

Landore Resources Limited - Technical Report and Preliminary Economic Assessment of the Bam Gold Project Junior Lake Property

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LONDON, Feb. 20, 2019 - [Landore Resources Ltd.](#) (AIM:LND) ("Landore Resources" or "the Company") is pleased to release its Technical Report and Preliminary Economic Assessment of the BAM Gold Project, Junior Lake Property, Ontario, Canada ("BAM Gold Project").

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 Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), on the BAM Gold Project, in Ontario, Canada.

Highlights:

- The Mineral Resource Estimate of the BAM Gold Project at a 0.3g/t cutoff is: 28,826,000 tonnes (t) at 1.03 grams/tonne (g/t) for 951,000 ounces of gold (ozAu) including 20,198,000t at 1.08g/t ounces gold in the Indicated Category.
- 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 800,000 ounces gold.
- The Base case generates a post-tax net present value ("NPV") of US\$69.2M with an internal rates of return "(IRR)" of 26.9%. The Extended case generates a post-tax NPV₅ of US\$123.7M and post-tax real IRR of 26.9%.
- The Base case has an all-in-sustaining cost ("AISC") of US\$ 806/oz with the Extended case being slightly higher at US\$ 816/oz. Initial CAPEX is US\$73.53M for Plant and infrastructure plus US\$ 20.28M for pre-production including mining and G+A.
- Based on exploration work completed by Landore up to January 2019, there is significant resource potential that indicates follow up district scale exploration programs are warranted. There is potential for other gold mineralization along the 31 km strike length of the Junior Lake Shear.

Commenting on this report, Chief Executive Officer of Landore Resources, Bill Humphries, said:

"We are very pleased with the results of the PEA which clearly demonstrates the robust nature and growth potential of the BAM Gold Project.

We are confident that, with the conversion of the 'unclassified mineralisation' into resource together with infilling and expansion of existing deposits, the Project has a high probability of being advanced from the Base case 515,000 ounces gold to the Extended case 800,000 ounces gold with significant further upside."

The full Technical Report and Preliminary Economic Assessment can be found on Landore's web site www.landore.com

Executive Summary

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 Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), on the BAM Gold Project, in Ontario, Canada.

The BAM Gold Project Mineral Resource, Effective Date as at 7th January 2019 is suitable for public reporting in accordance with the NI 43-101 and the CIM Definition Standards (May 2014). All drilling information, including drilling completed up to the end of 2018 has been used in the preparation of the current MRE.

Table 1-1 is a summary of the Indicated and Inferred Mineral Resources, effective as of 7th January 2019.

Table 1-1 BAM Gold Project - Indicated and Inferred Mineral Resource (January 2019)

Resource Category	Material Type	Cut-Off (Au g/t)	Tonnes (kt)	Grade (g/t Au)	Contained Metal (Oz Au)
Measured	ALL	>0.3	0	0	0
Indicated	ALL	>0.3	20,198	1.08	701,000
Inferred	ALL	>0.3	8,628	0.90	250,000

Notes:

- 1 Effective date of 7th January 2019
- 2 Mineral Resources are estimated at a block cut-off grade of 0.3 g/t Au
- 3 Mineral Resources are estimated using a long-term gold price of US\$1,250 per ounce, and an exchange rate (US\$/C\$) of 1.36
- 4 A minimum mining width of two metres was used
- 5 Bulk densities for the main host rocks are 2.82 t/m³, 2.84 t/m³, and 2.90 t/m³
- 6 Mineral Resources are constrained by a preliminary pit shell generated in Whittle software
- 7 Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability
- 8 Figures may not add up due to rounding

Based on the current input parameters that have been used for the January 2019 pit optimization by Cube, a 0.3g/t Au cut-off was deemed appropriate for the January 2019 Mineral Resource reporting.

At a cut-off grade of 0.3 g/t Au, the Mineral Resources are reported here within the pit optimization run B open pit shell. The Run B open pit shell include Indicated Mineral Resources and Inferred Mineral Resources. The figures reported in Table 2-2 are estimated using a long-term gold price of US\$1,250 per ounce.

