

Landore targets early nickel production

AIM-LISTED Landore Resources has set its sights on becoming a full fledged nickel producer by 2010 and there are plenty of reasons why the company stands a good chance of achieving this objective. Factors in favour include the company's flagship project Junior Lake which is located in the Thunder Bay mining district of Ontario, Canada, and a management team which can boast a strong track record, relevant mining experience and the ability to get things done. It seems no surprise that at the time of writing the company's share price is holding its own well.

Landore Resources has pedigree by association. The company comprises a clutch of properties in Canada and the US which were spun out of Brancote Holdings in 2000 prior to Brancote's £160 million takeover by Meridian Gold. Richard Prickett and Bill Humphries, the Brancote management pairing responsible for coming up with a saleable gold project in Argentina, are still together, this time running Landore and another gold company, Patagonia Gold, both listed in London.

"Since floating Landore in 2005 we've been concentrating almost wholly on Junior Lake," says CEO Richard Prickett. "This is where we've been exploring for the past three years and we think the project has got the potential to begin construction by 2009."

For the moment at least, the company's most pressing priority is Junior Lake's VW zone, lying to the east of the 11.235ha property which now has an N-43 101 inferred resource of 4.2Mt at 0.36% nickel equivalent. Apart from being open at both ends and down, the resource is close to the surface and easy to get at which gives it the potential for relatively low cost open pit

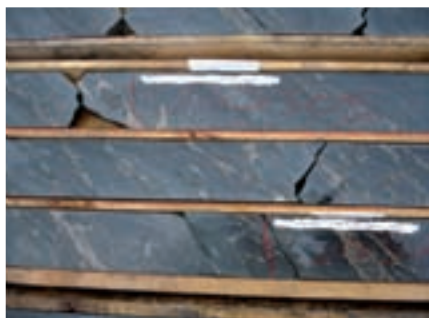


VW Nickel Project - Katrina Zone

nickel sulphide mining and processing. Another bonus is ease of transportation, with the national railway only 20km away and good access to nickel ore purchasers in the town of Sudbury and beyond.

A further advantage of Junior Lake is that it is a nickel sulphide deposit without any immediate need for underground mining which would add significant cost to a project of this kind. While new sulphide deposits are relatively scarce these days and expensive to underground mine, they are relatively cheap to process using tried and tested technology.

Landore completed a 16,000m drilling campaign in 2007 to upgrade the VW Nickel Resource in quantity, grade and category. This upgrade is being carried out again using consultant Scott Wilson RPA. The company will then march the project forward through pre- and full feasibility. The incentive, says Landore chairman Bill Humphries is the prospect of building a mine with a simple nickel occurrence that is sitting on the surface. For his part, Mr Humphries is a highly experienced mine manager who adds 30 years practical experience to



Left: VW deposit drill core

THE TEAM

RICHARD PRICKETT CEO and finance director

Richard Prickett is a chartered accountant and has many years experience in corporate finance. He was chairman of Brancote Holdings from 1995 until its merger with Meridian Gold Inc in July 2002. He is a non-executive director of Patagonia Gold and he is also a non-executive director of The Capital Pub Company.



