

For Release 21st August 2012

LANDORE RESOURCES LIMITED

INTERIM STATEMENT
For the six months ended 30 June 2012

www.landore.com

LANDORE RESOURCES LIMITED

COMPANY INFORMATION

Directors

William Humphries	(Chairman)
Richard Prickett	(Chief Executive Officer and Finance Director)
Charles Wilkinson	(Non-Executive Director)
Helen Green	(Non-Executive Director)

Secretary Rysaffe International Services Limited

Registered office

La Tonnelle House
Les Banques
St Sampson
Guernsey GY1 3HS

**Nominated adviser
& Broker**

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Auditors

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Lefebvre Street
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Registrars

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LANDORE RESOURCES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2012

General

The following discussion of performance, financial condition and future prospects should be read in conjunction with the interim consolidated financial statements of the Group and notes thereto for the period from 1 January 2012 to 30 June 2012. All amounts are stated in sterling.

Overview

Landore Resources Limited is listed on the AIM Market in London, with the trading symbol of LND.L. The Company is based in Guernsey in the Channel Islands and its 100% owned operating subsidiary, Landore Resources Canada Inc, is engaged in the exploration and development of a portfolio of precious and base metal properties in North America.

Results of Operations

The financial results for the six months to 30 June 2012 show a loss of £2,469,980 (2011 : loss £1,903,093). These results were in line with expectations and as a result of the increased exploration costs of £ 1,837,894 (2011 : £1,337,695).

During the period under review approximately £2.26 million was raised from the issue of 30,100,000 shares. The Group has no debt but will continue to raise further equity as needed to carry out its exploration and development activities.

Mineral Exploration Activities

In the period under review the Group's activities have been almost entirely focused on the Junior Lake project. The drilling programme on the B4-7 deposit has significantly enhanced the volume of the massive sulphide mineralization along the 650 metres of strike, the deposit remains open along strike and down dip. Exploration to the west indicates that there could be a significant extension of up to 600 metres. Further details are set out below:

The 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 B4-7 Nickel-Copper-Cobalt-PGMs deposit, the VW Nickel deposit, the B4-8 prospect and numerous other highly prospective mineral occurrences.

The combined resources (Canadian National Instrument (NI) 43-101 compliant) of the VW and B4-7 deposits delineated to date, total 48,281 tonnes of nickel equivalent (NiEq), 82 per cent of which is in the Indicated category, these resources do not include any upgrade from this season's drilling campaign. Both deposits remain open down dip and along strike to the east and west.

B4-7 Nickel-Copper-Cobalt-PGEs deposit

The B4-7 deposit is located 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. In Q1 2010, a NI 43-101 compliant report and resource estimate upgrade for the B4-7 deposit was completed. The resource reported **26,521 tonnes NiEq**, at a 0.25% Nickel cut-off.

The drilling campaign started in February 2012, aimed at expanding the B4-7 deposit and providing adequate drill density to bring inferred portions of the deposit to indicated status, is now complete. In total, 81 diamond core NQ size holes and 4 re-entered holes (0412-367 to 0412-448 and 0409-202, 0409-237/238 and 0411-359) for 15,868 metres, have been completed.

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**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED 30 JUNE 2012 continued**

B4-7 mineralised intersections include:

Drill-hole No	From Metres	Width* Metres	Ni %	Cu %	Co %	Pd ppb	Pt ppb	Au ppb
0412-410	52.07	11.89	0.92	0.64	0.08	691	100	16
including	58.50	5.46	1.06	0.85	0.08	808	99	9
0412-411	137.42	14.65	0.79	0.47	0.05	684	101	17
including	139.50	5.97	1.02	0.44	0.06	720	71	19
0412-412	60.64	14.26	0.97	0.46	0.08	679	98	48
including	65.00	8.68	1.02	0.46	0.07	749	109	51
0412-413	82.77	22.23	0.88	0.44	0.08	579	78	17
including	84.00	8.00	1.04	0.44	0.07	655	115	13
including	95.50	1.00	0.63	1.85	0.31	517	63	21
0412-414	38.59	3.63	0.95	0.43	0.07	836	69	15
0412-415	232.81	8.13	0.86	0.61	0.07	695	133	23
0412-417	23.22	27.78	0.81	0.51	0.06	751	112	23
including	27.00	12.00	1.04	0.62	0.07	996	140	24
0412-420	316.65	2.80	0.96	0.62	0.08	718	218	24
including	318.00	1.45	1.02	0.47	0.08	680	133	24
0412-423	298.43	6.87	0.98	0.52	0.08	665	157	18
including	301.05	2.95	1.07	0.52	0.07	632	158	19
0412-427	30.07	4.68	0.97	0.62	0.05	858	146	18
including	33.00	1.00	1.41	1.16	0.05	1090	242	16
and	41.18	2.47	1.03	0.66	0.06	503	21	20
0412-428	17.22	3.98	0.77	0.45	0.07	618	99	13
0412-429	23.00	2.06	0.93	0.28	0.10	676	88	21
0412-430	60.49	3.75	0.77	0.59	0.07	581	95	57
including	61.50	0.75	0.62	1.23	0.13	696	62	142
0412-432	79.38	10.04	0.85	0.47	0.06	1008	370	30

