RNS Number : 3996B
Landore Resources Limited
30 September 2022

30 September 2022

Landore Resources Limited

("**Landore Resources**" or the "**Company**")

Interim Results for the Six Months Ended 30 June 2022

Landore Resources Limited (AIM:LND) is pleased to announce its interim results for the six months ended 30 June 2022.

For more information, please contact:

Landore Resources Limited

Bill Humphries, Chief Executive Officer Tel: 07734 681262

Glenn Featherby, Finance Director Tel: 07730 420318

Cenkos Securities plc (Nominated Adviser and Broker)

Derrick Lee / Pete Lynch Tel: 0131 220 9100

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED 30 JUNE 2022

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 2022 to 30 June 2022. 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 2022 show a loss of £794,385 (30 June 2021: loss of £2,422,042). Exploration costs were £398,341 (30 June 2021: £1,641,662).

The Group's cash at bank at 30 June 2022 was £740,405 (31 December 2021: £875,658) and the Group has no debt.

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 including lithium.

BAM Gold Deposit:

Mineral Resource Estimate

On 8 February 2022 the Company announced that Cube Consulting Pty Ltd ("Cube") had completed an updated National Instrument 43-101 ("NI 43-101") compliant, Mineral Resource Estimate ("MRE") on the BAM Gold Project. The MRE modelling increased the BAM Gold Project's In-Situ resource, at a 0.3g/t cut-off to 49,231,000 tonnes (t) at 1.0 grams/tonne (g/t) for 1,496,000 ounces of gold (oz Au) including 30,965,000t at 1.0g/t for 1,029,000 ounces gold in the Indicated Category.

Preliminary Economic Assessment

On 9 May 2022, the Company announced the completion of a Technical Report and Preliminary Economic Assessment ("PEA") on the BAM Gold Project:

- The PEA considers the economics of exploiting resources inside optimised pit shells of 22.4 Mt at 1.16g/t Au containing 833,000 ounces gold using a long term gold price of US$1,800. The project assumes the construction of a 2.2 Mt per annum processing plant over 4 quarters followed by a production period of 10.5 years.
- The PEA indicates that the BAM Gold Project generates a pre-tax and post-tax NPVS of, respectively, US$333.6M and US$231.2M and pre-tax and post-tax real IRRs of 87.4% and 66.7%. The BAM Gold Project has an after-tax simple pay back of 1.25 years from the start of production or 2.25 years from the start of project.

To follow up on this positive PEA, a drill programme of 7,500 metres is underway to infill and extend the BAM Gold Deposit and test several potential underground mining targets, for completion following exploration drilling in the Felix Lake-Lamaune area west of the BAM Gold Deposit.

Felix Lake Gold-Battery Metals Exploration:

In May 2022 a soil-till sampling programme was initiated in the Felix Lake, Lamaune Gold and Carrot Top Ni-Cu-Co-PGEs prospect areas. The ongoing soils programme will assist in future target selection for Felix-Lamaune exploration drilling.

A drilling programme consisting of 7,500 metres of NQ diamond core drilling was commenced on 27 July 2022. The programme was designed to drill-test the highly prospective Felix and Lamaune areas located along strike to the immediate west of the BAM Gold deposit. The drilling will target previously identified gold and battery metals mineralisation 12 kilometres to the west along strike from the BAM Gold and B4-7 Nickel-Copper-Cobalt-Palladium-Platinum deposits (Ni-Cu-Co-PGEs).

Felix drilling programme - 20 drill holes for 3,800 metres of NQ Diamond core, targeting previously identified gold and battery metals mineralisation within the highly prospective Felix-Lamaune areas from 1,000W to 5,000W along strike from the BAM Gold Deposit and the B4-7/VW Battery Metals deposits. This drilling programme has been completed with the company awaiting the results.

Lamaune drilling programme - 16 drill holes for 3,700 metres of drilling on the Lamaune Gold prospect and the adjacent Carrot Top and Grassy Pond Nickel-Copper-Cobalt-PGE prospects, from 7,000W to 10,000W and along strike from the BAM Gold Deposit and the B4-7/VW Battery Metals deposits.

