



ALIGN
RESEARCH

Landore Resources

23rd September 2020

BAM Gold Project being driven rapidly up the valuation curve helped by a decent exploration budget following recent funding

Landore Resources joined AIM in 2005 with plans to explore the vast Junior Lake Property in Ontario which has gone onto become quite a winner. Over the years, Landore has made a series of impressive discoveries and by 2013 Junior Lake Property was fast shaping up to be a significant Nickel-Copper-PGEs region. However, when the nickel price went south, a chance gold discovery led to the identification of the BAM Gold Project which has rapidly eclipsed all previous discoveries.

■ Multi-million ounces of gold potential along a 30km + strike length

Junior Lake Property has one of the best addresses for gold mining in the world. A 1.015Moz resource has been delineated from just 6km of this highly prospective greenstone belt that extends across Landore's acreage. Recent Pit Optimisation Review calculated a NPV(5) US\$370m at US\$1,900 gold for a 9 year LOM. A renewable 21-year mining lease is already in place.

■ About to really capture investor attention with possible full-priced exit

A well-funded infill/expansion drill programme, coupled with the arrival of eminent gold investor Eric Sprott as a 9.7% shareholder, looks set to reinvigorate Landore. On the cards is a big increase in the resource base plus further evidence of good continuity along the 31km trend and extension at depth, which is just what the major players are looking for.

■ Management team are proven mine finders, discovering 7Moz of gold

Bill Humphries (CEO) was MD at Brancote Holdings (1999 – 2002), a gold explorer with the same business model, which went from 14p to be taken over at 200p plus. He knows how to get top dollar from bidders.

■ NPV (12)/peer comparisons valuation suggests upside of over 300%

We believe our valuation is highly conservative and initiate coverage of Landore with a target price of 81.38p and a **Conviction Buy** stance.

Table: Financial overview. Source: Company accounts & Align Research

Year to end Dec	2018A	2019A	2020E	2021E
Revenue (£'000)	-	-	-	-
PTP (£'000)	(2,783)	(2,146)	(3,000)	(3,700)
EPS ¹ (£)	(0.06)	(0.04)	(0.04)	(0.04)

¹ adjusted for the August 2020 1-for-20 consolidation

This investment may not be suitable for your personal circumstances. If you are in any doubt as to its suitability you should seek professional advice. This note does not constitute advice and your capital is at risk. This is a marketing communication and cannot be considered independent research.

CONVICTION BUY – Price target 81.38p



Key data

EPIC	LND
Share price	19.25p
52 week high/low	23.50p – 8.4p
Listing	AIM
Shares in issue	90m
Market Cap	£17.3m
Sector	Mining

12 month share price chart



Analyst details

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IMPORTANT: Landore Resources (LND) is a research client of Align Research. Align Research holds an interest in the shares of LND. For full disclaimer information please refer to the last page of this document.

Business overview

Landore Resources Operations

Landore Resources is an exploration company that is looking to increase shareholder value through acquisitions, exploration and development of precious and base metal projects in eastern Canada. The company has mineral rights over five properties in eastern Canada, but the true focus is on the development of the Junior Lake Project.

- **Junior Lake Property** – This 100%-owned property lies 235km north-northeast of Thunder Bay in the province of Ontario. The Junior Lake Property jointly also refers to the 90.2%-owned contiguous Lamaune Iron property which covers a combined area of 30,507 hectares. A highly prospective Archean greenstone belt traverses the Junior Lake Property from east to west for a length of approximately 31km. This includes the following deposits which have been discovered by Landore, together with numerous other highly prospective mineral occurrences including three lithium occurrences.

- **BAM Gold Deposit** – Gold mineralisation has been intersected over a strike length of 3,700m and remains open to the east, west and down dip. Results of a Preliminary Economic Assessment were announced in February 2019 and subsequently the Mineral Resource Estimate was increased in January 2020.

- **B4-7 Nickel-Copper-Cobalt-PGEs Deposit** - The deposit has been delineated over 800m of strike length with the B4-7 massive sulphide mineralisation remaining open to the west along strike and down dip. An upgraded Mineral Resource Estimate (MRE) for the B4-7 Deposit was completed in 2018.

- **B4-Prospect B4-8 Prospect** - Lies directly west of the B-47 Nickel-Copper-Cobalt-PGEs Deposit. Massive sulphide mineralisation with grades of more than 1% nickel and 1% copper have been discovered plus significant credits of cobalt and the platinum group metals.

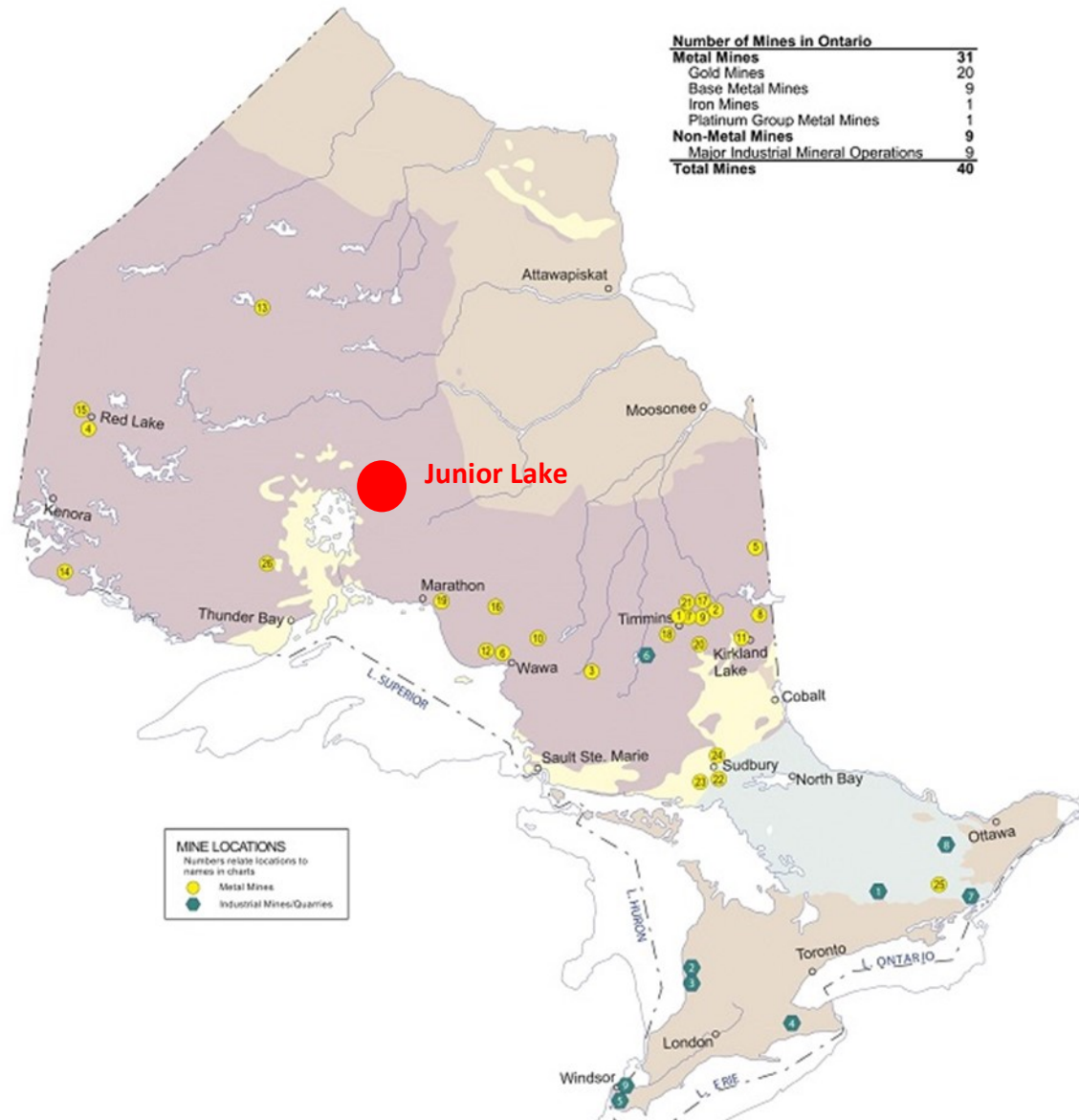
- **VW Nickel deposit** – This deposit, which outcrops on the surface, was discovered by Landore in late 2005 and is located at Ketchikan Lake in the central part of Junior Lake. An NI 43-101 compliant MRE update on this deposit was completed in 2018.



Exploration on the Junior Lake Property. Source: Company

Ontario

Canada is seen as being politically secure and mining friendly with Ontario being one of the Top Ten mining jurisdictions in the world. Ontario has a rich history of mining and is the largest Canadian producer of gold, nickel and platinum group metals as well as being the second largest producer of copper in that country.



No	Gold Mines	Company	No	Gold Mines	Company
1	Bell Creek	Pan American Silver-Tahoe Canada	11	Macassa	Kirkland Lake Gold
2	Black Fox	McEwen Mining Inc	12	Mishi	Wesdome Gold Mines
3	Borden	Newmont- Porcupine Gold Mines	13	Musselwhite	Newmont
4	Cochenour	Newmont	14	Rainy River	New Gold
5	Detour Lake	Detour Gold	15	Red Lake	Newmont
6	Eagle River	Wesdome Gold Mines	16	Sugar Zone	Harte Gold
7	Hollinger	Newmont- Porcupine Gold Mines	17	Taylor	Kirkland Lake Gold
8	Holloway-Holt	Kirkland Lake Gold	18	Timmins West	Pan American Silver Corp – Tahoe Canada
9	Hoyle Pond	Wesdome Gold Mines	19	Williams	Barrick Gold
10	Island	Alamos Gold	20	Young-Davidson	Alamos Gold

Gold mining in Ontario. Source: Ontario Mining Association

Background

Landore started trading on AIM in April 2005 following a placing which raised £2 million at 7p per share giving the company an initial market capitalisation of £6 million. On admission, Landore's principal properties were the Junior Lake Property and the Miminiska Lake Property, both located in the Thunder Bay Mining District, Ontario, Canada. Landore Canada is also the owner of other properties in Canada containing gold and base metal drill intersections. The company's objective was to become a successful mineral explorer and create capital growth for shareholders through the discovery of economic mineral deposits.