Table 2?2 2017 BAM Gold Project - In-Pit Resources (January 2019 Run B Pit Design (January 2019)

Resource Category	Material Type	Au g/t cut-off	Tonnes (kt)	Grade (g/t Au)	Contained Metal (Oz Au)
Measured	ALL	>0.3	0	0	0
Indicated	ALL	>0.3	12,347	1.21	480,000
Inferred	ALL	>0.3	1,186	1.07	41,000

Notes:

- 1 Effective date of 7th January 2019
- 2 Mineral Resources are estimated at a block cut-off grade of 0.3 g/t Au
- 3 Mineral Resources are estimated using a long-term gold price of US\$1,250 per ounce, and an exchange rate (US\$/C\$) of 1.36
- 4 A minimum mining width of two metres was used
- 5 Bulk densities for the main host rocks are 2.82 t/m³, 2.84 t/m³, and 2.90 t/m³
- 6 Mineral Resources are constrained by a preliminary pit shell generated in Whittle software
- 7 Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability
- 8 Figures may not add up due to rounding

The pit optimization study resulted in two distinct areas, an east pit design (BAM East Pit) and a west pit design (BAM West Pit) which were individually designed (Figure 1-1). The pit designs are summarised as follows:

- BAM West Pit Design: The base of the pit is at the 145 mRL, with a final backloaded cut going down to the 135 mRL. The ramp is 12 m from 145 mRL up to the 210 mRL. From the 210 mRL to the surface the ramp is 25 m wide. The base is 80° with an 8.5 m berm every vertical 20 m.
- BAM East Pit Design - The base of the pit is at the 200 mRL, with a final backloaded cut going down to the 190 mRL. The ramp is 12 m from 200 mRL up to the 260 mRL. From the 260 mRL to the surface the ramp is 25 m wide. The base is 80° with an 8.5 m berm every vertical 20 m.

The results of the pit optimization study and pit design work can be seen in Table 16-11 in the Report. The comparison confirms the efficiency of the design as well as the alignment of the pit optimization slope inputs with the final design outcome.

There are no Mineral Reserves estimated for the BAM Gold Project at this time.

The BAM project base case considers the economics of exploiting a resource of 12.7 Mt at 1.26 g/t Au containing 515 koz Au. An extended (or upside) case considers a 19.7 Mt resource also at 1.26 g/t Au containing 800 koz. Metallurgical recoveries of 95% are envisaged in both cases to yield respectively 489 koz and 760 koz.

The BAM Gold Project assumes the construction of a 2.2 Mtpa processing plant over 4 quarters followed by production periods of 5.75 years and 9.25 years respectively for base case and extended case.

The project assumes a constant dollar (i.e. real) gold price of \$1,300/oz (this means gold price goes up at the rate of inflation in a nominal environment to maintain its real value).

The base case generates a post-tax net present value at 5% discount rate ("NPV₅") of \$69.2 M and post-tax real internal rates of return ("IRR") of 22.4%. The extended case generates a post-tax NPV₅ of \$123.7 M and post-tax real IRR of 26.9%.

The base case has an after-tax simple payback period of 3.5 years from start of production or 4.5 years from start of project. The all-in-sustaining cost ("AISC") during production is US\$806/oz (real). Maximum drawdown is US\$96.2 M (nominal) or US\$95.0 M (real). The breakeven gold price on an after-tax basis is US\$1,060/oz (real) and a price of US\$1,415/oz (real) would provide an after-tax IRR of 30% showing the leverage to price. AISC does not include income taxes or Ontario Provincial Mining tax.

The extended case has a slightly higher AISC of US\$816/oz (real). The higher cash cost in the extension case is due to mining costs in this case being the overall average of base case mining costs including initially capitalized costs – this is likely as more ore would require a pit cutback. The breakeven gold price on an after-tax basis is US\$997/oz (real) and a price of US\$1,348/oz (real) would provide an after-tax IRR of 30% continuing to reflect the leverage to price. AISC does not include income taxes or Ontario Provincial Mining tax.

A comparison of the project physicals from the two scenarios are shown in Table 1-3, which shows the extended case with increased mine life of 3.5 years, and an additional 270,000 oz of gold recovered.

A comparison of results from the two scenarios are summarized in Table 1-4.

Table 1-3: BAM Gold Project Physicals – Life of Mine (February 2019)

Project Physicals (LOM)	Unit	Base Case	Extended Case
Project Life (Total)	Years	6.75	10.25
Mine Life (Total)	Years	6.25	9.75
Ore Mined	kt	12,666	19,686
Waste Mined	kt	63,428	98,584
Total Mined	kt	76,094	118,269
Gold Grade	g/t	1.26	1.26
Contained Au Mined and fed	oz	514,718	800,000
Plant feed	kt	12,666	19,686
Au Recovery	%	95%	95%
Au Recovered	oz	488,982	760,000

Table 1-4 BAM Gold Project Financials (February 2019)

