The resource remains open to the east and to the west as well as down dip.

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 105 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 at least a bi-annual basis since 2011. 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-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.

Keezhik Lake Property:

Landore holds 43 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.

Operations report *continued*

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.

2016 Planned Works:

Field exploration together with a 1,500 metre drilling campaign to test prospective areas.

ROOT LAKE LITHIUM PROPERTY:

The Root Lake Lithium property, 100 per cent. owned by Landore, is located approximately 300 kilometres northwest of Thunder Bay, and consists of 33 patented and 3 staked claims for a total of 1,001 hectares. It is host to the McCombe Pegmatite.

The McCombe Pegmatite, comprising two main spodumene-bearing dykes, has been traced on surface for a strike length of 550 metres with widths up to 19 metres. Capital Lithium Mines Ltd. completed a diamond drilling programme on the Root Lake property in 1956, consisting of 55 drill holes for 10,442 metres, establishing a resource of 2.3 million tonnes grading 1.3 per cent. Lithium Oxide (Li₂O) on the McCombe Pegmatite. (Mulligan 1965). This resource is not compliant to NI 43-101.

Landore has entered into an option agreement with Ardiden Ltd ("Ardiden"), an Australian mineral exploration company, pursuant to which Ardiden has the right to purchase Landore's 100% interest in Root Lake.

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.Geol.

Director/VP Exploration, Landore Resources Canada Inc.

12 May 2016

Board of Directors

William Humphries (aged 75) – Chief Executive Officer

William Humphries has over 45 years' experience in the mining and civil engineering industries. From 1996 to 1998 he was General Manager of Sardinia Gold Mining SpA. From January 1999 to July 2002 he was Managing Director of Brancote Holdings Plc until its merger with Meridian Gold Inc. and was Managing Director of Patagonia Gold Plc since its inception in November 2000 until February 2015.

Richard Prickett (aged 64) – 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 72) – Non-Executive Chairman

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 53) – 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, John Laing Infrastructure Fund Limited and City Natural Resources High Yield Trust Plc.

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 2015.

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 Chief Executive Officer’s statement on pages 3 and 4.

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, provision has been made in the accounts.

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 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.

Strategic report *continued*

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 2015 there were four Directors, three male and one female.

At 31 December 2015 there was one female senior manager.

The total number of employees at 31 December 2015 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 all of its operations, and is aware of its social responsibility and environmental duty.

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 2015 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 and Notes to the 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").

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 Chief Executive Officer's statement on page 3.

Results and dividends

The loss of the Group for the year, after taxation was £1,535,279 (2014: £5,733,760). 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 Chief Executive Officer's statement on page 3 and the below principal risks and uncertainties. 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 for the year as at 31 December 2015 amounted to £1,535,279. The Group will need to raise more funds for the year 2016.

According to the cash flow forecast, the Group's total projected net expenditure for the year 2016 is £1.1m. As of year end the Group's bank balance amount was approximately £0.4m hence the Group still needs an additional £0.7m to fund the ongoing operations for 2016, and for projected administrative expenses in the first half of 2016 of £0.1 m. 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.

Landore Resources Limited Annual Report 2015

Directors' report *continued*

Exploration costs

The Group continues to devote considerable resources to exploration costs.

Directors

The Directors who have held office since 1 January 2015 are as follows:

Executive

William Humphries (*Chief Executive Officer*)

Richard Prickett (*Finance Director*)

Non-Executive

Charles Wilkinson

Helen Green

The Directors in office as at 31 December 2015 had the following beneficial interest in the shares of the Company:

	Ordinary shares of 1 penny each		Share options	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Executive Directors:				
William Humphries	49,914,119	39,914,119	21,500,000	21,500,000
Richard Prickett	9,955,899	8,255,899	12,500,000	12,500,000
Non-Executive Directors:				
Charles Wilkinson	2,154,047	2,154,047	1,500,000	1,500,000
Helen Green	1,027,583	527,583	1,000,000	1,000,000

Directors' report *continued*

Share options

As at 31 December 2015 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 13.

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.

Landore Resources Limited Annual Report 2015

Directors' report *continued*

Substantial shareholdings

The Company is aware of the following holdings of more than 3% of the share capital of the Company as at 3rd May 2016:

Shareholder name	Ordinary shares of 1 penny each
Lynchwood Nominees Limited, A/c 2006420	204,994,509
HSBC Global Custody Nominee (UK) Limited, A/c 944287	45,400,000
The Bank of New York Nominees Limited	30,208,333
Vidacos Nominees Limited, A/c FGN	22,387,839
Forest Nominees Limited, A/c GCI	19,910,232

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

12 May 2016

Corporate governance report

Financial aspects of corporate governance

The Group has adopted a framework for corporate governance which it believes is suitable for a company 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 his 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	Remuneration
Helen Green (<i>Chairman</i>)	William Humphries (<i>Chairman</i>)
William Humphries	Charles Wilkinson
Charles Wilkinson	Helen Green

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.

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 to ensure 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;
- The external audit is conducted in an independent, objective thorough, efficient and effective manner, through discussions with management and 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.

Corporate governance report *continued*

The audit committee does not consider there is a 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 the Principal Risks and Uncertainties as set out in the strategic report, on pages 14 and 15, 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:

- *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 16.

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.

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.

Independent auditors' report

To the members of Landore Resources Limited

Our opinion on the Consolidated Financial Statements is unmodified, with an emphasis of matter paragraph.

In our opinion the financial statements:

- give a true and fair view of the state of Landore Resources Limited (the 'Company') and its subsidiaries (the 'Group') affairs as at 31 December 2015 and of the Group's and Company's losses for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRSs as adopted by EU'); and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008 and The Protection of Investors (Bailiwick of Guernsey) Law, 1987.

Emphasis of matter

Without qualifying our opinion on the consolidated financial statements, we draw attention to note 3 in these consolidated financial statements concerning the Group's ability to continue as a going concern. The Group and the Company incurred net losses after taxation of £1,535,279 and £3,049,691 respectively for the year ended 31 December 2015. This condition, along with the other matters as set out in note 3, indicate the existence of a material uncertainty which may cast substantial 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.

