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Landore Resources Limited
15 August 2019

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**Landore Resources Limited**

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

(**AIM Ticker: LND.L**)

**Interim Results for the Six Months Ended 30 June 2019**

Landore Resources Limited (**AIM: LND**) is pleased to announce its interim results for the six months ended 30 June 2019.

For more information, please contact:

**Landore Resources Limited**

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Copies of the Interim statement are available on the website, www.landore.com

*This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation No 596/2014.*

## LANDORE RESOURCES LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2019

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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 2019 to 30 June 2019. 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.

**Results of Operations**

The financial results for the six months to 30 June 2019 show a loss of £697,542 (2018: loss £1,259,182). These results were in line with expectations. Exploration costs were £262,254 (2018: £892,124).

On 6 June 2019, the Company completed a placing and subscription to raise, in aggregate, £958,688, net of issue costs, through the issue of 157,142,857 new ordinary shares at a price of 0.7 pence per share. After the period end on 3 July 2019, the Company raised a further £250,000 at a price of 0.7 pence per share.

The Group has no debt but will need to raise further equity in order to carry out its future exploration and development activities, and also for additional working capital. At present, the Group has sufficient funding in place to complete the current drilling and exploration programme, whilst funding Group working capital requirements up to the end of November 2019.

**Operations**

Landore Canada, is actively engaged in mineral exploration in Eastern Canada. Landore Canada owns or has the mineral rights to four properties in Eastern Canada, a 90.2 per cent. controlling interest in Lamaune Iron Inc. ("Lamaune"), which owns the property adjacent to Junior Lake, and a 30 per cent interest in the West Graham property located in the Sudbury Nickel Belt.

Landore Canada through its 100 per cent owned subsidiary Brancote US, owns or has the mineral rights to a further eight properties for 99 claims in the State of Nevada.

Landore Canada's primary operational focus is on the growth of the BAM East Gold Deposit located on the 100 per cent owned, highly prospective Junior Lake Property, Northwestern Ontario ("Junior Lake").

Full details of the Group's projects, including maps, Canadian National Instrument 43-101 (NI 43-101) resource reports, geophysical surveys etc. can be viewed on the Group's website, www.landore.com.

**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:**

During 2018 all of Landore Resources' exploration efforts were targeted at increasing the Junior Lake, BAM Gold resource towards 1,000,000 ounces of gold together with the completion of an initial Preliminary Economic Assessment. Both targets were achieved on time and within budget.

Drilling on the BAM Gold project to date has recorded a success rate of 30.1 ounces gold for every metre drilled with an average discovery cost of US$8.36 per ounce both well within the lower quartile of worldwide gold discovery costs.

Cube Consulting Pty Ltd ("**Cube**") was engaged by Landore Resources Canada Inc. ("**Landore"**) to conduct a preliminary economic assessment ("**PEA**") and prepare an Independent Technical Report, in compliance with the requirements of the Canadian National Instruments 43-101 Standards of Disclosure for Mineral Projects ("**NI 43-101**"), on the BAM Gold Project, in Ontario, Canada.

The Technical report was published on 20 February.

Highlights of the PEA include:

- The BAM Project Base case considers the economics of exploiting a resource of 12.7 Mt at 1.26 g/t Au containing 515,000 ounces gold (koz Au). An Extended (or upside) case considers a 19.7 Mt resource also at 1.26 g/t Au containing 800 koz;

- At US$1,300/ounce the Base case generates a post-tax net present value ("NPV") of US$69.2M with an internal rate of return ("IRR") of 22.4%. The Extended case generates a post-tax NPV of US$123.7M and post-tax real IRR of 26.9%; and

- The BAM Gold Project is highly sensitive to gold price. With a gold price of US$1,430/ounce the above Extended case generates a post-tax NPV of **US$175.54M.**

The Preliminary Economic Assessment has demonstrated the economic viability of this project as well as its high growth potential. The independent engineers prepared a Stage 1 works programme to advance the Base case scenario to at least the Extended case scenario by infill drilling within the two designed open pits together with an extensive exploration programme including line cutting, geophysics, geochemistry and selective drilling aimed at discovering further gold deposits along the Junior Lake Shear.

Drilling and exploration commenced in June 2019 with the aim to complete a Resource and PEA Update in Q4 2019.

**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 all of the Group's exploration initiatives by establishing and maintaining co-operative relationships with First Nations communities, hiring local personnel and using local contractors and suppliers. 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 in all of its operations, and is aware of its social responsibility and its environmental duty.