The company made significant advances in the development of its mineral resources at Junior Lake in Canada with a series of important discoveries over the years. 2006 saw the discovery and establishment of the VW Nickel Deposit and subsequently the B4-7 nickel deposit where the MRE has been significantly increased over a number of years. By 2010 the focus had been broadened to include the Lamaune Iron Deposit and the Lamaune Gold prospect. In 2013, it began to become clear that there was outstanding potential for the Junior Lake Property to be a significant Nickel-Copper-PGEs region.

However, a couple of years later progress was slowed down in iron and nickel exploration due to a downturn in the metal prices. Subsequently, Landore began to focus more heavily on the gold potential at the BAM Gold Deposit in 2016 and since then further drilling has led to the delineation of a rapidly expanding gold deposit. The 2018 summer drill campaign of 12,673m of diamond core was concentrated on infilling and extending the existing BAM Gold Deposit. Results from this work were subsequently used to complete a revised Mineral Resource Estimate (MRE) and prepare a Preliminary Economic Assessment (PEA) with Technical Report which were both announced in early 2019.

In November 2019, Landore was granted two new Mining Leases for the whole of the Lamaune Iron Inc. property, which lies adjacent to the company's Junior Lake Property. Following this move, the combined Landore and Lamaune Mining Leases cover some 7,862 hectares and extend for 22 kilometres, including all Landore's established mineral deposits and prospects. Soil sampling carried out in 2018 along strike to the east and west of the BAM Gold Project established the presence of widespread anomalous gold and multiple gold trends along strike for 7km to the west as well as highlighting many new drill targets.

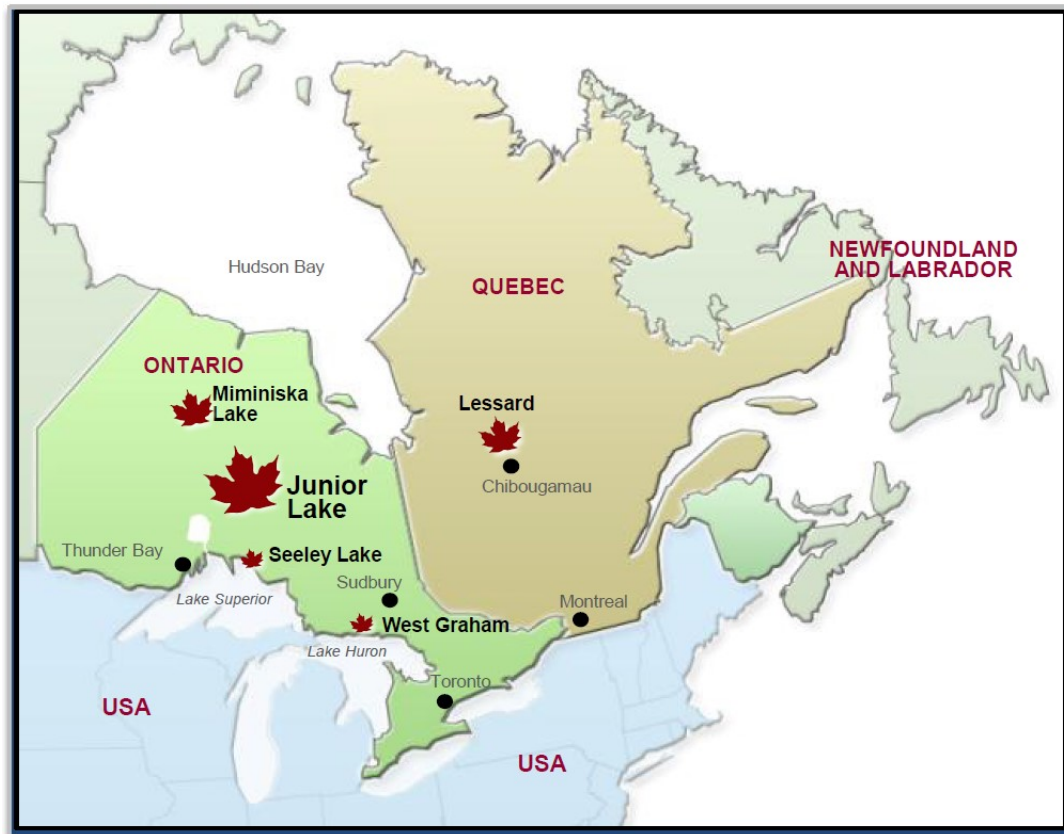
An updated NI 43-101 compliant MRE for the BAM Gold resource was announced in January 2020 that had increased to: 31.083Mt at 1.02g/t for 1.015Moz of gold including 21.930Mt at 1.06g/t for 747,000 ounces gold in the Indicated Category. At the time it was pointed out that the February 2019 PEA for the BAM Gold project provided a price sensitivity analysis of the Extended case which, at a gold price of US\$1,300, would produce an NPV (post tax) of US\$123.71 million. At the then current gold price of US\$1,560 that NPV (post tax) would rise to US\$227.37 million

Operations

Landore is involved in mineral exploration and project development company with its current main focus being mineral exploration on the Junior Lake Property where the management is aiming to establish that the project has the potential to host a multi-million gold deposit.

Junior Lake Property

The Junior Lake Property is located in the province of Ontario and lies 235km north-northeast of Thunder Bay. The Junior Lake Property is 100%-owned by Landore along with the contiguous Lamaune Iron property (Landore 90.2%-owned) which together are jointly referred to as the Junior Lake Property and cover an area of 30,507 hectares.



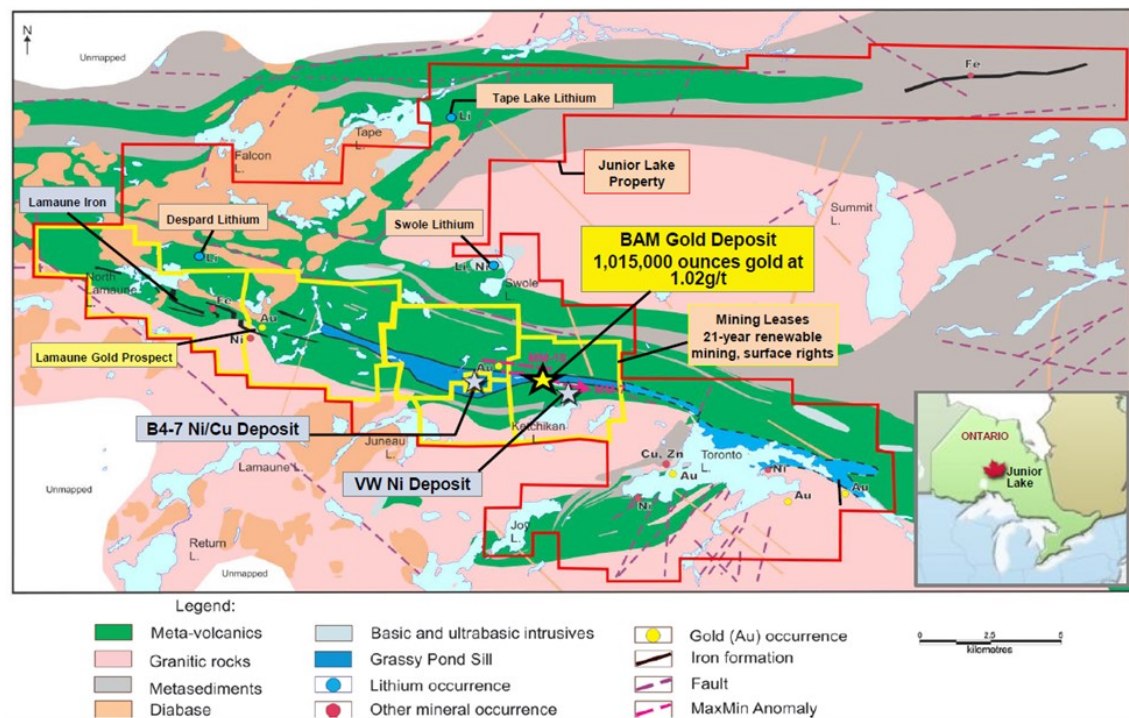
Location of Junior Lake Property. Source: Company

The Junior Lake Property is host to The BAM Gold Deposit, the VW Nickel-Copper-cobalt Deposit, the Lamaune Gold Prospect, as well as numerous other occurrences of both precious and base metals.

Landore has been exploring this area for many years and has discovered a highly prospective Archean greenstone belt that traverses right across the Junior Lake Property from east to west for distance of something like 31km. This greenstone belt varies in width between 0.5km – 1.5km and it is here where all the company's minerals resources and prospects have been discovered. Importantly, most of this highly prospective greenstone belt remains unexplored.

BAM GOLD DEPOSIT

The BAM Gold Deposit was discovered in December 2015 and lies almost halfway along the Archean greenstone belt that traverses the Junior Lake Property. The BAM Gold Deposit is interpreted as being an Archean-aged mesothermal gold deposit. The gold mineralisation is seen to be hosted by sheared and altered rocks that make up the Grassy Pond Sill and the BAM volcano-sedimentary sequence. The BAM Gold deposit remains open to the east and west as well as at depth.



Junior Lake Property. Source: Company

Preliminary Economic Assessment

In February 2019, the company announced the results of a Technical Report and Preliminary Economic Assessment (PEA) on the BAM Gold Project which was undertaken by Cube Consulting. This was the first time that the economics of the project had been assessed and really showed that the BAM Gold Project was economically robust with significant growth potential.

This initial economic analysis of the project was based on a MRE using a 0.3g/t cut-off and reported 28.826Mt at 1.03g/t for 951,000 ounces of gold, which included 20.198Mt at 1.08g/t for 701,000 ounces gold in the Indicated Category.

Cube looked at a couple of different cases. The BAM project Base Case investigated the economics of exploiting a resource of 12.7 Mt at 1.26 g/t gold containing 515,000 ounces gold. The Extended Case, or upside case, focused on a larger 19.7Mt resource also at 1.26 g/t gold which contained 800,000oz gold.