The continued rapid growth of 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).

Mineral 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'.

Junior Lake Lithium Prospects:

Landore has three known lithium occurrences on its Junior Lake property, including the historical Despard Lithium deposit, the Swole Lake spodumene-bearing pegmatite and Tape Lake pegmatites, both discovered by Landore.

Strategic Review

In light of the significance of the BAM Gold and Battery Metals deposits located on the Junior Lake property, as announced in the MRE, the Company announced on 9 May 2022 that the Board is reviewing the strategic options available to the Company in relation to the Company's Canadian subsidiary/assets. The options expected to be considered under the Strategic Review include potential joint venture arrangements or strategic partnerships, the sale of all or a part of its wholly owned subsidiary, Landore Resources Canada Inc. or the Junior Lake Project, or a combination thereof.

Phase one of the Strategic Review will be completed at the end of Q3 2022, at which time the Board will consider its corporate direction to the benefit of shareholders.

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 close working relationships 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.

30 September 2022

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Notes	Group Six months ended 30 June 2022 £	Group Six months ended 30 June 2021 £
Exploration costs	**2**	(398,341)	(1,641,662)
Administrative expenses		(818,316)	(794,818)
Option income	**3**	448,779	14,438
Fair value losses		(26,507)	-
Operating loss and loss before tax		(794,385)	(2,422,042)
Income tax expense		-	-
Loss for the period		(794,385)	(2,422,042)
Other comprehensive income: Items that will subsequently be reclassified to profit or loss			
Exchange difference on translating foreign operations		58,021	(22,881)
Other comprehensive income/(loss) for the year net of tax		58,021	(22,881)
Total comprehensive loss for the period		(736,364)	(2,444,923)
Loss attributable to:			
Equity holders of the Company		(794,153)	(2,421,812)
Non-controlling interests		(232)	(230)
		(794,385)	(2,422,042)
Total comprehensive loss attributable to:			
Equity holders of the Company		(736,132)	(2,444,693)

Non-controlling interests		(232)	(230)
		(736,364)	(2,444,923)
Loss per share attributable to the equity holders of the Company during the year			
- Basic and diluted	**4**	(£0.007)	(£0.024)

The Group's operating loss relates to continuing operations. The notes to the financial statements form part of these interim financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Share capital £	Share options reserve £	Retained earnings £	Cumulative translation reserve £	Non-controlling interest £	Total £
Balance at 1 January 2021	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
Balance at 30 June 2021	50,020,340	972,592	(48,327,752)	(370,992)	(4,558)	2,289,630
Balance at 1 January 2022	50,179,599	979,409	(49,692,080)	(322,611)	(4,901)	1,139,416
Loss for the period	-	-	(794,153)	-	(232)	(794,385)
Other comprehensive income in the period	-	-	-	58,021	-	58,021
Issue of ordinary share capital	909,605	-	-	-	-	909,605
Exercise or lapse of warrants	-	(12,529)	12,529	-	-	-
Balance at 30 June 2022	51,089,204	966,880	(50,473,704)	(264,590)	(5,133)	1,312,657

The notes to the financial statements form part of these interim financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2022

	Notes	Group As at 30 June 2022 £	Group As at 30 June 2021 £	Group As at 31 December 2021 £
Assets				
Non-current assets				
Property, plant and equipment		80,618	20,666	81,059

Investments		609,213	-	287,259
		689,831	20,666	368,318
Current assets				
Trade and other receivables		87,312	145,354	75,122
Cash and cash equivalents		740,405	2,311,829	875,658
		827,717	2,457,183	950,780
Total assets		1,517,548	2,477,849	1,319,098
Equity				
Capital and reserves attributable to the Company's equity holders				
Share capital	**5**	51,089,204	50,020,340	50,179,599
Share options reserve		966,880	972,592	979,409
Retained earnings	**6**	(50,473,704)	(48,327,752)	(49,692,080)
Cumulative translation reserve		(264,590)	(370,992)	(322,611)
Total equity shareholders' funds		1,317,790	2,294,188	1,144,317
Non-controlling interests		(5,133)	(4,558)	(4,901)
Total equity		1,312,657	2,289,630	1,139,416
Liabilities				
Current liabilities				
Trade and other payables		204,891	153,177	179,682
Income tax liabilities		-	35,042	-
		204,891	188,219	179,682
Total liabilities		204,891	188,219	179,682
Total equity and liabilities		1,517,548	2,477,849	1,319,098