**15 August 2019**

**LANDORE RESOURCES LIMITED**

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE SIX MONTHS ENDED 30 JUNE 2019**

| | Notes | Group Six months ended | Group Six months ended |
|---|---|---|---|

| | | 30 June 2019 £ | 30 June 2018 £ |
|---|---|---|---|
| Exploration costs | 2 | (262,254) | (892,124) |
| Administrative expenses | | (435,350) | (370,700) |
| **Operating loss** | | (697,604) | (1,262,824) |
| Finance income | | 62 | 3,642 |
| **Loss before income tax** | | (697,542) | (1,259,182) |
| Income tax expense | | - | - |
| **Loss for the period** | | (697,542) | (1,259,182) |
| **Other comprehensive (loss)/gain:** | | | |
| Exchange difference on translating foreign operations | | (333) | 2,286 |
| **Other comprehensive (loss)/gain for the year net of tax** | | (333) | 2,286 |
| **Total comprehensive loss for the period** | | (697,875) | (1,256,896) |
| **Loss attributable to:** | | | |
| Equity holders of the Company | | (697,281) | (1,258,938) |
| Non-controlling interests | | (261) | (244) |
| | | (697,542) | (1,259,182) |
| **Total comprehensive loss attributable to:** | | | |
| Equity holders of the Company | | (697,614) | (1,256,652) |
| Non-controlling interests | | (261) | (244) |
| | | (697,875) | (1,256,896) |
| **Loss per share attributable to the equity holders of the Company during the year** | | | |
| - basic & diluted | 3 | (£0.001) | (£0.001) |

The Group's operating loss relates to continuing operations.

The notes and accounting policies form part of these interim financial statements.

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR THE SIX MONTHS ENDED 30 JUNE 2019**

| | Share capital £ | Share options reserve £ | Retained earnings £ | Cumulative translation reserve £ | Non-controlling interest £ | Total £ |
|---|---|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| **Balance at 1 January 2018** | 38,322,307 | 855,453 | (38,778,911) | (314,303) | (1,551) | 82,995 |
| Loss for the period | - | - | (1,258,938) | - | (244) | (1,259,182) |
| Other comprehensive gain in the period | - | - | - | 2,286 | - | 2,286 |
| Issue of ordinary share capital | 3,150,000 | - | - | - | - | 3,150,000 |
| Placing expenses | (225,291) | - | - | - | - | (225,291) |
| Share options lapsed | - | (54,846) | 54,846 | - | - | - |
| **Balance at 30 June 2018** | 41,247,016 | 800,607 | (39,983,003) | (312,017) | (1,795) | 1,750,808 |
| **Balance at 1 January 2019** | 41,247,016 | 726,453 | (41,432,637) | (312,633) | (2,305) | 225,894 |
| Loss for the period | - | - | (697,281) | - | (261) | (697,542) |
| Other comprehensive loss in the period | - | - | - | (333) | - | (333) |
| Issue of ordinary share capital | 1,100,000 | - | - | - | - | 1,100,000 |
| Placing expenses | (141,312) | - | - | - | - | (141,312) |
| Share options lapsed | - | (9,029) | 9,029 | - | - | - |
| **Balance at 30 June 2019** | 42,205,704 | 717,424 | (42,120,889) | (312,966) | (2,566) | 486,707 |

The notes and accounting policies form part of these interim financial statements.

## UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AT 30 JUNE 2019

| | Notes | Group As at 30 June 2019 £ | Group As at 30 June 2018 £ | Group As at 31 December 2018 £ |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | | 36,456 | 53,746 | 43,748 |
| | | 36,456 | 53,746 | 43,748 |
| **Current assets** | | | | |
| Trade and other receivables | | 48,651 | 106,014 | 42,946 |
| Cash and cash equivalents | | 689,089 | 2,228,876 | 277,458 |
| | | 737,740 | 2,334,890 | 320,404 |
| **Total assets** | | 774,196 | 2,388,636 | 364,152 |
| **Equity** | | | | |

