

For Release 15 September 2006

LANDORE RESOURCES LIMITED

INTERIM STATEMENT
For the six months ended 30 June 2006

www.landore.com

LANDORE RESOURCES LIMITED

COMPANY INFORMATION

Directors	William Humphries (Chairman) Richard Prickett (Chief Executive Officer and Finance Director) James Garber (Non-Executive Director) Charles Wilkinson (Non-Executive Director) Helen Green (Non-Executive Director)
Secretary	Rysaffe International Services Limited
Registered office	PO Box 141 La Tonnelle House Les Banques St Sampson Guernsey GY1 3HS
Nominated adviser	Strand Partners Limited 26 Mount Row London W1K 3SQ
Broker	W H Ireland Limited 1 St James's Square Manchester M2 6WH
Auditors	KPMG Channel Islands Limited 20 New Street St Peter Port Guernsey GY1 4AN
Registrars	Rysaffe International Services Limited PO Box 141 La Tonnelle House Les Banques St Sampson Guernsey GY1 3HS
Crest service provider	Computershare Investor Services (Channel Islands) Limited PO Box 83 Ordinance House 31 Pier Road St Helier Jersey JE4 8PW

LANDORE RESOURCES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2006

General

The following discussion of performance, financial condition and future prospects should be read in conjunction with the interim consolidated financial statements of the Company and notes thereto for the period from 1 January 2006 to 30 June 2006. All amounts are stated in sterling.

Overview

Landore Resources Limited is listed on the Alternative Investment Market in London, with the trading symbol of LND.L The Company is based in Guernsey in the Channel Islands and its 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 2006 show a loss of £613,260 (2005 loss of £4,147,507). These results are in line with expectations. During the six month period exploration costs were £424,835 and administrative expenses were £344,527.

It should be noted that the comparative figures have been restated in respect of IFRS 2 share based payments. Full details are set out in note 2 and it should also be noted that this does not impact the financial statements for the year ended 31 December 2005.

Mineral Exploration Activities

The Group's exploration activities have been mainly focused on the Junior Lake nickel project and the Lessard copper project. In addition, exploration continues on the West Graham property by our joint venture partner, First Nickel Inc.

The Junior Lake Project – Nickel

The Junior Lake properties are located in the province of Ontario, approximately 235 kilometres north-northeast of Thunder Bay and are situated within the Caribou-O-Sullivan Greenstone Belt in the Wabigoon Subprovince.

Two drilling campaigns, completed in 2005, successfully identified numerous nickel occurrences, including the significant discovery at the VW zone, which reported grades of up to 3.7% nickel and 1.18% copper with gold of up to 0.68g/t in separate intersections.

A diamond drilling campaign, proposed at 10,000 metres of NQ sized core, is in progress on the Junior Lake properties comprising 6,800 metres of infill drilling on the VW zone, 1,200 metres of infill drilling on the B4-7 Zone and 2,000 metres of exploration drilling to test prospective trends along strike from the VW zone and other favourable targets.

The drilling on the VW zone has consistently intersected wide intervals of sulphide mineralisation with assay results returning grades in excess of 1% nickel. The drilling programme is in progress and further results will be reported in the 3rd and 4th quarters of 2006.

In addition SGS Lakefield Research Ltd of Lakefield, Ontario is carrying out metallurgical testing on the VW zone Nickel ore. On completion of the drilling and metallurgical testing an independent consultant will prepare a NI 43-101 compliant technical report. It is anticipated that the report will be completed by year end. Full details of the drilling results can be viewed on the Company's website www.landore.com

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MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2006

Mineral Exploration Activities (continued)

Lessard Property – Copper Zinc

The Lessard property, comprising 91 claims for 1,456 hectares is located approximately 107 kilometres north of the town of Chibougamau, in the province of Quebec. Access is by an all weather gravel road that passes through the property.

The property hosts a copper-zinc-silver deposit with a historic resource reported in a feasibility study in 1975 by Selco Mining Corporation Ltd of 1,463,835 tons at 1.73%Cu, 2.96%Zn, 1.1oz/t Ag and 0.019oz/t Au after allowance for dilution. The resource is not compliant with National Instrument 43-101.

A Geotech VTEM penetrating time-domain airborne electromagnetic and magnetic survey has been carried out over the Lessard copper-zinc-silver property. This survey has highlighted possible strike extensions of the deposit and has developed new targets for follow-up exploration.