Project Physicals (LOM)	Unit	Base Case	Extended Case
Gold Price (Average LOM)	USD/oz	1,300	1,300
Net Gold Revenue (Ex Site)	USD M	633.23	984.20
Mining Costs	USD M	193.91	308.05
Plant and Other Operating costs	USD M	196.29	306.12
Operating Margin	USD M	243.03	370.03
Margin % of Ex-Site Revenue	%	38.4%	37.6%
Initial Capex	USD M	93.81	93.81
Sustaining Capex and Mine Development costs	USD M	1.27	1.97
C1 Cost	USD/oz	803	813
C2 Cost	USD/oz	1,000	941
C3 Cost	USD/oz	1,000	941
All-in-Sustaining-Cost (AISC)	USD/oz	806	816
Project NPV (Pre-Tax)	USD M	101.09	182.05
Project NPV (Post Tax)	USD M	69.21	123.71
Project IRR (Pre-Tax)	%	28%	33%
Project IRR (Post Tax)	%	22%	27%
Project Break-Even Gold Price	USD/oz	1,060	997
Project Break-Even Gold Price at 30% IRR	USD/oz	1,415	1,348
Project Payback Period from Construction Start	Years	4.5	4.5
Maximum Project Drawdown	USD M	96.21	96.21

A sensitivity analysis based on the two scenarios for post-tax considerations is illustrated in sensitivity graphs in Figure 1-2 and Figure 1-3 and tabulated in Table 1-5 and Table 1-6.

Table 1-5: BAM Gold Project Gold Price Sensitivity Analysis: Base Case - Post Tax (February 2019)

Base Case - Post Tax

Gold Price	-40%	-30%	-20%	-10%	0%	10%	20%	30%	40%
NPV	-106.33	-55.55	-6.10	32.39	69.21	105.38	141.55	177.69	213.71
Ave. Gold Price (US \$/oz)	780	910	1,040	1,170	\$1,300	1,430	1,560	1,690	1,820
Plant Opex	-40%	-30%	-20%	-10%	0%	10%	20%	30%	40%
NPV	114.37	103.09	91.83	80.54	69.21	57.83	46.32	34.71	23.03
Mining Opex	-40%	-30%	-20%	-10%	0%	10%	20%	30%	40%
NPV	114.83	103.45	92.07	80.66	69.21	57.68	46.10	34.46	22.68
Overall Opex	-40%	-30%	-20%	-10%	0%	10%	20%	30%	40%
NPV	163.57	140.02	116.42	92.87	69.21	45.31	20.94	-4.50	-35.65
Capex	-40%	-30%	-20%	-10%	0%	10%	20%	30%	40%
NPV	97.51	90.39	83.30	76.25	69.21	62.08	54.75	47.41	40.01
Discount Rate (Real)	-4%	-3%	-2%	-1%	0%	1%	2%	3%	4%
NPV	97.82	89.99	82.63	75.71	69.21	63.09	57.33	51.90	46.78

Table 1-6: BAM Gold Project Gold Price Sensitivity Analysis – Extended Case: Post Tax (February 2019)

Extended Case - Post Tax

Gold Price	-40%	-30%	-20%	-10%	0%	10%	20%	30%	40%
NPV	-117.54	-44.49	18.24	71.64	123.71	175.54	227.37	279.18	330.86
Ave. Gold Price (US \$/oz)	780	910	1,040	1,170	\$1,300	1,430	1,560	1,690	1,820
Plant Opex	-40%	-30%	-20%	-10%	0%	10%	20%	30%	40%
NPV	188.44	172.27	156.10	139.92	123.71	107.46	91.17	74.88	58.50
Mining Opex	-40%	-30%	-20%	-10%	0%	10%	20%	30%	40%
NPV	190.04	173.47	156.91	140.33	123.71	107.03	90.31	73.55	56.66
Overall Opex	-40%	-30%	-20%	-10%	0%	10%	20%	30%	40%
NPV	258.39	224.75	191.07	157.42	123.71	89.80	55.69	20.50	-16.01
Capex	-40%	-30%	-20%	-10%	0%	10%	20%	30%	40%
NPV	152.33	145.12	137.96	130.82	123.71	116.60	109.50	102.43	95.35
Discount Rate (Real)	-4%	-3%	-2%	-1%	0%	1%	2%	3%	4%
NPV	175.90	161.25	147.74	135.26	123.71	113.02	103.11	93.91	85.37

The 2018 drilling program was successful in upgrading Indicated and Inferred Mineral Resources and also confirming the gold mineralization extensions within the Junior Lake Shear to the west and east.

The current 3D model interpretation of the extents of the BAM gold mineralization remains open along strike, both to the east and west, and future drilling should target the eastern extension of the BAM Sequence beyond approximately local grid section 4000 E. The BAM gold mineralization remains open down dip, providing additional exploration targets for future drill program.

Based on exploration work completed by Landore up to January 2019, there is significant resource potential that clearly indicates follow up district scale exploration programs are warranted. There is potential for other gold mineralization targets along the 31 km strike length of the Junior Lake Shear (Lamaune) and historic discovery at Toronto Lake

This Independent Technical Report was prepared by Cube with contributions from Allard Engineering Services LLC ("Allard"), and WSP Canada Inc. ("WSP"). The report includes an updated Mineral Resource estimate ("MRE"), completed by Cube and reported on 7 January 2019 and updated mining engineering studies, metallurgical study, and economic analysis, with an Effective Date of 19th February 2019.

