



## **MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

For the years ended December 31, 2016 and 2015  
As at March 20, 2017

This Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of the financial condition and results of operations to a reader to assess material changes in the financial condition and results of operations as at and for the year ended December 31, 2016 and 2015. The MD&A is intended to supplement the consolidated financial statements and notes thereto ("Statements") of Laramide Resources Ltd. ("Laramide" or the "Company") as at and for the year ended December 31, 2016 and 2015. You are encouraged to review the Statements in conjunction with this document.

All amounts included in the MD&A are in Canadian dollars, unless otherwise specified. This report is dated March 20, 2017, and the Company's filings, including its most recent Annual Information Form, can be reviewed on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### **OVERVIEW**

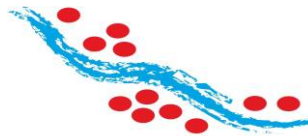
Laramide is a publicly listed company engaged in the exploration and development of high-quality uranium assets based in the United States and Australia. The Company is listed on the Toronto Stock Exchange ("TSX") and on the Australian Securities Exchange ("ASX") both under the symbol "LAM", with 113,939,142 shares issued and outstanding, as at the date of this MD&A. Laramide provides investors exposure through its portfolio of uranium projects chosen for their production potential, including the advanced Churchrock ISR Project in the United States, Westmoreland in Australia and two development-stage assets, La Sal and La Jara Mesa, in the United States. Within the portfolio are also joint ventures in Australia and strategic equity positions.

The Company also has investments in precious metals properties in Canada through its equity stake in Treasury Metals Inc. ("Treasury Metals"), which was spun-off from Laramide in August 2008. Please see page 24 of the MD&A for further details on Treasury Metals.

Management believes over the longer term, the development of low cost uranium properties remains one of the more attractive areas in resource development globally. Uniquely positioned to capture a larger share of a growing worldwide energy market, nuclear power is an integral part of electricity production and industrial infrastructure. Nuclear power represents the most economic and CO<sub>2</sub> efficient option for many countries to increase their energy supply security and to diversify away from carbon-intensive sources. This is particularly true in countries such as China and India.

Today, China has 36 operating reactors with a ramp-up of an additional 21 reactors under construction. China's operating nuclear generating capacity will double over the next five years under the country's latest Five-Year Plan. The plan also calls for the preparation for construction of inland nuclear power plants and work on a reprocessing plant to start by 2020.

Recently in India, Cameco Corp. signed its first supply agreement to provide uranium concentrate under long-term contracts. India has also announced the creation of a strategic uranium reserve, in order to ensure a steady supply to produce electricity. Nuclear currently represents a relatively small portion of baseload power for densely populated India. The country operates 22 mostly small reactors with a capacity of 6,219 megawatts or two per cent of total electricity capacity, according to the Nuclear Power Corporation of India



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Limited. However, the government is hoping to increase that to 14,600 MW by 2024 and 63,000 MW by 2032 and it currently has 6 new reactors under construction. India aims to supply 25% of electricity from nuclear power by 2050. This impetus for increasing nuclear power share is increasingly due to air pollution from coal-fired plants and the need to offset coal dependence.

As at the date of this report, approximately 447 nuclear reactors today produce electricity around the world, providing 391,942 MWe of total capacity, with an additional 59 under construction, 164 planned for construction, and 350 proposed for construction. Immediately prior to the 2011 Fukushima event, there were approximately 443 nuclear reactors producing electricity around the world, providing 377,750 MWe of total capacity, with an additional 62 under construction, 156 planned for construction, and 322 proposed for construction. World Nuclear Performance Report 2016 writes there are more nuclear reactors under construction and more reactors that came on line last year than at any time in the past 25 years. The pace of new builds is accelerating, reactor performance has improved steadily over the past 35 years, and reactor performance is not fundamentally changed by reactor age. Construction times for new reactors have improved with reactors coming on line in 2015 having an average construction time of 73 months.

While the events surrounding the 2011 Tohoku earthquake, subsequent tsunami, and nuclear accident at Fukushima Daiichi did alter the short-term demand outlook, excess secondary supply from enrichment facilities underfeeding uranium input and selling excess on the spot market has continued to weigh on the spot price. Given that the global utilities contracting window starts three to four years in advance, we're into that period now. These utilities will need to buy soon to cover future needs – particularly to meet requirements into 2018 and beyond.

The Company believes that long-term uranium fundamentals have not materially changed and expects tightening supply and rising demand from expanding global nuclear power generation to bring about recovering uranium prices over the long-term. The Company believes however, that in the short-term it should proceed cautiously, and to prepare itself to be well positioned for when the uranium market signals a strengthening.