Who we are reporting to

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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

What we have audited

The Group's and Company's financial statements comprise the Consolidated and Company Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Statement of Cash flows and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the EU.

Our assessment of risk

In arriving at our opinions set out in this report, we highlight the following risks that are, in our judgement, likely to be most important to users' understanding of our audit.

Independent auditors' report *continued*

To the members of Landore Resources Limited

Management override of internal control

The risk: 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 response: 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 tests of significant transactions outside the normal course of business.

Exploration costs

The risk: 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. The occurrence and completeness of exploration costs are therefore risks that require particular audit attention.

Our response on occurrence: Our audit work included, but was not restricted to, ensuring validity by verifying the exploration costs recorded to the supporting invoices and determining that the expenses were appropriately allocated to mineral properties expense.

Our response on completeness: Our audit work included, but was not restricted to performing cut-off tests and searching for unrecorded liabilities.

The Group's accounting policy and the disclosure of exploration costs are included in Note 3 and Note 9, respectively.

Shares issued

The risk: The Group finances its operations through issuance of shares. Issuance of shares is a significant transaction requiring specific documentation to be prepared, and appropriately approved. The rights and obligations and completeness with regard to shares issued are therefore risks that require particular audit attention.

Our response: Our audit work included, but not restricted to the checking the approval for issuance by the Board of Directors, reviewing supporting documentation, checking cash collection and determining whether the issuance costs were appropriately recorded in accordance with accounting policies.

The Group's accounting policy and the disclosure of share capital are included in Note 3 and Note 15, respectively.

Independent auditors' report *continued*

To the members of Landore Resources Limited

Our application of materiality and an overview of the scope of our audit

Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

We established a materiality for the consolidated financial statements taken as a whole to be £26,000 which is 3% of the Group's exploration costs. For the financial information of the Company, we set our materiality based on a proportion of Group's materiality appropriate to the relative scale of the Company. This benchmark is considered the most appropriate because Group's exploration costs is the primary performance measure. The Group has no material assets as it is in the development stage and does not capitalize the exploration costs.

Materiality for the current year is lower than the level that we determined for the year ended 31 December 2014 to reflect the decrease in the Group's exploration costs in the current year. We increased the measurement percentage as we have considered the control environment of the Group to be effective, and the business operations of the Group remain consistent with prior periods and there have been no changes that would require significant additional audit focus.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality for the audit of the Group financial statements.

We have determined the threshold at which we communicate misstatements to the Audit Committee to be £1,300. In addition, we communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Overview of the scope of our audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the 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 Group'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 financial statements. In addition, we read all the financial and non-financial information in the Annual Report 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.

Independent auditors' report *continued*

To the members of Landore Resources Limited

We conducted our audit in accordance with ISAs (UK and Ireland). Our responsibilities under those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the Auditing Practices Board's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

Our audit approach was based on a thorough understanding of the Group's business and is risk-based. The maintenance of the Group's accounting records is outsourced to third-party service providers. Accordingly, our audit work included:

- obtaining an understanding of, and evaluating, internal controls at the Group and the third-party service providers, and inspecting records and documents held by these third-party service providers; and
- undertaking 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.

Matters on which we are required to report by exception

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 Company; or
- the 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 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 financial statements; or
- Apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to report to you if:

- 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; or
- the annual report does not appropriately disclose those matters that were communicated to the audit committee which we consider should have been disclosed.

We have nothing to report in respect of the above.

Independent auditors' report *continued*

To the members of Landore Resources Limited

We also confirm that we do not have anything material to add or to draw attention to in relation to:

- the directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the company including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated;
- the directors' statement in the financial statements about whether they have considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and
- the directors' explanation in the annual report as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Responsibilities for the financial statements and the audit

What the directors are responsible for:

As explained more fully in the Directors' Responsibilities Statement set out on page 22, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

What are we responsible for:

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

Grant Thornton Limited

Chartered Accountants

St Peter Port, Guernsey, Channel Islands

Date: 12 May 2016

Landore Resources Limited Annual Report 2015

Consolidated statement of comprehensive income

For the year ended 31 December 2015

		Group 31 December 2015	Group 31 December 2014
	Notes	£	£
Exploration costs	9	(859,302)	(1,194,299)
Administrative expenses	24	(676,325)	(1,174,432)
Allowance for impairment	13	—	(3,403,991)
Operating loss		(1,535,627)	(5,772,722)
Finance income	5	1,359	38,962
Finance expense		(1,011)	—
Loss before income tax		(1,535,279)	(5,733,760)
Income tax	8	—	—
Loss for the year		(1,535,279)	(5,733,760)
Other comprehensive loss:			
Exchange difference on translating foreign operations	18	(3,381)	(156,689)
Other comprehensive loss for the year net of tax		(3,381)	(156,689)
Total comprehensive loss for year		(1,538,660)	(5,890,449)
Loss attributable to:			
Equity holders of the Company		(1,535,279)	(5,733,760)
Total comprehensive loss attributable to:			
Equity holders of the Company		(1,538,660)	(5,890,449)
Loss per share for losses attributable to the equity holders of the Company during the year			
– basic	10	(0.002)	(0.012)
– diluted	10	(0.002)	(0.012)

The Group's operating loss relates to continuing operations.

The accounting policies and notes on pages 36 to 61 form an integral part of these consolidated financial statements.

Company statement of comprehensive income

For the year ended 31 December 2015

	Notes	Company 31 December 2015 £	Company 31 December 2014 £
Administrative expenses	24	(495,004)	(838,171)
Operating loss		(495,004)	(838,171)
Interest receivable		1,359	6,126
Foreign exchange loss		(2,556,046)	(602,990)
Loss before income tax		(3,049,691)	(1,435,035)
Income tax expense		—	—
Total comprehensive loss for the year		(3,049,691)	(1,435,035)

The Company's operating loss relates to continuing operations.

