

# **LANDORE RESOURCES LIMITED**

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**INTERIM STATEMENT**  
**For the six months ended 30 June 2021**

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## LANDORE RESOURCES LIMITED

### COMPANY INFORMATION

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<b>Directors</b>	Charles Wilkinson (Non-Executive Chairman) William Humphries (Chief Executive Officer) Glenn Featherby (Finance Director) Helen Green (Non-Executive Director)
<b>Secretary</b>	Rysaffe International Services Limited
<b>Registered office</b>	La Tonnelle House Les Banques St Sampson Guernsey GY1 3HS
<b>Nominated adviser</b>	Cenkos Securities plc 6 7 8 Tokenhouse Yard London EC2R 7AS
<b>Broker</b>	Cenkos Securities plc 6 7 8 Tokenhouse Yard London EC2R 7AS
<b>Auditor</b>	Grant Thornton Limited PO Box 313 Lefebvre House Lefebvre Street St Peter Port Guernsey GY1 3TF
<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 (Guernsey) Limited 1st Floor Tudor House Le Bordage St Peter Port Guernsey GY1 1DB
<b>Solicitors</b>	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH

## LANDORE RESOURCES LIMITED

### MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2021

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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 Landore Resources Limited (“Landore Resources” or the “Company”) and its subsidiaries (together, “the Group”) and notes thereto for the period from 1 January 2021 to 30 June 2021. All amounts are stated in sterling.

#### Overview

Landore Resources is admitted to trading on the AIM market operated by the London Stock Exchange plc, with the trading symbol LND.L. The Company is based in Guernsey in the Channel Islands and its 100 per cent owned operating subsidiary, Landore Resources Canada Inc. (“Landore Canada”), is engaged in the exploration and development of a portfolio of precious and base metal properties in North America.

#### Financial Results:

The financial results for the six months to 30 June 2021 show a loss of £2,422,042 (30 June 2020: loss of £695,406). Exploration costs were £1,641,662 (30 June 2020: £102,750).

In February 2021 the Group raised £3.5 million by the issuance of shares at a price of 30p. The fundraising received good support from new and existing investors. This will allow the continued development of the identified BAM Gold Resource and the completion of a further exploration programme along strike.

The Group’s cash at bank at 30 June 2021 was £2,311,829 and the Group has no debt. The Group has sufficient funding to complete the current drilling and exploration programme and to meet Group working capital requirements to the end of June 2022.

#### Operations Report

##### The Junior Lake Property:

The Junior Lake property, 100 per cent owned by Landore Canada, is located in the province of Ontario, Canada, approximately 235 kilometres north-northeast of Thunder Bay and is host to the recently discovered BAM Gold Deposit, the B4-7 Nickel-Copper-Cobalt-PGEs deposit and the adjacent Alpha PGEs zone. Junior Lake also contains the VW Nickel deposit and numerous other highly prospective mineral occurrences.

##### BAM Gold Deposit:

###### Resource:

Mineral Resource Estimate (MRE) of 31,083,000 tonnes (t) at 1.02 grams/tonne (g/t) for 1,015,000 ounces of gold including 21,930,000t at 1.06g/t for 747,000 ounces gold in the Indicated Category (as reported by the Group on 7th January 2020).

The BAM Gold Deposit extends for 3,700 metres from 400E to 4100E and remains open down dip and along strike to the east and the west. In addition, the soil sampling completed in 2019-20 has identified widespread gold mineralisation along strike to the west for a further 7 kilometres, supporting the extension of resource drilling from the BAM Gold Deposit.

## LANDORE RESOURCES LIMITED

### MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2021

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A drilling programme, consisting of a total of 23,000 metres of HQ diamond core drilling, commenced on 15 October 2020 designed to further infill and extend the defined BAM Gold Deposit resource of 1,015,000 ounces. As of 9 September 2021, a total of 21,933 metres of drilling, comprising 94 drill holes (0420-725 to 0421-818), has been completed to deepen and extend the East and West pits, as well as to conduct exploration along strike to the east and west of the defined deposit.