The notes to the financial statements form part of these interim financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Group Six months ended 30 June 2022 £	Group Six months ended 30 June 2021 £
Cash flows from operating activities		
Operating loss	(794,385)	(2,422,042)
Share-based payments charged as an expense	-	37,693
Non-cash option receipt	(299,186)	-

Investment fair value losses	26,507	-
Depreciation of tangible fixed assets	8,371	3,107
Increase in receivables	(8,406)	(4,004)
Increase/(decrease) in payables	17,255	(258,776)
Net cash outflow from operating activities	(1,049,844)	(2,644,022)
Cash flows from financing activities		
Issue of ordinary share capital	909,605	4,146,672
Issue costs	-	(221,500)
Net cash inflow from financing activities	909,605	3,925,172
Net (decrease)/increase in cash and cash equivalents	(140,239)	1,281,150
Cash and cash equivalents at beginning of period	875,658	1,052,623
Exchange gain/(loss) on cash and cash equivalents	4,986	(21,944)
Cash and cash equivalents at end of period	740,405	2,311,829

The notes to the financial statements form part of these interim financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022

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 (September 2022). 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 2021.

2 **Exploration expenditure and mineral properties**

	1 January 2022 £	Net Expenditure in period £	Accumulated expenditure 30 June 2022 £
Junior Lake/Lamaune Lake	27,075,184	383,523	27,458,707
iminiska Lake	1,533,152	1,139	1,534,291
Lessard	705,347	4,133	709,480
Frond Lake	88,459	1,490	89,949
Wottam	61,558	-	61,558
Others, including Swole Lake, West Graham and Root Lake	90,893	8,056	98,949
	29,554,593	398,341	29,952,934

Mineral properties at 30 June 2022 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 Option income

In June 2022, Lithoquest Resources Inc. made an option payment to Landore Resources Canada Inc. in connection with its Option Agreement to acquire a 100% interest in two gold projects. The payment consisted of cash and the issuance of common shares in Lithoquest Resources Inc.

4 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 108,209,176 (30 June 2021: 101,613,561).

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.

5 Share capital

	30 June 2022 £	31 December 2022 £
Issued:		
111,101,280 (31 December 2021: 106,553,257) ordinary shares of £nil par value	51,089,204	50,179,599

In the period, 4,548,023 ordinary shares were issued following the exercise of warrants. Proceeds from the exercises were £909,605 and the exercise price of each warrant was £0.20.

	Share capital £
At 1 January 2022	50,179,599
Shares issued in the period	909,605
At 30 June 2022	51,089,204

6 Retained earnings

	£
At 1 January 2022	(49,692,080)
Loss for the period	(794,153)

Reserve transfer for warrants exercised in the period	12,529
At 30 June 2022	(50,473,704)

7 Events after the interim reporting period

On 5 July 2022, 185,185 warrants were exercised, generating proceeds of £37,037.

On 11 July 2022, 1,444,444 warrants were exercised, generating proceeds of £288,889.

On 13 July 2022, 1,308,982 warrants were exercised, generating proceeds of £261,797.

On 14 July 2022, 1,006,500 warrants were exercised, generating proceeds of £201,300.

On 22 July 2022, the Company granted 1,150,000 share options to certain Directors and employees. The share options vest immediately and are exercisable for a period of 5 years at an exercise price of 25p.

On 25 July 2022, options over 300,000 ordinary shares were exercised, generating proceeds of £48,300.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END

IR XBLFXLKLFBBK