The accounting policies and notes on pages 36 to 61 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2015

	Notes	Group At 31 December 2015 £	Group At 31 December 2014 £
Assets			
Non-current assets			
Property, plant and equipment	11	35,782	53,297
		<u>35,782</u>	<u>53,297</u>
Current assets			
Trade and other receivables	13	37,346	26,519
Cash and cash equivalents	25	368,475	1,072,243
		<u>405,821</u>	<u>1,098,762</u>
Total assets		<u>441,603</u>	<u>1,152,059</u>
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	15	6,282,038	5,174,838
Share premium	15	27,627,990	28,084,421
Share-based payment reserve	16	891,709	891,709
Accumulated deficit	17	(34,374,928)	(32,839,649)
Translation reserve	18	(305,470)	(308,851)
Total equity shareholders' funds		<u>121,339</u>	<u>1,002,468</u>
Liabilities			
Non-current liabilities			
Income tax liabilities	14	—	—
		<u>—</u>	<u>—</u>
Current liabilities			
Trade and other payables	14	291,038	116,411
Current income tax liabilities	14	29,226	33,180
		<u>320,264</u>	<u>149,591</u>
Total liabilities		<u>320,264</u>	<u>149,591</u>
Total equity and liabilities		<u>441,603</u>	<u>1,152,059</u>

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 12 May 2016.

William Humphries
Director

Richard Prickett
Director

The accounting policies and notes on pages 36 to 61 form an integral part of these consolidated financial statements.

Company statement of financial position

As at 31 December 2015

	Notes	Company At 31 December 2015 £	Company At 31 December 2014 £
Assets			
Non current assets			
Investment in subsidiaries	12	94,888	94,889
		<u>94,888</u>	<u>94,889</u>
Current assets			
Trade and other receivables	13	20,483,304	22,067,573
Cash and cash equivalents	25	296,778	1,067,777
		<u>20,780,082</u>	<u>23,135,350</u>
Total assets		<u>20,874,970</u>	<u>23,230,239</u>
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	15	6,282,038	5,174,838
Share premium	15	27,627,990	28,084,421
Share-based payment reserve	16	891,709	891,709
Accumulated deficit	17	(14,017,096)	(10,967,405)
Total equity shareholders' funds		<u>20,784,641</u>	<u>23,183,563</u>
Liabilities			
Current liabilities			
Trade and other payables	14	90,329	46,676
Total liabilities		<u>90,329</u>	<u>46,676</u>
Total equity and liabilities		<u>20,874,970</u>	<u>23,230,239</u>

These financial statements were approved and authorised for issue by the Board of Directors on 12 May 2016.

William Humphries
Director

Richard Prickett
Director

The accounting policies and notes on pages 36 to 61 form an integral part of these consolidated financial statements.

Landore Resources Limited Annual Report 2015

Consolidated statement of changes in equity

For the year ended 31 December 2015

	Equity shareholders' funds						Total £
	Share capital £	Share premium £	Share-based payment £	Accumulated deficit £	Translation reserve £		
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 from translating foreign operations	—	—	—	—	(156,689)	(156,689)	
Total comprehensive loss for the year	—	—	—	(5,733,760)	(156,689)	(5,890,449)	
Balance as at 31 December 2014	5,174,838	28,084,421	891,709	(32,839,649)	(308,851)	1,002,468	
Balance as at 1 January 2015	5,174,838	28,084,421	891,709	(32,839,649)	(308,851)	1,002,468	
Issue of ordinary share capital (note 15)	1,107,200	(442,880)	—	—	—	664,320	
Issue cost (note 15)	—	(13,551)	—	—	—	(13,551)	
Total transactions with owners	1,107,200	(456,431)	—	—	—	650,769	
Loss for the year	—	—	—	(1,535,279)	—	(1,535,279)	
Exchange difference from translating foreign operations	—	—	—	—	3,381	3,381	
Total comprehensive loss for the year	—	—	—	(1,535,279)	3,381	(1,531,898)	
Balance as at 31 December 2015	6,282,038	27,627,990	891,709	(34,374,928)	(305,470)	121,339	

The accounting policies and notes on pages 36 to 61 form an integral part of these consolidated financial statements.

Landore Resources Limited Annual Report 2015

Company statement of changes in equity

For the year ended 31 December 2015

	Share capital	Share premium	Share-based payment	Accumulated deficit	Total
	£	£	£	£	£
Balance 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	—	202,224
Issue of ordinary share capital (note 15)	1,040,000	1,560,000	—	—	2,600,000
Issue costs (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 loss 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
Balance as at 1 January 2015	5,174,838	28,084,421	891,709	(10,967,405)	23,183,563
Issue of ordinary share capital (note 15)	1,107,200	(442,880)	—	—	664,320
Issue cost (note 15)	—	(13,551)	—	—	(13,551)
Total transactions with owners	1,107,200	(456,431)	—	—	650,769
Loss for the year	—	—	—	(3,049,691)	(3,049,692)
Total comprehensive loss for the year	—	—	—	(3,049,691)	(3,049,692)
Balance as at 31 December 2015	6,282,038	27,627,990	891,709	(14,017,096)	20,784,641

The accounting policies and notes on pages 36 to 61 form an integral part of these consolidated financial statements.

