

**For Release 4th September 2009**

# **LANDORE RESOURCES LIMITED**

---

**INTERIM STATEMENT**  
**For the six months ended 30 June 2009**

---

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

# LANDORE RESOURCES LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	William Humphries (Chairman) Richard Prickett (Chief Executive Officer and Finance 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 and Broker</b>	Strand Partners Limited 26 Mount Row London W1K 3SQ
<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 2009**

---

### **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 2009 to 30 June 2009. 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 2009 show a loss of £2,007,066 (2008: loss of £2,439,942). These results are in line with expectations. During the six month period exploration costs were £1,391,039 and administrative expenses were £627,003, it should be noted that an amount of £22,827 (2008: £217,276) for share based payments and £39,897 (2008:£157,015) for exchange losses were included within administrative expenses.

During the period under review £53,550 was raised as a result of 850,000 share options being exercised , there were no other fund raisings carried out in the first half of the year. It is anticipated that in order to continue further exploration activities a fundraising will be required in the fourth quarter of 2009.

### **Mineral Exploration Activities**

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

#### **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 VW Nickel deposit, the B4-7 deposit, the Lamaune Iron deposit, the BAM zone gold occurrence and numerous other highly prospective mineral occurrences.

#### **Lamaune Iron Deposit**

In October 2008, Landore reported that exploration, including geophysical surveys, trenching and drilling, had confirmed the presence of a large magnetite iron deposit at the western end of the Junior Lake property.

The Lamaune Iron Deposit is just 11 kilometres from the Canadian National Railway providing direct access to the Port of Thunder Bay on Lake Superior. The port still has much of the infrastructure used by Steep Rock Iron Mines to ship iron ore to the iron mills of North America.

In addition the iron deposit has abundant water resources nearby and is just 20 kilometres from the planned Hydropower on the Little Jackfish River.

The positive results of the exploration, together with the potential access to excellent infrastructure in the vicinity, were sufficiently encouraging for Landore to advance the Lamaune Iron deposit towards resource status.

## LANDORE RESOURCES LIMITED

### MANAGEMENT DISCUSSION AND ANALYSIS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2009

---

In February 2009, a helicopter-borne 'Impulse' geophysical survey was completed along a 12 kilometre trend over the western part of the Junior Lake property, which included the Lamaune Iron Deposit area and possible extensions to the east and west. In all, 724 line kilometres were completed at 50 metre spacing.

The 'Impulse' geophysical survey was selected to more clearly define the anomalies identified in the previous ground and air-borne magnetic surveys and to identify anomalies in the newly acquired western extension of the Junior Lake property.

The survey has proven highly successful in the identification of magnetite rich anomalies.

A second campaign, consisting of 16 trenches for 1,135 metres excavated and 22 drill-holes for a total of 4,648 metres of drilling, has now been completed. The trenches and drill-holes were planned to give even coverage along approximately 5 kilometres of the central part of the trend. Assay and metallurgical results are pending.

#### **B4-7 Deposit**

In May of 2008, Landore reported an inferred resource estimate for the B4-7 Deposit of 4,650,000 tonnes at 0.55% Nickel Equivalent (NiEq) (nickel plus copper-cobalt-PGE credits) at a 0.3% Ni cutoff. The resource estimate was independently prepared to Australasian Joint Ore Reserves Committee (JORC) Code (2004) compliance by Snowden Mining Industry Consultants, Perth, Australia

An infill drill programme, consisting of 42 NQ size holes for a total of 8,764 metres, has recently been completed on the B4-7 Deposit. The programme was designed to provide sufficient information and drill density to advance the deposit to indicated status. Additional metallurgical testing will be completed using core from the present program.

The drilling has confirmed that the deposit has near surface wide zones of nickel mineralization. The deposit also remains open along strike and down plunge to the north-west.

Landore has appointed Scott Wilson Roscoe Postle Associates Inc. (Scott Wilson RPA), consulting and engineering group from Toronto, Canada, to prepare a Canadian National Instrument 43-101 (NI43-101) compliant resource estimate upgrade on the B4-7 deposit.

