Landore Resources

Annual Report 2016

Contents

Company information

Directors	Charles Wilkinson	*(Non-Executive Chairman)*
	William Humphries	*(Chief Executive Officer)*
	Richard Prickett	*(Finance Director)*
	Helen Green	*(Non-Executive Director)*
Company Secretary	Rysaffe International Services Limited	
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Chief Executive Officer's statement

I am pleased to present the 2016 Annual Report for Landore Resources Limited ("Landore Resources" or the "Group").

During the year the Group has concentrated its exploration efforts on the further exploration of its highly prospective Junior Lake Project culminating in the confirmation of the Maiden Mineral Resource Estimate of 301,000 ounces of gold on the BAM East Gold Deposit.

Financial Results

In the year ended 31 December 2016, the Group incurred a loss, after tax, of £1,724,629 (2015: £1,535,279).

Operating expenses were in line with our budgets and expectations, financing details are set out below.

In June 2016 the Group raised approximately £1.22 million by the issuance of shares at a price of 1.7p per share and more recently, in March 2017, a further £2.1 million at a price of 2.7p per share.

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 gold, nickel, copper, cobalt, platinum, palladium, and lithium. Junior Lake is host to three compliant deposits, BAM East Gold Deposit, B4-7 Nickel-Copper-Cobalt-PGEs deposit and the VW deposit.

BAM East Gold Deposit

The discovery of the BAM East Gold Deposit in December 2015 and its rapid advancement to the publication of its Maiden Mineral Resource Estimate, just 14 months later on 17 February 2017, has transformed the Group's prospects.

The Resource estimate and supporting Technical Report are compliant with the requirements of National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101)

Highlights of the report are:

- **301,000 ounces gold Maiden Resource Estimate for the BAM East Gold Deposit.**
- **US$5 per ounce of gold discovery cost with the drill success rate at 36 ounces of gold per metre drilled (8,436 metres total).**

Our remarkably low discovery cost further underlines the significant growth potential of the BAM East Gold Deposit. In addition, exploration drilling has succeeded in establishing the potential for the highly prospective Junior Lake Shear, which traverses our property from East to West, to host other gold occurrences.

Chief Executive Officer's statement *continued*

In April 2017, Landore was honoured and privileged to be awarded the prestigious "Bernie Schneiders Discovery of the Year Award" by the North Western Ontario Prospectors Association in recognition of the BAM East Gold Deposit discovery. The Ontario Province contains several of the World's larger Gold producing Mining Camps including Red Lake and Pickle Lake.

Ontario is a highly desirable jurisdiction for the exploration and development of mineral resources with stable government, accessible infrastructure and skilled workforce.

Our work programme for 2017 is aimed at further growth of the existing resource, discovery of further gold deposits along the Junior Lake Shear and progression for the BAM East Gold Deposit towards development and initiation of a pre-feasibility study by year end.

B4-7 and VW Deposits

Although Nickel prices have continued to be depressed the outlook is becoming more positive and the Junior Lake Nickel-Copper-Cobalt-PGEs Project will continue to be developed with the aim of a resource base of at least 100,000 tons of nickel equivalent so that Landore Resources can ultimately sell the project to a third party or enter into joint venture partnership.

Full details are set out in the Operations Report.

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. The BAM East Gold discovery is a remarkable achievement by Michele Tuomi and her exploration team and is a testament to their dedication and perseverance.

William Humphries

Chief Executive Officer, 30 May 2017

Operations report

INTRODUCTION:
Landore Resources Limited, through its 100% owned subsidiary Landore Resources Canada Inc. ("Landore"), is actively engaged in mineral exploration in Eastern Canada. Landore owns or has the mineral rights to four properties in Eastern Canada. Landore also owns a 30% interest in the West Graham property.

Landore through its 100% 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 primary operations focus during 2016 was on the growth of the newly discovered BAM East Gold deposit located on the 100% owned highly prospective Junior Lake Property, Northwestern Ontario.

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

JUNIOR LAKE PROPERTY:
The Junior Lake property, 100% owned by Landore, is located in the province of Ontario, Canada, approximately 235 kilometres north-northeast of Thunder Bay and is host to the newly discovered **BAM East Gold deposit**, the **B4-7 Nickel-Copper-Cobalt-PGEs deposit** and the adjacent Alpha PGEs zone. Junior Lake also contains the **VW Nickel deposit** and numerous other highly prospective mineral occurrences including the BAM Gold zone.

The Junior Lake property extends for 36 kilometres and covers an area of 22,497 hectares.

BAM East Gold Deposit:
The BAM East Gold deposit is located approximately 2 kilometres to the east of the B4-7 deposit and 1 kilometre north of the VW Deposit and is situated midway along a 2.7 kilometre long, east-southeast to west-northwest trending maxmin geophysical anomaly ("MM-7"), at the western end of which is located the historical BAM Gold zone discovered by Landore in 2003. MM-7 had not been drill tested prior to the discovery of the BAM East Gold Deposit.

The BAM East Gold Deposit was discovered in December 2015 while drilling to test MM-7. The drilling intersected a wide zone of gold mineralisation close to surface. Follow up drilling in February/March 2016 validated the initial discovery, identifying approximately 100 metres of strike length and 100 metres down dip with true thickness of up to 30+ metres remaining open to the east and west as well as at depth. Mineralisation consisted of low grade gold with periodic intervals of higher grade gold.

This significant new discovery indicated the potential for the initial development to be progressed as a low cost, bulk tonnage, open pit operation.

Summer Drill campaign: In June 2016, Landore initiated a second drill program to test the east, west and down dip extensions of the new gold occurrence. The campaign, completed by late August 2016, consisted of 22 NQ diamond drill holes (0416-524 to 0416-545), for 4,077m.

Operations report *continued*

The drilling results reported wide zones of gold mineralisation including high grade intersections with drill hole 0416-526 reporting 38.50 metres (m) at 3.42 grams/tonne (g/t) gold including 1.94m at 34.69g/t gold, 3m at 8.84g/t gold and 3m at 6.61g/t gold and drill-hole 0416-541 reporting 56.86 metres (m) at 1.60 g/t) gold including 4.00m at 5.17g/t gold.

Results received in this summer campaign included:

Easting	Northing	Drill-hole	From	Interval*	**Au**
		No	Metres	Metres	g/t
2200	175	0416-544	51.28	**15.22**	1.07
		including	51.28	0.72	6.47
2300	00	0416-539	204.29	**18.71**	1.42
		including	212.00	3.00	5.74
		including	212.00	1.00	**11.65**
2350	00	0416-540	177.00	**42.00**	2.55
		including	192.00	4.00	4.26
		and	211.00	8.00	5.53
		including	211.00	1.00	**27.80**
2350	50	0416-537	127.00	**38.00**	1.45
		including	160.00	1.00	**10.00**
2400	00	0416-541	147.00	**56.86**	1.60
		including	147.00	4.00	5.17
		and	202.83	1.03	8.43
2400	50	0416-536	114.00	**30.66**	2.55
		including	114.00	5.00	4.40
		and	125.00	6.00	6.44
		including	127.00	1.00	**28.70**
2450	50	0416-532	119.00	**20.00**	1.60
		Incl.	137.82	1.18	**9.77**
2450	00	0416-535	120.50	**53.50**	1.38
		Incl.	155.00	9.00	4.74
		Incl.	155.00	1.00	**30.60**
2500	00	0416-528	137.60	4.22	3.80
2550	00	0416-527	126.57	11.43	2.23
		including	128.50	0.75	9.68
2550	50	0416-526	56.50	6.70	1.79
		and	76.50	**38.50**	3.42
		including	76.50	1.94	**34.69**
		“	84.50	3.00	8.84
		“	100.00	3.00	6.81