Landore Resources Limited Annual Report 2015

Consolidated statement of cash flows

For the year ended 31 December 2015

	Notes	Group 31 December 2015 £	Group 31 December 2014 £
Cash flows from operating activities			
Operating loss		(1,535,627)	(5,772,722)
Finance income	5	1,359	38,962
Impairment of note receivable		—	3,665,300
Impairment of investment		—	75,737
Depreciation of tangible fixed assets	11	11,731	16,796
Share options		—	170,533
Foreign exchange loss on non-cash items		(3,085)	(21,047)
(Increase)/decrease in trade and other receivables		(13,957)	10,712
Increase/(decrease) in trade and other payables		190,036	(239,046)
Net cash used in operating activities		(1,349,543)	(2,054,775)
Cash flows from investing activities			
Purchase of investment in Lamaune		—	(75,737)
Net cash outflow from investing activities		—	(75,737)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	15	656,820	2,600,000
Issue costs	15	(6,051)	(95,751)
Net cash generated by financing activities		650,769	2,504,249
Net (decrease)/increase in cash and cash equivalents		(698,774)	373,737
Cash and cash equivalents at beginning of the year		1,072,243	699,633
Exchange loss on cash and cash equivalents		(4,994)	(1,127)
Cash and cash equivalents at end of the year		368,475	1,072,243

The accounting policies and notes on pages 36 to 61 form an integral part of these consolidated financial statements.

Company statement of cash flows

For the year ended 31 December 2015

	Company 31 December 2015 £	Company 31 December 2014 £
	Notes	
Cash flows from operating activities		
Operating loss	(495,005)	(838,170)
Finance income	1,359	6,126
Foreign exchange loss on non-cash items	(2,556,046)	(602,990)
Share options	16 —	170,533
Decrease/(increase) in trade and other receivables	1,584,269	(808,838)
Increase/(decrease) in trade and other payables	43,653	(29,445)
Net cash used in operating activities	(1,421,770)	(2,102,784)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	15 656,820	2,600,000
Issue costs	15 (6,049)	(95,751)
Net cash generated by financing activity	650,771	2,504,249
Net (decrease)/increase in cash and cash equivalents	(770,999)	401,465
Cash and cash equivalents at beginning of year	1,067,777	666,312
Cash and cash equivalents at end of year	296,778	1,067,777

The accounting policies and notes on pages 36 to 61 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 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 annual periods beginning on or after July 1, 2014 and January 1, 2015 have been adopted in these statements

At the year end, a number of amendments to IFRSs annual improvements, namely ‘Annual Improvements to IFRSs 2010-2012’ and ‘Annual Improvements to IFRSs 2011-2013’ became effective. The annual improvements include amendments to a number of IFRSs, which have been summarised below:

Improvements to IFRSs 2010–2012 Cycle

Amendments to IFRS 2 ‘Share based payment’ (definition of vesting condition)

These improvements amend the definitions of ‘vesting condition’ and ‘market condition’ and adds definitions for ‘performance condition’ and ‘service condition’ (which were previously part of the definition of ‘vesting condition’).

The amendment is required to be applied for annual reporting periods beginning on or after July 1, 2014.

Notes to the consolidated financial statements *continued*

The Groups' management has reviewed the application of the amendments and has concluded that the application of these Amendments, has had no material impact on the disclosures provided in note 14.

Amendments to IFRS 3 'Business Combination' (contingent consideration)

These amendments clarifies that IFRS 3 explains that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date.

The amendment is required to be applied for annual reporting periods beginning on or after July 1, 2014.

The Groups' management has reviewed the application of the amendments and has concluded that there is no effect on these consolidated financial statements.

Amendments to IFRS 8 'Operating Segments' (aggregation of operating segments& reconciliation of the total of the reportable segments' assets to the entity's assets)

These amendments requires an entity to disclose the judgements made by The Groups' management in applying the aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.

The amendment is required to be applied for annual reporting periods beginning on or after July 1, 2014.

The Groups' management has reviewed the application of the amendments and has concluded that the application of these Amendments, has had no material impact on the disclosures provided in note 4.

Amendments to IFRS 13 'Fair Value Measurement' (short-term receivables and payables)

This amendment clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial. Amendments to the basis of conclusions only, with consequential amendments to the bases of conclusions of other standards.

The Groups' management has reviewed the application of the amendments in IAS 39 and has concluded that there is no material effect on these consolidated financial statements.

Amendments to IAS 24 'Related Party Disclosures'

This amendment clarifies that an entity providing key The Groups' management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

The amendment is required to be applied for annual reporting periods beginning on or after July 1, 2014.

The Groups' management has reviewed the application of the amendments and has concluded that the application of these Amendments, has had no material impact on the disclosures provided in note 21.

Notes to the consolidated financial statements *continued*

Improvements to IFRSs 2011-2013 Cycle

Amendments to IFRS 3 ‘Business Combination’ (scope exception for joint ventures)

These amendments clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

The amendment is required to be applied for annual reporting periods beginning on or after July 1, 2014.

The Groups’ management anticipates that the application of these amendments to IFRS 11 may have an impact on these consolidated financial statements in future periods should such transactions arise.

Amendments to IFRS 13 ‘Fair Value Measurement’ (scope of portfolio exception in paragraph 52)

This amendment clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.

The amendment is required to be applied for annual reporting periods beginning on or after July 1, 2014.

The Groups’ management has reviewed the application of the amendments in IAS 39 and has concluded that there is no effect on these consolidated financial statements.

Standards, amendments and interpretations to existing standards that have been issued but 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, and amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the Group. Information on those expected to be relevant to the Group’s consolidated financial statements is provided below.

The Groups’ management anticipates that all relevant pronouncements will be adopted in the Group’s accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not either adopted or listed below are not expected to have a material impact on the Group’s consolidated financial statements.

Improvements to IFRSs 2014 Cycle

Amendments to IFRS 5 ‘Non-current Assets Held for Sale and Discontinued Operations’ (changes in methods of disposal)

This amendment adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued. The amendment is required to be applied for annual reporting periods beginning on or after January 1, 2016.

Notes to the consolidated financial statements *continued*

The Groups' management has yet to assess the impact of IFRS 7 on these consolidated financial statements.

Amendments to IFRS 7 'Financial Instruments' (servicing contracts and applicability of the amendments to IFRS 7 to condensed interim financial statements)

This amendment adds additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required and clarifies the applicability of the amendments to IFRS 7 on offsetting disclosures to condensed interim financial statements.

The amendment is required to be applied for annual reporting periods beginning on or after January 1, 2017.