All programs of exploration and development infill drilling, sampling and assaying to the Effective Date have been included in this report. Estimates for commodity pricing, and capital and operational costing, as well as the updated MRE, have been incorporated into the PEA study and report, as per the Effective Date of the MRE and subsequent mining engineering study.

For the purposes of the MRE and PEA report, the BAM East Gold Deposit, and the BAM Gold Deposit, which lies to the west of the BAM East Gold Deposit, have been combined in the MRE and collectively called the BAM Gold Project.

The report complies with the requirements of the Canadian National Instrument 43-101, "Standards of

Disclosure for Mineral Projects" ("NI 43-101") for reports filed under Canadian jurisdiction.

Property Description and Ownership

Property Location, Access and Land Tenure

The Junior Lake property is located approximately 235 km north-northeast of Thunder Bay, Ontario, and approximately 75 km ENE of the village of Armstrong. The centre of the Project is located at 87°59'4" W longitude and 50°23'9" N latitude; the NAD83 UTM coordinates (Zone 16) are 430,000E and 5,584,000N. The BAM Gold Project is located at approximate UTM coordinate 434,910E and 5,581,555N.

Road access to the Junior Lake property from Thunder Bay is via paved provincial highways No. 17 (15 km) and No. 527 to Armstrong, with an overall distance of 255 km. From Armstrong, the Buchanan Forest Products Inc. gravel haulage road ("BHR") is taken east to kilometre 105, where a skidder haulage road leads approximately one kilometre to the Landore Junior Lake exploration camp. The total distance from Thunder Bay to the property is approximately 360 km.

Landore mineral holdings in the Lake Nipigon area comprise the Junior Lake claim group and the immediately adjacent claim group of Lamaune Iron Inc. (Lamaune Iron). In October 2017, Landore acquired a 90.2% ownership of Lamaune Iron, which has become a subsidiary company of Landore. Landore's Junior Lake property, including the Lamaune claim group, now consist of 1,419 staked mineral claims (approximately 26,778 ha), four mining leases, all together totaling approximately 30,507 ha.

The mining leases include mining and surface rights over the area encompassing the BAM Gold Project (BAM East Deposit and BAM Deposit), B4-7 Deposit, and the VW Deposit. The leases cover 23 mineral claims and two patents for a total area of 3,729 ha and were granted in 2008 for 21 years renewable for further terms of 21 years. Within the mining leases, Landore has the rights to:

- Sink shafts, carry out excavations, etc., for mining purposes;
- Construct dams, reservoirs, railways etc., as needed;
- Erect buildings, machinery, furnaces, etc., as required; and
- Treat ores.

These activities may be subject to provisions of certain Acts and reservations.

Property History and Ownership

Geological mapping and exploration in the vicinity of the Junior Lake property is recorded as early as 1917. In 1968, Canadian Dyno Mines Limited staked 333 claims in 15 groups to cover conductors detected by an airborne electromagnetic ("EM") and magnetic ("MAG") survey. Eight diamond drill holes totaling 674.8 m were drilled to test conductors in January 1969, resulting in the discovery of the B4-7 sulphide zone. The B4-7 Deposit was delineated by an additional 30 holes (6,850 m, or 22,479 ft) in 1969.

Landore optioned part of the property from North Coldstream Mines Limited in 1998 and additional claims from Brancote Canada in 2000. In 2005, the VW Nickel Deposit was discovered by Landore as a result of drill testing a promising geophysical target. The BAM Gold East Deposit was discovered in the fall of 2015 as a result of drilling a geophysical target located two kilometres to the east of the B4-7 Ni-Cu-Co-PGE Deposit.

Geology and Mineralization

Geology

A highly prospective Archean greenstone belt traverses the Junior Lake Property from east to west for

approximately 31 kilometres. The greenstone belt ranges from 0.5 to 1.5 kilometres wide and contains many of Landore Resources' stated mineral resources and prospects. However, the greater proportion of this belt remains unexplored. The BAM Gold Deposit is located in the south-central area of the Junior Lake property and is interpreted as an Archaean mesothermal gold deposit in which gold mineralization is hosted by sheared and altered rocks of the Grassy Pond Sill and the BAM volcano-sedimentary sequence.

Mineralization

Mineralized structures appear to strike approximately parallel to lithologies, averaging at 280° strike and steeply dipping to the south between -65° to -80°. Gold mineralization remains open along strike to the east and west, and down dip.