The drilling activities on the BAM Gold Deposit and immediate exploration to the east and west concluded on 1 August 2021 and the final assay results are anticipated to be received and collated by the end of September. The data will then be forwarded to the Group's independent engineers Cube Consulting of Perth Western Australia, to complete a Mineral Resource Estimate ("MRE") and Preliminary Economic Assessment ("PEA") update on the BAM Gold Deposit scheduled for completion in Q4 2021.

Drilling will re-commence in mid-October at the highly prospective Felix area along strike and to the west of the BAM Gold Deposit.

The continued rapid progress at the BAM Gold Deposit, together with the possible future development of the other known gold prospects along this highly prospective 31 kilometre long Archean greenstone belt, bodes well for the future of the Junior Lake Property hosting a multi-million ounce gold deposit.

#### **Battery Metals:**

The growing adoption of electric vehicles (EVs) is driving the increasing demand for nickel, cobalt and lithium ("Battery Metals") – which are each critical metals used as cathode materials for lithium-ion batteries in the automotive industry, as well as the energy and electronics industries.

In addition to advancing the BAM Gold Deposit on which the Group remains focused, the Group is encouraged by the increased demand for Battery Metals as the Group's highly prospective Junior Lake property is host to significant Battery Metals resources and prospects delineated by Landore prior to the discovery of BAM Gold. These resources are compliant to Canadian National Instrument 43-101 (NI43-101).

#### **Resources:**

- **B4-7 Nickel-Copper-Cobalt-PGE Deposit and Alpha Zone:** 3,292,000 tonnes at 1.20% Nickel Equivalent (NiEq) in the Indicated category and 568,000 tonnes at 1.26% NiEq in the Inferred category for a total of 46,661 tonnes of contained metal.
- **VW Nickel-Copper-Cobalt Deposit:** 1,084,000 tonnes at 0.71% NiEq in the indicated category and 180,000 tonnes at 0.68% NiEq in the inferred category for a total of 8,920 tonnes of contained metal.

The Junior Lake Nickel is the highly sought-after Grade 1 sulphide Nickel suitable for Battery Metals.

#### **The Miminiska Lake and Keezhik Lake Properties:**

The Group granted an option (reported 10 May 2021) to Lithoquest Resources Inc. (TSX.V - LDI) (Lithoquest) pursuant to which Lithoquest can elect to purchase the Group's 100% interest in the Miminiska Lake and Keezhik Lake properties in the Thunder Bay Mining district, Northern Ontario (together, the "Property").

Under the terms of the Option agreement, Lithoquest can acquire a 100% interest in the Property by making staged payments to the Group totalling CAN\$1,375,000 in cash ("Cash Payment") and an additional CAN\$2,625,000 either in cash or by issuing Landore with new common shares in Lithoquest ("Convertible Cash Payment"), subject to the terms and schedule of the Option Agreement.

## LANDORE RESOURCES LIMITED

### MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2021

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The Miminiska Lake property covers an area of 5,494 hectares and is located approximately 130 kilometres to the north of the Junior Lake property and 115 kilometres to the east of the Pickle Lake mining camp.

The Keezhik Lake property is located 20 kilometres north of the Group's Miminiska Lake property and 150 kilometres southeast of Goldcorp's Musselwhite Gold mine.

#### **West Graham Property:**

The Group disposed of its 30% interest in the West Graham Property (reported 8 April 2021) to SPC Nickel Corp. (TSX.V – SPC). As a result of the Disposal, the Group no longer has an interest in West Graham.

Following Completion of the Disposal, the Group has received:

- CAN\$250,000 in cash;
- 1,000,000 warrants in SPC Nickel Corp., with each warrant convertible to one common share in SPC Nickel Corp. at a price of CAN\$0.25 within a period of one year from December 7, 2020; and
- A 1% net smelter return royalty on West Graham.

West Graham is a Ni Cu property, consisting of 1 patented claim, located in the Sudbury Mining District of Ontario, Canada.

#### **COVID-19:**

The spread of a novel strain of coronavirus ("COVID-19") and measures taken to contain the spread of the virus caused significant disruption to Landore's exploration activities during the first half of 2020. By mid-2020 the Company resumed Canadian operations, and since then has successfully operated in accordance with Government COVID-19 guidelines.