The Group's The Groups' management has yet to assess the impact of IFRS 7 on these consolidated financial statements.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

This amendment clarifies the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- § require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS3 Business Combinations)
- § require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

The amendments have been indefinitely postponed.

The Groups' management has yet to assess the impact of the amendments on these consolidated financial statements.

Amendments to IFRS 11 'Joint Arrangements' (Accounting for Acquisitions of Interests in Joint Operations)

This amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business to apply all of the business combinations accounting principles in IFRS 3 'Business Combinations' and other IFRSs, except for those principles that conflict with the guidance in IFRS 11 and to disclose the information required by IFRS 3 and other IFRSs for business combinations. The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation. The amendment is required to be applied for annual reporting periods beginning on or after January 1, 2016.

Notes to the consolidated financial statements *continued*

The Groups' management anticipates that the application of these amendments to IFRS 11 may have an impact on these consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 12 Income Taxes (Amended by *Recognition of Deferred Tax Assets for Unrealised Losses*)

This amendment clarifies the following aspects:

- § unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use;
- § the carrying amount of an asset does not limit the estimation of probable future taxable profits;
- § estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences;
- § an entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

The amendment is required to be applied for annual reporting periods beginning on or after January 1, 2017. Earlier application is permitted

The Groups' management has yet to assess the impact of the amendments on these consolidated financial statements.

IFRS 9 'Financial Instruments' (2014)

IFRS 9 Financial Instruments issued on 24 July 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. The IASB completed its project to replace IAS 39 in phases, adding to the standard as it completed each phase.

The version of IFRS 9 issued in 2014 supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted

The Group's The Groups' management has yet to assess the impact of IFRS 9 on these consolidated financial statements.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.

IFRS 15 was issued in May 2014 and applies to an annual reporting period beginning on or after 1 January 2018.

The Groups' management has yet to assess the impact of IFRS 15 on these consolidated financial statements.

Notes to the consolidated financial statements *continued*

IFRS 16 'Leases'

IFRS 16 supersedes IAS 17 'Leases' prescribes, for lessees and lessors, the appropriate accounting policies and disclosures to apply in relation to finance and operating leases. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained.

IFRS 16 was issued in January 2016 and applies to an annual reporting period beginning on or after 1 January 2019, with earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied.

The Groups' management has yet to assess the impact of IFRS 15 on these consolidated financial statements.

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 2015. 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 statement of comprehensive income 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.

Notes to the consolidated financial statements *continued*

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 Company's share of the assets, liabilities, income and expenses are included line by line in the consolidated financial statements. The share of jointly controlled entities results is recognised in the Group's financial statements from the date that joint control commences until 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.

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 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 GBP Sterling, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Transactions in currencies other than GBP 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.

Notes to the consolidated financial statements *continued*

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.

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 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 Statement of Comprehensive Income 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.

Notes to the consolidated financial statements *continued*

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position 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 statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are not 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.

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 Statement of Comprehensive Income 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 issued are allocated to share capital with any excess being recorded as share premium.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Notes to the consolidated financial statements *continued*

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.

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 statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. 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. Shares issued at a discount are recorded in share capital at their full nominal value with a corresponding deduction from share premium for the discount on issue.

Notes to the consolidated financial statements *continued*

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 options” represents equity-settled share-based employee remuneration until such share options are exercised.
- “Accumulated deficit” includes all current and prior period profits and losses.

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.

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.

Notes to the consolidated financial statements *continued*

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 to move into production.

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.

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 Chief Executive Officer's statement on pages 3 and 4 and the principal risks and uncertainties. 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 for the year ended 31 December 2015 amounted to £1,535,279. The Group will need to raise more funds for the year 2016.

According to the cash flow forecast, the Group's total projected net expenditure for the year 2016 is £1.1m. As of year end the Group's bank balance amount was approximately £0.4m hence the Group still needs an additional £0.7m to fund the ongoing operations for 2016. 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.

Notes to the consolidated financial statements *continued*

4. Loss from operations

	Notes	2015 £	2014 £
Loss from operations is stated after charging/(crediting):			
Group			
Depreciation of property, plant and equipment	11	11,731	16,796
Auditors' remuneration – audit services		16,909	23,627
Share-based payment charge – options and warrants	21	—	170,533
Non-cancellable operating leases	20	—	2,470
Foreign exchange loss/(gain)		39,224	(21,960)
Company			
Auditors' remuneration – audit services		11,000	11,000
Share-based payment charge	13	—	170,533
Foreign exchange loss		2,556,046	602,990

5. Finance income – Group

	2015 £	2014 £
Interest receivable from Lamaune Iron Inc.	—	34,298
Interest receivable on bank account	1,359	4,664
	1,359	38,962

6. Employees

	2015 Number	2014 Number
The average monthly number of persons (excluding Directors) employed by the Group during the period was:		
Management and administration and operations	3	4
	£	£
Staff costs (for the above persons):		
Wages and salaries	138,621	114,925
Social security costs	14,340	36,390
Pension costs	10,994	44,950
	163,955	196,265

Notes to the consolidated financial statements *continued*

7. Key management compensation

	2015 £	2014 £
Executive Directors:		
William Humphries	110,000	140,000
Richard Prickett	67,500	95,000
	<hr/> 177,500	<hr/> 235,000
Non-Executive Directors:		
Helen Green	11,250	15,000
Charles Wilkinson	15,000	20,000
	<hr/> 26,250	<hr/> 35,000
Total	<hr/> 203,750	<hr/> 270,000

The highest paid Director received aggregate remuneration of £110,000 (2014: £140,000)

With effect from 1st July 2015 the Directors have agreed to reduce their overall remuneration from £270,000 pa to £137,500 pa and in addition defer payment of all their fees excepting £40,000 pa operational charges, until sufficient funds are available.

Share options in issue to Directors are disclosed on page 18.

8. Taxation

The Company is taxed at the company standard rate of 0%.

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 Company during the year.