## PROPERTIES AND INVESTMENTS

### *Australian Properties*

*Westmoreland, in Queensland, Australia, the Company's flagship project:*

- located in northwest Queensland, near the Northern Territory border;
- in April 2016, the results of the updated PEA/Scoping Study were reported. The detailed results are presented later in this report under the section New Developments (see Page 4);
- as part of the updated PEA/Scoping Study, the May 2009 Mineral Resource Estimate was reviewed to ensure compliance with JORC 2012 and is restated as the 2016 Mineral Resource and reports an Indicated Mineral Resource totaling 36.0 million pounds of uranium ( $U_3O_8$ ) contained in 18.7 million tonnes at an average grade of 0.089%  $U_3O_8$ , and an additional Inferred Mineral Resource totaling 15.9 million pounds of uranium ( $U_3O_8$ ) contained in 9.0 million tonnes at an average grade of 0.083%  $U_3O_8$
- is one of the largest uranium deposits not controlled by a senior producer or utility; and
- is one of a small percentage of known deposits expected to have compelling economics at expected long-term uranium prices.

*Three contiguous joint ventures in Northern Territory, Australia, adjacent to flagship project:*

- the Verdant Minerals (previously Rum Jungle Resources) - Lagoon Creek Joint Venture
- the Gulf Manganese Joint Venture



- the Rio Tinto – Murphy Farm-In and Joint Venture

See section below entitled “Northern Territory Properties, Northern Territory, Australia”.

### ***U.S. Properties***

#### *La Sal, Utah*

- United States Bureau of Land Management (“BLM”) issued a positive Record of Decision approving the Exploration Plan of Operations in June 2012, and more recently in October 2012, a permit approving the Notice of Intention to Commence Small Mine Activities was received from the Utah State Division of Oil, Gas and Mining. The issuance of these documents from the BLM and the State allow Laramide to commence underground exploration and development activities which, if positive, could ultimately lead towards commercial production.
- As a result of the BLM’s finding of no significant impact, the preparation of an environmental impact statement will not be required.
- La Sal is located in close proximity to Energy Fuels’ White Mesa Mill in Blanding, Utah. In January 2013, the Company entered into a toll milling agreement, whereby Energy Fuels’ White Mesa Mill will process all material produced from Laramide’s 100% owned and operated La Sal II Uranium Mine Project in Utah.

#### *La Jara Mesa Project, New Mexico*

- Located in the prolific Grants Mineral Belt, NM
- Hosts 10.5 million pounds  $U_3O_8$  and is currently undergoing permitting (see discussion below in the section entitled “Homestake Uranium Properties”).
- On May 18, 2012, the U.S. Forest Service (“USFS”) issued a Draft Environmental Impact Statement (“DEIS”) for the La Jara Mesa uranium project. The DEIS represents a significant milestone in the mine permit process, which would allow underground development activities and mine production.
- There was a public review of the DEIS, including a 60-day comment period ended July 17, 2012.
- Progress will continue with the National Environmental Policy Act (“NEPA”) review process of La Jara Mesa, which will ultimately lead to the completion of the Final Environmental Impact Statement and Record of Decision (“ROD”), possibly in 2016.

#### *Sliding scale uranium royalties*

- Portfolio located in the Grants Mineral District of New Mexico, USA – The royalty portfolio covers five separate parcels of mineral leases (Section 8, a portion of Section 17, and the Mancos area, which comprises all of Section 13 and portions of Section 12 and 7) in the Churchrock area of McKinley County, which is located 20 miles northeast of Gallup, New Mexico (the “Royalty”). The properties are owned by a subsidiary of Uranium Resources, Inc. (“URI”), a publicly traded company in the United States. On October 18, 2011, URI announced that the Nuclear Regulatory Commission (“NRC”) reactivated its Source Materials License to conduct in-situ recovery (“ISR”) uranium mining in McKinley County, New Mexico. The reactivation effectively enables the use of the license by URI for the production of uranium as defined in the license which is Churchrock Section 8. See Uranium Resources Inc. USA – Mineral Royalty on page 22 for additional details and the section titled New Developments (see page 7) of this report. In January 2017, as discussed later in this report, the Company purchased from Uranium Resources, Inc. its subsidiary Hydro Resources Inc., which owns all the five parcels of mineral leases described above.



### **Equity Holdings**

- 2,250,000 shares of Khan Resources Inc. having a market value of \$67,500 on December 31, 2016 and \$112,500 at the date of this report.
- 3,000,000 shares of Treasury Metals Inc. having a market value of \$1.7 million on December 31, 2016, and \$2.4 million at the date of this report. Most of these shares were retained in connection with the spin-off transaction and distribution by Return of Capital to Laramide shareholders.