2600	00	0416-542	118.90	**14.10**	1.41
2600	50	0416-525	24.00	5.50	2.30
		and	35.00	**40.50**	1.32
		Incl.	39.50	4.50	4.67
		and	51.50	**24.5**	0.98
		including	70.00	4.00	3.61
2650	00	0416-543	103.83	**23.17**	1.40
		including	108.48	2.00	**10.34**
2650	50	0416-531	58.00	10.00	3.13
		Incl.	60.70	1.30	**11.85**
2700	50	0416-533	18.00	11.80	1.23
		and	52.86	14.14	1.25

** 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.*

The summer drilling campaign successfully extended the BAM East Gold Prospect for a distance of 500 metres along strike from 2200E to 2700E and to a vertical depth of 150 metres. The prospect remains open along strike to the east and west and down dip.

Findings from exploration drilling on the BAM East Gold Prospect revealed a lithological sequence consisting of leucogabbro to the south, metasedimentary rocks in the central portion, to mafic volcanics to the north. All lithological units have been subjected to variable shearing and deformation, markedly the metasedimentary unit.

The gold mineralisation revealed to-date is predominantly contained in the metasediments, with some gold mineralisation occurring in the leucogabbro rocks. Visible gold occurs within or near quartz veinlets which are controlled by a shear system.

BAM East gold mineralisation is a typical shear-hosted gold-bearing system in an Archaean greenstone belt. The local intensity of the quartz-gold veins focussed by shear style deformation is such that potentially economic mineralisation could be present with a zone up to at least 38m true thickness, possibly more. The mineralisation is structurally led and not bound to any one lithology. Ultimately the style of the shear induced fractures will determine the width of the prospective vein zones.

Fall Drilling Campaign: In October 2016 Landore initiated a third drilling campaign to further test the east, west and down dip extensions of BAM East Gold mineralisation. The campaign, completed by late December 2016, consisted of 15 (6-HQ and 9-NQ diamond drill holes (0416-546 to 0416-560), for 3,678m.

Operations report *continued*

Results received from the Fall campaign included the following:

Easting	Northing	Drill-hole	From	Interval*	**Au**
		No	Metres	Metres	g/t
2350E	25S	0416-546	237.84	16.61	1.76
		Incl.	252.45	2.00	**8.22**
2400E	25S	0416-547	217.25	16.68	2.32
		Incl.	231.93	2.00	**12.00**
2450E	25S	0416-548	94.75	12.00	0.78
		and	186.00	19.68	1.00
		Incl.	200.58	1.00	**8.87**
2300E	25S	0416-549	253.50	3.00	1.35
2900E	50S	0416-553	12.00	11.30	0.81
		Incl.	13.00	1.00	5.10
		and	35.30	19.25	0.46

** Holes 0416-546 to 549 were drilled north at 55 degrees with 0416-553 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 80-85% for 0416-546 to 549 and between 85-90% for 0416-553 of the intervals shown in the above table.*

Since drilling commenced on the BAM East Gold Deposit in December 2015, 44 (6HQ and 38NQ) diamond drill holes, for 8,539 metres, have been drilled, successfully delineating a significant gold occurrence in the Central Zone and identifying other highly prospective areas with similar lithology along the 2.7 kilometre potential strike length.

Petrographic Studies: Seven samples from the winter and summer drilling campaigns on the central zone were submitted for petrographic studies, two of which reported significant native gold in both the (+)100 micron and the (-)100 micron size (see full report on Landore's website). No sulphides were associated with the precious metals.

Visible Gold: 26 of the 44 drill holes completed in the three campaigns reported multiple instances of visible gold (VG) up to 2 millimeters long occurring as singular pieces or in clusters contained in or adjacent to quartz veinlets. Accordingly core samples of interest reporting VG or high grade gold were re-submitted for screen metallic gold analysis to check reproducibility of gold assays.

These results together with the original 50 gram Fire Assay results were forwarded to an independent consultant for analysis.

In all, 217 drill core samples representing a wide range of gold grades returned by Landore's standard ore grade gold analysis (ALS Minerals analytical package Au-AA26) were submitted for gold screen metallic testing (ALS Minerals analytical package Au-SCR24) to check reproducibility of gold assays. The independent consultant's findings concluded that overall, the gold distribution does not appear to be very "nuggety" since gold is in both the fine and coarse screen fractions, and the screen metallic assays correlate reasonably well with the fire assays.

Operations report *continued*

Metallurgical Testing:-A Preliminary metallurgical assessment was completed on two intervals in the Central Zone of the BAM East Gold deposit. Drill core material, in the form of two composites of 28 samples weighing a total of 67 kilograms, was submitted to ALS Metallurgy, Kamloops of British Columbia for Gravity Concentration and Cyanidation Bottle Roll leach testing on the gravity tails. The assessment results were as follows:

Combined gold recovery by gravity concentration followed by cyanidation leach extraction of the gravity tail averaged about 98% for both composites tested.

Gravity Concentration: Feed gold recovery to the pan concentrate ranged between 58 and 59% for Composite 1 and Composite 2. Between 0.02 and 0.03% of the feed mass was recovered to the pan concentrates grading between 3,687 and 6,977 g/t gold.

Gold leach kinetics recorded for all tests at a nominal primary grind sizing of 75µm K_{80} were rapid, with close to peak gold extraction measured in the first sampling interval at 6 hours.

<u>Overall Gravity and Leach Results</u>

				Overall results	
Composite	Pan Con Gold Grade, g/tonne	Gravity Gold Recovery - %	Leach Gold Extraction -%	Overall Gold Extraction - %	Calc. Gold Feed Grade to Gravity - g/tonne
1	3687	57.5	96.9	98.7	2.03
2	6977	58.8	94.7	97.8	2.02

These outstanding results, showing 98% recovery of gold using a simple combined gravity/leaching process, further supports Landore's expectations that the exciting BAM East Gold deposit has the strong potential of low capex/opex costs amongst the lowest quartile of gold mining producers.

Resource estimate: following the successful summer drilling campaign, Landore retained consulting engineers Roscoe Postle Associates Inc. ("RPA") of Toronto, Canada, with the view of completing an initial Mineral Resource estimate and to prepare a supporting Technical Report on the Bam East Gold deposit. The Technical Report is compliant with the requirements of National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101)

Data compilation from the three drilling campaigns together with the results from the various studies was delivered to RPA by the 5 January 2017 with the Initial Resource Estimate together with the Technical Report being completed and published on 17 February 2017.

Highlights of the report are:-

- 301,000 ounces gold Maiden Resource Estimate for the BAM East Gold Deposit.
- One year from discovery to Maiden Resource Estimate. Discovery drill-hole 0415-517 drilled in December 2015. Resource cut-off 3 January 2017.

