

For Release **23 September 2014**

LANDORE RESOURCES LIMITED

INTERIM STATEMENT
For the six months ended 30 June 2014

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
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Guernsey GY1 3HS

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Lefebvre Street
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LANDORE RESOURCES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2014

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 2014 to 30 June 2014. All amounts are stated in sterling.

Overview

Landore Resources Limited is listed on the Alternative Investment Market in London, with the trading symbol 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 2014 show a loss of £809,560 (2013: loss £1,546,309). These results were in line with expectations and as a result of the decreased exploration costs of £376,479 (2013: £887,465).

During the period under review £nil (2013: £835,000) was raised from the issue of shares.

On 7 July 2014 the Group announced that it had raised £2.6 million, before expenses as a result of an oversubscribed placing of new shares at a price of 2.5p per share. The Directors were very pleased with the high level of support from both existing and new shareholders. The Group is now fully funded for the follow up drilling on the exciting geophysical anomalies between B4-7 and VW nickel deposits on the Junior Lake property.

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 Nickel Project.

The Junior Lake property:

The Junior Lake property, 100% owned by Landore Resources, is located in the province of Ontario, Canada, approximately 235 kilometres north-northeast of Thunder Bay, and is host to; the Scorpion Zone, which contains the B4-7 Nickel-Copper-Cobalt-PGEs resource, the recently-identified Exploration Target and the Alpha Zone. Junior Lake also contains the VW Nickel resource and numerous other highly prospective mineral occurrences.

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 |
|---------------------------|-----------------------------------|--------------|----------------|

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The report is compliant with the requirements of National Instrument 43-101 (NI 43-101). The resource remains open down plunge at depth and along strike to the west.

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 report is to NI 43-101 standards. The deposit remains open down plunge at depth and along strike to the east and to the west.

Works completed on the Junior Lake property to date have clearly demonstrated the existence of a geological environment that is favourable for the deposition of magmatic nickel-copper sulphide mineralisation. Based on geological signatures and available geological knowledge, this favourable environment is believed to exist along a strike length of approximately 10 kilometres. At its widest, the favourable rock sequences are in the order of 1,000 to 1,500 metres in thickness.

In January 2014, a second “Direct Current Induced Polarization” and “Magnetotellurics” (DCIP+MT) ground geophysical survey was conducted on the Junior Lake property by Quantec Geoscience, of Toronto, Canada (“Quantec”) over the B4-7 and VW Nickel Trends. The survey block spans 3,400m x 2,200m from grid line 300E to 3700E and line 700N to 1500S, and is located directly adjacent to the east of the highly successful 2012 ORION 3D DCIP+MT survey block covering the B4-7 and Scorpion Zone.

Previous exploration drilling between the B4-7 and VW deposits intersected promising base and precious metal mineralisation with numerous + 0.30% nickel intersections including 2.50 metres at 0.39% nickel in drill-hole 0411-288 and 1.50 metres at 0.33% nickel in drill-hole 0411-289. In addition, drilling intersected 0.75 metres at 26.1g/t gold in drill-hole 0409-252, 1.4 metres at 662ppb platinum and 1,888ppb palladium in drill-hole 0406-64, and 0.5 metres at 2.23% copper in drill-hole 0409-247. These results encouraged Landore to perform the DCIP+MT survey over this large area to assist in drill targeting before further drilling was conducted.

The DC resistivity geophysical results have identified significant potential sulphide mineralisation below the majority of the above exploration drilling, substantiating Landore’s belief that drilling to date had merely intersected the top of this system. These compelling findings, along with identified potential mineralisation near-surface, warrant follow-up drilling.

B4-7 East

In July 2014 a preliminary drill programme, consisting of 16 drill holes (0414-477 to 0414-492) for 4,201 metres, was completed over the prospective area from the B4-7 Nickel-Copper-Cobalt-PGEs deposit eastwards for 1,500 metres to line 2100E. This drilling successfully intersected a significant copper/gold mineralised structure extending eastwards from B4-7 Copper – Cobalt – PGEs deposit for 1,000 metres.