Parameter	Unit	Base Case	Extension Case
Project life (total)	years	6.75	10.25
Mine life (total)	years	6.25	9.75
Ore mined	Mt	12.666	19.686
Waste mined	Mt	76.094	118.269
Gold grade	g/t	1.26	1.26
Contained gold mined and fed	oz	514,718	800,000
Plant feed	Mt	12.666	19.686
Gold recovery	%	95%	95%
Gold recovered	oz	488,982	760,000

*BAM Gold Project Preliminary Economic Assessment project physical highlights
February 2019. Source: Company*

The results made for some good reading. The Base Case generated a post-tax Net Present Value (NPV) of US\$69.2 million with an internal rates of return (IRR) of 22.4%. The Extended Case generated a post-tax NPV(5) of US\$123.7 million and post-tax real IRR of 26.9%. The Base case used an all-in-sustaining cost (AISC) of US\$806/oz whilst the Extended Case used a slightly higher AISC number of US\$816/oz. Initial capital expenditure for the project was determined to be US\$93.81 million, which included US\$73.53 million for plant and infrastructure in addition to US\$20.28 million for pre-production including mining and general and administrative expenses (G&A).

Parameter	Unit	Base Case	Extension Case
Gold price (average LOM)	US\$/oz	1,500	1,500
Net gold revenue (ex-site)	US\$m	731.03	1,136.20
Initial capex	US\$m	93.81	93.81
Sustaining capex and mine development costs	US\$m	1.27	1.97
All-in-Sustaining- Cost (AISC)	US\$/oz	806	816
Project NPV (pre-tax)	US\$m	180.82	296.98
Project NPV (post tax)	US\$m	124.85	203.44
Project IRR (pre-tax)	%	43.9%	47.7%
Project IRR (post tax)	%	35.4%	39.1%
Project payback period	years	3.50	3.50
Project break-even gold price	US\$/oz	1,060	997

*BAM Gold Project Preliminary Economic Assessment project financial highlights
January 2020. Source: Company*

The consultants were quick to point out that based on exploration work completed by Landore up to January 2019, there is significant resource potential which apparently clearly indicated that follow up district scale exploration programmes were warranted. In addition, Cube also highlighted that there was potential for other gold mineralisation targets along the 31km strike length of the Junior Lake Shear.

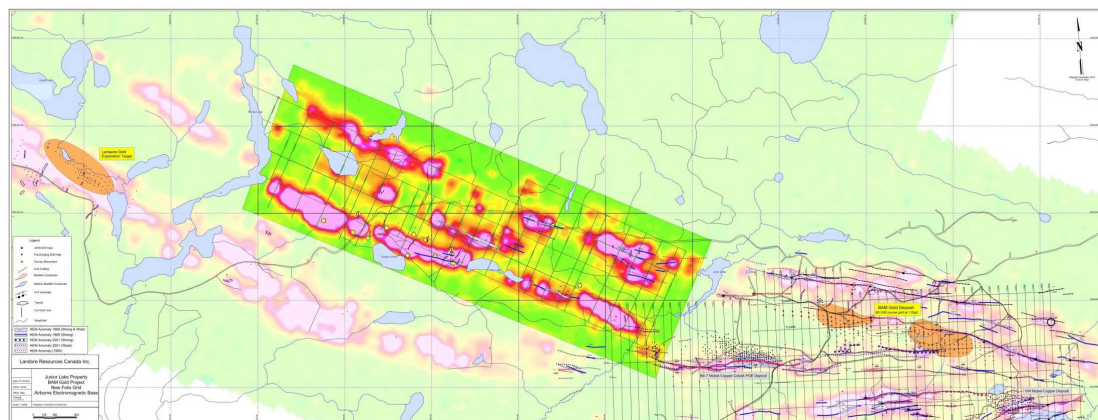
Drilling and exploration programme summer 2019

The summer 2019 drilling and exploration programme began in June 2019 and involved the drilling of 4,500 metres of HQ diamond core and extensive exploration. The drilling programme was planned to provide further infill drilling. At that stage, the current defined NI43-101-complaint resources of 951,000 ounces covered a distance of 1.7km within a drilled zone of 3.1km. So, the infill drilling was planned within the remaining 1.4km to bring this section up to the level of being defined resources.

Exploration work included ground geophysics and soil sampling was planned to be followed by selective line drilling. The focus of this extensive exploration was the highly prospective 7km along strike between the BAM Gold Deposit and Lamaune Gold Exploration Target. This section had only been lightly explored for base metals in the past but was a real priority as it was highly prospective given that it is traversed by the highly prospective EW-trending Grassy Pond Gabbro Sill which contains the BAM Gold Deposit along its northern flank.

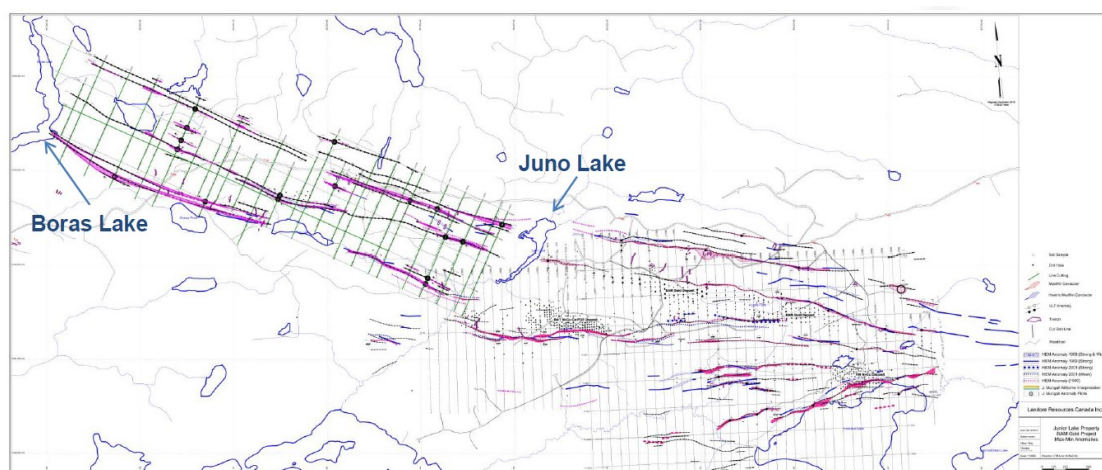
Initial results in September 2019 reported that 24 holes (3,996m) of HQ diamond core infill drilling had successfully intersected gold mineralisation which was of similar widths and grade to that which had been discovered at the existing BAM Gold Deposit with multiple instances of visible gold. Intersections included 17.78m at 1.08g/t from drill hole 0419-701 and 0.98m at 22.90g/t from drill hole 0419-704.

A further 10 HQ diamond core holes (1,407m) were drilled along strike to the west of the BAM Gold Deposit which served to extend the mineralised zone by a further 500 metres from 900E to 400E. Once again, similar lithologies and mineralisation were intersected at this location as seen at the existing BAM Gold Deposit. As a result, the BAM mineralised zone was demonstrated to now extend for 3,600m from 400E to 4000E whilst importantly still remaining open down dip and along strike to both the east and the west.



Prospective area for 7km west of BAM Gold Deposit which was the focus of the 2019 exploration activities. Source: Company

Results of the soil sampling programme were reported in December 2019 and showed a significant anomalous gold 7km along strike from the existing BAM Gold Project. The extensive exploration programme had successfully established the presence of widespread anomalous gold and indicated multiple gold trends in this section.



*Electromagnetic (HLEM-MaxMin) VLF and Magnetometric ground geophysics survey.
Source: Company*

The programme provided drill targets for a 1,300m section from the western edge of the BAM Gold Resource (1000E) to Juno Lake, and eastwards from 3900E. Soil sampling saw elevated gold levels in these areas which supported extending the resource drilling in both directions away from the BAM Gold Resource. Soil sampling within the highly prospective Felix grid area (5km long x 1.2km wide), which lies to the west of Juno Lake, led to the identification of numerous gold anomalies and trends with similar geology and geophysics as seen at the existing BAM Gold Project.

Mineral Resource Update

Landore reported an updated NI 43-101 compliant MRE in January 2020 which had been completed by Cube. Following the 2019 drilling programme the Indicated and Inferred resource had increased by 7% in terms of contained metal.

Category	Tonnes	Gold grade g/t	Contained gold oz
Indicated	21,930,000	1.06	747,000
Inferred	9,153,000	0.91	268,000
Total			1,015,00

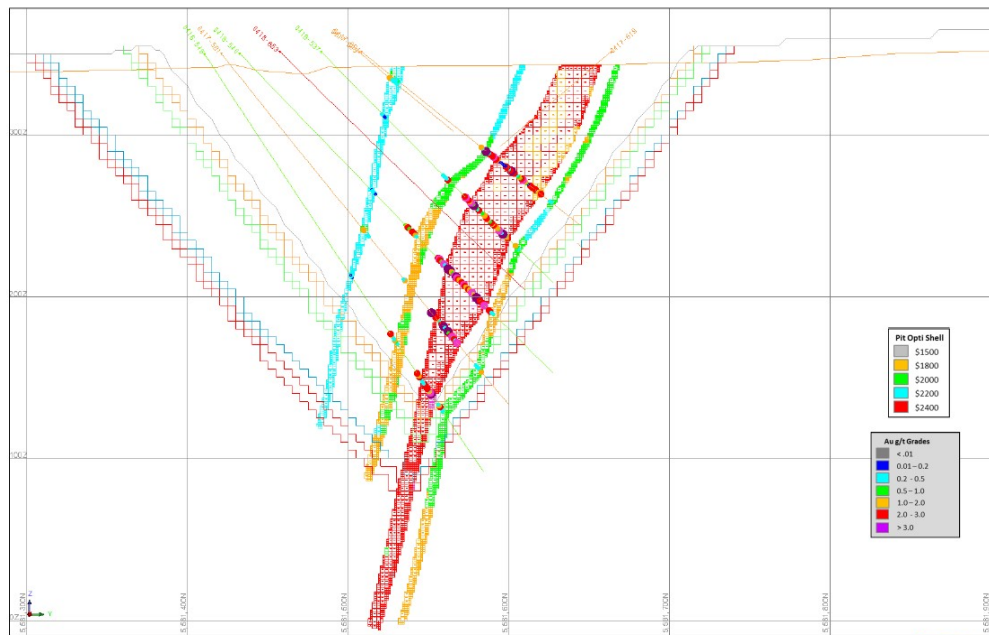
BAM Gold Project - December 2019 N143-101 Mineral Resource Update (at 0.3g/t cut-off). Source Company

At the time it was also reported that re-running the February 2019 PEA based on the Extended Case scenario, using the then current gold price of US\$1,560/oz, would result in a post-tax NPV of US\$227.3 million. This figure was 83% higher than the post-tax NPV of US\$123.71 million which had been determined using a gold price of US\$1,300 a year earlier.