The gold mineralization is interpreted to reside within a series of tabular shaped zones that are oriented in a roughly en-echelon configuration and are generally parallel to the overall strike of the host rock units. The gold mineralization occurs as a fine dissemination and also is commonly observed in drill core to exist as visible gold that is hosted by very thin, foliation-parallel quartz-rich veinlets, hosted by highly fissile ultramafic sediments of the BAM Sequence, or by foliated rocks of the Grassy Pond Sill. A preliminary petrographic study carried out on a number of samples has identified the presence of coarse native gold that is present in association with either tourmaline, ankerite, or scheelite assemblages that occur within calcite replacement patches and veinlets.

Project Status

From late 2015 to 2018, Landore has completed several diamond drilling campaigns at the BAM Gold Project. In 2018, Landore completed a drill program consisting of 23 NQ diamond drill holes (0418-626 to 0418-648) for 3,731 m and 33 HQ diamond drill holes (0418-649 to 0418-680 and 0418-686) for 8,459 m. The aim of this program was to extend the existing BAM Gold Mineral Resource to the west and infill previously defined gold mineralization to drill spacing of 50 m x 50 m. In addition, a small exploration drilling program of 5 HQ drill holes (0418-681 to 0418-685) for 483 m was completed to test the gold potential of a prospective zone from 3900 E to 4000 E (mine grid) along strike to the east of the currently defined Mineral Resource.

The 2018 drilling has been successful in demonstrating the extension to the west of the main gold mineralization (by 50 m x 50 m and 100 m x 50 m patterns) along a strike length of approximately 2,100 m and from surface to a maximum vertical depth of approximately 380 m. The maximum width of the gold mineralization envelope being approximately 50 m, down to minimum mining width of 2 m. The 2018 drilling resulted in the increase in Indicated and Inferred Resource of 82% (contained metal) from a reported MRE estimate completed in December 2017 by Roscoe Postle Associates Inc. ("RPA").

Drill testing along the eastern strike extension has intersected gold mineralization hosted within the BAM sequence, previously defined to 3,000 E, but now identified at 3,900 E and 4,000 E. The BAM gold mineralization has now been intersected over a total strike length of 3000 m (from 950 E to 4,000 E) and remains open to the east and west and down dip.

The results of the 2018 drilling program have been made public and were used to estimate the updated BAM mineral resource that is reported in this document. This report incorporates wholly and completely the information from the 2018 drilling program.

Additional work from December 2018 to January 2019 has included pit optimization and open pit design studies, metallurgical test work, and preliminary economic studies. This information has been used in the preparation of the January 2019 PEA study and this technical report.

At the time of reporting, the Project is awaiting the findings and recommendations of the PEA study to proceed. Further drill testing is planned in 2019 with the aim of identifying extensions to gold mineralization along strike to the west and east, and down dip.

Data Verification

Landore provided Cube with data files including drilling databases, quality assurance/quality control ("QAQC") survey data, PDF files containing hand drawn cross section interpretations of the mineralized domains and geological boundaries, and surface topography in DXF file format covering the entire BAM Gold Project area.

Cube has completed a site visit to the Project and data storage facilities at the Junior Lake camp and Thunder Bay offices and carried out data verification and data validation on all the drilling data supplied for the current MRE.

Collar, survey, assay, geology and other relevant drilling data following the completion of the 2018 summer drilling campaign were provided to Cube in November 2018 in .ASC and MS Excel file formats. Validation and verification of drill hole data was assessed for all drilling within the BAM Gold Project area.

The data validation prior to resource estimation included checks for duplicate surveys, downhole survey errors, assays and geological intervals beyond drill hole total depths, overlapping intervals, and gaps between intervals. Data was validated utilising visual review of digital and paper files, as well as computer-aided checking systems. Site visit validation included review of recent core samples and interrogation of digital and paper data, including paper plans and sections, assay records, downhole survey records, hardcopy geology logs and data storage systems of hardcopy data. Other data verification included database searches, certificate validation, and quality assurance/quality control review of assay results.

Verification of supplied electronic drill hole data with drill hole logs and assay certificates was completed. The primary returned assay result was used for reporting of all intersections in the MRE. No averaging with field duplicates or laboratory repeats was undertaken so as not to introduce volume bias

Cube considers the drilling database to be appropriate for the January 2019 MRE.