Operations report *continued*

- US$5 per ounce of gold discovery cost with the drill success rate at 36 ounces of gold per metre drilled (8,436 metres total).
- 98% combined gold recovery by gravity concentration followed by cyanidation leach extraction of the gravity tail.
- Review by RPA has been successful in outlining the favourable BAM Sequence along a strike length of approximately five kilometres.

The Mineral Resources for the BAM East Gold Deposit were estimated by RPA based on drill hole and assay data available up to January 3, 2017 and are summarized in Table 1-1.

Table 1-1 Mineral Resources as at January 27, 2017, BAM East Gold Deposit
Landore Resources Canada Inc. – Junior Lake Project

Category	Tonnes (000 t)	Grade (g/t Au)	Contained Au (000 oz)
Indicated	4,455	1.35	193
Inferred	2,730	1.23	108

Notes:
1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at a block cut-off grade of 0.3 g/t Au.
3. Mineral Resources are estimated using a long-term gold price of US$1,400 per ounce, and a US$/C$ exchange rate of 0.75.
4. A minimum mining width of 3 m was used.
5. Bulk densities for the main host rocks are 2.82 t/m^3, 2.84 t/m^3, and 2.92 t/m^3.
6. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
7. Numbers may not add due to rounding.

Compilation activities by RPA have been successful in outlining the favourable BAM Sequence along a strike length of approximately five kilometres. The strike limits of the unit have not been defined. Additional work is clearly warranted. This work would include continued compilation of all available information, detailed geological mapping and geochemical sampling, stripping and trenching activities in areas of shallow overburden, and diamond drilling in areas of deeper overburden cover.

The full report is published on Landore Resources’s website www.landore.com

Discovery of the Year Award:
In April 2017, Landore Resources was awarded the prestigious “Bernie Schneiders Discovery of the Year Award” by the Northwestern Ontario Prospectors Association in recognition for the BAM East Gold Deposit discovery. This award, which recognizes an exceptional discovery in Northwestern Ontario during the previous calendar year, was presented on 4 April to Landore Resources at the annual awards dinner hosted during the 2017 Ontario Prospectors Exploration Showcase in Thunder Bay, Ontario.

Operations report *continued*

2017 Planned Works:
Drilling on the BAM East Gold Deposit recommenced April 1 2017 with a total of 12,000 metres planned during this spring and summer. One drill is currently focussed on further delineation of the deposit, with a second drill scheduled to commence exploration drilling along the highly prospective structural trend which hosts the BAM East Gold Deposit. To date, 12 HQ diamond core drill-holes have been completed in the Central Zone revealing the same lithology's hosting the gold mineralisation. Initial results are encouraging and further results are pending and will be reported when received and collated.

B4-7 NICKEL-COPPER-COBALT-PGEs DEPOSIT:
Landore Resource's objective is to grow the Junior Lake nickel-copper-cobalt-PGEs project resource base to plus 100,000 tonnes of nickel equivalent (NiEq), to ultimately sell the project to a third party or enter into a joint venture partnership to develop the project.

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**

The B4-7 resource estimate and report, completed by 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.

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 NI 43-101.

Operations report *continued*

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."

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.

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% 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 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.

Operations report *continued*

Planned Works:
Landore has retained 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.

At present, due to the depressed Nickel price and the need to concentrate all available funds on the BAM East Gold Deposit, all works have been placed on hold until the markets improve.

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% 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 BAM East, B4-7 and VW deposits.

Mining Leases:
A pre-requisite for the development of the BAM East, 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% 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.

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.

Operations report *continued*

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.

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

ROOT LAKE LITHIUM PROPERTY:

As announced by the Company on 10 February 2016, Landore entered into an option agreement with Ardiden Ltd ("Ardiden" or the "Optionee"), pursuant to which Ardiden had the right to purchase Landore's 100% interest in Root Lake.

The option agreement provided that Ardiden could purchase Landore's interest in Root Lake on the following terms:

- a non-refundable deposit of C$50,000 payable to Landore upon the date of execution of the option agreement, payment of which has been received by the Company.

On 11 July 2016, Ardiden exercised its option to purchase 100% of Landore's Root Lake Lithium Property ("Root Lake"), located in Northwestern Ontario, Canada
The terms were:

- C$150,000 cash payable by Ardiden to Landore; and
- C$150,000 of ordinary shares of the Optionee, such ordinary shares to be: (i) issued by Ardiden to Landore, and (ii) issued at the 20-day VWAP prior to Ardiden's announcement dated 10th February 2016 (such VWAP to be calculated in accordance with the rules of the Australian Securities Exchange ("ASX"), excluding block trades) of Ardiden's ordinary shares; and
- The granting to Landore of a 3% net smelter royalty ("NSR") from minerals produced from Root Lake, to be effective at the Completion Date which will be evidenced by a customary royalty agreement. The Royalty Agreement shall include the right for Ardiden to purchase 50% of the Royalty (i.e. half of the 3%) from Landore for a payment of C$1,000,000.00.

On 22 July 2016, the Ardiden shares were sold, full details are set out in note 9.8.

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

Operations report *continued*

a conscientious role in all of its operations, and is aware of its social responsibility and its environmental duty.

Michele Tuomi, P.Geo.

Director/VP Exploration, Landore Resources Canada Inc.

30 May 2017

Board of Directors

William Humphries (aged 76) – 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 65) – 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 73) – 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.

Helen Green (aged 54) – 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), John Laing Infrastructure Fund Limited, City Natural Resources High Yield Trust Plc, UK Mortgages Limited and Aberdeen Emerging Markets Investment Trust Limited.

Strategic report

The Directors submit their Strategic Report for Landore Resources Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2016.

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 2016 there were four Directors, three male and one female.

At 31 December 2016 there was one female senior manager.

The total number of employees at 31 December 2016 was two, one male and one 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 2016 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 £1,724,629 (2015: £1,535,279). 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 pages 3 and 4 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 2016 amounted to £1,724,629. The Group will need to raise more funds during 2017.

According to the cash flow forecast, the Group's total projected net expenditure for the year 2017 is £3.28 million. As of year end the Group's bank balance amount was approximately £0.15 million. Since the year end the Group has raised £2.1 million hence the Group still needs an additional £1.03 million to fund the ongoing operations for 2017, and a further 0.24 million for administrative expenses in the first half of 2017. 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.

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 2016 are as follows:

Executive

William Humphries *(Chief Executive Officer)*

Richard Prickett *(Finance Director)*

Non-Executive

Charles Wilkinson *(Non-Executive Chairman)*

Helen Green *(Non-Executive Director)*

The Directors in office as at 31 December 2016 had the following beneficial interest in the shares of the Company:

	Ordinary shares of 1 penny each		Share options	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Executive Directors:				
William Humphries	64,314,119	49,914,119	17,500,000	21,500,000
Richard Prickett	11,144,876	9,955,899	16,000,000	12,500,000
Non-Executive Directors:				
Charles Wilkinson	2,154,047	2,154,047	1,750,000	1,500,000
Helen Green	1,617,583	1,027,583	1,250,000	1,000,000

Directors' report *continued*

Share options

As at 31 December 2016 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	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	22 June 2016	6,000,000	£0.018	22 June 2021
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	22 June 2016	500,000	£0.018	22 June 2021
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	22 June 2016	500,000	£0.018	22 June 2021
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 17.

Related party transactions

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

Share issues

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

Subsequent events

See note 26.