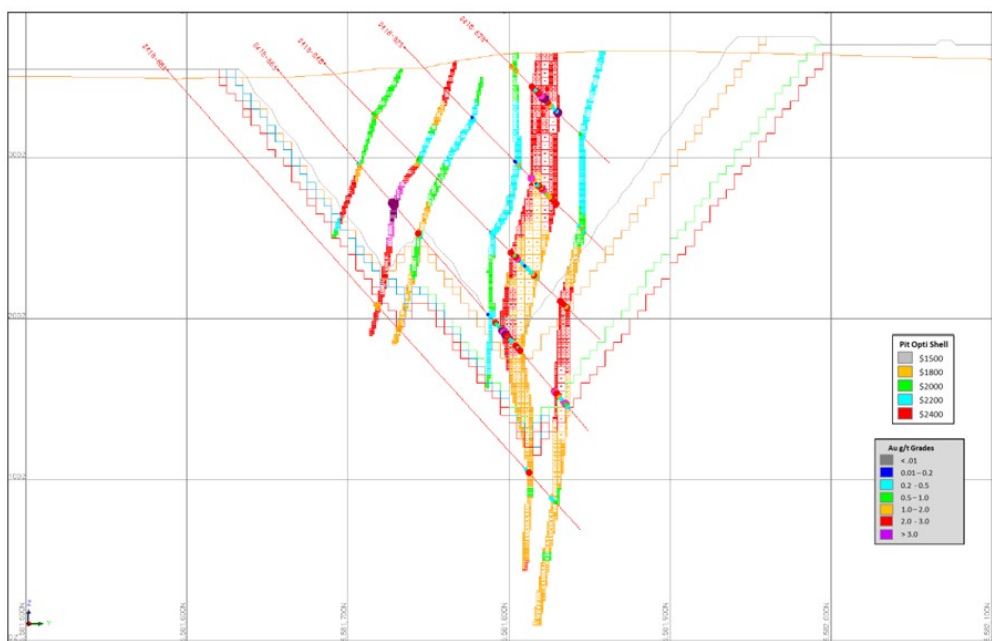
The consultants were able to draw attention to the expansion of the BAM Gold Deposit which was now seen as extending for 3,700m from 400E to 4100E, whilst all still remaining open down dip and along strike to both the east and the west. Consultants Cube were also able to highlight that there was now widespread gold mineralisation along strike to the west for a further 7 km which had been identified by soil sampling.

Pit Optimisation Review

On 01 September 2020, the company announced the results of a Pit Optimisation Review. Since the Updated PEA was published in December 2019, there has been a significant increase in the price of gold. The Pit Optimisation Review provided a physical and financial analysis at various gold prices between US\$1,500 to US\$2,400 per ounce. This review covered five Pit Shell Options and considered the existing Indicated and Inferred Resource with drilling completed to date as shown on the sections in the review (some cross sections are shown below). It should be pointed out that no additional drilling is required in these pit shells.

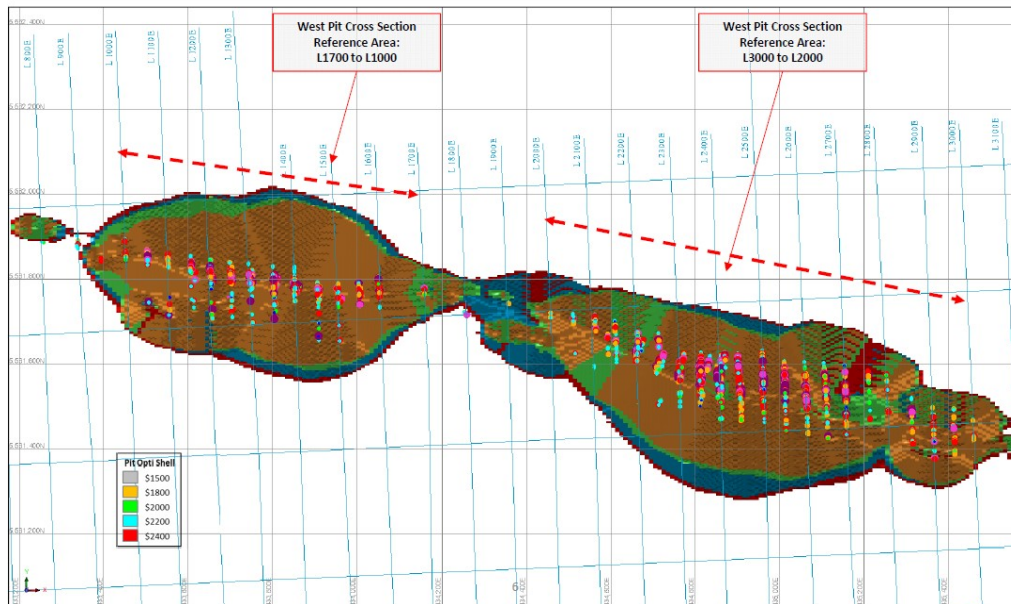


*BAM Gold Project - December 2019 cross section 2350E. Source: Company
Source: 2019 Model - Model Reporting and Pit Optimisation Review (24-08-20)*



*BAM Gold Project - December 2019 cross section 1200E. Source: Company
Source: 2019 Model - Model Reporting and Pit Optimisation Review (24-08-20)*

The Pit Optimisation Review showed revenue increasing from US\$842 million to US\$1,977 million over that range of gold prices. At the then current gold price of US\$1,900, the review determined a post-tax NPV of US\$370 million, compared to a post-tax NPV of US\$227 million which was determined at a gold price of US\$1,560 in the Updated PEA (December 2019) for the Extended case scenario.



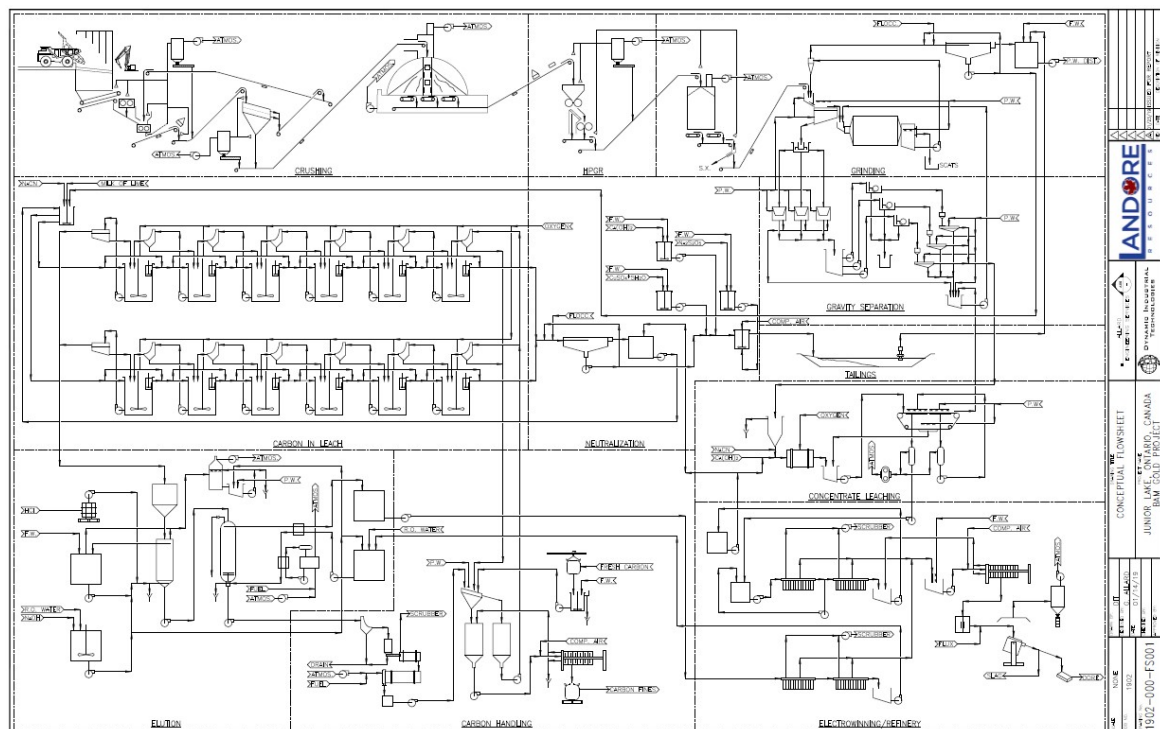
*BAM Gold Project – 2019 Model v Drilling – interpretation and pit shell options
Source: 2019 Model - Model Reporting and Pit Optimisation Review (24-08-20)*

Drilling and exploration programme 2020

In late-June 2020, the company raised £2.8 million in a placing which was earmarked to fund a 14,000m drilling programme as well as project support & logistics, studies & consultants, together with working capital. The planned work programme this year has three key elements. Firstly, there is 14,000m of drilling which has been designed to advance the Base Case in-pit mineralisation of the existing BAM Gold deposit of which 7,600m will be infill and extension drilling. This should allow ounces to move from the Inferred mineralisation in the current resource into the Indicated category. In addition, there will be 3,000m of exploration drilling on gold targets and 3,000m of depth potential drilling. Secondly, infill soil sampling from Felix Lake to the BAM resource is planned to be completed and will include establishing a grid east to incorporate subsequent exploration, ground geophysics and soil sampling.