Metallurgy and Mineral Processing

Metallurgical testing was undertaken by Landore in 2018 to investigate various fundamental processing unit operations on the extraction of gold from the BAM Gold Project. Metallurgical test work was conducted by BASE Metallurgical Laboratories Ltd ("BASE labs"), based Kamloops, B.C., Canada, under the supervision of Allard. The test work has provided the following insights:

- Significant free gold is present in the composite tested.
- High extractions of gold are achievable with grinding, gravity separation (+65%), and cyanide leaching (+95%) with extractions around 98%.
- Cyanide and lime consumptions were low in the leaching tests.
- Liberation of gold particles is reduced in size-fractions above 300 microns.
- Flotation of the BAM composite achieved reasonable extractions of gold, albeit at low concentrate grades.
- Heap leaching with fine crushing and agglomeration can achieve acceptable extractions of gold ($\pm 84\%$ at test conditions).
- In fine-ground material, gold occurs predominantly as coarse liberated particles and as attachments and inclusions with tellurides and cobaltite. Minor quantities of gold are associated with tellurides.
- Cyanide leach extractions of gold at sizes below 300 microns do not appear to be dependent on particle size.
- Sparging agitation leach tests with oxygen improves the extraction of gold over sparging with air.
- Reasonable variations of cyanide concentration and percent solids do not appear to influence gold extractions from leach tests at typical grind sizes.
- Agitation leach pulps are amenable to Carbon in Leach/Carbon in Pulp operations.

- Silver and copper species are present in the ore but only partially dissolved by cyanide

Mineral Resources

The Mineral Resources for the BAM Gold Project were estimated by Cube based on drill hole and assay data information for all drilling, following the completion of the 2018 drilling campaign. The following key points summarize the modelling process and key parameters used by Cube for the estimation work:

- Up to December 2018, a total of 175 diamond drill holes for approximately 32,152 m have been completed at the Project with 169 holes used the current MRE (31,594 m);
- Geological and mineralization interpretations in plan and cross sections were followed up with 3D wireframe model analysis of all the recent information collated;
- The Mineral Resource has an overall strike length of almost 3,000 m with a maximum width of the mineralization being approximately 50 m, down to minimum mining width of 2 m. The main mineralization zone within the BAM East and BAM West area has a continuous strike length of over 2,000 m;
- The Mineral resource is modelled to 380 m vertical depth with the estimate based primarily on drilling collared from 0 to 380 m. The deepest hole to date has been drilled to approximately 384 m depth (hole 0418-680);
- A total of 21 mineralized domains were modelled for the January 2019 MRE;
- There are minimal changes in strike and dip of the mineralization across the sequence, and there is very good correlation overall from East to West for the main BAM mineralization, but likely to be affected by minor faulting and dolerite intrusives, disrupting the mineralization trends;
- After assessment of all domains, it was decided by Cube that no grade capping would be used for any of the domains as there was either no material difference when applying suitable top cut values, or there were no significant grade changes in the compositing data inside the estimation domains. Instead a cut-off threshold was applied beyond a set distance the extreme sample was applied (half drill hole spacing or 25 m);
- Samples were composited to 2 m within each estimation domain in order to reduce the variability inherent in raw data to a smaller composite length relative to estimation resource model block dimensions. The 2 m composite length is also the mining SMU for a large bulk mining open pit scenario;
- Variogram modelling conducted to provide parameters for OK estimation method; nugget, sill and range parameters in all directions;
- Kriging Neighbourhood Analysis ("KNA") was used to assist with assessing the most appropriate block sizes and estimation parameters such as minimum and maximum samples and discretization, to be used for the estimation;
- Parent block size of 25 m x 10 m x 10 m in the X, Y, Z directions respectively was used, and they were sub-blocked to 2.5 m x 2.5 m. This was deemed to be appropriate for block estimation and modelling the selectivity for an open pit operation;
- Ordinary Kriging ("OK") estimation method was used to estimate gold into the 3D block model using spatial data and parameters informed from the variogram and KNA analyses;
- Gold estimated in three passes; 1st pass using optimum search distances for each domain (max 100 m) determined through the KNA process, 2nd pass and 3rd pass used, set at longer distances in order to populate a block (2nd = max 200 m, 3rd > 200 m);
- Blocks have been classified as Indicated Mineral Resources or Inferred Mineral Resources. The resource classification is based on the quality of information for the geological domaining, as well as the drill spacing and geostatistical methods provide confidence in the tonnage and grade estimates. At lower depths and along strike, with limited to no compositing, projected mean grades were applied in the interpolation search; these areas were assigned as unclassified and unestimated;
- The estimation domaining, MRE parameters, classification and block model report replication have all been internally reviewed by qualified professionals at Cube.

Mine Design and Infrastructure

Given the shallow nature of the mineralization and the initial metallurgical test results, material could be extracted by means of open pit mining methods and processed using conventional milling techniques.

Three-dimensional modelling and block construction have been created with aim of preparing a suitable model for open pit mine design and pit optimization, with a minimum mining width of 2 m. Internal dilution has been considered with a maximum downhole width of 3m (2.0m true width) of sub-grade material (<0.2g/t Au). The minimum block dimensions were selected based on a mining SMU of 6.25mE x 2.5mN x 2.5mRL.

The base input parameters used in the open pit optimization and mine design work completed by Cube are based on information collated after discussions with Landore and review of economic analyses in PEA reports from similar projects in Ontario, Canada. Geotechnical pit design parameters were based on recommendations from the geotechnical assessment work carried out by WSP in 2018.