The drill campaign has shown that the B4-7 deposit remains open to the west along strike and down plunge to the north-west. A previously completed airborne electromagnetic survey suggests the conductive horizon hosting the B4-7 deposit persists for an additional 500 metres to the west.

Details of drilling results and intersections have been shown in recent press releases which can be viewed on the website [www.landore.com](http://www.landore.com)

#### **Junior Lake exploration**

An exploration drilling campaign, consisting of 8 holes for a total of 1,500 metres of drilling has recently commenced on the highly prospective area between the VW Nickel deposit and the B4-7 deposit.

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

The West Graham property consists of one patented lot owned outright by Landore 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 to acquire 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.

---

## **LANDORE RESOURCES LIMITED**

### **MANAGEMENT DISCUSSION AND ANALYSIS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2009**

---

First Nickel announced in February 2009 the initial mineral resource estimate for the West Graham property, Conwest Zone is located approximately 1.5 kilometres to the east of the 2# head-frame of First Nickel's Lockerby Mine.

The Conwest Zone is near surface and contains in excess of 84 million pounds of nickel and 58 million pounds of copper within the in-situ Indicated Resource category. First Nickel is in the process of completing bench scale, metallurgical tests on the Conwest Zone and is investigating alternative processing and treatment options. Exploration will continue on the West Graham property in 2009, targeting the footwall lithologies to the south of the Conwest Zone.

**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 (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2009**

---

#### **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 2008.

#### **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 2009

---

		Six months ended 30 June 2009 £	Six months ended 30 June 2008 £
Exploration costs	2	(1,391,039)	(1,608,181)
Administrative expenses		(627,003)	(859,843)
<b>Operating loss</b>		<u>(2,018,042)</u>	<u>(2,468,024)</u>
Finance income		10,976	28,082
<b>Loss before income tax</b>		<u>(2,007,066)</u>	<u>(2,439,942)</u>
Income tax expense		-	-
<b>Loss for the period</b>		<u><u>(2,007,066)</u></u>	<u><u>(2,439,942)</u></u>
<b>Attributable to:</b>			
Equity holders of the Company		<u><u>(2,007,066)</u></u>	<u><u>(2,439,942)</u></u>
<b>Loss per share attributable to the equity holders of the Company during the year</b>			
- basic & diluted	3	<u>(£0.01)</u>	<u>(£0.02)</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 2009

---

	Six months ended 30 June 2009 £	Six months ended 30 June 2008 £
Loss for the period	(2,007,066)	(2,439,942)
Translation adjustment on consolidation	(18,494)	157,588
<b>Net loss recognised directly in equity</b>	<b>(2,025,560)</b>	<b>(2,282,354)</b>
Issue of ordinary share capital	8,500	187,665
Share premium arising on issue of ordinary share capital	45,050	2,215,177
Issue of share options	22,827	217,275
Net increase/ in shareholders' funds	(1,949,183)	337,763
Opening shareholders' funds at 1 January 2009	3,347,453	394,572
<b>Closing shareholders' funds</b>	<b>1,398,270</b>	<b>732,335</b>

---



**LANDORE RESOURCES LIMITED****UNAUDITED CONSOLIDATED BALANCE SHEET  
AS AT SIX MONTHS ENDED 30 JUNE 2009**

---

		As at 30 June 2009	As at 31 December 2008
	Notes	£	£
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment		115,062	99,201
		<u>115,062</u>	<u>99,201</u>
<b>Current assets</b>			
Trade and other receivables		518,155	523,547
Cash and cash equivalents		1,070,933	2,882,283
		<u>1,589,088</u>	<u>3,405,830</u>
<b>Total assets</b>		<u>1,704,150</u>	<u>3,505,031</u>
<b>Equity</b>			
<b>Capital and reserves attributable the Company's equity holders</b>			
Share capital	4	1,820,492	1,811,992
Share premium	4	13,664,982	13,619,932
Share options	5	784,759	790,306
Other reserves/warrants	6	143,659	143,659
Retained earnings	7	(15,176,738)	(13,198,046)
Cumulative translation adjustment		161,116	179,610
		<u>1,398,270</u>	<u>3,347,453</u>
<b>Total equity</b>		<u>1,398,270</u>	<u>3,347,453</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		305,880	157,578
		<u>305,880</u>	<u>157,578</u>
<b>Total liabilities</b>		<u>305,880</u>	<u>157,578</u>
<b>Total equity and liabilities</b>		<u><u>1,704,150</u></u>	<u><u>3,505,031</u></u>

