

**For Release 17<sup>th</sup> September 2008**

# **LANDORE RESOURCES LIMITED**

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**INTERIM STATEMENT**  
**For the six months ended 30 June 2008**

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**[www.landore.com](http://www.landore.com)**

# LANDORE RESOURCES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	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)
<b>Secretary</b>	Rysaffe International Services Limited
<b>Registered office</b>	PO Box 141 La Tonnelle House Les Banques St Sampson Guernsey GY1 3HS
<b>Nominated adviser</b>	Strand Partners Limited 26 Mount Row London W1K 3SQ
<b>Broker</b>	W H Ireland Limited 1 St James's Square Manchester M2 6WH
<b>Auditors</b>	KPMG Channel Islands Limited 20 New Street St Peter Port Guernsey GY1 4AN
<b>Registrars</b>	Rysaffe International Services Limited PO Box 141 La Tonnelle House Les Banques St Sampson Guernsey GY1 3HS
<b>Crest service provider</b>	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 2008

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### 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 2008 to 30 June 2008. 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 2008 show a loss of £2,439,942 (2007: loss of £896,758). These results are in line with expectations and reflect the increased activities on the Junior Lake and Lessard projects. During the six month period exploration costs were £1,608,181 and administrative expenses were £859,843, it should be noted that an amount of £217,726 for share based payments and £157,015 for exchange losses were included within administrative expenses.

During the period under review £2,409,717 has been raised by placing 13,342,000 new shares at 15p per share, 3,800,000 options being exercised at a strike price of 7.75p per share and 1,624,525 warrants being exercised at a strike price of 7p per share. Since the period end, a share placing of 6,500,000 new shares at 9.5p, raising £617,500 was announced on 5<sup>th</sup> September 2008.

### 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.

### Junior Lake Nickel Project

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.

**VW Nickel Deposit.** As a result of substantial drilling and exploration in the latter half of 2007, Landore retained Scott Wilson Roscoe Postle Associates Inc. (Scott Wilson RPA), Toronto, to independently carry out a Canadian National Instrument 43-101 (NI43-101) compliant 'Resource Upgrade' estimate for the VW Nickel Deposit. The Resource upgrade was completed and announced in March 2008.

In summary the global resource base on the VW Deposit has been substantially increased by 48 per cent. to 22,407 tonnes Nickel equivalent (NiEq) at a 0.2% nickel cutoff grade. Ninety one per cent. of the new resource is now in the 'Indicated' category and the average grade has improved by 25 per cent. to 0.45 per cent. NiEq. Significantly the VW deposit remains open along strike in both directions to the east and west as well as at depth. This gives scope for expansion of the Resource base and confirms the strong economic potential of the VW Nickel Deposit.

Currently a 6,000 metre drill program is being carried out on the western end of the VW Deposit to test the down plunge of the high grade zone identified in last years drilling and on the eastern end to extend the near surface mineralization. To date 13 drill-holes for 3,754 metres of NQ diamond core have been completed. Results are either pending or under verification process and will be reported when available.

## LANDORE RESOURCES LIMITED

### MANAGEMENT DISCUSSION AND ANALYSIS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2008

#### Junior Lake Nickel Project (continued)

**B4-7 Nickel-Copper-Cobalt-PGE's Deposit.** As a result of substantial drilling and exploration in the latter half of 2007, Landore retained Snowden Mining Industry Consultants (Snowden), Perth, Australia to independently prepare an Australasian Joint Ore Reserves Committee (JORC) Code compliant (2004) Mineral Resource estimate for the B4-7 Nickel, Copper, Cobalt and PGE,s deposit located just 3 kilometres to the north west of the VW deposit. The resource estimate was completed and announced in May 2008.

*Extract from the report produced by Snowden.*

*The B4-7 resource estimate, at various nickel equivalent cut-off grades, is detailed below in Table 1.*

Cut-off (NiEQ%)	Tonnes (kt)	Ni%	Cu%	Co%	Pt ppm	Pd ppm	Au ppm	NiEQ%
0.2	5,870	0.32	0.2	0.03	0.08	0.31	0.02	0.49
0.3	4,650	0.37	0.3	0.03	0.09	0.32	0.02	0.55
0.4	3,490	0.41	0.3	0.04	0.09	0.35	0.03	0.62
0.6	1,680	0.51	0.3	0.05	0.10	0.43	0.03	0.76
0.8	530	0.62	0.4	0.06	0.10	0.51	0.04	0.92

NiEQ = Ni% + (0.26 × Cu%) + (2.38 × Co%) + (0.19 × Pt ppm) + (0.06 × Pd ppm) + (0.12 × Au ppm)  
Tonnes and grades have been rounded and this may have resulted in minor discrepancies.

*Extract ends.*

In summary the global resource base on the B4-7 Deposit is 28,900 tonnes Nickel equivalent (NiEq) at a 0.2% nickel cutoff grade all in the inferred category with an average grade of 0.45 per cent. NiEq. The B4-7 deposit also remains open along strike in both directions to the east and west as well as at depth.