Directors' report *continued*

Substantial shareholdings

The Company is aware of the following holdings of more than 3% of the share capital of the Company as at 22 May 2017:

Shareholder name	Ordinary shares
Arconas International Limited	106,817,728
Taheh International Limited	104,604,667
William Humphries	68,894,119
HSBC Global Custody Nominee (UK) Limited	52,075,000
Vidacos Nominees Limited	38,287,839
Bank of New York (Nominees) Limited	30,208,333
Lynchwood Nominees Limited	30,179,011
Forest Nominees Limited	24,188,010

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

30 May 2017

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

The Audit Committee

The Audit Committee has met twice during the year to review the published financial information, the effectiveness of external audit and internal financial controls including the specific matters set out below.

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 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 20.

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 and company financial statements ("the 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's and its subsidiaries' (collectively referred to as "the Group") affairs as at 31 December 2016 and of the Group's loss and the Company's profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs); and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Emphasis of matter – going concern
Without qualifying our opinion on the financial statements, we draw attention to note 3 in these financial statements concerning the Group's ability to continue as a going concern. The group incurred net losses after taxation of £1,724,629 for the year ended 31 December 2016. 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 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 shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders 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 the 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 European Union and, as regards the Company financial statements, as applied in accordance with the provisions of The Companies (Guernsey) Law, 2008.

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.

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: The 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.

Going Concern assessment
The risk: The Group's liquidity is strongly dependent on the capital contributions from shareholders.

Our response: The audit work included, but was not restricted to, evaluation of management's assessment of the Group's ability to continue as a going concern, reasonableness of the underlying assumptions used and reviewing of subsequent events.

The Company's accounting policy on Going Concern is shown in note 3. The Board identified Going Concern as a significant issue in their report on page 20, where the Board also described the action that it has taken to address this issue.

Occurrence and completeness of 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 not capitalized. The occurrence and completeness of exploration costs are therefore risks that require particular audit attention.

Our response on occurrence: The 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: The 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.

Valuation of Share-based payments
The risk: The Group issued equity-settled share-based payments to certain employees during the period. The equity-settled share-based payments are measured at fair value at the date of grant. The fair value is measured by use of the Black-Scholes model and involves significant judgement and estimates. The new share-based payments valuation is therefore the risk that requires particular audit attention.

Our response: The audit work included, but was not restricted to, obtaining an understanding of management's process to recognise and measure share-based payments, reviewing the movements in share-based payments during the year and ensuring that all share options have been correctly recorded, reviewing the assumptions used in computing the fair value of the share-based payments using the Black-Scholes model and assessing whether such method and assumptions were reasonable.

The Group's accounting policy and the disclosure of share options are included in Note 3 and Note 16, respectively.

Rights and obligation and completeness of 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: The audit work included, but was not restricted to, 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.

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 determined materiality for the audit of the consolidated financial statements as a whole to be £95,000, which is 5% of the Group's administration expenses and exploration costs. This benchmark is considered the most appropriate because Group 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 higher than the level that we determined for the year ended 31 December 2015 as we have considered the control environment of the Group to be effective with no significant deficiencies to report, and we have not noted any material misstatements which arose as a result of deficient financial reporting. 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 financial statements. We also determine a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions.

We determined the threshold at which we will communicate misstatements to the audit committee to be £4,750. In addition we will 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 material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). Our responsibilities under those standards are further described in the 'Responsibilities for the consolidated 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 Group 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.

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 26, the directors are responsible for the preparation of the consolidated 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 consolidated 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

30 May 2017

Consolidated statement of comprehensive income

For the year ended 31 December 2016

	Notes	Group 31 December 2016 £	Group 31 December 2015 £
Exploration costs	9	(1,128,345)	(859,302)
Administrative expenses	24	(791,182)	(676,325)
Other income	9	194,756	—
Operating loss		(1,724,771)	(1,535,627)
Finance income	5	142	1,359
Finance expense		—	(1,011)
Loss before income tax		(1,724,629)	(1,535,279)
Income tax	8	—	—
Loss for the year		(1,724,629)	(1,535,279)
Other comprehensive profit/(loss):			
Exchange difference on translating foreign operations	18	39,025	(3,381)
Other comprehensive profit/(loss) for the year net of tax		39,025	(3,381)
Total comprehensive loss for year		(1,685,604)	(1,538,660)
Loss attributable to:			
Equity holders of the Company		(1,724,629)	(1,535,279)
Total comprehensive loss attributable to:			
Equity holders of the Company		(1,685,604)	(1,538,660)
Loss per share for losses attributable to the equity holders of the Company during the year			
– basic	10	(0.003)	(0.002)
– diluted	10	(0.003)	(0.002)

The Group's operating loss relates to continuing operations.

The accounting policies and notes on pages 41 to 69 form an integral part of these consolidated financial statements.

Company statement of comprehensive income

For the year ended 31 December 2016

	Notes	Company 31 December 2016 £	Company 31 December 2015 £
Administrative expenses	24	(634,144)	(495,004)
Operating loss		(634,144)	(495,004)
Interest receivable		142	1,359
Foreign exchange gain/(loss)		4,948,110	(2,556,046)
Profit/(loss) before income tax		4,314,108	(3,049,691)
Income tax expense		—	—
Total comprehensive profit/(loss) for the year		4,314,108	(3,049,691)

The Company's operating loss relates to continuing operations.

The accounting policies and notes on pages 41 to 69 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2016

	Notes	Group At 31 December 2016 £	Group At 31 December 2015 £
Assets			
Non-current assets			
Property, plant and equipment	11	30,480	35,782
		30,480	35,782
Current assets			
Trade and other receivables	13	65,799	37,346
Cash and cash equivalents	25	148,532	368,475
		214,331	405,821
Total assets		244,811	441,603
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	15	—	6,282,038
Share premium	15	—	27,627,990
Share capital – nil par value	15	35,264,858	—
Share-based payment reserve	16	748,231	891,709
Accumulated deficit	17	(35,710,215)	(34,374,928)
Translation reserve	18	(344,495)	(305,470)
Total equity shareholders' funds		(41,621)	121,339
Liabilities			
Non-current liabilities			
Income tax liabilities	14	—	—
		—	—
Current liabilities			
Trade and other payables	14	250,248	291,038
Current income tax liabilities	14	36,184	29,226
		286,432	320,264
Total liabilities		286,432	320,264
Total equity and liabilities		244,811	441,603

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 30 May 2017.

William Humphries
Director

Richard Prickett
Director

The accounting policies and notes on pages 41 to 69 form an integral part of these consolidated financial statements.

Company statement of financial position

As at 31 December 2016

	Notes	Company At 31 December 2016 £	Company At 31 December 2015 £
Assets			
Non current assets			
Investment in subsidiaries	12	94,888	94,888
		94,888	94,888
Current assets			
Trade and other receivables	13	26,587,376	20,483,304
Cash and cash equivalents	25	84,347	296,778
		26,671,723	20,780,082
Total assets		26,766,611	20,874,970
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	15	—	6,282,038
Share premium	15	—	27,627,990
Share capital – nil par value	15	35,264,858	—
Share-based payment reserve	16	748,231	891,709
Accumulated deficit	17	(9,313,646)	(14,017,096)
Total equity shareholders' funds		26,699,443	20,784,641
Liabilities			
Current liabilities			
Trade and other payables	14	67,168	90,329
Total liabilities		67,168	90,329
Total equity and liabilities		26,766,611	20,874,970

These financial statements were approved and authorised for issue by the Board of Directors on 30 May 2017.