Landore Resources Canada Inc. has potential deferred tax assets of CA\$10,384,000 (2014: CA\$10,384,000) 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 ten 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 (2014: US\$522,159) which will expire between 2018 and 2020.

	2015 £	2014 £
Loss for the year	(567,748)	(4,621,754)
Loss for the year multiplied by standard rate of Canadian corporation tax 26.5 per cent. (2014: 26.5 per cent.)	(150,453)	(1,224,765)
Effect of:		
Losses not utilised in the current year	150,453	1,224,765
Income tax expense	<hr/> —	<hr/> —

Notes to the consolidated financial statements *continued*

9. Mineral properties – Group

	1 January 2015 £	Net expense in the period £	Accumulated expenditure at 31 December 2015 £	Option income in the period £	Accumulated expenditure at 31 December 2015 £
Junior Lake	15,440,796	855,371	16,296,167	—	16,296,167
Miminiska Lake	1,519,001	975	1,519,976	—	1,519,976
Fronde Lake	79,177	1,150	80,327	—	80,327
Wottam	61,558	—	61,558	—	61,558
Lessard	697,920	(955)	696,965	—	696,965
Other, including Swole Lake and West Graham	63,238	2,761	65,999	—	65,999
	17,861,690	859,302	18,720,992	—	18,720,992

Mineral properties – Company

	1 January 2015 £	Net expense in the period £	Accumulated expenditure at 31 December 2015 £
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 Fronde Lake

Fronde 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 Fronde 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*

9.4 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. In 2015, First Nickel Inc. went into Administration and in January 2016 their interest in the West Graham property was acquired by Transition Metals Corp.

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 534,008,674 (2014: 464,201,631) 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. At the year end, there were 45,100,000 (2014: 45,100,000) share options and 1,830,000 (2014: 1,830,000) warrants in issue. Further details are shown in Note 16.

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 2015	119,791	26,864	114,401	17,450	278,506
Additions	—	—	—	—	—
Disposals	—	—	—	—	—
Foreign exchange movements	(14,279)	(3,200)	(13,637)	(2,080)	(33,197)
At 31 December 2015	105,512	23,664	100,764	15,370	245,309
Depreciation					
At 1 January 2015	102,258	24,264	82,854	15,833	225,209
Charge for the year	4,869	722	5,840	300	11,731
Disposals	—	—	—	—	—
Foreign exchange movements	(12,425)	(2,926)	(10,159)	(1,902)	(27,413)
At 31 December 2015	94,702	22,060	78,535	14,231	209,527
Net book value					
At 31 December 2015	10,810	1,604	22,229	1,139	35,782
At 31 December 2014	17,533	2,600	31,547	1,617	53,297

	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 loss	(3,428)	(769)	(3,274)	(499)	(7,970)
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 loss	(2,657)	(654)	(2,088)	(439)	(5,838)
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

Notes to the consolidated financial statements *continued*

12. Non-current asset investments – Company

	Investment in subsidiaries £
Cost	
At 1 January 2014	4,111,191
At 31 December 2014	4,111,191
Disposal of investment	(1)
At 31 December 2015	4,111,190
Provision for diminution in value	
At 1 January 2014	4,016,302
At 31 December 2014	4,016,302
At 31 December 2015	4,106,302
Net book value	
At 1 January 2014	94,889
At 31 December 2014	94,889
At 31 December 2015	94,888

At 31 December 2015 the Company held the entire issued share capital of the following subsidiary undertakings:

<i>Subsidiary</i>	<i>Nature of business</i>	<i>Country of incorporation</i>
Landore Resources Canada Inc. (100 per cent.)	Exploration of precious metals	Canada
Brancote US Inc.* (100 per cent.)	Exploration of precious metals	United States

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

On 1 September 2015, the Company's dormant 100% subsidiary Landore Resources (UK) Limited was dissolved.

All subsidiaries have been included in the consolidated financial statements.

13. Trade and other receivables

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Due within one year:				
Loans receivable	3,020,118	—	3,428,824	—
Allowance for impairment	(3,020,118)	—	(3,428,824)	—
Trade receivables	37,346	3,958	26,519	7,290
Amount due from subsidiary	—	20,479,346	—	22,060,283
	37,346	20,483,304	26,519	22,067,573

The Group's loans receivable include £3,020,118 (2014: £3,428,824) denominated in Canadian dollars, receivable from Lamaune Iron Inc., a company under common control, for the sale of the Lamaune mineral property. An 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 loans receivable balance and allowance for impairment are therefore translated at the closing rate with no net foreign exchange gain or loss.

Notes to the consolidated financial statements *continued*

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

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Trade payables	291,038	90,329	116,411	46,676
Current tax liabilities	29,226	—	33,180	—
	<u>320,264</u>	<u>90,329</u>	<u>149,591</u>	<u>46,676</u>

Trade and other payables: amounts falling due after one year

	Group 2015 £	Group 2014 £
Income tax liability maturity analysis		
One to two years (non-current liabilities)	—	—

15. Share Capital

	Company 2015 £	Company 2014 £
Issued and fully paid:		
628,203,825 (2014: 517,483,825) ordinary shares of 1 p each ranking <i>pari passu</i>	6,282,038	5,174,838

	Ordinary shares 2015 £	Share premium 2015 £
Issued:		
At 1 January 2015	5,174,838	28,084,421
Issued in the year	1,107,200	—
Issue costs	—	(13,551)
Shares issued below par	—	(442,880)
At 31 December 2015	<u>6,282,038</u>	<u>27,627,990</u>

The Company made allotments of 1p ordinary shares with an aggregate nominal value of £1,107,200 during the period as follows:

	Number of shares	Nominal value £	Share premium £
Placing 6 November 2015	104,470,000	1,044,700	(417,880)
Placing 3 December 2015	5,000,000	50,000	(20,000)
Placing 3 December 2015 (broker fees)	1,250,000	12,500	(5,000)
	<u>110,720,000</u>	<u>1,107,200</u>	<u>(442,880)</u>

Issue costs totalling £13,551 (2014: £129,441) were incurred when issuing shares. Issue costs includes £7,500, being the value of 1,250,000 shares issued at 0.6p to the Company's broker, Strand Hanson. A further £5,000 was paid to Strand Hanson in cash and a further £1,051 commission to a third party totalling £6,051.