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MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2014

Drilling results to date are :

| Drill-hole | From | Width* | Ni | Cu | Co | Pd | Pt | Au |
|------------|--------|--------|-------------|-------------|------|--------------|-----|--------------|
| No | Metres | Metres | % | % | % | ppb | ppb | ppb |
| 0414-478 | 183 | 6.75 | 0.31 | 0.07 | 0.02 | 1,016 | 196 | 5 |
| including | 189 | 0.75 | 1.28 | 0.27 | 0.07 | 2,960 | 164 | 12 |
| 0414-478 | 245.37 | 0.26 | 0.94 | 0.10 | 0.05 | 130 | 53 | 23 |
| 0414-479 | 292.38 | 1.42 | 0.21 | 1.42 | 0.01 | 185 | 30 | 105 |
| 0414-482 | 174.50 | 1.00 | 0.14 | 1.15 | 0.02 | 136 | 38 | 187 |
| And | 200.74 | 0.69 | 0.29 | 0.93 | 0.02 | 131 | 21 | 2,150 |
| And | 226.20 | 0.80 | 0.09 | 1.14 | 0.01 | 20 | 7 | 76 |
| 0414-485 | 61.00 | 5.00 | 0.25 | 0.33 | 0.01 | 497 | 100 | 48 |
| 0414-489 | 6.28 | 3.02 | 0.32 | 0.95 | 0.02 | 533 | 123 | 134 |
| Including | 6.28 | 1.02 | 0.22 | 1.64 | 0.01 | 339 | 73 | 345 |
| 0414-491 | 137.00 | 1.00 | 0.09 | 1.25 | 0.01 | 93 | 12 | 54 |

**The actual true thickness of mineralisation is estimated to represent between 60-70% of the intervals shown in the above table. Results are pending for drill- hole 0414-492.*

Drilling has confirmed the extension of a significant copper/gold mineralised structure previously delineated from line 900W in the Scorpion zone eastwards adjacent to the B4-7. Values as high as 5.49% copper over 0.77 metres in drill-hole 0412-368 and 26.1g/t gold over 0.75 metres in drill-hole 0406-252 have been intersected by previous drilling. This copper/gold mineralisation is commonly hosted in foliated to sheared gabbro and leucogabbro.

This drill programme, conducted during July and August 2014, confirmed the extension of this copper/gold trend through to line 1600E, with a further 500 metres potential strike length indicated by historical drill hole S-5 on line 2100E with 0.21 metres at 8.97% Cu, giving an overall potential strike extension of 3.0 kilometres.

The drilling also intersected elevated polymetallic mineralisation on line 1200E with drill-hole 0414-485 returning 5 metres at 0.25% Ni, 0.33% Cu, 0.01% Co, 497ppb Pd, 100ppb Pt, and 48ppb Au from 61 metres down-hole which together with previous highly encouraging trench results on line 1350E holds potential for near-surface, economic polymetallic mineralisation which would provide added value to the B4-7 deposit. Further drilling is necessary to ascertain the scope of this near-surface polymetallic mineralisation.

The results of this preliminary drill programme are currently being collated to determine what additional works are required to interpret the geological and mineralogical trends of the highly prospective B4-7 East Zone. Once completed, a drill programme will be designed to follow up on these promising areas.

Planned works:

The above area drilled is the first of three target areas containing 9 distinct geophysical anomalies as identified by the January 2014 3D DCIP + MT ground geophysical survey.

A second 4,000 metre drill programme has commenced, designed to test prospective targets identified in the VW West and BAM East areas by the December 2013 ground Electromagnetic (MaxMin), VLF and Magnetic geophysical surveys, as well as the January 2014 3D DCIP + MT ground geophysical survey.

Further information on Landore's projects can be viewed on the website , www.landore.com .

LANDORE RESOURCES LIMITED

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

| | Notes | Group Six months ended 30 June 2014 £ | Group Six months ended 30 June 2013 £ |
|---|-------|--|--|
| Exploration costs | 2 | (376,479) | (887,465) |
| Other Income | | 1,462 | - |
| Administrative expenses | | (468,664) | (687,268) |
| Operating loss | | (843,681) | (1,574,733) |
| Finance income | | 34,121 | 60,914 |
| Loss before income tax | | (809,560) | (1,513,819) |
| Income tax expense | | - | (32,490) |
| Loss for the period | | (809,560) | (1,546,309) |
| Other comprehensive (loss)/income: | | | |
| Exchange difference on translating foreign operations | | (171,953) | 61,638 |
| Other comprehensive (loss)/income for the period net of tax | | (171,953) | 61,638 |
| Total comprehensive loss for the period | | (981,513) | (1,484,671) |
| Loss attributable to: | | | |
| Equity holders of the Company | | (809,560) | (1,546,309) |
| Total comprehensive loss attributable to: | | | |
| Equity holders of the Company | | (981,513) | (1,484,671) |
| Loss per share attributable to the equity holders of the Company during the period | | | |
| - basic & diluted | 3 | (£0.002) | (£0.004) |

The Group's operating loss relates to continuing operations.
The notes and accounting policies on pages 9 to 10 form part of these interim financial statements.