All of the equity holdings are discussed in the “Investments” section, and the Treasury Metals spin-off is detailed in the MD&A for the third quarter of 2008. The Company operates through its wholly owned U.S. subsidiaries Laramide Resources (USA) Inc., Laramide La Sal, Inc., and its wholly owned Australian subsidiaries Lagoon Creek Resources Pty Ltd., Westmoreland Resources Pty Ltd., and Tackle Resources Pty Ltd. Its wholly owned Mexican subsidiary is inactive. The organization chart contained in the 2016 Annual Information Form depicts the intercorporate relationships.

### **NEW DEVELOPMENTS**

#### ***Completion of Acquisition of Churchrock and Crownpoint Properties***

On January 5, 2017, the Company announced that it had closed a transaction with Uranium Resources Inc. (“URI”) pursuant to which the acquired 100% of an advanced stage portfolio of high-quality In Situ Recovery (“ISR”) projects in New Mexico. The properties are principally comprised of the Churchrock and Crownpoint projects, in addition to nearby assets.

These projects have been previously burdened by significant net smelter royalties, specifically the sliding scale royalty, held by Laramide Resources of up to 25% of gross revenue covering certain areas of the properties as described in Note 9 (4) to the December 2015 Consolidated Financial Statements. Following the acquisition by Laramide a leading In Situ Recovery (“ISR”) division is created operating in a tier one jurisdiction with enhanced overall project economics and potential low operating costs.

Total consideration paid by Laramide to URI consisted of USD\$2.5 million (CAD\$3.3 million) in cash USD\$250,000 (CAD\$335,675) of which was previously paid), the issuance by Laramide to URI of 2,218,333 units (“Units”), a promissory note in the amount of USD\$5.0 million (CAD\$6.7 million) with three anniversary payments due on January 5, 2018 of USD\$1.5 million (CAD\$2 million)), 2019 USD\$1.5 million (CAD\$2 million)), and 2020 USD\$2.0 million (CAD\$2.7 million), and a retained net smelter royalty on the Projects valued at USD\$4.5 million (CAD\$6 million). The transaction took over a year to complete and includes the approval from the U.S. Nuclear Regulatory Commission to transfer materials licenses for the properties to Laramide.

Each Unit consists of one common share in the capital of the Company and one share purchase warrant (a “Warrant”), with each Warrant entitling the holder to purchase one additional common share at a price of C\$0.45 for a period of 60 months from the date of closing of the Offering. In the event that the common shares trade at a price of C\$1.00 or greater for a period of 10 consecutive trading days, the Company may accelerate the expiry date of the Warrants by giving notice to the holders and, in such case, the Warrants will expire on the 30<sup>th</sup> business day after the date on which such notice is given by the Company. The common shares and Warrants issued pursuant to URI are subject to a statutory four-month hold period expiring on May 6, 2017. The exercise of the Warrants issued to URI shall be subject to the approval by shareholders of the Company by way of a simple majority of votes cast in respect of such matter.



### *Acquisition Highlights*

- URI owns mineral interests, mining claims and other assets that comprise the Churchrock and Crownpoint mining projects and the recently consolidated Strathmore/Churchrock assets;
- URI also holds a license from the United States Nuclear Regulatory Commission for production of uranium from Sections 8 and 17 of the Churchrock project, and the Crownpoint project;
- Also, the United States Nuclear Regulatory Commission has approved for the construction of a Central Processing Plant at the Crownpoint property. While the construction permit has been granted, a mining study has not been filed to support the technical feasibility or economic viability of the Central Processing Plan;
- Historical estimates of uranium mineral resources have been completed on the Properties. Collectively, the Properties' historical mineral resources of uranium are considered "historical estimates" for purposes of Canadian securities legislation and NI 43-101 and are therefore "NI 43-101 compliant". However, they cannot be considered current mineral resources. There are four historical resource estimates from 2005 to 2012, summarized in a table later in this section;
- Historical estimates suggest the mineral resources may be amenable to ISR;
- In a Feasibility Study on Churchrock's Section 8, prepared by Behre Dolbear & Company, the existing royalties, in particular Laramide's royalties, were highlighted as substantially impacting the project economics;
- Attractive acquisition costs for Laramide on an approximate USD\$0.21 per pound global basis;
- Laramide has expertise in New Mexico through its current ownership of the La Jara Mesa uranium project and the Company's Chief Operating Officer has strong ISR experience globally;
- Multiple proximal uranium properties provide the opportunity for further consolidation and toll-milling revenues;
- The properties are located in a mining district in a jurisdiction with excellent infrastructure; and
- URI will also be granted an option to purchase, through and including June 15, 2017, Laramide's interest in a subsidiary that owns the La Sal project in Utah for USD\$4.0 million, effected by a reduction in principal of the Note from USD\$7.25 million to USD\$3.25 million with respective adjustments to the principal and interest payment schedule.