William Humphries
Director

Richard Prickett
Director

The accounting policies and notes on pages 41 to 69 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2016

	Equity shareholders' funds						
	Share capital	Share premium	Share capital nil par value	Share-based payment	Accumulated deficit	Translation reserve	Total
	£	£	£	£	£	£	£
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	1,107,200	(442,880)	—	—	—	—	664,320
Issue costs	—	(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
Balance as at 1 January 2016	6,282,038	27,627,990	—	891,709	(34,374,928)	(305,470)	121,339
Share option reserve adjustment for lapsed options (note 16)	—	—	—	(306,400)	306,400	—	—
Issue of options and warrants (note 16)	—	—	—	245,864	—	—	245,864
Exercise of options and warrants (note 16)	—	—	—	(82,942)	82,942	—	—
Issue of ordinary share capital (note 15)	718,429	502,901	—	—	—	—	1,221,330
Re-denominate share capital (note 15)	(7,000,467)	(28,130,891)	35,131,358	—	—	—	—
Issue of ordinary share capital - nil par (note 15)	—	—	133,500	—	—	—	133,500
Total transactions with owners	(6,282,038)	(27,627,990)	35,264,858	(143,478)	389,342	—	1,600,694
Loss for the year	—	—	—	—	(1,724,629)	—	(1,724,629)
Exchange difference from translating foreign operations	—	—	—	—	—	(36,184)	(36,184)
Total comprehensive loss for the year	—	—	—	—	(1,724,629)	(36,184)	(1,760,813)
Balance as at 31 December 2016	—	—	35,264,858	748,231	(35,710,215)	(344,495)	(41,621)

The accounting policies and notes on pages 41 to 69 form an integral part of these consolidated financial statements.

Company statement of changes in equity

For the year ended 31 December 2016

	Share capital £	Share premium £	Share capital nil par value £	Share-based payment £	Accumulated deficit £	Total £
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	1,107,200	(442,880)	—	—	—	664,320
Issue cost	—	(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
Balance as at 1 January 2016	6,282,038	27,627,990	—	891,709	(14,017,096)	20,784,641
Lapsed options (note 16)	—	—	—	(306,400)	306,400	—
Issue of options (note 16)	—	—	—	245,864	—	245,864
Exercise of options (note 16)	—	—	—	(82,942)	82,942	—
Issue of ordinary share capital (note 15)	718,429	502,901	—	—	—	1,221,331
Re-denominate share capital (note 15)	(7,000,467)	(28,130,891)	35,131,358	—	—	—
Issue of ordinary share capital - nil par (note 15)	—	—	133,500	—	—	133,500
Total transactions with owners	(6,282,038)	(27,627,990)	35,264,858	(143,478)	389,342	1,600,695
Profit for the year	—	—	—	—	4,314,108	4,314,108
Total comprehensive profit for the year	—	—	—	—	4,314,108	4,314,108
Balance as at 31 December 2016	—	—	35,264,858	748,231	(9,313,646)	26,699,443

The accounting policies and notes on pages 41 to 69 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2016

	Notes	Group 31 December 2016 £	Group 31 December 2015 £
Cash flows from operating activities			
Operating loss		(1,724,771)	(1,535,627)
Finance income	5	142	1,359
Depreciation of tangible fixed assets	11	12,751	11,731
Share options issued		245,864	—
Foreign exchange loss on non-cash items		(21,488)	(3,085)
(Increase) in trade and other receivables		(18,927)	(13,957)
(Decrease)/increase in trade and other payables		(76,010)	190,036
Net cash used in operating activities		(1,582,439)	(1,349,543)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	15	1,347,330	656,820
Issue costs	15	—	(6,051)
Net cash generated by financing activities		1,347,330	650,769
Net (decrease) in cash and cash equivalents		(235,109)	(698,774)
Cash and cash equivalents at beginning of the year		368,475	1,072,243
Exchange gain/(loss) on cash and cash equivalents		15,166	(4,994)
Cash and cash equivalents at end of the year		148,532	368,475

The accounting policies and notes on pages 41 to 69 form an integral part of these consolidated financial statements.

Company statement of cash flows

For the year ended 31 December 2016

	Notes	Company 31 December 2016 £	Company 31 December 2015 £
Cash flows from operating activities			
Operating loss		(634,144)	(495,005)
Finance income		142	1,359
Foreign exchange gain/(loss) on non-cash items		4,948,110	(2,556,046)
Share options issued	16	245,864	—
(Increase)/decrease in trade and other receivables		(6,104,072)	1,584,269
(Decrease)/increase in trade and other payables		(15,661)	43,653
Net cash used in operating activities		(1,559,761)	(1,421,770)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	15	1,347,330	656,820
Issue costs		—	(6,049)
Net cash generated by financing activity		1,347,330	650,771
Net decrease in cash and cash equivalents		(212,431)	(770,999)
Cash and cash equivalents at beginning of year		296,778	1,067,777
Cash and cash equivalents at end of year		84,347	296,778

The accounting policies and notes on pages 41 to 69 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 EU-Adopted International Financial Reporting Standards ("EU 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 GBP 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 January 1, 2016 have been adopted in these group and company financial statements

At the year end, a number of amendments to IFRSs became effective, which have been summarised below:

Amendments to IAS 16 and IAS 38 'Clarification of Acceptable Methods of Depreciation and Amortisation'

The Amendments to IAS 16 prohibit the use of a revenue-based depreciation method for property, The Amendments to IAS 38 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate.

The amendment is required to be applied for annual reporting periods beginning on or after January 1, 2016.

The Group's and Company's management have reviewed the application of the amendments and have concluded that there is no impact on these group and company financial statements.

Notes to the consolidated financial statements *continued*

Amendments to IAS 1 'Disclosure Initiative'
The amendments further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

The amendment is required to be applied for annual reporting periods beginning on or after January 1, 2016.

The Group's and Company's management have reviewed the application of the amendments and have concluded that there is no impact on these group and company financial statements.

Amendments to IAS 27 'Equity Method in Separate Financial Statements'
This amendment allows entities to account for investments in subsidiaries, joint ventures and associates under the equity method in their individual financial statements.

The amendment is required to be applied for annual reporting periods beginning on or after January 1, 2016.

The Group's and Company's management have reviewed the application of the amendments and have concluded that there is no impact on these group and company financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28 'Investment Entities – Applying the Consolidation Exception'
The amendments confirm that the exemption from consolidation is available to parent entities that are subsidiaries of investment entities in these circumstances. The amendments modify IFRS 10, clarifying that the consolidation requirement applies only to subsidiaries that are not themselves investment entities and whose main purpose and activities are providing services that relate to the investment entity's investment activities.

The amendment is required to be applied for annual reporting periods beginning on or after January 1, 2016.

The Group's and Company's management have reviewed the application of the amendments and have concluded that there is no impact on these group and company financial statements.

Improvements to IFRSs 2012–2014 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 Group's and Company's management have reviewed the application of the amendments and have concluded that there is no impact on these group and company 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 and Company's management have reviewed the application of the amendments and have concluded that there is no impact on these group and company financial statements.