LANDORE RESOURCES LIMITED

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

| | Share capital £ | Share premium £ | Share options £ | Retained earnings £ | Cumulative translation reserve £ | Total £ |
|---|-----------------------|-----------------------|-----------------------|---------------------------|---|------------------|
| Balance at 1 January 2013 | 3,462,838 | 25,532,762 | 1,223,262 | (25,355,105) | 220,039 | 5,083,796 |
| Loss for the year | — | — | — | (1,546,309) | — | (1,546,309) |
| Other comprehensive gains in the year | — | — | — | — | 61,638 | 61,638 |
| Issue of ordinary share capital | 167,000 | 668,000 | — | — | — | 835,000 |
| Issue costs | — | (16,900) | — | — | — | (16,900) |
| Share option adjustment | — | — | (247,357) | 302,203 | — | 54,846 |
| Balance at 30 June 2013 | <u>3,629,838</u> | <u>26,183,862</u> | <u>975,905</u> | <u>(26,599,211)</u> | <u>281,677</u> | <u>4,472,071</u> |
| Balance at 1 January 2014 | 4,134,838 | 26,653,862 | 707,775 | (27,126,179) | (152,162) | 4,218,134 |
| Loss for the year | — | — | — | (809,560) | — | (809,560) |
| Other comprehensive losses in the year | — | — | — | — | (171,953) | (171,953) |
| Issue of ordinary share capital | — | — | — | — | — | — |
| Issue costs | — | — | — | — | — | — |
| Share option adjustments | — | — | (11,262) | 20,290 | — | 9,028 |
| Balance at 30 June 2014 | <u>4,134,838</u> | <u>26,653,862</u> | <u>696,513</u> | <u>(27,915,449)</u> | <u>(324,115)</u> | <u>3,245,649</u> |

The accounting policies and notes on pages 9 to 10 form part of these financial statements.

LANDORE RESOURCES LIMITED

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2014**

| | Notes | Group As at 30 June 2014 £ | Group As at 30 June 2013 £ | Group As at 31 December 2013 £ |
|--|-------|-------------------------------------|-------------------------------------|---|
| Assets | | | | |
| Non current assets | | | | |
| Property, plant and equipment | | 61,312 | 91,175 | 72,225 |
| Investments | | 75,740 | - | - |
| Trade and other receivables | 6 | 3,404,162 | - | - |
| | | <u>3,541,214</u> | <u>91,175</u> | <u>72,225</u> |
| Current assets | | | | |
| Trade and other receivables | 6 | 21,846 | 4,140,791 | 3,834,913 |
| Cash and cash equivalents | | 89,380 | 505,367 | 699,633 |
| | | <u>111,226</u> | <u>4,646,158</u> | <u>4,534,546</u> |
| Total assets | | <u>3,652,440</u> | <u>4,737,333</u> | <u>4,606,771</u> |
| Equity | | | | |
| Capital and reserves attributable to the Company's equity holders | | | | |
| Share capital | 4 | 4,134,838 | 3,629,838 | 4,134,838 |
| Share premium | 4 | 26,653,862 | 26,183,862 | 26,653,862 |
| Share options | | 696,513 | 975,905 | 707,775 |
| Retained earnings | 5 | (27,915,449) | (26,599,211) | (27,126,179) |
| Cumulative translation adjustment | | (324,115) | 281,677 | (152,162) |
| Total equity | | <u>3,245,649</u> | <u>4,472,071</u> | <u>4,218,134</u> |
| Liabilities | | | | |
| Non current liabilities | | | | |
| Income tax liabilities | | - | 3,750 | - |
| | | <u>-</u> | <u>3,750</u> | <u>-</u> |
| Current liabilities | | | | |
| Trade and other payables | | 373,848 | 227,764 | 354,505 |
| Income tax liabilities | | 32,943 | 33,748 | 34,132 |
| | | <u>406,791</u> | <u>261,512</u> | <u>388,637</u> |
| Total liabilities | | <u>406,791</u> | <u>265,262</u> | <u>388,637</u> |
| Total equity and liabilities | | <u>3,652,440</u> | <u>4,737,333</u> | <u>4,606,771</u> |

The notes and accounting policies on pages 9 to 10 form part of these interim financial statements.