A confirmation drilling campaign consisting of 7 holes of NQ size core for 1,731 metres has recently been completed along the historic resource. Results are awaited.

West Graham / First Nickel option – Nickel

First Nickel has entered into an option/joint venture agreement with Landore Resources Canada Inc. to acquire a 70% interest in the West Graham property which is strategically located immediately to the south of the East Zone of the Lockerby Mine. The West Graham property contains the historic Conwest Deposit which represents the up- plunge extension of First Nickel's Lockerby East Deposit.

A resource estimate completed by the Conwest Exploration Company Limited in the 1960's yielded 4.3 million tons at 0.52% nickel and 0.33% copper. This resource should be considered non-compliant with National Instrument 43-101.

First Nickel's published drilling results indicated broad zones of modest grade nickel sulphides, similar to those identified by Conwest, including a 42.7 metre (140.1 feet) core length grading 0.63% Ni and 0.32% Cu in hold FNI2006. Higher grade zones that assayed up to 3.22% Ni and 0.14% Cu over a 0.57 metre core length in FNI2006 and 1.24% Ni and 0.35% Cu over 6.0 metre core length in FNI2007 are present within the broader zones of lower grade mineralisation. These results, when coupled with the previously reported results indicate the potential to define a higher grade zone or zones within the currently outlined mineralised system.

For further information on Landore and its projects please visit the Company's website www.landore.com

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MANAGEMENT DISCUSSION AND ANALYSIS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2006

Accounting Policies

The Company has adopted accounting policies which are in line with International Financial Reporting Standards. A full set of these policies were included in the financial statements to 31 December 2005.

Use of Financial Instruments

The Company has not entered any specialised financial agreements to minimise its investment risk, currency risk or commodity risk. There are no off-balance sheet arrangements. The principal financial instruments affecting the Company's financial condition and results of operations is currently its cash and short-term money market investments.

Forward Looking Statements

The above contains forward looking statements that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in our forward looking statements. Factors that could cause such differences include: changes in world gold markets, equity markets, costs and supply of material relevant to the mining industry, change in government and changes to regulations affecting the mining industry. Although we believe the expectations reflected in our forward looking statements are reasonable, results may vary, and we cannot guarantee future results, levels of activity, performance or achievements.

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UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2006

		Six months ended 30 June 2006 £	As restated Period ended 30 June 2005 £
Exploration costs	3	424,835	313,989
Administrative expenses		344,527	368,297
Impairment of goodwill		-	3,486,377
Operating loss		<u>769,362</u>	<u>4,168,663</u>
Finance income		(32,859)	(21,156)
Other income	4	(123,243)	-
Loss before income tax		<u>613,260</u>	<u>4,147,507</u>
Income tax expense		-	-
Loss for the period		<u>613,260</u>	<u>4,147,507</u>
Attributable to:			
Equity holders of the Company		<u>613,260</u>	<u>4,147,507</u>
Loss per share attributable to the equity holders of the Company during the year			
- basic	5	<u>(£0.01)</u>	<u>(£0.08)</u>
- diluted	5	<u>(£0.01)</u>	<u>(£0.08)</u>

The Group's operating loss relates to continuing operations.

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2006

	Six months ended 30 June 2006 £	As restated Period ended 30 June 2005 £
Loss for the period as previously reported	(613,260)	(3,878,153)
Prior period adjustment to interim financial results	-	(269,354)
Loss for the period as restated	<u>(613,260)</u>	<u>(4,147,507)</u>
Translation adjustment on consolidation	9,742	16,072
Net loss recognised directly in equity	<u>(603,518)</u>	<u>(4,131,435)</u>
Issue of ordinary share capital	-	858,813
Share premium arising on issue of ordinary share capital	-	5,152,877
Issue costs	-	(461,612)
Issue of share options	-	247,531
Issue of warrants	-	65,394
Net (decrease)/increase in shareholders' funds	<u>(603,518)</u>	<u>1,731,568</u>
Opening shareholders' funds at 1 January 2006	<u>1,792,546</u>	<u>-</u>
Closing shareholders' funds	<u><u>1,189,028</u></u>	<u><u>1,731,568</u></u>