#### **Social and environmental responsibility:**

The Group believes that a successful project is best achieved through maintaining a close working relationship with First Nations and other local communities. This social ideology is at the forefront of the Group's exploration initiatives and the Company seeks to establish and maintain co-operative relationships with First Nations communities, hiring local personnel and using local contractors and suppliers where possible. Careful attention is given to ensure that all exploration activity is performed in an environmentally responsible manner and abides by all relevant mining and environmental acts. Landore takes a conscientious role towards its operations, and is aware of its social responsibility and its environmental duty.

20 September 2021

LANDORE RESOURCES LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Notes	Group Six months ended 30 June 2021 £	Group Six months ended 30 June 2020 £
Exploration costs	2	(1,641,662)	(102,750)
Administrative expenses		(794,818)	(592,669)
Other income		14,438	-
<b>Operating loss</b>		<b>(2,422,042)</b>	<b>(695,419)</b>
Finance income		-	13
<b>Loss before income tax</b>		<b>(2,422,042)</b>	<b>(695,406)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(2,422,042)</b>	<b>(695,406)</b>
<b>Other comprehensive loss: Items that will subsequently be reclassified to profit or loss</b>			
Exchange difference on translating foreign operations		(22,881)	(1,946)
<b>Other comprehensive loss for the year net of tax</b>		<b>(22,881)</b>	<b>(1,946)</b>
<b>Total comprehensive loss for the period</b>		<b>(2,444,923)</b>	<b>(697,352)</b>
<b>Loss attributable to:</b>			
Equity holders of the Company		(2,421,812)	(694,901)
Non-controlling interests		(230)	(505)
		<b>(2,422,042)</b>	<b>(695,406)</b>
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company		(2,444,693)	(696,847)
Non-controlling interests		(230)	(505)
		<b>(2,444,923)</b>	<b>(697,352)</b>
<b>Loss per share attributable to the equity holders of the Company during the year</b>			
- Basic and diluted	3	(£0.024)	(£0.010)

The Group's operating loss relates to continuing operations. The notes 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 2021**

	Share capital £	Share options reserve £	Retained earnings £	Cumulative translation reserve £	Non- controlling interest £	Total £
<b>Balance at</b>						
<b>1 January 2020</b>	42,915,903	640,347	(43,353,485)	(343,517)	(3,227)	(143,979)
Loss for the period	—	—	(694,901)	—	(505)	(695,406)
Other comprehensive loss in the period	—	—	—	(1,946)	—	(1,946)
Issue of ordinary share capital	553,000	—	—	—	—	553,000
Placing expenses	(57,700)	—	—	—	—	(57,700)
	—————	—————	—————	—————	—————	—————
<b>Balance at</b>						
<b>30 June 2020</b>	43,411,203	640,347	(44,048,386)	(345,463)	(3,732)	(346,031)
	=====	=====	=====	=====	=====	=====
<b>Balance at</b>						
<b>1 January 2021</b>	46,108,934	921,133	(45,905,940)	(348,111)	(4,328)	771,688
Loss for the period	—	—	(2,421,812)	—	(230)	(2,422,042)
Other comprehensive loss in the period	—	—	—	(22,881)	—	(22,881)
Issue of ordinary share capital	4,146,672	—	—	—	—	4,146,672
Placing expenses	(221,500)	—	—	—	—	(221,500)
Shared-based payments	(13,766)	51,459	—	—	—	37,693
	—————	—————	—————	—————	—————	—————
<b>Balance at</b>						
<b>30 June 2021</b>	50,020,340	972,592	(48,327,752)	(370,992)	(4,558)	2,289,630
	=====	=====	=====	=====	=====	=====

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

LANDORE RESOURCES LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 30 JUNE 2021