Metallurgy

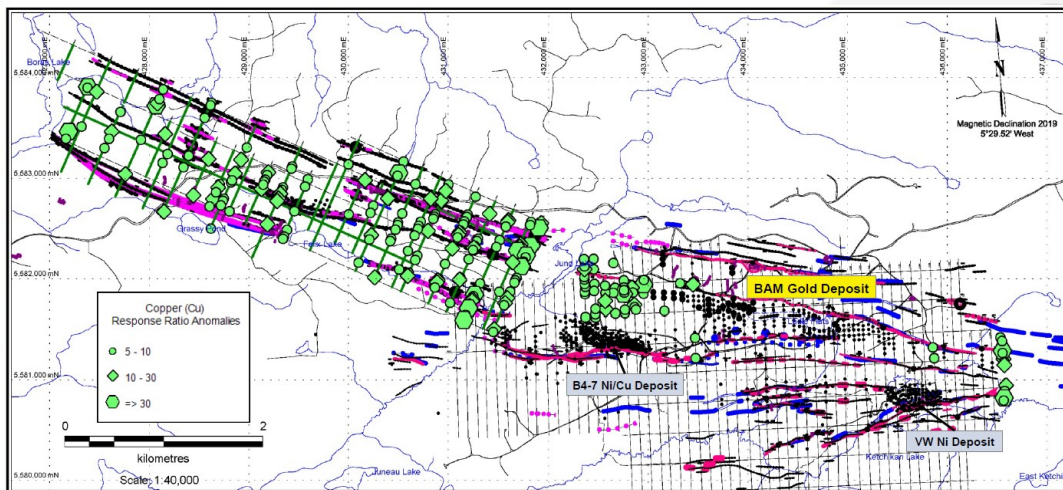
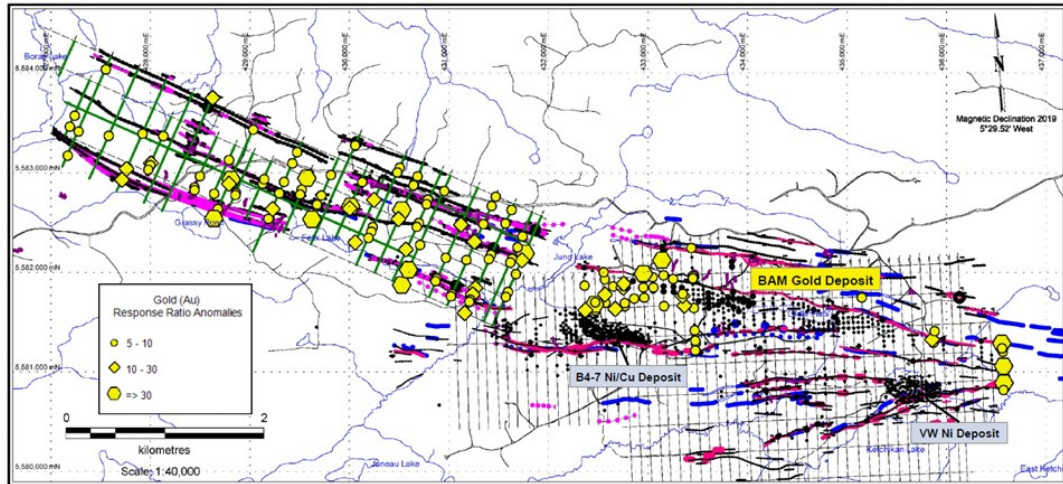
The BAM Gold Deposit has the potential for the initial development to be progressed as a low-cost bulk tonnage open pit operation with a simple and highly efficient processing circuit which seems to provide a very high level of recovery, combined with attractively low capital expenditure and operating costs. Completed metallurgical studies seem to show that 98% of the gold could be successfully extracted using conventional milling with grinding to 100% of material passing through 212 microns followed by gravity separation (+65%) and cyanide leaching. Reagent consumption is very low with cyanide consumption at $\pm 0.40\text{kg/t}$ and lime consumption at $\pm 0.60\text{kg/t}$. Heap leaching with fine crushing and agglomeration has been successfully demonstrated to be achieve an acceptable level of gold extraction running at $\pm 84\%$ under test conditions.



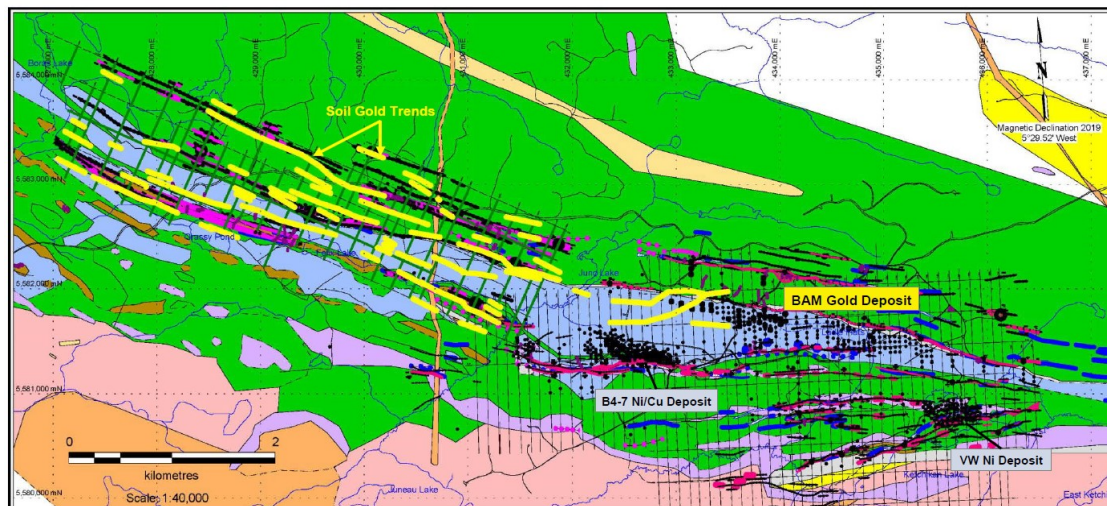
Conceptual milling flowsheet. Source: Company

Extension Potential

In all, the Junior Lake Property consists of 6 mining leases covering 7,862 hectares with a 21-year life. All leases are renewable for further terms of 21 years. Soil gold and copper anomalies show clear potential for regional growth.



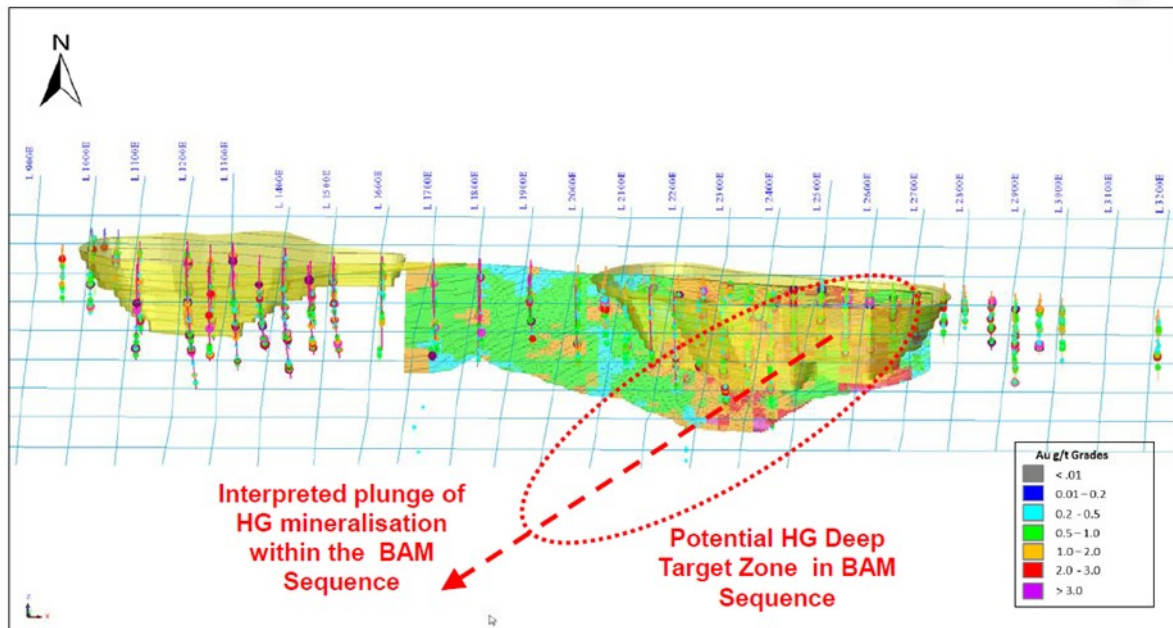
Soil anomalies - gold (top) and the pathfinder element copper (below). Source: Company



Soil gold trends. Source: Company

Undoubtedly, there is clear potential for a number of other gold mineralisation targets along the 31 km strike length. Impressive exploration work at the project has now intersected BAM gold mineralisation over a total strike length of 2,700m running from 400E to 4100E, but the gold mineralisation still remains open to both the east and the west as well as being open down dip.

In addition, there is also obvious resource growth potential at depth down plunge which is seen as a possible drilling target. There is also the opportunity of open pit cut back or underground mining to seek to optimise the return from the mining operation where decisions would be made on defining an MRE at depth and the forecast gold price.



Depth potential. Source: Company

Given the results to date, with the deposit remaining open at depth and along strike, further ounces look as they could be clearly delineated at the current rate of progress just by further drilling. There are several obvious targets both for infill and step out drilling which are located both on strike and below the current resources.

In 2004, Landore actually identified high prospective induced polarization anomaly targets which could well serve to extend the mineralisation over the undrilled area to the west. All of this seems to suggest district scale potential and clearly warrants such a comprehensive exploration programme going forward.

B4-7 Nickel-Copper-Cobalt PGEs Deposit

This deposit lies at the centre of the Junior Lakes' mining lease area and is 3km NW of the VW deposit. The B4-7 deposit mineralisation is hosted within a sub-vertical massive sulphide vein with stringers, net-textured and disseminated sulphides in the immediate hanging wall. The deposit outcrops at surface and the upper 150m of the deposit could be mined with a lower cost open pit, while below this level the grade improves enough to allow for underground mining

The deposit has been delineated over 800m of strike length with the B4-7 massive sulphide mineralisation remaining open to the west along strike and down dip. An upgraded MRE (2018) for the B4-7 Deposit saw the total resource increase to 3,292,000t at 1.20% nickel equivalent (NiEq) in the Indicated category and 580,000t at 1.26% NiEq in the Inferred category for a total of 46,661 tonnes of contained metal. Down dip of this resource, an exploration target has been identified which is seen to potentially contain 1.5 - 2.0Mt of sulphide mineralisation of a similar grade which would equate to an additional 18,000 – 24,000t of contained metal.