Notes to the consolidated financial statements *continued*

All shares issued during the year were issued at a price of 0.6p. Companies (Guernsey) Law 2008 permits the Company to issue shares below par value of 1p. In accordance with the Company's accounting policy, a discount of £442,880 (2014: nil) arising on shares issued below par was recognised against share premium. The total proceeds received from the shares issued in the year under review amounted to £656,820.

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

	2015 £	2014 £
Share options reserve	858,019	858,019
Share options reserve – warrants	33,690	33,690
Total	891,709	891,709

16.1 Share options reserve

Grant date	Expiry date	Exercise price £	Number of options at 1 January 2015	(Lapsed)/ Granted	Number of options at 31 December 2015	Fair value £
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
26 September 2012	26 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
			45,100,000	—	45,100,000	858,019

During the year ended 31 December 2015, the Company granted no share options (2014: 10,200,000). During the period, no share options lapsed (2014: 800,000) and no share options expired (2014: nil). All of the above options vest in full on the grant date and all options were therefore exercisable at the year end.

Notes to the consolidated financial statements *continued*

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

	2015	2014
	£	£
Outstanding at beginning of the period	0.13	0.08
Granted during the period	—	0.03
Exercised during the period	—	—
Lapsed during the period	—	0.10
Outstanding at end of the period	0.13	0.13
Exercisable at end of the period	0.13	0.13
Weighted average remaining contractual life of share options outstanding at end of the period	2.28	2.36
Weighted average share price of share options exercised in year	—	—

The movements on the share options reserve are detailed below:

	2015	2014
	£	£
Share options reserve as at 1 January	858,019	707,775
Charge in statement of comprehensive income	—	170,534
Transfer to statement of comprehensive income reserve for lapsed options	—	(20,290)
Share options reserve at 31 December	858,019	858,019

16.2 Share options reserve – warrants

Grant date	Expiry date	Exercise price £	Number of		Fair value £
			options at 1 January 2015	(Lapsed)/ Granted	
14 July 2014	14 July 2017	0.0363	1,830,000	—	33,690
			1,830,000	—	33,690

During the year ended 31 December 2015, the Company granted no warrants (2014: 1,830,000). During the year, no warrants lapsed (2014: nil) and no warrants expired (2014: nil). All of the above warrants vest in full on the grant date.

Notes to the consolidated financial statements *continued*

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

	2015	2014
	£	£
Outstanding at beginning of the period	0.0363	—
Granted during the period	—	0.0184
Exercised during the period	—	—
Lapsed during the period	—	—
Outstanding at end of the period	0.0363	0.0184
Exercisable at end of the period	0.0363	0.0184
Weighted average remaining contractual life of share options outstanding at end of the period (years)	1.53	2.53
Weighted average share price of share options exercised in year	—	—

The movements on the warrant reserve are detailed below:

	2015	2014
	£	£
Warrant reserve as at 1 January	33,690	—
Charge in statement of comprehensive income	—	33,690
Warrant reserve at 31 December	33,690	33,690

17. Accumulated deficit

	2015	2014
	£	£
Group		
At 1 January	(32,839,649)	(27,126,179)
Loss for the year	(1,535,279)	(5,733,760)
Transfer from share options reserve	—	20,290
At 31 December	(34,374,928)	(32,839,649)
Company		
At 1 January	(10,967,405)	(9,552,660)
Loss for the year	(3,049,691)	(1,435,035)
Transfer from share options reserve	—	20,290
At 31 December	(14,017,096)	(10,967,405)

18. Cumulative translation reserve

	Translation reserve £
Group	
At 1 January 2015	(308,851)
Exchange differences on translation of overseas operations	3,381
At 31 December 2015	(305,470)

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.

Notes to the consolidated financial statements *continued*

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

	2015	2014
	£	£
Opening net funds	1,072,243	699,633
(Decrease)/increase in cash and cash equivalents	(698,774)	373,738
Net funds before foreign exchange	373,469	1,073,371
Foreign exchange loss	(4,994)	(1,129)
Closing net funds	368,475	1,072,242

20. Analysis of net funds – Group

	At 1 January 2015 £	Cash flow £	Exchange gains £	At 31 December 2015 £
Cash and cash equivalents	1,072,243	(698,774)	(4,994)	368,475
Total	1,072,243	(698,774)	(4,994)	368,475

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 £72,432 (2014: £78,761) in the period in respect of its role as administrators for the Company and Rysaffe was paid £10,000 (2014: £10,000) in respect of its role as Company Secretary. An amount of £16,106 (2014: £9,776) was owing to SCMIL at the year-end and the amount owing to Rysaffe was £nil (2014: £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\$nil (2014: C\$35,000). At the year end, C\$nil (2014: C\$35,000) remained outstanding and has been included in trade payables.

Pursuant to a Loan Amendment Agreement effective 30 April 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;
- (d) Subsequent to 30 April 2014 the loan does not bear any interest;

Notes to the consolidated financial statements *continued*

- (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.

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

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 statement of financial position. 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.

Notes to the consolidated financial statements *continued*

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.

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.