| | | | | |
|---|---|---|---|---|
| **Capital and reserves attributable to the Company's equity holders** | | | | |
| Share capital | **4** | 42,205,704 | 41,247,016 | 41,247,016 |
| Share options reserve | | 717,424 | 800,607 | 726,453 |
| Retained earnings | **5** | (42,120,889) | (39,983,003) | (41,432,637) |
| Cumulative translation reserve | | (312,966) | (312,017) | (312,633) |
| **Total equity shareholders' funds** | | 489,273 | 1,752,603 | 228,199 |
| **Non-controlling interests** | | (2,566) | (1,795) | (2,305) |
| **Total equity** | | 486,707 | 1,750,808 | 225,894 |
| **Liabilities** | | | | |
| **Current liabilities** | | | | |
| Trade and other payables | | 251,481 | 603,284 | 103,787 |
| Income tax liabilities | | 36,008 | 34,544 | 34,471 |
| | | 287,489 | 637,828 | 138,258 |
| **Total liabilities** | | 287,489 | 637,828 | 138,258 |
| **Total equity and liabilities** | | 774,196 | 2,388,636 | 364,152 |

The notes and accounting policies form part of these interim financial statements.

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE SIX MONTHS ENDED 30 JUNE 2019**

| | Group Six months ended 30 June 2019 £ | Group Six months ended 30 June 2018 £ |
|---|---|---|
| **Cash flows from operating activities** | | |
| Operating loss | (697,604) | (1,262,824) |
| Finance income | 62 | 3,642 |
| Depreciation of tangible fixed assets | 8,925 | 6,438 |
| Increase in receivables | (4,109) | (57,824) |
| Increase in payables | 142,433 | 245,498 |
| **Net cash outflow from operating activities** | (550,293) | (1,065,070) |
| **Cash flows from financing activities** | | |
| Issue of ordinary share capital | 1,000,000 | 3,150,000 |
| Issue costs | (41,312) | (225,291) |
| **Net cash inflow from financing activities** | 958,688 | 2,924,709 |
| **Net increase in cash and cash equivalents** | 408,395 | 1,859,639 |
| Cash and cash equivalents at beginning of period | 277,458 | 369,604 |

| | | |
|---|---|---|
| Exchange gain/(loss) on cash and cash equivalents | 3,236 | (367) |
| **Cash and cash equivalents at end of period** | 689,089 | 2,228,876 |

The notes and accounting policies form part of these interim financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE SIX MONTHS ENDED 30 JUNE 2019**

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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 European Union at the time of preparing these financial statements (August 2019). The Directors have elected not to apply IAS34 *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 2018.

2 **Exploration expenditure and mineral properties**

| | **Accumulated expenditure 1 January 2019 £** | **Expenditure in period £** | **Net 30 June 2019 £** |
|---|---|---|---|
| Junior Lake/Lamaune Lake | 21,587,943 | 255,452 | 21,843,395 |
| Miminiska Lake | 1,529,818 | 1,103 | 1,530,921 |
| Lessard | 701,934 | 3,352 | 705,286 |
| Frond Lake | 83,297 | 1,649 | 84,946 |
| Wottam | 61,558 | - | 61,558 |
| Others, including Swole Lake, West Graham and Root Lake | 75,701 | 698 | 76,399 |
| | 24,040,251 | 262,254 | 24,302,505 |

Mineral properties at 30 June 2019 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 1,067,620,594 (June 2018: 938,015,227).

**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

| | 30 June 2019 | 1 January 2019 |
|---|---|---|
| | £ | £ |
| Issued: | | |
| 1,203,058,636 (December 2018: 1,045,915,779) ordinary shares of nil par value | 42,205,704 | 41,247,016 |

On 6 June 2019, 142,857,143 ordinary shares were issued at a price of £0.007 each as part of a share subscription raising £1,000,000 before issue costs.

As part of this share issue a further 14,285,714 ordinary shares were issued at a price of £0.007 as settlement of adviser fees of £100,000.

Additionally, 7,142,857 warrants were issued to an adviser as part of the share placing. The warrants have an exercise price of £0.00875 per ordinary share and are exercise for two years from the date of admission of the placing shares to AIM. No value has been ascribed to these warrants as they are deemed not to have been issued in exchange for goods or services and therefore no value is ascribed per IFRS 2.

| | Share capital 2019 £ |
|---|---|
| **At 1 January 2019** | 41,247,016 |
| Shares issued in the period | 1,100,000 |
| Share issue costs | (141,312) |
| **At 30 June 2019** | 42,205,704 |

## 5 Retained earnings

| | £ |
|---|---|
| **At 1 January 2019** | (41,432,637) |
| Loss for the period | (697,281) |
| Fair value of share options lapsed | 9,029 |

| | |
|---|---|
| **At 30 June 2019** | (42,120,889) |

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