---

**LANDORE RESOURCES LIMITED****UNAUDITED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2009**

---

	Notes	Six months ended 30 June 2009 £	Six months ended 30 June 2008 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	8	(1,820,504)	(1,740,847)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		<u>41,208</u>	<u>17,448</u>
		(41,208)	(17,448)
<b>Cash flows from financing activities</b>			
Issue of ordinary share capital		<u>53,550</u>	<u>2,402,842</u>
		53,550	2,402,842
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of period		2,882,283	480,184
Exchange (losses)/gains on cash and cash equivalents		<u>(3,188)</u>	<u>(4,889)</u>
<b>Cash and cash equivalents at end of period</b>		<u>1,070,933</u>	<u>1,119,842</u>

---

# LANDORE RESOURCES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

### 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 2009).

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 2008.

#### 2 Exploration expenditure and mineral properties

	1 January 2009 £	Net Expenditure in period £	Accumulated expenditure 30 June 2009 £
Miminiska Lake	1,134,524	3,131	1,137,655
Junior Lake	4,859,439	1,370,957	6,230,395
Fronde Lake	69,919	1,510	71,429
Wottam	61,558	-	61,558
Lamaune	1,165,559	6,635	1,172,194
Seeley Lake	-	-	-
Lessard	645,970	(2,311)	643,659
Other	20,761	11,117	31,878
	<u>7,957,730</u>	<u>1,391,039</u>	<u>9,348,768</u>

Mineral properties at 30 June 2009 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 2009

### 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 181,274,187 (2008: 130,210,589).

#### 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

	2009 £
Authorised: 250,000,000 ordinary shares of 1 pence each	2,500,000
Issued: 182,049,325 ordinary shares of 1 pence each	1,820,492
	<b>Ordinary shares 2009 £</b>
Issued: At 1 January 2009	1,811,992
Issued in the year	8,500
<b>At 30 June 2009</b>	<b>1,820,492</b>

The company made allotments of ordinary 1p shares with an aggregate nominal value of £8,500 during the year as follows:

	Number of shares	Nominal value	Share premium
8 June 2009 - share options exercised	200,000	2,000	10,600
12 June 2009 - share options exercised	100,000	1,000	5,300
16 June 2009 - share options exercised	350,000	3,500	18,550
22 June 2009 - share options exercised	200,000	2,000	10,600
	<u>850,000</u>	<u>8,500</u>	<u>45,050</u>

# LANDORE RESOURCES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

### 5 Share options

	2009 £
Share options reserve brought forward at 1 January 2009	790,306
Charge for options granted during the period	22,827
Transfer to profit and loss reserve for exercised options	(28,374)
<b>Share options reserve carried forward</b>	<b>784,759</b>

### 6 Other reserves

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 Profit and loss reserve

Issued:	
At 1 January 2009	(13,198,046)
Loss for the period	(2,007,066)
Transfer from share options reserve	28,374
<b>At 30 June 2009</b>	<b>(15,176,738)</b>

### 8 Cash generated from operations

	Six months ended 30 June 2009 £	Six months ended 30 June 2008 £
Operating loss	(2,007,066)	(2,439,942)
Depreciation of property, plant and equipment	16,689	14,777
Decrease/(increase) in receivables	5,392	31,285
Increase in payables	178,545	278,742
Share based payment	22,827	217,276
Foreign exchange	(36,891)	157,015
<b>Net cash outflow from operating activities</b>	<b>(1,820,504)</b>	<b>(1,740,847)</b>