**The actual true thickness of mineralisation is estimated to represent between 75-80% of the intervals shown in the above table.*

Additionally, drill-hole 0412-437 revealed encouraging zinc results with 1.32 metres at **5.87%Zn**, 0.22% Ni, 0.50% Cu, and 0.04% Co.

These significant drill results have successfully increased the potential tonnage of the B4-7 deposit, most notably within the upper 150-metre portion of the deposit along the eastern 500 metres of strike length. Drilling consistently intersected the B4-7 massive sulphide main zone through this 500 metre section. Drill testing has shown that the mineralisation in this section extends to the surface.

Encouraged by these results, Landore reviewed all assays from drill-holes 0412-367 to 0412-424 and re-entered holes 0409-202, 0409-237/238 and 0411-359. Samples from these drill holes had initially been submitted to Landore's primary laboratory for exploration-grade analysis with ore grade analysis triggered at a threshold metal level.

Significant mineralised intersections from these drill-holes were re-submitted to the laboratory for full ore grade analysis. Results from this testing have indicated average grade increases of approximately 8.1% for nickel, 1.6% for copper, and 4.4% for cobalt within these intersections.

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MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2012 continued

Re-evaluated mineralised B4-7 intersections include:

Drill-hole No	From Metres	Width* Metres	Ni %	Cu %	Co %	Pd ppb	Pt ppb	Au ppb
0409-238	116.00	19.83	0.64	0.61	0.05	579	117	34
including	129.30	5.75	0.99	0.54	0.08	791	110	21
0412-374	96.60	13.96	0.79	0.62	0.07	618	101	31
including	99.00	8.50	0.98	0.68	0.08	770	120	23
0412-375	191.00	13.72	0.73	0.45	0.05	527	113	17
0412-378	46.90	23.97	0.87	0.59	0.07	782	123	27
including	61.50	7.50	0.99	0.70	0.06	1132	221	16
0412-376	285.00	8.80	0.92	0.75	0.06	502	191	92
0412-381	256.51	13.17	0.91	0.59	0.06	695	185	20
0412-382	145.11	7.90	1.01	0.59	0.08	568	83	23
0412-385	139.00	30.08	0.82	0.46	0.07	597	162	29
including	164.58	4.50	1.03	0.44	0.08	189	145	28
0412-386	20.48	20.17	0.74	0.63	0.07	689	173	40
including	23.20	12.90	1.02	0.58	0.06	893	214	33
0412-388	44.90	8.41	0.99	0.49	0.07	494	165	19
0412-394	33.00	3.39	0.60	0.88	0.27	304	124	55
0412-396	79.36	11.34	0.68	0.41	0.05	356	167	44

*The actual true thickness of mineralisation is estimated to represent between 75-80% of the intervals shown in the above table.

Accordingly, Landore modified its B4-7 analysis protocol to include nickel and copper assaying using strict ore grade methodology, and lowered the trigger limit for cobalt ore grade re-analysis. All drill-holes subsequent to 0412-424 (comprising of 0412-425 to 0412-448 and re-entered holes 0409-222 and 0409-257) have followed this new protocol.

2012 Planned Works

The results of the current drilling campaign on the B4-7 deposit are highly encouraging having significantly increased the potential tonnage amenable to open pit development.

Landore has initiated an in-house resource upgrade, including a full review of all quality assurance-quality control (QAQC) data, geological and grade wireframe modelling, internal resource estimate and the updating of all text required for the final NI43-101 report. On completion, Landore will submit all data for an independent audit and external resource upgrade of the B4-7 deposit. The resource upgrade is anticipated for completion in early Q4 2012.

Pre-feasibility studies on the combined B4-7 and the VW deposits will be initiated in Q1 2013.

A drilling program to extend the B4-7 to the west is currently being planned to commence in Q4 2012.