As a result of the above Resource estimates the combined Resources of the VW and B4-7 Deposits now stand in excess of 51,000 tonnes of Nickel equivalent.

Metallurgical and Baseline studies continue in preparation for the planned Scoping Study.

**Exploration.** An exploration drilling campaign, consisting of 31 drill-holes for a total of 4,571 metres, has been completed on the Carrot Top Zone, the Grassy Pond Zone and banded iron formation all of which are located on the optioned Lamaune Lake property adjacent to and surrounded on three sides by the Junior Lake property. Drilling on the Carrot Top Zone was designed to further investigate highly anomalous nickel and copper encountered in drilling in 2005. Results are either pending or under verification process and will be reported when available.

## **LANDORE RESOURCES LIMITED**

### **MANAGEMENT DISCUSSION AND ANALYSIS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2008**

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#### **Lessard, Copper-Zinc-Silver Project**

The Lessard property, located approximately 107 kilometres north of the town of Chibougamau in the province of Quebec, comprises 104 claims for 2,166 hectares. Lessard 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 drilling campaign consisting of 25 NQ diamond drill holes, for a total of 9,581 metres, was completed in the first half of 2008 on the Lessard deposit in order to provide closer spacing to enable a resource estimate and to target possible strike extensions of the existing deposit.

The results from the 2008 drilling campaign are highly encouraging. Accordingly, Chlumsky, Armbrust and Meyer, LLC. of Lakewood, Colorado, has been retained by Landore to independently prepare a JORC Resource estimate and report on the Lessard deposit. Results of this study are expected towards the end of 2008.

#### **West Graham / First Nickel option – Nickel**

The West Graham property consists of one patented lot owned outright by Landore Resources Inc. of 130 hectares, located in Northern Ontario, 17 kilometres from Sudbury on the southern rim of the Sudbury Intrusive Complex and contains the historic “Conwest deposit”.

First Nickel Inc. entered into an option agreement in November 2005 with Landore Resources Canada Inc. to acquire a 70 per cent. interest in the West Graham property which is strategically located immediately to the south of the East Zone of First Nickel’s Lockerby Mine. The agreement provides for First Nickel to make cash payments to Landore of C\$150,000 and carry out exploration and development expenditures of C\$6 million over a four-year period.

First Nickel Inc. reported in March 2008 the results of 22 diamond drill holes representing 5,469 metres of diamond drilling on the West Graham Property during the 2007 exploration programme and the first two holes of the 2008 exploration programme.

Results to date have met expectations based on the previous exploration programmes completed by First Nickel. Highlights of the drill programme include FN12045 with 0.59 per cent. Ni and 0.44 per cent. Cu over 70.20 metres, including 1.14 per cent. Ni and 0.60 per cent. Cu over 10.50 metres; and FN12050 with 55 per cent. Ni and 0.43 per cent. Cu over 86.70 metres, including 1.15 per cent. Ni and 0.71 per cent. Cu over 12.70 metres.

A new NI 43-101 Resource estimate is currently underway and is due to be received towards the end of 2008.

**For further information on Landore and its projects please visit the Company’s website [www.landore.com](http://www.landore.com)**

# LANDORE RESOURCES LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2008

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### 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 2007.

### Use of Financial Instruments

The Company has not entered into 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 are 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.

# LANDORE RESOURCES LIMITED

## UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2008

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		Six months ended 30 June 2008 £	Six months ended 30 June 2007 £
Exploration costs	2	(1,608,181)	(695,346)
Administrative expenses		(859,843)	(237,401)
<b>Operating loss</b>		<u>(2,468,024)</u>	<u>(932,747)</u>
Finance income		28,082	35,989
<b>Loss before income tax</b>		<u>(2,439,942)</u>	<u>(896,758)</u>
Income tax expense		-	-
<b>Loss for the period</b>		<u>(2,439,942)</u>	<u>(896,758)</u>
<b>Attributable to:</b>			
Equity holders of the Company		<u>(2,439,942)</u>	<u>(896,758)</u>
<b>Loss per share attributable to the equity holders of the Company during the year</b>			
- basic & diluted	3	<u>(£0.02)</u>	<u>(£0.01)</u>

The Group's operating loss relates to continuing operations.

## LANDORE RESOURCES LIMITED

### UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2008

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	Six months ended 30 June 2008 £	Six months ended 30 June 2007 £
Loss for the period	(2,439,942)	(896,758)
Translation adjustment on consolidation	157,588	(143,635)
<b>Net loss recognised directly in equity</b>	<b>(2,282,354)</b>	<b>(1,040,393)</b>
Issue of ordinary share capital	187,665	212,857
Share premium arising on issue of ordinary share capital	2,215,177	1,915,717
Issue of share options	217,276	-
Net increase in shareholders' funds	337,763	1,088,181
Opening shareholders' funds at 1 January 2008	394,572	803,717
<b>Closing shareholders' funds</b>	<b>732,335</b>	<b>1,891,898</b>