The eastern and the western parts of this deposit were the subject of a highly successful infill and extension drilling programme (96 holes for 22,827m) in 2012, which enlarged the resource and also bought Inferred portions of the deposit into the Indicated category. These results are reflected in the current resource estimate.

Zone	kt	Ni %	Cu %	Co %	Pt %	Pd %	Au %	NiEq %
INDICATED RESOURCES								
<i>B4-7 Deposit & Alpha Zone</i>								
Open Pit Alpha	132	0.23	0.09	0.02	0.18	0.99	0.01	0.63
Open Pit B4-7	1,640	0.62	0.41	0.05	0.14	0.55	0.03	1.20
Underground B4-7	1,520	0.65	0.45	0.06	0.12	0.48	0.03	1.25
Sub-Total B4-7 & Alpha	3,292	0.62	0.42	0.05	0.13	0.53	0.03	1.20
<i>VW Deposit</i>								
Open Pit	165	0.43	0.05	0.02	0.03	0.03	0.01	0.49
Underground	919	0.67	0.07	0.02	0.04	0.06	0.01	0.75
Sub-Total VW Deposit	1,080	0.63	0.07	0.02	0.04	0.05	0.01	0.71
Total, Indicated Resources	4,372	0.62	0.33	0.04	0.11	0.41	0.03	1.08
INFERRED RESOURCES								
<i>B4-7 Deposit</i>								
Open Pit	-	-	-	-	-	-	-	-
Underground	568	0.61	0.52	0.05	0.08	0.50	0.03	1.26
Sub-Total B4-7 Deposit	568	0.61	0.52	0.05	0.08	0.50	0.03	1.26
<i>VW Deposit</i>								
Open Pit	69	0.45	0.06	0.02	0.02	0.02	0.01	0.52
Underground	111	0.69	0.07	0.02	0.03	0.05	0.01	0.77
Sub-Total VW Deposit	180	0.60	0.07	0.02	0.02	0.04	0.01	0.68
Total, Inferred Resources	748	0.61	0.41	0.04	0.07	0.39	0.03	1.12

Combined MRE for the B4-7/ Alpha Zone and VW Deposits (December 2017).

Source: Technical Report NI 43-101 January 2019.

Preliminary metallurgical studies (2010) demonstrated that nickel concentrate grades and recoveries of 13.5% Ni at 53% recovery with 17% Cu at 87% recovery were achievable. These studies also showed that a marketable concentrate could be obtained with a further processing stage to upgrade the nickel, copper and PGM content by separating out and rejecting pyrrhotite (iron sulphide mineral).

The distinctive geophysical magnetic anomaly which hosts the B4-7 deposit, together with the B4-8 prospect, extends 500m to the east of the 00 base line and the B4-7 deposit extends 1,000m to the west of 00. There, it is truncated by the Juno Lake shear, and curls north and then to the east around a prominent 150m diameter magnetic low. This zone actually hosts potential massive sulphide mineralisation along a strike length of 1.5km which has been established by exploration drilling. In addition, a deep penetrating Direct Current Induced Polarisation (DCIP) and Magnetotellurics (MT) study was completed on the Scorpion Zone in 2012. Results of the DC Resistivity part of the survey have been impressive as they seem to indicate potential extensions of the B4-7 mineralisation to line 800W.

VW Nickel Deposit

Landore discovered the VW deposit in 2005 which is located at Ketchikan Lake in the central part of Junior Lake Property. From 2005 – 2010 Landore drilled 142 diamond NQ sized holes (47.6mm core) for 35,339m on this deposit. The deposit outcrops at the surface and like the B4-7 Nickel-Copper-Cobalt-PGEs deposit the top 150m of the deposit can be mined by lower cost open pit methods. Below this depth, the grade improves sufficiently on the main Katrina zone to allow for underground mining.

A NI 43-101 compliant MRE update on this deposit was completed in 2018. The MRE, using a cut off NSR of US\$22/t within the pit shell and US\$62/t for the underground mineral resources, reported Indicated resource of 1.08Mt at 0.71% NiEq and Inferred resource of 0.18Mt at 0.68% NiEq. Metallurgical studies (2008) demonstrated nickel concentrate grades/recoveries from 14% nickel at 74% recovery to 10% nickel at 80% recovery which could reasonably be expected from a processing plant.

B4-8 Prospect

This prospect lies directly west of the B-47 Nickel-Copper-Cobalt-PGEs deposit. Drilling in 2011/12 discovered elevated nickel-copper intercepts on the B4-8 prospect which potentially extends the B4-7 massive sulphide mineralisation to the west by a further 800m.

Drill-hole 0412-446 located (2012) within the B4-8 prospect intersected B4-7 massive sulphide mineralisation with grades of more than 1% nickel and 1% copper along with significant cobalt and the platinum group metal credits. Drilling in 2011 highlighted significant copper mineralisation in the vicinity of the shear's deformation zone on the 900W line with drill hole 0411-323 reporting 25.68m at 0.65% copper which included 10.01m at 1.17% copper. Drill hole 0411-328 reported an intersection of 12.64m at 1.01% copper. Apparently there has been a notable interest in the copper content and grade as drilling progresses to the west.

Strategy for growth

Landore currently has a market cap of around £19 million, which is the same level as it was three years ago. But since then the company has successfully identified substantially more gold resources, outlined far greater potential, and published a PEA. That is not to mention a far higher gold price. The company has a loyal band of shareholders which have been happy to continue successfully funding the business for the past 15 years. Not needing to look elsewhere for funding has meant that the stock has never really been promoted. With no promotion, the shares have languished. However, that looks all about to change. Big projects need decent exploration budgets and the recent raise of £2.8 million has seen the board cast the net further afield in search of exploration dollars and the new investors might not be so patient. So, it looks as though Landore is moving into promotion mode. The team has a really cracking story to tell given the company's increasingly successful exploration at one of the best addresses for gold mining in the world.

In small caps, management is key. Landore's CEO Bill Humphries is a proven gold finder who in his career has discovered 7 million ounces. His greatest success is probably Brancote Holdings where he was MD from 1999 – 2002, which under his control discovered 3.8Moz of gold at the Esquel Gold Project in Argentina. This saw the stock rapidly move from 14p to be taken over at 200p plus. Humphries seems to know how to unlock value from gold projects for all to see. Here, Bill and the team looks to be following essentially the same successful business model/strategy, with increasing exploration spend to prove up significantly more resources as well outlining the ultimate size of the prize. The company plans to keep drilling and exploring to move the project rapidly through feasibility studies. All the time adding considerable value. Anyone running a slide rule over the company might not wish to wait too long to make a move as will this project does looks set to be moved quite swiftly up the valuation curve.

The 2020 exploration programme will involve some 14,000m drilling where roughly 50% will be to extend the resource, 25% in lines across the exploration area and 25% to drill at depth. The BAM Gold Deposit has been shown to be a very easy deposit, easy to follow, easy to enlarge with an enviable recovery rate. It also looks very easy to take up resources from one category to another. The company has enjoyed tremendous success in converting Inferred to Indicated resources and moving ounces from the exploration targets up into Inferred resources. It looks as though every year resources get taken up a category with infill drilling because the deposit is just so very uniform. The strategy seems to be to grow the existing resource to over 1.3 million ounces of gold along with establishing a defined Exploration Target in excess of 1Moz with the next drilling which is aimed to be completed in February 2021. The plan then is to start the Pre-Feasibility Study (PFS) and continue drilling with the target of achieving the 2Moz Indicated milestone by the completion of the PFS stage.

Management believe that it will be easy to build a mine at Junior Lake and that the final investment decision could be taken in 2021. That would require a move into the Definitive Feasibility Study (DFS) and the start of permitting because in Canada as it is a 3-year process (unlike Australia where it seems to take 18 months). The operation that consultants Cube has outlined in the PEA comes with an attractively low initial capex of under US\$100 million. This is First Nations territory and the White Sands First Nations, which provides 90% of Landore's workforce on site, want to see a mine built and can provide plenty of skilled labour. The company has been doing baseline studies and Environment Impact Assessment (EIS) work since 2007, ahead of taking the nickel into a Pre-Feasibility Study (PFS).

Around the same time detailed and regular water studies commenced over a large area of lakes, rivers and streams. All this work has been done by Golder Associates, which is widely regarded as the best in the business.

The BAM Gold Project has spotty gold, and so there is a chance that the grade could be much higher. Bill and the team are planning to duplicate what they did at Patagonia Gold (where 1.9Moz was discovered at four projects), which was to take a 50,000t bulk sample. Approval is being sought to allow this to happen in 2021 while Landore is in the midst of further feasibility studies. Recovery results here have been impressive, with 98% extraction from a relatively simple processing circuit with 67% coming out through gravity and then 6-7 hours in a weak cyanide solution. The bulk sample would go through gravity separation and then probably be heap leached. Modelling of drilling results has shown a gold grade of 1.26g/t in the open pit shell and an overall grade of 1.1g/t. By and large, Inferred resources are around 0.9g/t but come in at 1.1g/t when moved up to the Indicated resource category following infill drilling. So, although the resource is generally 1.1g/t, experience suggests that there is a good chance that the actual grade could be rather better at 1.3-1.4g/t. In one fell swoop, such a move could markedly change the project economics.

Ancient greenstone belts are legendary deep structures and so there is very good depth potential. In fact, every single greenstone belt property in NE Canada goes down to depth, some by as much as 3km. All the big mining companies want to see potential at depth. This is because open pit mines let these players do as much exploration as they like but it is the mining of these deep deposits over many years where these companies will really make their money. So far, the deepest Landore has drilled is 420 vertical meters, although the pit in the PEA was just 230m deep as the pit shell was designed at a US\$1,300 gold price. Depth is an economic measure and with a higher gold price, mining can become economic at a greater depth and handle a strip ratio beyond the current 5-to-1. Overall, probably the plan would be to begin production from a series of open pit mines which are cheap at 200m deep and then chase the best by going down deeper.