For further information on Landore and the Group's projects please visit the website

www.landore.com

LANDORE RESOURCES LIMITED

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2012**

	Notes	Group Six months ended 30 June 2012 £	Group Six months ended 30 June 2011 £
Exploration costs	2	(1,837,894)	(1,337,695)
Administrative expenses		(694,595)	(569,490)
Operating loss		<u>(2,532,489)</u>	<u>(1,907,185)</u>
Finance income		62,509	4,092
Loss before income tax		<u>(2,469,980)</u>	<u>(1,903,093)</u>
Income tax expense		-	-
Loss for the period		<u>(2,469,980)</u>	<u>(1,903,093)</u>
Other comprehensive income/(loss):			
Exchange difference on translating foreign operations		45,929	799
Other comprehensive income/(loss) for the year net of tax		<u>45,929</u>	<u>799</u>
Total comprehensive loss for the period		<u>(2,424,051)</u>	<u>(1,902,294)</u>
Loss attributable to:			
Equity holders of the Company		<u>(2,469,980)</u>	<u>(1,903,093)</u>
Total comprehensive loss attributable to:		<u>(2,424,051)</u>	<u>(1,902,294)</u>
Equity holders of the Company		<u>(2,424,051)</u>	<u>(1,902,294)</u>
Loss per share attributable to the equity holders of the Company during the year			
- basic & diluted	3	<u>(£0.01)</u>	<u>(£0.01)</u>

The Group's operating loss relates to continuing operations.

The notes and accounting policies on pages 7 to 9 form part of these interim financial statements

LANDORE RESOURCES LIMITED

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2012**

	Share capital £	Share premium £	Share options £	Warrants £	Retained earnings £	Cumulative translation reserve £	Total £
Balance at 1 January 2011	2,371,853	17,951,320	834,958	143,659	(20,688,413)	174,585	787,962
Loss for the period	—	—	—	—	(1,903,093)	—	(1,903,093)
Other comprehensive loss in the year	—	—	—	—	—	799	799
Issue of ordinary share capital	230,250	3,223,500	—	—	—	—	3,453,750
Issue costs	—	(145,770)	—	—	—	—	(145,770)
Balance at 30 June 2011	<u>2,602,103</u>	<u>21,029,050</u>	<u>834,958</u>	<u>143,659</u>	<u>(22,591,506)</u>	<u>175,384</u>	<u>2,193,648</u>
Balance at 1 January 2012	2,637,103	21,616,466	1,139,177	—	(21,148,655)	257,854	4,501,945
Loss for the period	—	—	—	—	(2,469,980)	—	(2,469,980)
Other comprehensive gains in the year	—	—	—	—	—	45,928	45,928
Issue of ordinary share capital	302,735	1,967,778	—	—	—	—	2,270,513
Issue costs	—	(87,415)	—	—	—	—	(87,415)
Share option adjustment	—	—	68,690	—	—	—	68,690
Balance at 30 June 2012	<u>2,939,838</u>	<u>23,496,829</u>	<u>1,207,867</u>	<u>—</u>	<u>(23,618,635)</u>	<u>303,782</u>	<u>4,329,681</u>

The accounting policies and notes on pages 7 to 9 form part of these financial statements.

LANDORE RESOURCES LIMITED

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2012**

	Notes	Group As at 30 June 2012 £	Group As at 30 June 2011 £	Group As at 31 December 2011 £
Assets				
Non current assets				
Property, plant and equipment		99,862	104,485	97,224
		99,862	104,485	97,224
Current assets				
Trade and other receivables	6	4,362,853	106,756	4,249,129
Cash and cash equivalents		724,496	2,511,018	435,519
		5,087,349	2,617,774	4,684,648
Total assets		5,187,211	2,722,259	4,781,872
Equity				
Capital and reserves attributable to the Company's equity holders				
Share capital	4	2,939,838	2,602,103	2,637,103
Share premium	4	23,496,829	21,029,050	21,616,466
Share options		1,207,867	834,958	1,139,177
Other reserves/warrants		-	143,659	-
Retained earnings	5	(23,618,635)	(22,591,506)	(21,148,655)
Cumulative translation adjustment		303,782	175,384	257,854
Total equity		4,329,681	2,193,648	4,501,945
Liabilities				
Non current liabilities				
Income tax liabilities		11,249	19,363	15,225
		11,249	19,363	15,225
Current liabilities				
Trade and other payables		820,034	489,886	241,865
Income tax liabilities		26,247	19,362	22,837
		846,281	509,248	264,702
Total liabilities		857,530	528,611	279,927
Total equity and liabilities		5,187,211	2,722,259	4,781,872

The notes and accounting policies on pages 7 to 9 form part of these interim financial statements

LANDORE RESOURCES LIMITED**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2012**