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# LANDORE RESOURCES LIMITED

## UNAUDITED CONSOLIDATED BALANCE SHEET AS AT SIX MONTHS ENDED 30 JUNE 2008

	Notes	As at 30 June 2008 £	As at 30 June 2007 £
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment		<u>96,719</u>	<u>78,611</u>
		96,719	78,611
<b>Current assets</b>			
Trade and other receivables		33,150	57,269
Cash and cash equivalents		1,119,842	2,062,180
		<u>1,152,992</u>	<u>2,119,449</u>
<b>Total assets</b>		<u>1,249,711</u>	<u>2,198,060</u>
<b>Equity</b>			
<b>Capital and reserves attributable the Company's equity holders</b>			
Share capital	4	1,405,993	1,216,327
Share premium	4	10,166,957	7,937,405
Share options	5	575,964	397,905
Other reserves/warrants	6	43,571	43,571
Retained earnings	7	(11,743,661)	(7,724,340)
Cumulative translation adjustment		283,511	21,030
<b>Total equity</b>		<u>732,335</u>	<u>1,891,898</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		<u>517,376</u>	<u>306,162</u>
		517,376	306,162
<b>Total liabilities</b>		<u>517,376</u>	<u>306,162</u>
<b>Total equity and liabilities</b>		<u>1,249,711</u>	<u>2,198,060</u>

**LANDORE RESOURCES LIMITED****UNAUDITED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2008**

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	Notes	Six months ended 30 June 2008 £	Six months ended 30 June 2007 £
<b>Cash flows from operating activities</b>			
Cash utilised in operations	8	(1,740,847)	(901,399)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		<u>17,448</u>	<u>36,345</u>
		(17,448)	(36,345)
<b>Cash flows from financing activities</b>			
Issue of ordinary share capital		<u>2,402,842</u>	<u>2,128,574</u>
		2,402,842	2,128,574
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of period		480,184	845,704
Exchange (losses)/gains on cash and cash equivalents		<u>(4,889)</u>	<u>25,646</u>
<b>Cash and cash equivalents at end of period</b>		<u><u>1,119,842</u></u>	<u><u>2,062,180</u></u>

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# LANDORE RESOURCES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2008

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### ACCOUNTING POLICIES

#### 1 Basis of accounting

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 2008).

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 2007.

#### 2 Exploration expenditure and mineral properties

	<b>1 January 2008</b>	<b>Expenditure in period</b>	<b>Accumulated expenditure 30 June 2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Miminiska Lake	1,131,777	1,489	1,133,266
Junior Lake	3,694,524	295,479	3,990,003
Fronde Lake	67,686	2,191	69,877
Wottam	61,558	-	61,558
Lamaune	301,139	403,201	704,340
Seeley Lake	89,086	-	89,086
Lessard	118,919	896,761	1,015,680
Other	31,752	9,060	40,812
	<hr/>	<hr/>	<hr/>
	5,496,441	1,608,181	7,104,622
	<hr/>	<hr/>	<hr/>

Mineral properties at 30 June 2008 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 2008

### 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 130,210,589 (2007: 108,767,790).

#### 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

	2008 £
Authorised: 250,000,000 ordinary shares of 1 pence each	2,500,000
Issued: 140,599,323 ordinary shares of 1 pence each	1,405,993
	2008 £
<b>Ordinary shares</b>	
Issued:	
At 1 January 2008	1,218,328
Issued in the year	187,665
<b>At 30 June 2008</b>	1,405,993

The company made allotments of ordinary 1p shares with an aggregate nominal value of £187,665 during the year as follows:

	Number of shares	Nominal value	Share premium
22 January 2008 - share options exercised	3,800,000	38,000	256,700
April 2008	13,342,000	133,420	1,867,880
4 April 2008 – share warrants exercised	1,624,525	16,245	97,472
Share issue costs	-	-	(6,875)
	18,766,525	187,665	2,215,177

**LANDORE RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2008**

5	<b>Share options</b>		<b>2008</b> £
	Share options reserve brought forward		501,163
	Charge for options granted during the period		217,276
	Transfer to profit and loss reserve for exercised options		(142,475)
	<b>Share options reserve carried forward</b>		575,964
6	<b>Other reserves</b>		
	The other reserves figure relates to warrants acquired on acquisition of Landore Resources Canada Inc. These were existing warrants acquired on a one for one basis and were exercised on 4 April 2008.		
7	<b>Profit and loss reserve</b>		
	Issued:		
	At 1 January 2008		(9,446,194)
	Loss for the period		(2,439,942)
	Transfer from share options reserve		142,475
	<b>At 30 June 2008</b>		(11,743,661)
8	<b>Cash utilised in operations</b>	<b>Six months ended</b> <b>30 June</b> <b>2008</b> £	<b>Six months ended</b> <b>30 June</b> <b>2007</b> £
	Operating loss	(2,439,942)	(896,758)
	Depreciation of property, plant and equipment	14,777	9,526
	Decrease/(increase) in receivables	31,285	(41,696)
	Increase in payables	278,742	189,934
	Share based payment	217,276	-
	Foreign exchange loss/(gain)	157,015	(162,405)
	<b>Net cash outflow from operating activities</b>	<b>(1,740,847)</b>	<b>(901,399)</b>