A large intrusive 2.2-billion-year-old gabbro 400km long shear zone runs through the property, which provides all this enticing potential. Looking at the project and how it stands today, it would not be that surprising in our view if 4-5Moz gold could be delineated in the Junior Lake Property as already the BAM Gold Project seems to be shaping up to have 2Moz over a 4km strike length alone. Getting to 2Moz is an important hurdle in the industry as this is where the majors should really start showing an interest.

The management envisage a string of pearls, that is the orebody being mined by a series of shallow open pit mines along the strike length. This is not hard to visualise as the second potential pit has been found within a kilometre of the first one. In all there is a strike length of 31km in Landore's Mining Leases. Plus, round the corner in the SW there is another greenstone belt which also shows a lot of promise. Plus, there is the extension to the west as soil sampling has already confirmed trend carries on 5-6km to the west to Lamaune (which is 11km along strike and very similar to BAM), but higher grade. The best thing is that all this mineralisation is structurally controlled from east to west right across the licence area. For so long the company has lived a hand to mouth existence, raising trivial sums which undermined the share price when big potential projects like the BAM Gold Project need a decent budget. So, it is good to see that Landore now has £2.8 million at its disposal as well as a potential £4 million which the warrants could bring in. Promotional efforts could be richly rewarding as Landore is now starting to look a lot like being Brancote Mark II.

Financials & current trading

Results over recent years cover the company's exploration efforts which have been focused on the Junior Lake Property where the team is seeking to demonstrate the potential to host a multi-million once gold deposit.

Y/E 31 December £'000s	2015A	2016A	2017A	2018A	2019A
Revenue	-	-	-	-	-
Pre-tax profit/loss	-1,535	-1,724	-3,297	-2,783	-2,146
Net profit/loss	-1,539	-1,688	-3,266	-2,782	-2,175

Landore Resources five-year trading history. Source: Company accounts

2019 Results

2019 represented another busy year for the company with a drilling aimed at further infilling and extending the defined resource. Plus, there was an extensive exploration campaign including ground geophysics and soil sampling. The company reported an operating loss of £2.146 million after £1.242 million of exploration costs and £0.904 million of administration expenses. No tax was payable and after minimal exchange differences, the total comprehensive loss for the period came out at £2.175million. The loss per share was £0.002.

Recent developments

In late-June 2020, the company announced a placing to raise £2.8 million at 0.675p per share. The proceeds are planned to allow Landore to complete 3,400 metres of exploration drilling to follow up on identified gold targets, 7,600 metres of resource infill and extension drilling, 3,000 metres of depth potential drilling and infill soil sampling from Felix Lake to the BAM Gold Project to include ground geophysics and soil sampling. In addition, these funds will also allow the board to continue to evaluate all options to maximise shareholder value, which includes identifying a strategic investor or alternative corporate transaction. Each share in the placing came with a warrant that is exercisable at 1p and has a two-year life.

Subsequently, it emerged that eminent gold investor Eric Sprott had become a 9.7% shareholder in this latest fund-raising exercise which really serves to help put Landore on the radar of the majors. Late-August 2020 saw the shares consolidated on a 1-for-20 basis which served to improve the perception of the stock in the market.

Early September 2020 brought an update on the drilling and exploration programme along with a Pit Optimisation Review. Preparations were reported to be well advanced to commence the autumn-winter drilling campaign at the BAM Gold Deposit which is designed to grow the existing resource to over 1.3Moz gold together with establishing a defined Exploration Target of more than 1Moz gold in the highly prospective zones to the east and west of the existing resource. It was also reported that the company commenced an infill soil-till sampling programme in July 2020 covering 2,400m from the western extent of the BAM Gold Deposit, aimed at confirming the drill targets identified in the highly successful 2019 soil-till campaign. In all, 455 samples with controls have been submitted to the laboratory for analysis with results expected in September 2020.

Since the PEA was updated in December 2019, there has been a significant increase in the price of gold. The Pit Optimisation Review provided a physical and financial analysis at various gold prices between US\$1,500 to US\$2,400 per ounce. The review shows revenue increasing from US\$842 million to US\$1,977 million over that range of gold prices. At the then current gold price of US\$1,900, the review determined a post-tax NPV of US\$370 million, compared to a post-tax NPV of US\$227 million which was determined at a gold price of US\$1,560 in the Updated PEA (December 2019) for the Extended case scenario.

Risks

Geological risks

There are a series of technical risk factors concerning the amount of understanding of the geology of the project areas, the mineralisation style being targeted and the distribution and magnitude of the indicators that have been identified in exploration work.

Metal price risks

Metal prices are highly cyclical and changes in the price of gold and could have a negative or positive impact on the valuation of the company's projects and revenue from the sales of metals. Over the past twelve years the price of gold has been highly volatile, trading between US\$712 and recently more than US\$2,000 per ounce but currently trades around the US\$1,930 level.

Exchange rate risks

Movements in the value of currencies will have an effect on the company's accounts on translation from Canadian dollars and US dollars into sterling. Fluctuations in the value of the Canadian dollar and the US dollar against sterling may influence the valuation that Landore is awarded by the market.

Future funds

The market for raising funds for small cap companies looks to have had improved from the worse conditions a couple of years ago. However, the global spread of the COVID-19 infection has meant that equity markets have become extremely difficult. Even ahead of the arrival of this pandemic, some recent fund raisings in the resources sector have seen share prices being undermined by incoming investors demanding substantial discounts to provide the necessary capital.

Board of Directors

Charles Wilkinson – Non-Executive Chairman

Charles is a solicitor who retired from Lawrence Graham LLP in March 2005. At Lawrence Graham he specialised in corporate finance and commercial law and advised mining companies. He is Chairman of Doric Nimrod Air One Limited and Doric Nimrod Air Three Limited, and a Non-Executive Director of Doric Nimrod Air Two Limited.

William Humphries – Chief Executive Officer

William Humphries has over 45 years' experience in the mining and civil engineering industries. From 1996 to 1998 he was General Manager of Sardinia Gold Mining SpA and from January 1999 to July 2002 he was Managing Director of Brancote Holdings Plc until its merger with Meridian Gold Inc. He was also Managing Director of Patagonia Gold Plc since its inception until June 2015.

Glenn Featherby – Finance Director

Glenn has over 35 years' experience in corporate advisory work and has an extensive background in the resources sector. Glenn is a Chartered Accountant and began his career with KPMG in Perth and London, prior to establishing his own accounting practice in Perth in 1997. He has previously served as a Non-Executive Director of Patagonia Gold Plc and as Non-Executive Chairman of Forte Energy NL amongst other positions.

Helen Green – Non-Executive Director

Helen is a chartered accountant and has been employed by Saffery Champness, a UK top 20 firm of chartered accountants since 1984. She qualified as a Chartered Accountant in 1988 and became a Partner in the London office in 1997. Since 2000 she has been based in the Guernsey office where she is the client liaison director responsible for trust and company administration. She is a Non-Executive Director of CQS Natural Resources Growth and Income Plc, UK Mortgages Limited and Aberdeen Emerging Markets Investment Company Limited.

Management

Michele Tuomi – Director/VP Exploration, Landore Resources Canada

Michele Tuomi is a Professional Geologist with the Association of Professional Geoscientists of Ontario (APGO) and is Landore's Qualified Person for its exploration projects. Michele has over 15 years mineral exploration experience in provincial government, major explorers/producers, and junior exploration companies in a variety of commodities including nickel and gold.

Forecasts

We initiate coverage of Landore with forecasts for the 2020 and 2021 financial years. In the year ending 31st December 2020, the recent successful placing that raised £2.8 million which is expected to provide the funds to spend £2.000 million on exploration before the year end. With £1.000 million of administration costs the operating loss is forecast at £3.000 million. The loss before and after tax are forecast at £3.000 million. The resultant loss attributable to equity holders of the company would be £2.999 million, giving rise to a loss per share of £0.04.

In 2021, will see the full results of the 2020/21 drilling programme being announced, increased MRE and the move into feasibility studies. During this period, we estimate exploration costs increasing to £2.500m funded by the proceeds from warrants being exercised. In addition, higher administration costs which would reflect a growing team managing the project, which results in an operating loss of £3.700 million. The loss before and after tax are forecast to be £3.700 million. The loss attributable to equity holders of the company comes out at £3.699 million, resulting in a loss per share of £0.04.

Year End 31 December (000s '£)	FY 2018a	FY2019a	FY 2020e	FY 2021e
Exploration costs	(2,046)	(1,242)	(2,000)	(2,500)
Administration expenses	(745)	(904)	(1,000)	(1,200)
Operating loss	(2,790)	(2,146)	(3,000)	(3,700)
Finance income	7	-	-	-
Loss before income tax	(2,783)	(2,146)	(3,000)	(3,700)
Income tax	-	-	-	-
Loss for the year	(2,783)	(2,146)	(3,000)	(3,700)
Other comprehensive income:				
Exchange differences on translating foreign operations	2	(30)	-	-
Other comprehensive income for the year net of tax	2	(30)	-	-
Total comprehensive loss for the year	(2,781)	(2,177)	(3,000)	(3,700)
Loss attributable to:				
Equity holders of the Company	(2,781)	(2,145)	(2,999)	(3,699)
Non-controlling interests	(1)	(1)	(1)	(1)
Total comprehensive loss attributable to:				
Equity holders of the Company	(2,781)	(2,176)	(2,999)	(3,699)
Non-controlling interest	(1)	(1)	(1)	(1)
Earnings per share				
Basic profit/(loss) per share (£) ¹	(0.06)	(0.04)	(0.04)	(0.04)
Weighted average number of shares ¹	52,295,789	58,466,542	89,953,835	100,310,977
Total shares plus warrants and options ¹	54,868,289	80,349,668	114,222,088	114,222,088

¹ adjusted for August 2020 1-for-20 consolidation

Source: Company/Align Research

Valuation

Landore stands at a critical stage of its development where substantially more value looks to be unlocked over the coming 18 months. A dramatic increase in resources at the BAM Gold Project looks to be on the cards as management attempt to grow shareholder value by teasing out the top take out price from pursuing a corporate transaction. We have sought to place a valuation on the BAM Gold Project and the company's other exploration interests.