	Group Six months ended 30 June 2012 £	Group Six months ended 30 June 2011 £
Cash flows from operating activities		
Operating loss	(2,532,489)	(1,907,185)
Finance income	62,509	4,092
Depreciation of tangible fixed assets	12,821	14,938
Foreign exchange gain on non-cash items	49,051	10,934
Share options	68,690	-
(Increase) in receivables	(113,724)	(23,462)
Increase in payables	577,604	319,734
Net cash outflow from operating activities	<u>(1,875,538)</u>	<u>(1,580,949)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(22,900)	-
Proceeds from sale of property, plant and equipment	5,974	-
	<u>(16,926)</u>	<u>-</u>
Cash flows from financing activities		
Issue of ordinary share capital	2,270,513	3,453,750
Issue costs	(87,415)	(145,770)
Share options	-	-
	<u>2,183,098</u>	<u>3,307,980</u>
Net increase/(decrease) in cash and cash equivalents	290,634	1,727,031
Cash and cash equivalents at beginning of financial year	435,519	782,959
Exchange (loss)/gain on cash and cash equivalents	(1,657)	1,028
Cash and cash equivalents at end of financial year	<u><u>724,496</u></u>	<u><u>2,511,018</u></u>

The notes and accounting policies on pages 7 to 9 form part of these interim financial statements

LANDORE RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

1 Basis of accounting and accounting policies

The financial statements have been prepared in accordance with those International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations issued and effective or issued and early adopted as at the time of preparing these financial statements (August 2012).

The financial statements have not been audited and have been prepared on the historical cost basis. The principal accounting policies adopted are consistent with those adopted in the annual accounts to 31 December 2011.

2 Exploration expenditure and mineral properties

	1 January 2012	Net Expenditure in period	Accumulated expenditure 30 June 2012
	£	£	£
Junior Lake/Lamaune Lake	9,945,130	1,794,654	11,739,784
Miminiska Lake	1,502,315	14,242	1,516,557
Lessard	701,678	22,865	724,543
Fronde Lake	73,858	1,376	75,234
Wottam	61,558	-	61,558
Other/including Swole Lake and West Graham	49,961	4,757	54,718
	<u>12,334,500</u>	<u>1,837,894</u>	<u>14,172,394</u>

Mineral properties at 30 June 2012 represent accumulated costs to date incurred by Landore Resources Canada Inc., a subsidiary of Landore Resources Limited. On acquisition of Landore Resources Canada Inc. on 5 April 2006 the fair value of those costs incurred to date was considered to be £Nil. All subsequent expenditure in the period has been charged to the income statement in accordance with the group accounting policy.

LANDORE RESOURCES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2012**

3 Loss per share

The loss per share is based on the loss for the period and the weighted number of ordinary shares in issue during the period, being 283,279,383 (2011: 200,777,391).

Diluted loss per share

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 not increase the loss per share. Accordingly there is no difference between the basic and dilutive loss per share.

4 Share capital

	30 June 2012 £	1 January 2012 £
Authorised: 500,000,000 (2011: 500,000,000) ordinary shares of 1 pence each	5,000,000	5,000,000
Issued: 293,983,825 ordinary shares of 1 pence each	2,939,838	2,637,103
	Ordinary shares 2012 £	Share premium 2012 £
Issued: At 1 January 2012	2,637,103	21,616,466
Issued in the period	302,735	1,967,778
Share issue costs	-	(87,415)
At 30 June 2012	2,939,838	23,496,829

The company made allotments of ordinary 1p shares with an aggregate nominal value of £302,735 (before issue costs) during the year as follows:

	Number of shares	Nominal value	Share premium
6 March 2012 – shares issued for 7.5p per share	30,273,500	302,735	1,967,778
	30,273,500	302,735	1,967,778

30,100,000 shares were issued for cash and the balance in settlement of a fee to an adviser.

LANDORE RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

5 Profit and loss reserve

	£
At 1 January 2012	(21,148,655)
Loss for the period	<u>(2,469,980)</u>
At 30 June 2012	<u>(23,618,635)</u>

6 Trade and other receivables

The Group's trade receivables include consideration receivable from Lamaune Iron Inc., a company under common control, for the sale of the Lamaune mineral property. The receivable is due by 10th December 2012, incurring interest at 3 per cent per annum, and is secured by the Lamaune mineral property. The parties to the loan agreement have agreed to extend the repayment date to 10th December 2013.

7 Post balance sheet events

On 4 July 2012 the Group issued 500,000 of ordinary share options, each with a nominal value of 1 pence, which were valued at 6.5 pence per share at the time of issue.