The selection of a pit shell as the guide to the final pit design was undertaken in consultation with Landore to satisfy the company's strategic objectives. Shell 21, from Run B, which included Indicated and Inferred Resources, was selected as the target for final pit designs.

The pit shell was comprised of two distinct areas, an east pit design (BAM East Pit) and a west pit design (BAM West Pit) which were individually designed. Due to the scale of the project, pit sizes and mine life, no staging within these two pits was considered appropriate.

Other infrastructure planned for the Project includes a processing facility, a tailings storage area, a waste dump and a camp site.

Environmental Studies

Landore has conducted various environmental baseline studies on the Junior Lake property since 2007. Surface water sampling of various lakes and streams has been conducted since 2007.

Beginning in 2007, Landore retained Golder Associates Ltd. ("Golder") to implement a baseline surface water quality monitoring program for the Property. The most recent report on the surface water quality monitoring was issued on December 5, 2018. The purpose of water quality monitoring program is to characterize local baseline surface water quality and help in identifying potential receiving water environments. This data would be required as one component to the supporting documentation for permit applications to various regulatory agencies, should the project be developed as a mining operation.

Bathymetry and fish habitat studies of Ketchikan Lake were conducted in 2007. In 2008, a bedrock surface investigation of the northern portion of Ketchikan Lake was completed.

Terrestrial and fish habitat studies were conducted by Golder over the property during 2008, subsequently reported in an environmental baseline study in 2009. Results of the vegetation surveys, wildlife surveys, and incidental observations did not identify any listed species within the site boundary that would trigger a specialized study. The site has been highly disturbed in some locations by recent commercial forestry activity.

Social and Community Impact

Landore maintains a sound working relationship with First Nations on whose traditional lands the Junior Lake property is situated. In 2007, Landore signed a Memorandum of Understanding ("MOU") with Whitesand and Animbiigoo Zaagi'igan Anishinaabek (AZA) First Nations. This agreement formalizes the desire and commitment to develop a positive, mutually beneficial relationship amongst all parties and establishes the process by which this is to be accomplished while Landore is conducting exploration and advanced exploration activities in the area.

The MOU was later revised to reflect significant changes in Landore's claim holdings in the Junior Lake area.

Whitesand signed the revised MOU on April 30, 2012. AZA signed the revised MOU on December 6, 2013.

More recently, in December 2018 an Exploration Agreement between Landore, AZA and Aroland First Nations was signed which reaffirms this mutually beneficial relationship going forward. A separate Exploration Agreement between Landore and Whitesand First Nation was signed in February 2019.

The Project has involved a range of stakeholders associated with the Project. This range of stakeholders has included those that hold direct interest in the development of the Project, Federal and Provincial government agencies, community and municipal organizations, First Nation representatives, and other similar groups. The range of stakeholders is expected to grow with the development of the Project and with the reintroduction of the Project's development within the local community representing the varying levels of interest and opportunities presented by the Project.

Conclusions and Recommendations

Conclusions

The January 2019 MRE incorporates diamond drilling data completed predominantly since 2016 over the BAM Gold Project area. It is also informed by sampling and geological information from trenches, the surface expression of exposed mineralized zones as indicated by geological mapping, a dataset of bulk density measurements taken from whole core samples, topographic survey files of the project, digital photos of all relevant diamond drill core, and updated geological interpretations.

The input drill data is comprehensive in its coverage of the gold mineralization at BAM Gold Project and does not misrepresent the mineralization. Knowledge of the geological controls on mineralization has been used to develop the overall January 2019 MRE.

In Cube's opinion, the drilling, logging, and sampling procedures at the BAM Project have been carried out to industry best practices. Following the standard validation checks, Cube believes the database for the BAM Gold Project is adequate for Mineral Resource estimation.

The density of drilling supports the classification of 74% of the Mineral Resource to be classified as Indicated (by contained metal). The resource risk is considered to be low to moderate.

The pit optimization shell was comprised of two distinct areas, an east pit design (BAM East Pit) and a west pit design (BAM West Pit) which were individually designed. Based on the selected pit designs and specific constraints, a pit life of 6 (six) years was scheduled while achieving a consistent material feed of 2.2 Mtpa to the process facility over this time.

The recent metallurgical test work conducted has determined the following:

- The BAM composite was amenable to gravity concentration of the liberated gold with 65% or greater of the contained gold recoverable in the gravity concentrate;
- Cyanide leaching of the gravity tail increased the overall extraction of gold to $\pm 98\%$; and
- Cyanide consumption was low.

The BAM Gold Project assumes the construction of a 2.2 Mtpa processing plant over 4 quarters followed by production periods of 5.75 years and 9.25 years respectively for base case and extended case.