BAM Gold Project

Our analysis is based on the PEA prepared by Cube Consulting, which was announced in February 2019 and the 2019 Block Model – Model Reporting and Pit Optimisation Review (August 2020), which together with the Technical Report represented a highly comprehensive and fairly conservative study. The PEA was the first instance that an independent valuation was prepared by expert consultants and made for good reading. The term PEA is commonly referred to as a Scoping Study, which is limited to early stage projects and needs to be supported by a Technical Report.

We developed a financial model which attempted to mirror much of the upside case called the Extension Case in the PEA which best represents pretty well where the company now stands. We have also been guided by the MRE Update/NI 43-101 on the deposit (January 2020), other published information and discussions with the board. It is our belief that the subsequent work to the PEA has clearly shown that the Extended Case is achievable as well as there being significant further upside, to put it mildly. Like the PEA, our analysis was based on an MRE using a 0.3g/t cut-off and 28.826Mt at 1.03g/t for 951,000 ounces of gold, which included 20.198Mt at 1.08g/t for 701,000 ounces gold in the Indicated Category. The Extension Case focused on a larger 19.7Mt resource at 1.26 g/t gold which contained 800,000oz gold. Also, as with the PEA, we assumed the construction of a 2.2Mtpa processing plant followed by 9.75 years of operation as in the Extension Case.

Parameter	Unit	Base Case	Extension Case
Project life (total)	years	6.75	10.25
Mine life (total)	years	6.25	9.75
Ore mined	Mt	12.666	19.686
Waste mined	Mt	76.094	118.269
Gold grade	g/t	1.26	1.26
Contained gold mined and fed	oz	514,718	800,000
Plant feed	Mt	12.666	19.686
Gold recovery	%	95%	95%
Gold recovered	oz	488,982	760,000
Initial capex	US\$m	93.81	93.81
Sustaining capex and mine development costs	US\$m	1.27	1.97
All-in-Sustaining-Cost (AISC)	US\$/oz	806	816

BAM Gold Project PEA (February 2019) assumptions. Source: Company

A flat real gold price of US\$1,900 per ounce was used for the life of the project. We investigated the post-tax Net Present Value using a 10% and 12% discount rate. In order to remain conservative we choose to use the NPV(12) figure.

Discount rate	10%	12%
NPV US\$ million	274.06	238.34
NPV £ million	207.62	180.56

Post-tax Net Present Values for the BAM Gold Project. Source: Align Research

Although using an discount rate of 12% served to already risk a project substantially compared to the more normally used rates of 10%, 8% and 5% (as used in the PEA) rates, we have chosen to further risk the BAM Gold Project by 70% to reflect the current stage of development. Essentially the PEA is a Scoping Study which we would normally risk by 75%, however the critical metallurgical test work undertaken to date has been very detailed and has been undertaken to the level required at the PFS stage, hence we used a lower 70% risk factor. This results in a risked-NPV(12) figure of US\$71.50 million (£54.17 million) being carried into our sum-of-the-parts table.

As the project becomes de-risked as it moves through feasibility studies, heading towards financing and production, we will be able to substantially reduce this risk weighting, giving a far higher risked valuation figure.

Other exploration interests

In seeking to place a valuation on the additional exploration interests, we have investigated the sort of ratings that are given to peer companies.

In our analysis we have looked at Noront Resources (TSX-V:NOT) and Talon Metals (TSX:TLO). Noront Resources is a Canadian mining company which has the largest land position in the Ring of Fire, an emerging multi-metals area located in the James Bay Lowlands of Northern Ontario. The first project is a 100%-owned high-grade nickel, copper and PGE deposit called Eagle's Nest. This deposit has Proven and Probable reserves of 11,131kt at 1.68% Ni (187,000t of contained nickel), 0.87% Cu, 0.89g/t Pt and 3.09g/t Pd and Inferred Resources of 8,966kt at 1.10% Ni (98,626t of contained nickel), 1.14% Cu, 1.14g/t Pt and 3.49g/t Pd. Total contained nickel is 285,626t and at the current share price of C\$0.17 the Enterprise Value is £70.6 million which equates to an EV/t of contained nickel of £247 (or US\$326).

Talon Metals is involved in nickel, cobalt, copper and gold exploration in North America. It owns a 17.56% interest in the Tamarack nickel-copper-cobalt project located in Minnesota and a 100% interest in the Trairão iron project located in Brazil. Tamarack Project has an established resource at Tamarack North Project - Indicated 3,639kt at NiEq 2.45% NiEq (for 89,156t NiEq), and Inferred 4,382 at 2.11% NiEq (for 92,460tNiEq). Total contained metal is 181,616t NiEq (equating to 108,970t NiEq attributable to a 60% stakeholder). Talon is currently trading at C\$0.24 on which it has an Enterprise Value of £73.6 million. To gain a 60% interest in the Tamarack Project, Talon is required to spend US\$10 million on exploration & development (where the company has already spent US\$6 million) and pay US\$5 million to the vendor KEX for a 51% interest. To gain a 60% interest in the project Talon needs to fund the feasibility study and pay US\$10 million to KEX. If we assume a further US\$30 million needs to be spent/paid by Talon to achieve a 60% stake that would suggest an adjusted EV of £96.3 million, which would equate to a EV/t of contained nickel equivalent (NiEq) of £883 (US\$1,165).

Landore's combined MRE for the B4-7/Alpha Zone and VW Deposits as at December 2017 (source: Technical Report NI 43-101 January 2019) showed total Indicated resources of 4,375kt at 1.08% NiEq for 47,218t of contained metal NiEq and total Inferred resources of 748kt at 1.12% NiEq for 8,376t of contained metal NiEq; which gives a total of 55,895t contained metal NiEq. Using the numbers above suggests a valuation of £13.81 – £49.35 million and we have chosen to use a mid-range figure of £31.58 million in our further analysis.

Sum of the parts

Asset	£ million
BAM gold project risked NPV(12)	54.17
Other exploration projects	31.58
Cash	2.70
Debt	-
Total	£88.45m
Per share based on the shares currently in issue (89,953,835)	98.33p
Funds received on options and warrants being exercised	£4.50m
Total	£92.95m
Per share on a fully diluted basis (114,222,088)	81.38p

Sum-of-the-parts valuation table. Source: Align Research

The total valuation for the company comes out at £88.45 million. Based on the current number of shares in issue (89,953,835) this would equate to 98.33p per share. On a fully diluted basis (114,222,088) and taking into account the funds that would be received from options and warrants being exercised would see the valuation increase to £92.95 million which works out at 81.38p per share and has been selected as our target price for the stock.

Conclusion

The Junior Lake Property has one of the best addresses for gold mining in the world. Landore's mining leases are located in Ontario which has been judged to be one of the Top 10 mining jurisdictions in the world with the likes of Goldcorp, Barrick Gold and Detour Gold all operating producing mines in this region. Ever since the company won the prestigious Northwestern Ontario Prospectors' Association's Bernie Schneiders 'Discovery of the Year Award' for the discovery of the BAM East gold deposit in 2017, Landore is likely to have been on the radar of the leading gold mining companies. These big players are always looking for compelling projects for the future to build up their inventory of gold resources. It has got to be pointed out that in Canada, gold projects of this sort of scale attract far higher valuations.

Landore is clearly focused on advancing its highly prospective BAM Gold Project into the realms of becoming a multi-million-ounce gold resource. At last, the company has raised a decent amount of funding which will allow it to complete 3,400m of exploration drilling which represents follow up drilling on identified gold targets – so investors should be prepared for some decent news here. At the same time, this latest funding will also finance 7,600m of resource infill and extension drilling which is focused on moving Inferred mineralisation in the current resource up into the higher Indicated category. On top of these, there is also to be 3,000m of drilling over a number of deep holes which have been designed to really test the extension to depth and see how deep this high-grade gold mineralisation extends below the existing BAM Gold Deposits. That is not to mention completing the infill soil sampling from Felix Lake to the BAM resource which is to include establishing a grid to the east which will incorporate subsequent exploration and ground geophysics. All in all, there looks as though there will be no shortage of news over the coming months.

With Landore moving into promotional drive, a healthy news flow looks to be on the cards. The First Nations are keen to keep their community free of COVID-19 and so there are protocols in place, however exploration and proprietary work for Landore can go ahead as these are handled by their First Nations team. On this basis soil sampling results ought to start being announced from September onwards. COVID-permitting, two rigs are expected to be brought in to begin drilling in October with the drilling programme planned to last four months. The first drilling is expected to be wide spaced on an area they know so good news could be expected. Most of these areas are wet, not under water but depressions, and so it is much better drilling in the winter when these swampy areas freeze up. By March 2021, there should be a new resource figure, but probably not NI 43-101 compliant at that stage. Actually, the board will be keeping an eye on the ongoing resource figure by continually feeding the latest drill hole data into the model.

Currently, the shares seem to trade on a derisory rating in our view. The company has been quietly getting its ducks in a row. Geologists are very complimentary about all the work that has been done in a methodical manner with no corners cut. All these moves have de-risked the project and really begun to show the potential for anyone who has bothered to take a closer look. However, a lack of promotion has meant that Landore has stayed relatively unknown to most investors. That all looks about to change with the new focus on promotion which could spark off a long-awaited re-rating of the shares.

Our coverage of Landore is initiated with a target price of 81.38p and a Conviction Buy stance.

DISCLAIMER & RISK WARNING

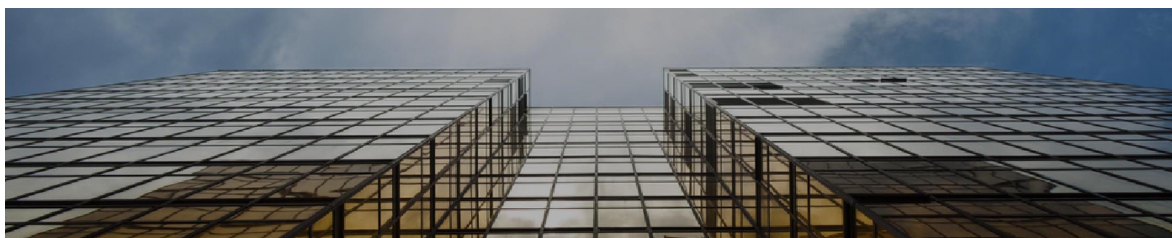
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