Amendments to IAS 19 'Employee Benefits'
IAS 19 requires that the currency and term of the corporate or government bonds used to determine the discount rate for post-employment benefit obligations must be consistent with the currency and estimated term of the obligations. The amendments clarify that the assessment of the depth of the corporate bond market shall be made at the currency level rather than the country level.

The amendment is required to be applied for annual reporting periods beginning on or after January 1, 2016.

The Group's and Company's management have reviewed the application of the amendments and have concluded that there is no impact on these group and company financial statements.

Amendments to IAS 34 'Interim Financial Reporting'
The amendments clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and require the inclusion of a cross-reference from the interim financial statements to the location of this information.

The amendment is required to be applied for annual reporting periods beginning on or after January 1, 2016.

The Group's and Company's management have reviewed the application of the amendments and have concluded that there is no impact on these group and company 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 and the Company

At the date of authorisation of these group and company 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 and the Company. Information on those expected to be relevant to the Group's and the Company's consolidated and separate financial statements is provided below.

Group and Company management anticipate that all relevant pronouncements will be adopted in the Group's and the Company'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 and Company's financial statements.

IAS 7 'Disclosure Initiative'
The narrow scope amendments to IAS 7 are designed to improve the quality of information provided to users of financial statements about changes in an entity's debt and related cash flows (and non-cash changes).

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

The Group's and Company's management have yet to assess the impact of IAS 7 on these group and company financial statements.

IAS 12 'Recognition of Deferred Tax Assets for Unrealised Losses'
The focus of the amendments is to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost.

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

The Group's and Company's management have yet to assess the impact of IAS 12 on these group and company 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.

Notes to the consolidated financial statements *continued*

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 and Company's management have yet to assess the impact of IFRS 9 on these group and company 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 Group's and Company's management have yet to assess the impact of IFRS 9 on these group and company financial statements.

IFRS 2 'Classification and Measurement of Share-based Payment Transactions'
IFRS 2 introduces changes to the treatment of the effects of vesting conditions on the measurement of a cash-settled share-based payments, the classification of transactions with a net settlement feature for withholding tax obligations and the accounting for a modification to the terms and conditions of a share-based payment that changes the classification from cash-settled to equity-settled.

The amendment is required to be applied for annual reporting periods beginning on or after January 1, 2018.

The Group's and Company's management have yet to assess the impact of IFRS 2 on these group and company 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 2016. 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.

Notes to the consolidated financial statements *continued*

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

Separate financial statements

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

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

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

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.

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% declining balance
Office equipment	–	20% declining balance
Automotive equipment	–	30% declining balance
Machinery and equipment	–	20% 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.

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.

Notes to the consolidated financial statements *continued*

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

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

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.

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.

Notes to the consolidated financial statements *continued*

Trade payables

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

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 instruments

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

During the year, the par value of ordinary shares was redenominated from £0.01 per share to nil. Following the redenomination, all amounts received upon issue of shares, net of issue expenses or commissions, have been recognised as share capital in accordance with applicable law in Guernsey.

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.
- "Share capital – nil par value" represents the gross proceeds upon issue of shares net of issue costs.
- "Cumulative translation reserve" represents the differences arising from translation of the financial statements of the Group's foreign entities to the presentational currency.
- "Share based payments reserve" represents equity-settled share-based employee remuneration until such share options are exercised, together with the fair value of equity-settled warrants issued to third parties.
- "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.

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 2016 amounted to £1,724,629. The Group will need to raise further funds for the 2017.

According to the cash flow forecast, the Group's total projected net expenditure for the year 2017 is £3.28million. As of year end the Group's bank balance amount was approximately £0.15million. Since the year end the Group has raised £2.1 million hence the Group still needs an additional £1.03million to fund the ongoing operations for 2017.and a further 0.24 million for administrative expenses for the first half of 2017.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	2016 £	2015 £
Loss from operations is stated after charging/(crediting):			
Group			
Depreciation of property, plant and equipment	11	12,751	11,731
Auditors' remuneration – audit services		18,288	16,909
Income from sale of mineral property	9	(194,756)	—
Loss on disposal of investments	9	8,856	—
Share-based payment charge	21	245,864	—
Foreign exchange (gain)/loss		(43,368)	39,224
Company			
Auditors' remuneration – audit services		11,950	11,000
Share-based payment charge	21	245,864	—
Foreign exchange (gain)/loss		(4,948,110)	2,556,046

5. Finance income – Group

	2016 £	2015 £
Interest receivable on bank account	142	1,359
	142	1,359

6. Employees

	2016 Number	2015 Number
The average monthly number of persons (excluding Directors) employed by the Group during the period was:		
Management and administration and operations	2	3
	£	£
Staff costs (for the above persons):		
Wages and salaries	228,473	138,621
Social security costs	7,161	14,340
Pension costs	9,749	10,994
	245,383	163,955

Notes to the consolidated financial statements *continued*

7. Key management compensation

	2016	2015
	£	£
Executive Directors:		
William Humphries	80,000	110,000
Richard Prickett	40,000	67,500
	120,000	177,500
Non-Executive Directors:		
Helen Green	7,500	11,250
Charles Wilkinson	10,000	15,000
	17,500	26,250
Total	137,500	203,750

The highest paid Director received aggregate remuneration of £80,000 (2015: £110,000).

Share options in issue to Directors are disclosed on page 22.

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$11,730,000 (2015: CA$10,904,000) 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 future profits.

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 (2015: US$522,159) which will expire between 2018 and 2020.

	2016	2015
	£	£
Loss for the year	(834,549)	(567,748)
Loss for the year multiplied by standard rate of Canadian corporation tax 26.5% (2015: 26.5%)	(221,156)	(150,453)
Effect of:		
Losses not utilised in the current year	221,156	150,453
Income tax expense	—	—

Notes to the consolidated financial statements *continued*

9. Mineral properties – Group

	1 January 2016 £	Net expense in the period £	Accumulated expenditure at 31 December 2016 £	Option income in the period £	Accumulated expenditure at 31 December 2016 £
Junior Lake	16,296,167	1,120,738	17,416,905	—	17,416,905
Miminiska Lake	1,519,976	2,312	1,522,288	—	1,522,288
Frond Lake	80,327	1,408	81,735	—	81,735
Wottam	61,558	—	61,558	—	61,558
Lessard	696,965	226	697,191	—	697,191
Other, including Swole Lake, West Graham and Root Lake	65,999	3,661	69,660	—	69,660
	18,720,992	1,128,345	19,849,337	—	19,849,337

Mineral properties – Company

	1 January 2016 £	Net expense in the period £	Accumulated expenditure at 31 December 2016 £
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% 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% of the Summit Lake property.

9.2 Miminiska Lake

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

9.3 Frond Lake

Frond Lake is a gold property located approximately 125 kilometres east of Pickle Lake in Northern Ontario, Canada. The property is comprised of 24 patented claims contiguous to the east of the Wottam Property. The Frond Lake property claims are wholly-owned by the Company subject to a 2% 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% 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% interest in the property, with a possibility of earning a further 15% 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.

9.8 Root Lake

Root Lake is a lithium property located approximately 300 kilometres northwest of Thunder Bay in Northern Ontario, Canada. The property consists of 33 patented and 3 staked claims. During 2016 Landore sold the Root Lake property to Ardiden Limited (“Ardiden”).