Notes to the consolidated financial statements *continued*

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 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Financial assets				
Trade and other receivables	37,346	20,483,304	26,519	22,067,573
Investment in subsidiaries	—	94,889	—	94,889
Financial liabilities				
Trade and other payables	320,265	90,329	149,593	46,676

23. Commitments

Operating lease commitments

As at 31 December 2015, the Group had no significant contractual obligations. (2014: none)

Contractual commitments

As at 31 December 2015, the Group had no significant contractual obligations. (2014: none)

24. Administrative expenses

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Administrative expenses	402,058	228,330	588,532	289,564
Directors fees	203,750	203,750	270,000	270,000
Legal, accountancy and audit expenses	70,517	62,924	111,676	74,383
Share-based payments expense	—	—	204,224	204,224
	<hr/> 676,325	<hr/> 495,004	<hr/> 1,174,432	<hr/> 838,171

25. Cash and cash equivalents

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Cash at bank	368,475	296,778	1,072,243	383,037
Short term deposits	—	—	—	684,740
	<hr/> 368,475	<hr/> 296,778	<hr/> 1,072,243	<hr/> 1,067,777

26. Subsequent events

26.1 It was announced on 10th February 2016 that an option agreement had been signed to sell the Root Lake Lithium property; full details are on the website, www.landore.com.

26.2 The Directors have recommended to the shareholders to consider an amendment to the Articles of Association whereby the par value of the Company's shares will be changed from £0.01 to Nil at the Annual General Meeting in June 2016.

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 21 June 2016 at 11.30 am at which the following resolutions will be proposed, in the case of resolutions 1 to 4 as Ordinary Resolutions and in the case of resolutions 5 to 8 as Special Resolutions:

Ordinary Business

1. to receive and adopt the statement of accounts and the statement of financial position of the Company with the report of the Directors and the auditor’s report for the year ended 31 December 2015;
2. to re-elect Charles Wilkinson who retires in accordance with Article 19.12 of the Articles of Association of the Company (the “Articles”);
3. to re-elect Helen Green 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. to:
 - (i) alter the memorandum of incorporation of the Company by:
 - (a) deleting paragraph 3 in its entirety and replacing with the following:

“The objects of the Company are unrestricted.”
 - (b) deleting paragraph 5 in its entirety and replacing with the following:

“The Company may issue an unlimited number of shares of par and/or no par value.”
 - (c) deleting paragraph 7 in its entirety and replacing with the following:

“(a) The Company is a non-cellular company within the meaning of section 2(1) of the law; and

(b) The Company is a company limited by shares within the meaning of section 2(2) of the law.”
 - (d) adding a new paragraph 10 as follows:

“Subject to the Law, any provision of the memorandum of incorporation may be amended by special resolution of the Company.”; and
 - (ii) rescind in whole and substitute the existing articles of incorporation of the Company with the new articles of incorporation (the “New Articles”) in the form marked “A” available to view on the Company’s website following this link: <http://landore.com/aim.php>¹;

¹ Copies of the New Articles will be provided on request and available at the Annual General Meeting. Please also refer to the Notes.

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6. subject to the passing of resolution 5, to reclassify and redenominate each of the existing shares of the Company having a nominal value of £0.01 into one share of no par value having attached thereto the rights and privileges and being subject to the restrictions contained in the New Articles (as mentioned under resolution 5) and that the nominal value of the existing shares be credited to a share capital account.
7. 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 New Articles (or if resolution 5 is not passed, the Articles) to exercise all the powers of the Company to allot up to a maximum amount of 200,000,000 relevant securities 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 New Articles (or if resolution 5 is not passed, the Articles);
8. 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 New Articles (or if resolution 5 is not passed, the Articles) to allot equity securities for cash pursuant to the authority conferred by the previous resolution as if Article 6.1 of the New Articles (or if resolution 5 is not passed, 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 maximum aggregate amount of 200,000,000 shares;

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 New Articles (or if resolution 5 is not passed, the Articles).

By Order of the Board

Director of Rysaffe International Services Limited

as Secretary to Landore Resources Limited

12 May 2016

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Notes

1. The following is given by way of explanation to the proposed Special Resolutions numbered 5 and 6.

It is proposed that the memorandum of incorporation of the Company (the “**Memorandum**”) be amended to:

- (a) comply with the Companies (Guernsey) Law 2008 (the “**Companies Law**”), which came into force after the incorporation of the Company;
- (b) allow for the Company to have unrestricted objects, which is now permitted under the Companies Law; and
- (c) ensure consistency with the New Articles proposed to be adopted pursuant to Special Resolution 5.

A summary of the proposed amendments to the Memorandum is as follows:

- removing the restriction of an authorised share capital, which is no longer required under the Companies Law;
- permitting the issue of no par value shares;
- including a statement as to the type of company (ie limited by shares); and
- providing that any changes to the Memorandum may be made by special resolution.

It is also proposed that the existing articles of incorporation be rescinded and substituted for the New Articles pursuant to Special Resolution 5. A summary of the proposed amendments to the New Articles is as follows:

- reclassify the existing shares in issue from shares having a nominal value of £0.01 to ordinary shares of no par value;
- providing for voting rights to operate off the number of shares held by a member;
- providing for variations of rights and alterations to share capital to be sanctioned by resolutions passed according to the number of shares held by a member;
- aligning pre-emption rights with the number of shares held by a member; and
- including provisions allowing for notices to be transmitted electronically or by means of the Company’s website.

Copies of the New Articles and a blackline comparison of the New Articles against the existing Articles will be available at the Annual General Meeting, are available on request and can be viewed on the Company’s website following this link: <http://landore.com/aim.php>.

2. 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.
3. For the convenience of members who may be unable to attend the meeting, a Form of Proxy is enclosed 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 not less than 48 hours before the time fixed for the meeting. The fact that members may have

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completed Forms of Proxy will not prevent them from attending and voting in person should they afterwards decide to do so.

4. 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.
5. 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) not later than 48 hours before the time appointed for holding the meeting. 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.

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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 21 June 2016 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 2015		
2. Ordinary Resolution to re-elect Charles Wilkinson		
3. Ordinary Resolution to re-elect Helen Green		
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. Special Resolution to (i) alter Memorandum of Incorporation (ii) adopt New Articles		
6. Special Resolution to reclassify shares to no par value		
7. Special Resolution to authorise the Directors to allot relevant securities		
8. Special Resolution to authorise the Directors to disapply pre-emption rights in relation to the allotments 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 notorially 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 19 June 2016.
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 19 June 2016.
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 19 June 2016. 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.