	Notes	Group As at 30 June 2021 £	Group As at 30 June 2020 £	Group As at 31 December 2020 £
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		20,666	28,688	23,416
		20,666	28,688	23,416
<b>Current assets</b>				
Trade and other receivables		145,354	13,880	139,524
Cash and cash equivalents		2,311,829	79,032	1,052,623
		2,457,183	92,912	1,192,147
<b>Total assets</b>		<b>2,477,849</b>	<b>121,600</b>	<b>1,215,563</b>
<b>Equity</b>				
<b>Capital and reserves attributable to the Company's equity holders</b>				
Share capital	4	50,020,340	43,411,203	46,108,934
Share options reserve		972,592	640,347	921,133
Retained earnings	5	(48,327,752)	(44,048,386)	(45,905,940)
Cumulative translation reserve		(370,992)	(345,463)	(348,111)
<b>Total equity shareholders' funds</b>		<b>2,294,188</b>	<b>(342,299)</b>	<b>776,016</b>
<b>Non-controlling interests</b>		<b>(4,558)</b>	<b>(3,732)</b>	<b>(4,328)</b>
<b>Total equity</b>		<b>2,289,630</b>	<b>(346,031)</b>	<b>771,688</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		153,177	431,911	409,410
Income tax liabilities		35,042	35,720	34,465
		188,219	467,631	443,875
<b>Total liabilities</b>		<b>188,219</b>	<b>467,631</b>	<b>443,875</b>
<b>Total equity and liabilities</b>		<b>2,477,849</b>	<b>121,600</b>	<b>1,215,563</b>

The notes 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 2021**

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	<b>Group Six months ended 30 June 2021 £</b>	<b>Group Six months ended 30 June 2020 £</b>
<b>Cash flows from operating activities</b>		
Operating loss	(2,422,042)	(695,419)
Share-based payments charged as an expense	37,693	-
Finance income	-	13
Depreciation of tangible fixed assets	3,107	4,315
Decrease/(increase) in receivables	(4,004)	6,271
(Decrease)/increase in payables	(258,776)	226,954
<b>Net cash outflow from operating activities</b>	<u>(2,644,022)</u>	<u>(457,866)</u>
<b>Cash flows from financing activities</b>		
Issue of ordinary share capital	4,146,672	485,000
Issue costs	(221,500)	(57,700)
<b>Net cash inflow from financing activities</b>	<u>3,925,172</u>	<u>427,300</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	1,281,150	(30,566)
Cash and cash equivalents at beginning of period	1,052,623	107,668
Exchange gain on cash and cash equivalents	(21,944)	1,930
<b>Cash and cash equivalents at end of period</b>	<u><u>2,311,829</u></u>	<u><u>79,032</u></u>

The notes 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 2021

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#### 1 Basis of accounting and accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the United Kingdom at the time of preparing these financial statements (August 2021). The Directors have elected not to apply IAS 34 *Interim Financial Reporting*.

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 2020.

#### 2 Exploration expenditure and mineral properties

	1 January 2021 £	Net expenditure in period £	Accumulated expenditure 30 June 2021 £
Junior Lake/Lamaune Lake	24,160,606	1,631,578	25,792,184
Miminiska Lake	1,532,048	1,100	1,533,148
Lessard	705,347	-	705,347
Fronde Lake	86,698	7,568	94,266
Wottam	61,558	-	61,558
Others, including Swole Lake, West Graham and Root Lake	81,095	1,416	82,511
	<u>26,627,352</u>	<u>1,641,662</u>	<u>28,269,014</u>

Mineral properties at 30 June 2021 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 101,613,561 (30 June 2020: 67,606,184).

#### 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 2021

4 Share capital

	30 June 2021	31 December 2020
	£	£
Issued: 105,756,961 (31 December 2020: 90,714,791) ordinary shares of £nil par value	<u>50,020,340</u>	<u>46,108,934</u>

On 16 February 2021, 11,666,667 ordinary shares were issued at a price of £0.30 each as part of a share subscription raising £3,500,000 before total issue costs of £235,266 comprising placing expenses of £221,500 and share-based payments of £13,766.

In the period, 3,375,503 ordinary shares were issued following the exercise of share options and warrants. Proceeds from the exercises were £646,672 and exercise prices ranged from £0.161 to £0.20.

	Share capital 2021 £
<b>At 1 January 2021</b>	46,108,934
Shares issued in the period	4,146,672
Share issue costs:	
Placing expenses	(221,500)
Share-based payments	(13,766)
<b>At 30 June 2021</b>	<u>50,020,340</u>

5 Retained earnings

	£
<b>At 1 January 2021</b>	(45,905,940)
Loss for the period	(2,421,812)
<b>At 30 June 2021</b>	<u>(48,327,752)</u>

6 Events after the interim reporting period

On 20 July 2021 the Company issued 2,200,000 options over new ordinary shares to certain Directors and employees of the Company. The options have an exercise price of £0.32315.