LANDORE RESOURCES LIMITED**UNAUDITED CONSOLIDATED BALANCE SHEET
AS AT SIX MONTHS ENDED 30 JUNE 2006**

	As at 30 June 2006 £	As restated As at 30 June 2005 £
Assets		
Non current assets		
Property, plant and equipment	62,126	41,804
	<u>62,126</u>	<u>41,804</u>
Current assets		
Trade and other receivables	44,088	25,145
Cash and cash equivalents	1,242,258	1,958,398
	<u>1,286,346</u>	<u>1,983,543</u>
Total assets	<u>1,348,472</u>	<u>2,025,347</u>
Equity		
Capital and reserves attributable the Company's equity holders		
Share capital	930,033	858,813
Share premium	5,410,126	4,691,265
Share options	247,531	247,531
Warrants	43,571	65,394
Retained earnings	(5,474,597)	(4,147,507)
Cumulative translation adjustment	32,364	16,072
Total equity	<u>1,189,028</u>	<u>1,731,568</u>
Liabilities		
Current liabilities		
Trade and other payables	159,444	293,779
	<u>159,444</u>	<u>293,779</u>
Total liabilities	<u>159,444</u>	<u>293,779</u>
Total equity and liabilities	<u><u>1,348,472</u></u>	<u><u>2,025,347</u></u>

LANDORE RESOURCES LIMITED**UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2006**

	Notes	Six months ended 30 June 2006 £	Period ended 30 June 2005 £
Cash flows from operating activities			
Cash generated from operations	6	(606,453)	(307,292)
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		-	693,642
Purchases of property, plant and equipment		(9,667)	(25,818)
		<u>(9,667)</u>	<u>(25,818)</u>
		(9,667)	667,824
Cash flows from financing activities			
Issue of ordinary share capital		-	2,000,000
Issue costs		-	(418,043)
		<u>-</u>	<u>(418,043)</u>
			1,581,957
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of period		1,848,807	-
Exchange gains on cash and cash equivalents		9,571	15,909
		<u>1,858,378</u>	<u>15,909</u>
Cash and cash equivalents at end of period		<u>1,242,258</u>	<u>1,958,398</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2006

ACCOUNTING POLICIES

1 Basis of accounting

The financial statements have been prepared in accordance with those International Financial Reporting Standards (“IFRS”) standards 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 (July 2005).

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 2005.

2 Restatement of interim results to 30 June 2005

An adjustment has been made in respect of the interim results to 30 June 2005 as previously reported in order to allow comparability between the two interim financial periods. The effect of this adjustment has already been recognised in the group’s full financial statements to 31 December 2005.

The restatement is in respect of the recognition of the requirements of IFRS 2 Share-based Payments which was fully adopted by the group in its full financial statements to 31 December 2005. Application of this accounting standard to the interim results to 30 June 2005 has resulted in additional costs of £169,855 being charged to the profit and loss account in respect of directors’ and employees’ remuneration in respect of options and warrants granted. It has also resulted in an increase in the goodwill amortisation charge by £99,499, being the fair value of share options and warrants issued in consideration for the purchase of the share capital of Landore Resources Canada Inc. on 1 April 2005.

3 Exploration expenditure and mineral properties

	1 January 2006	Expenditure in period	Accumulated expenditure 30 June 2006
	£	£	£
Miminiska Lake	1,127,214	1,763	1,128,977
Junior Lake	940,179	394,947	1,335,126
Fronde Lake	57,791	716	58,507
Wottam	61,558	-	61,558
Lamaune	271,362	23	271,385
Seeley Lake	80,431	5,830	86,261
Other	11,992	21,556	33,548
	<u>2,550,527</u>	<u>424,835</u>	<u>2,975,362</u>

Mineral properties at 30 June 2006 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 2005 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2006

4 Other income

Other income represents income receivable from the sale of property and option payment income.

5 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 93,003,310 (2005: 54,476,950).

The fully diluted loss per share is based on the loss for the financial period divided by the weighted average number of shares and potential shares being 93,003,310 in issue during the period:

	30 June 2006	30 June 2005
	£	£
Ordinary shares	93,003,310	54,476,950
Effect of options and warrants issued at fair value	1,634,941	-
	<u>94,638,251</u>	<u>54,476,950</u>

6 Cash generated from operations

	Six months ended 30 June 2006	Period ended 30 June 2005
	£	£
Operating loss	(613,260)	(3,878,153)
Impairment of goodwill	-	3,386,878
Depreciation of property, plant and equipment	9,632	5,091
Decrease in receivables	(19,990)	5,684
Increase in payables	17,165	173,208
Net cash outflow from operating activities	<u>(606,453)</u>	<u>(307,292)</u>