The base case considers the economics of exploiting a resource of 12.7Mt at 1.26 g/t containing 515 kOz Au. An extended (or upside) case considers a 19.7 Mt resource also at 1.26 g/t containing 800 kOz. Metallurgical recoveries (including soluble losses) of 95% are envisaged in both cases to yield respectively 489 kOz and 760 kOz.

Capital costs are derived from estimates provided by Landore and based on examples for capital costing studies for similar and larger mining projects economic assessments in Canada. Mining operating costs, which include drill and blast, load and haul, mining owners costs, rehandle, grade control and dewatering were provided by Cube and are derived from estimates from similar sized gold mining operations in Western Australia. Plant operating costs were provided by Landore and based on estimates of plant operating costs of gold operations in Canada.

Recommendations

Future drill testing recommendations to target gold mineralization still open along strike and down dip is listed as follows:

- Infill drilling within and below January 2019 Pit Design to enable confidence in grade continuity along strike, conversion to Indicated within January 2019 pit optimizations;
- Infill drilling and step out drilling to target strike extensions of the main BAM hosted gold mineralization and potential upgrades of Inferred to Indicated, and potential conversion of Unclassified material to Mineral Resources;
- Testing of shallow down plunge extent of WNW trending high grade zones by deep drilling (from 200 m to 300 m below surface);
- Highly prospective IP Anomaly targets have been identified by Landore previously in 2004 and related to FW massive disseminated sulphides zones within the main BAM Au mineralized units. In addition, there are 3 to 4 WNW trending anomalies that are possible targets for exploration drilling (northern anomalies), and step-out drilling along strike to the BAM sequence; and
- Regional Prospectivity and other gold mineralization targets along the 31 km strike length of the Junior Lake (Lamaune) and historic discovery at Toronto Lake.

Cube concurs with Landore's proposed three phase work program on the Junior Lake Project. The Phases 2 and 3 work is contingent on the Phase 1 results. The Phase 1 budget is estimated at C\$2.6 M, whilst the Phase 2 and 3 estimated budget is C\$5.74 M.

End of CUBE Technical Report and Preliminary Economic Assessment February 2019"

Planning:

Exploration activities are planned to re-commence at Junior Lake in May 2019. The activities will include a 7,000 metre HQ core drilling campaign aimed at advancing the Inferred mineralisation in the current resource to Indicated status together with infilling the area between the two delineated pits and extending the resource both to the West and East.

The programme will be aimed at advancing the current in pit contained ounces from 515,000 ounces gold (Base Case) to 800,000 ounces gold (Extended case).

In addition, Inversed Polarization (IP) geophysics together with a geochemical soil sampling program will be carried out to the East and West of the current BAM Gold resource.

The Junior Lake Property:

The Junior Lake Property, 100% owned by Landore Resources, together with the contiguous Lamaune Iron property (90.2% owned) (jointly the "Junior Lake Property"), consisting of 30,507 hectares, is located in the province of Ontario, Canada, approximately 235 kilometres north-northeast of Thunder Bay and is host to: The BAM Gold Deposit; the B4-7 Nickel-copper-cobalt-Platinum-Palladium-gold Deposit; the VW Nickel-Copper-cobalt Deposit; Lamaune Gold Prospect and numerous other precious and base metal occurrences.

A highly prospective Archean greenstone belt traverses the Junior Lake Property from east to west for

approximately 31 kilometres. The greenstone belt ranges from 0.5 to 1.5 kilometres wide and contains all of Landore Resources' stated mineral resources and prospects. However, the greater proportion of this belt remains unexplored.

Brian Fitzpatrick, (B.Sc., MAusIMM CP.), Principal Geologist of Cube Consulting Pty Ltd., Perth, Western Australia, a Qualified Person as defined in the Canadian National Instrument 43-101 and the AIM Rules, and responsible as lead author for the preparation of the Technical Report and Preliminary Economic Assessment for the BAM Gold Project, has reviewed and verified all scientific or technical disclosure relating to the Mineral Resource Estimate.

Michele Tuomi, (P.Geo., BSc. Geology), Director/VP Exploration of Landore Resources Canada Inc. and a Qualified Person as defined in the Canadian National Instrument 43-101 and the AIM Rules, has reviewed and verified all scientific or technical mining disclosure contained in this announcement.

About Landore Resources

Landore Resources is an exploration company that seeks to grow shareholder value through the acquisition, exploration and development of precious and base metal projects in eastern Canada. The Company is primarily focused on the development of the Junior Lake Project. Landore Resources has mineral rights to 5 properties in eastern Canada. The Company is headquartered in Guernsey, with an exploration office located in Thunder Bay, Ontario, Canada.

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

SOURCE [Landore Resources Ltd.](#)

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