BILL HUMPHRIES Chairman

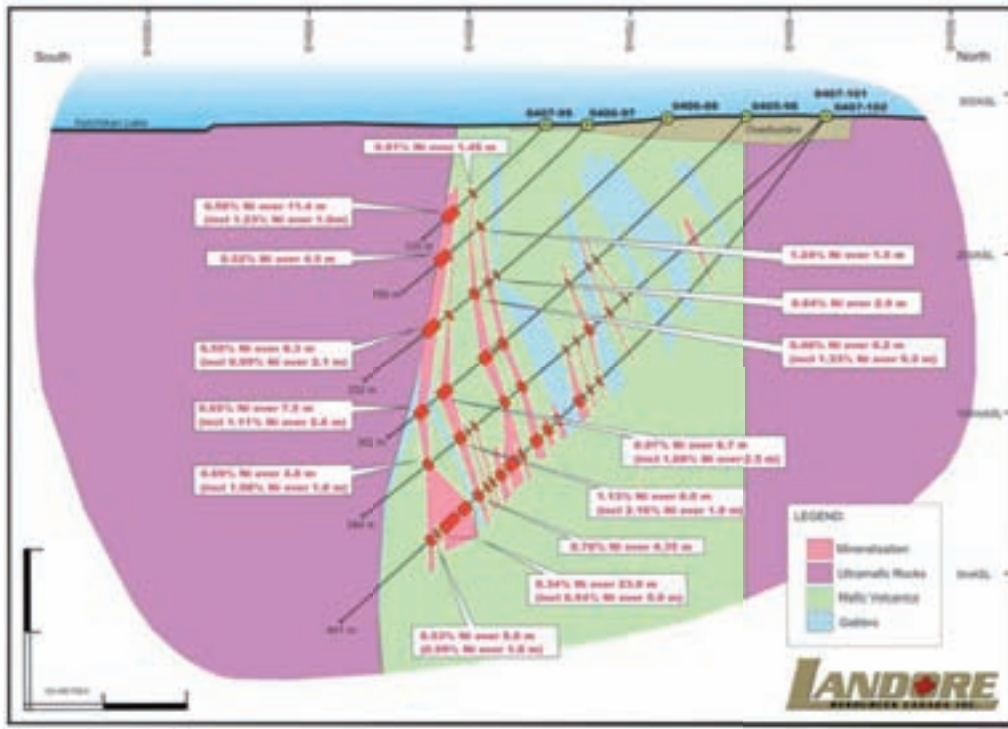
Bill Humphries has over 30 years' experience in the mining and civil engineering industries. From 1996-98 he was general manager of Sardinia Gold Mining and from January 1999 to July 2002 he was managing director of Brancote Holdings. In June 2000 he became president of Landore Resources Inc and he has been managing director of Patagonia Gold plc since its inception.



JIM GARBER Exploration manager

James Garber is a qualified geologist with over 25 years' experience in the industry and has been exploration manager of Landore Canada since January 2005. From August 2002 to January 2005 he was senior exploration geologist of Landore Canada. Prior to this, between January 2001 and June 2002, he was consultant geologist at Emerald Geological Services in Timmins, Ontario, and between January 1999 and January 2001 he was senior geologist at Battle Mountain Gold, based in Timmins, Ontario.





VW Nickel Project - Section 3050E

his partner Mr Prickett's financial acumen. "We believe we can get 85% recovery and will be constructing our own flotation plant and taking the product through to Sudbury"

The company's initial target at Junior Lake is to



develop a mine capable of producing 5,000t/y of nickel or nickel equivalent, but there is every chance both of expanding the VW deposit and of exploiting numerous other nickel prospects on the property. "So far we've tested the VW deposit down to 300m and 500m along,



but there is plenty more potential to expand the resource," says Mr Humphries.

In addition, the neighbouring B4-7 zone hosts a more complex nickel deposit and also includes PGM and cobalt mineralisation. "This prospect could be a cobalt or a copper mine in its own right and we are looking at various ways to marry that into the VW project without making the flotation system too complex. The present plan is to bring B4-7 into the compliant resource by the end of March to mid-April."

Landore has recently staked 17 additional claims to the east and southeast of Junior Lake making the area under development at Junior Lakes 28km long. This, the company believes, provides the prospect of an economic mining operation but also one that is sustainable, certainly in the medium-term.

Elsewhere, the company is looking for growth at its Lessard copper-zinc deposit in Quebec, and at West Graham in Sudbury which has been joint ventured with First Nickel which must spend C\$6 million over four years to earn a 70% interest. Lessard, which is located 100km north of the mining city of Chibougam, has a historic resource estimate of 1.46Mt at 1.73% copper, 2.96% zinc and 1.1oz/t silver. First Nickel is currently

halfway through its programme to reach the required investment at West Graham and is on target to produce a compliant resource by August.

Financially the company looks reasonably well placed, and last March secured an additional £2.5 million investment from the Packer family through Consolidated Press which took a 17.5% stake in the company. The late Kerry Packer was a 17.5% shareholder in Brancote Holdings and, after a successful exit from that company it is perhaps no surprise that confidence in the existing management team has been resumed.

VITAL STATISTICS

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SHARE INFORMATION

Listed: AIM
Ticker: LND
Shares in issue: 125,632,798
Market cap: US\$40 million
Shareholders: management and associates 27%, Consolidated Press Group 17.5%

ASSOCIATES

Company secretary: Rysaffe International Services
Nomad: Strand Partners
Broker: WH Ireland
Solicitor: Lawrence Graham
Advocate: Babbe Le Pelley Tostevin
Auditor: KPMG Channel Islands