Sale of Mineral Property

On 10 February 2016, the Company announced it had entered into an agreement with Ardiden whereby Ardiden was granted to option to purchase Landore’s 100% interest in its Root Lake property. Terms of the agreement provided that Ardiden would pay a £27,822 (C$50,000) non-refundable deposit to Landore Resources Canada Inc. upon signing of the option agreement, and if Ardiden decided to complete the purchase of the property, Landore Resources Canada Inc. would receive £83,467 (C$150,000) in cash and the equivalent of £83,467 (C$150,000) of shares of Ardiden.. The total amount therefore recorded as ‘Other income’ is £194,756.

Landore Resources Canada Inc. was also granted a 3% Net Smelter Royalty which Ardiden has the right to purchase 50% of for the sum of £556,445 (C$1,000,000)

On 11 July 2016, Ardiden executed the option to purchase the Property and satisfied the terms listed above. The Ardiden shares were sold during the year for £74,610 with the subsequent loss on disposal of £8,857 included within administrative expenses.

Notes to the consolidated financial statements *continued*

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 668,889,030 (2015: 534,008,674) 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 50,850,000 (2015: 45,100,000) share options and 1,830,000 (2015: 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 2016	105,512	23,664	100,764	15,370	245,310
Additions	—	—	—	—	—
Disposals	—	—	—	—	—
Foreign exchange movements	25,116	5,631	23,986	3,659	58,392
At 31 December 2016	130,628	29,295	124,750	19,029	303,702
Depreciation					
At 1 January 2016	94,702	22,060	78,535	14,231	209,528
Charge for the year	5,292	785	6,348	326	12,751
Disposals	—	—	—	—	—
Foreign exchange movements	22,987	5,316	19,226	3,414	50,944
At 31 December 2016	122,981	28,161	104,109	17,971	273,222
Net book value					
At 31 December 2016	7,647	1,134	20,641	1,058	30,480
At 31 December 2015	10,810	1,604	22,229	1,139	35,782

	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

12. Non-current asset investments – Company

	Investment in subsidiaries £
Cost	
At 1 January 2015	4,111,190
At 31 December 2015	4,111,190
At 31 December 2016	4,111,190
Provision for diminution in value	
At 1 January 2015	4,016,302
At 31 December 2015	4,016,302
At 31 December 2016	4,106,302
Net book value	
At 1 January 2015	94,888
At 31 December 2015	94,888
At 31 December 2016	94,888

At 31 December 2016 the Company held the entire issued share capital of the following subsidiary undertakings:

Subsidiary	*Nature of business*	*Country of incorporation*
Landore Resources Canada Inc. (100%)	Exploration of precious metals	Canada
Brancote US Inc.* (100%)	Exploration of precious metals	United States

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

All subsidiaries have been included in the consolidated financial statements.

13. Trade and other receivables

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Due within one year:				
Loans receivable	3,739,030	—	3,020,118	—
Allowance for impairment	(3,739,030)	—	(3,020,118)	—
Trade receivables	65,799	4,046	37,346	3,958
Amount due from subsidiary	—	26,583,330	—	20,479,346
	65,799	26,587,376	37,346	20,483,304

The Group's loans receivable include £3,739,030 (2015: £3,020,118) 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 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Trade payables	250,248	67,168	291,038	90,329
Current tax liabilities	36,184	—	29,226	—
	286,432	67,168	320,264	90,329

Trade and other payables: amounts falling due after one year

	Group 2016 £	Group 2015 £
Income tax liability maturity analysis		
One to two years (non-current liabilities)	—	—

15. Share capital

Following a resolution passed at the AGM on 21 June 2016, the company reclassified and redenominated each existing ordinary share of 1 penny into one share of no par value. Following the redenomination, all amounts received upon issue of shares, net of issue expenses or commissions, have been recognised as share capital in accordance with applicable law in Guernsey.

At 31 December 2016, there were 707,488,001 shares of no par value in issue.

At 31 December 2015, there were 628,203,825 shares of 1 penny par value in issue, representing share capital of £6,282,038.

	Ordinary Shares of 0p 2016 £	Ordinary Shares of 1p 2016 £	Share premium 2016 £
Issued:			
At 1 January 2016	—	6,282,038	27,627,990
Issued in the year	133,500	718,429	502,901
Redenominate share capital	35,131,358	(7,000,467)	(28,130,891)
At 31 December 2016	35,264,858	—	—

Notes to the consolidated financial statements *continued*

The Company made allotments of 1p ordinary shares with an aggregate nominal value of £718,429 during the period as follows:

	Number of shares	Nominal value £	Share premium £
14 June 2016 – Subscription at 1.7p	71,843,000	718,429	502,901
	71,843,000	718,429	502,901

The Company made allotments of no par value ordinary shares with an aggregate nominal value of £nil during the period as follows:

	Number of shares	Nominal value £	Share premium £
27 June 2016 – Settle advisor fees at 1.7p	441,176	—	—
4 November 2016 – Option exercise at 1.8p	7,000,000	—	—
	7,441,176	—	—

Issue costs of £16,500 (2015: £13,551) were incurred when issuing shares.

The total gross cash proceeds received from the shares issued in the year under review amounted to £1,347,330.

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

	2016 £	2015 £
Share options reserve	714,541	858,019
Share options reserve – warrants	33,690	33,690
Total	748,231	891,709

Notes to the consolidated financial statements *continued*

16.1 Share options reserve

Grant date	Expiry date	Exercise price £	Number of options at 1 January 2016	(Lapsed)/ Granted	(Exercised)	Number of options at 31 Dec 2016	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)	—	—	—
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
22 June 2016	22 June 2021	0.018	—	20,750,000	(7,000,000)	13,750,000	162,922
			45,100,000	12,750,000	(7,000,000)	50,850,000	714,541

During the year, the Company granted 20,750,000 options (2015: nil).

7,000,000 options were exercised during the year (2015: nil) about which further details are provided in Note 15.

8,000,000 share options lapsed in the year (2015: nil).

All of the above options vest in full on the grant date and all 50,850,000 options were therefore exercisable at the year end.

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

	2016 £	2015 £
Outstanding at beginning of the period	0.13	0.13
Granted during the period	0.018	—
Exercised during the period	0.018	—
Lapsed during the period	0.16	—
Outstanding at end of the period	0.039	0.13
Exercisable at end of the period	0.039	0.13
Weighted average share price of share options exercised in year	0.018	—
Weighted average remaining contractual life of share options outstanding at end of the period (years)	2.45	2.28

During the year ended 31 December 2016, 20,750,000 share options were issued to various Directors and employees.