LANDORE RESOURCES LIMITED**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

| | Group Six months ended 30 June 2014 £ | Group Six months ended 30 June 2013 £ |
|---|--|--|
| Cash flows from operating activities | | |
| Operating loss | (843,681) | (1,574,733) |
| Finance income | 218,094 | 60,914 |
| Depreciation of tangible fixed assets | 8,326 | 12,055 |
| Foreign exchange gain on non-cash items | (35,799) | 51,076 |
| Share options | 9,028 | 54,846 |
| Decrease in receivables | 14,085 | 37,351 |
| Increase/(decrease) in payables | 18,155 | (82,499) |
| Net cash outflow from operating activities | <u>(611,792)</u> | <u>(1,440,990)</u> |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | - | (16,179) |
| | <u>-</u> | <u>(16,179)</u> |
| Cash flows from financing activities | | |
| Issue of ordinary share capital | - | 835,000 |
| Issue costs | - | (16,900) |
| | <u>-</u> | <u>818,100</u> |
| Net decrease in cash and cash equivalents | (611,792) | (639,069) |
| Cash and cash equivalents at beginning of financial year | 699,633 | 1,166,919 |
| Exchange gain/(loss) on cash and cash equivalents | 1,539 | (22,483) |
| Cash and cash equivalents at end of financial period | <u>89,380</u> | <u>505,367</u> |

The notes and accounting policies on pages 9 to 10 form part of these interim financial statements

LANDORE RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

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 2014).

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 audited annual accounts to 31 December 2013.

2 Exploration expenditure and mineral properties

| | 1 January 2014 £ | Net Expenditure in period £ | Accumulated expenditure 30 June 2014 £ |
|---|------------------------|--------------------------------------|---|
| Junior Lake/Lamaune Lake | 14,258,509 | 370,104 | 14,628,613 |
| Miminiska Lake | 1,517,386 | 1,042 | 1,518,428 |
| Lessard | 696,164 | - | 696,164 |
| Fron Lake | 77,981 | 1,186 | 79,167 |
| Wottam | 61,558 | - | 61,558 |
| Other/including Swole Lake and West Graham | 55,794 | 4,148 | 59,832 |
| | <u>16,667,392</u> | <u>376,479</u> | <u>17,043,762</u> |

Mineral properties at 30 June 2014 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.

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 413,483,825 (2013: 356,617,527).

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.

LANDORE RESOURCES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

| | | | |
|----------|---|---|---|
| 4 | Share capital | 30 June 2014 £ | 1 January 2014 £ |
| | Issued: | | |
| | 413,483,825 ordinary shares of 1 pence each | 4,134,838 | 4,134,838 |
| | | <hr/> | <hr/> |
| | | Ordinary shares 2014 £ | Share premium 2014 £ |
| | At 1 January 2014 and 30 June 2014 | 4,134,838 | 26,653,862 |
| | | <hr/> | <hr/> |

| | | |
|----------|-------------------------------------|---------------------|
| 5 | Profit and loss reserve | £ |
| | At 1 January 2014 | (27,126,179) |
| | Loss for the period | (809,560) |
| | Transfer from share options reserve | 20,290 |
| | At 30 June 2014 | (27,915,449) |
| | | <hr/> |

6 Trade and other receivables

On 30 April 2014 Landore Resources Canada Inc (Landore Canada) and Lamaune Iron Inc (Lamaune) agreed to amend the terms of the Original Loan Agreement, pursuant to a Loan Amendment Agreement as follows:

- (a) The original promissory note dated 10 June 2011 was amended and a new promissory note in the amount of £3,404,162 (C\$6,200,000) was issued, repayable on 30 April 2019;
- (b) The Security Agreement issued pursuant to the Original Loan Agreement was unamended;
- (c) Total interest accrued up to 30 April 2014 was paid, satisfied by a mixture of cash and an interest in the share capital of Lamaune and no interest accrued on the loan after that date;
- (d) Landore Canada has the right to convert the loan into common shares of Lamaune pursuant to a Going Public Transaction or in the event of a Joint Venture Transaction; and
- (e) In consideration of the amendments provided in the Loan Amendment Agreement, Lamaune issued warrants to Landore Canada to purchase common shares of Lamaune equal to the Black-Scholes valuation of the warrants equal to the discount recorded by Landore Canada estimated to be approximately £494k (C\$900,000) (at a discount rate of 3%).