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

Notes to the consolidated financial statements *continued*

The model inputs were:

Options granted	**23 June 2016**
Share price at grant date	£0.018
Expected volatility	83.52%
Risk-free interest rate	1%
Exercise price	£0.018
Option life	5 years

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

The movements on the share options reserve are detailed below:

	2016 £	2015 £
Share options reserve as at 1 January	858,019	858,019
Charge in statement of comprehensive income – options issued	245,864	—
Transfer to retained earnings – options exercised	(82,942)	—
Transfer to retained earnings - lapsed options	(306,400)	—
Share options reserve at 31 December	714,541	858,019

16.2 Share options reserve – warrants

Grant date	Expiry date	Exercise price (£)	Number of options at 1 January 2016	(Lapsed)/ Granted	Number of options at 31 December 2016	Fair value (£)
14 July 2014	14 July 2017	0.0363	1,830,000	—	1,830,000	33,690
			1,830,000	—	1,830,000	33,690

The Company granted no warrants during the year (2015: nil) and no warrants lapsed (2015: 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:

	2016	2015
	£	£
Outstanding at beginning of the period	0.0363	0.0363
Granted during the period	—	—
Exercised during the period	—	—
Lapsed during the period	—	—
Outstanding at end of the period	0.0363	0.0363
Exercisable at end of the period	0.0363	0.0363
Weighted average remaining contractual life of share options outstanding at end of the period (years)	0.53	1.53
Weighted average share price of share options exercised in year	_	_

The movements on the warrant reserve are detailed below:

	2016	2015
	£	£
Warrant reserve as at 1 January	33,690	33,690
Charge in statement of comprehensive income	—	—
Warrant reserve at 31 December	33,690	33,690

17. Accumulated deficit

	2016	2015
	£	£
Group		
At 1 January	(34,374,928)	(32,839,649)
Loss for the year	(1,724,629)	(1,535,279)
Exercise of options	82,942	—
Transfer in respect of lapsed options	306,400	—
At 31 December	(35,710,215)	(34,374,928)
Company		
At 1 January	(14,017,096)	(10,967,405)
Profit/(loss) for the year	4,314,108	(3,049,691)
Exercise of options	82,942	—
Transfer in respect of lapsed options	306,400	—
At 31 December	(9,313,646)	(14,017,096)

18. Cumulative translation reserve

	Translation reserve
	£
Group	
At 1 January 2016	(305,470)
Exchange differences on translation of overseas operations	(39,025)
At 31 December 2016	(344,495)

Notes to the consolidated financial statements *continued*

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

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

	2016 £	2015 £
Opening net funds	368,475	1,072,243
Decrease in cash and cash equivalents	(235,109)	(698,774)
Net funds before foreign exchange	133,366	373,469
Foreign exchange gain/(loss)	15,166	(4,994)
Closing net funds	148,532	368,475

20. Analysis of net funds – Group

	At 1 January 2016 £	Cash flow £	Exchange gains £	At 31 December 2016 £
Cash and cash equivalents	368,475	(235,109)	15,166	148,532
Total	368,475	(235,109)	15,166	148,352

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 £71,395 (2015: £72,432) in the period in respect of its role as administrators for the Company and Rysaffe was paid £10,000 (2015: £10,000) in respect of its role as Company Secretary. An amount of £9,392 (2015: £16,106) was owing to SCMIL at the year-end and the amount owing to Rysaffe was £nil (2015: £nil). All transactions are at market value.

Pursuant to a Loan Amendment Agreement effective 30 April 2014 Landore Resources Canada Inc. (Landore) and Lamaune Iron Inc. ("Lamaune") 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 has been 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;

(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%).

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 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Financial assets				
Trade and other receivables	65,799	26,587,376	37,346	20,483,304
Investment in subsidiaries	—	94,888	—	94,889
Financial liabilities				
Trade and other payables	286,432	67,168	320,265	90,329

23. Commitments

Operating lease commitments

As at 31 December 2016, the Group had no significant contractual obligations. (2015: none)

Contractual commitments

As at 31 December 2016, the Group had no significant contractual obligations. (2015: none)

24. Administrative expenses

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Administrative expenses	321,442	185,843	402,058	228,330
Directors fees	137,500	137,500	203,750	203,750
Legal, accountancy and audit expenses	86,376	64,937	70,517	62,924
Share-based payments expense	245,864	245,864	—	—
	791,182	634,144	676,325	495,004

25. Cash and cash equivalents

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Cash at bank	148,532	84,347	368,475	296,778
Short term deposits	—	—	—	—
	148,532	84,347	368,475	296,778

26. Subsequent events

26.1 On 3 March 2017, the company raised gross proceeds of approximately C$3.46 million (£2.1 million) through a subscription of 77,775,000 new ordinary shares of no par value in the Company at a price of 2.7 pence per share.

The issue price represented a discount of approximately 7.5% to the closing middle market price of 2.92 pence per ordinary share on 2 March 2017. Immediately following the issue, the issued shares represented approximately 10% of the enlarged issued share capital. The net proceeds are

Notes to the consolidated financial statements *continued*

being utilised by the Company to finance drilling and exploration at the BAM East Gold Deposit and working capital.

The company's Directors William Humphries, Richard Prickett and Helen Green participated in the subscription, purchasing 4,580,000, 1,000,000 and 740,000 shares respectively.

26.2 On 16 March 2017, the company issued 277,778 shares to an advisor in lieu of cash fees. The shares were issued at a price of 2.7 pence per share.

26.3 Since the year end the Company has advanced a total of C$1,110,000 to its subsidiary, Landore Resources Canada Inc.

26.4 Since the year end a total of 3,500,000 share options, at a strike price of 7.88p per share, expired on 20 March 2017.

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 3 July 2017 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 and 6 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 2016;
2. to re-elect William Humphries who retires in accordance with Article 19.12 of the Articles of Association of the Company (the "**Articles**");
3. to re-elect Richard Prickett who retires in accordance with Article 19.12 of the Articles;
4. to re-appoint Grant Thornton Limited as auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration;

Special Business

5. that in substitution for all previous authorities which are hereby revoked, the Directors be and they are hereby generally and unconditionally authorised for the purposes of Article 5.1 of the Articles to exercise all the powers of the Company to allot 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 Articles ;

6. that in substitution for all previous authorities which are hereby revoked, the Directors be and they are hereby empowered pursuant to Article 6.8 of the Articles to allot equity securities for cash pursuant to the authority conferred by the previous resolution as if Article 6.1 of the Articles did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
   (a) in connection with an offer of such securities by way of rights to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
   (b) otherwise than pursuant to sub-paragraph (a) above up to 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 Articles .

By Order of the Board

Director of Rysaffe International Services Limited

as Secretary to Landore Resources Limited

30 May 2017

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy (or more than one proxy) to attend and, on a poll, vote in his stead. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.
2. For the convenience of members who may be unable to attend the meeting, a Form of Proxy is 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 by 11.30am on 30 June 2017. The fact that members may have completed Forms of Proxy will not prevent them from attending and voting in person should they afterwards decide to do so.
3. Members who hold ordinary shares in uncertificated form must have been entered on the Company’s Register of Members 48 hours prior to meeting in order to be entitled to attend and vote at the meeting. Such members may only vote at the Meeting in respect of ordinary shares in the Company held at that time.
4. To appoint one or more proxies, or to give an instruction to a proxy, (whether previously appointed or otherwise) via the CREST system CREST messages must be received by the issuer’s agent (ID number 3RA50) by 11.30am on 30 June 2017. 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.

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 3 July 2017 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 2016		
2. Ordinary Resolution to re-elect William Humphries		
3. Ordinary Resolution to re-elect Richard Prickett		
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 authorise the Directors to allot relevant securities		
6. 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 notarially certified copy of such power or authority, to the registrar's agents, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 11.30 am on 30 June 2017.
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 30 June 2017.
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 30 June 2017. 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.