### *Historical Resource Estimates*

The following table summarizes the historical and foreign resource estimates which are applicable to the Properties subject to the Proposed Transaction. The discussion that follows addresses the TSX and ASX requirements for the reporting of these types of resource estimates.

*[Table on next page]*



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| <b>Title of Report</b>                                                              | <b>Source of Report</b>                                                                 | <b>Historical Resource Clarification</b>                                    | <b>Tons</b>                      | <b>Average Grade % U<sub>3</sub>O<sub>8</sub></b> | <b>Lbs. of U<sub>3</sub>O<sub>8</sub></b> |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------------|---------------------------------------------------|-------------------------------------------|
| Resource Estimate on Churchrock<br>March 1, 2010                                    | Behre Dolbear & Co.<br>prepared for URI                                                 | Measured and Indicated                                                      | N/A                              | N/A                                               | 18.6 million                              |
| Including:<br>Churchrock Section 8<br>Feasibility Study prepared in<br>January 2012 | Behre Dolbear & Co.<br>prepared for URI                                                 | Proven and Probable<br>Reserve plus Non-<br>reserve mineralized<br>material | 3.1 million<br>1.0 million       | 0.10<br>0.09                                      | 6.5 million<br>1.494 million              |
| Resource Estimate on Mancos<br>March 1, 2010                                        | Behre Dolbear & Co.<br>prepared for URI                                                 | Indicated Resource                                                          | 5.2 million                      | 0.11                                              | 11.3 million                              |
| Crownpoint Resource Estimate<br>March 1, 2010                                       | Behre Dolbear & Co.<br>prepared for URI                                                 | Indicated Resource                                                          | N/A                              | N/A                                               | 15.3 million                              |
| Strathmore/Churchrock<br>Resource Estimate (December<br>20, 2005)                   | David C. Fitch<br>prepared the Resource<br>Estimate for<br>Strathmore Minerals<br>Corp. | Measured and<br>Indicated Resource<br><br>Inferred Resource                 | 6.22 million<br><br>1.95 million | 0.10<br><br>0.09                                  | 11.848 million<br><br>3.525 million       |
| Scoping Study (April 4, 2011)                                                       | Behre Dolbear<br>prepared the Scoping<br>Study for Strathmore<br>Minerals Corp.         |                                                                             |                                  |                                                   |                                           |

*Cautionary Statements*

The estimates are historical/foreign estimates and are not reported in accordance with the JORC Code. A qualified person has not completed sufficient work to classify these historic mineral resources as current mineral resources or in accordance with the JORC code; and the Company is not treating the historic resources as current. It is uncertain that following evaluation and/or further exploration work that these foreign estimates will be able to be reported as mineral resources in accordance with the JORC Code.

*Relevance, Reliability and Materiality of the Historical or Foreign Estimates*

Given the high quality of the historic work completed and the respective mining companies' reputations, the Company believes the resource estimates to be both relevant and reliable. The Company believes that both the exploration undertaken and the initial resource calculations appear to have been undertaken professionally and to industry best practice. The historical estimates are relevant and material to Laramide, as when the purchase is completed, they will represent a major component of the resources under the control of the Company.

*Categories of Mineralisation*

The Company believes that the categories of mineralisation reported in the resource calculations shown in the above table are similar to the JORC code (2012) classifications and the classifications under NI 43-101.

*More information*

No more recent information or estimates than the reports described in the table are available.





*Summary of work programs and key assumptions, parameters, and methods used to prepare estimates*

Historical exploration work programs relating to the preparation of historical resource estimates are summarized below:

- Churchrock (including Section 8, 9 & 17) – The Churchrock project was drilled extensively by former operators Phillips Petroleum, Santa Fe Minerals and United Nuclear–Teton from the 1950s. Following acquisition URI later completed several core holes in the 1990s to gather metallurgical information for the preparation of a Feasibility Study on Section 8. The Churchrock resource was calculated using the general outline method employing a cut off of 4 feet of 0.075%  $U_3O_8$  (0.3 GT).
- Mancos – Section 7 of the Mancos Project was drilled by Quinta (1958 to 1961) and subsequently United Nuclear of Santa Fe. A total of 261 holes have been drilled on Sections 7 and 12. Section 13 was drilled by Phillips Petroleum (48 holes in 1957 and 1958) and Teton Exploration Services (356 holes in 1971 – 1980). The Mancos resource was calculated using the general outline method employing a cut off of 7 feet of 0.08%  $U_3O_8$  (0.5 GT).
- Strathmore/Churchrock – The property is in the Grants Mineral Belt in northwest New Mexico in Section 4, Township 16 North – Range 16 West (T16N-R16W), New Mexico Principal Meridian in the main part of the Churchrock district. Kerr-McGee began drilling on the property in 1967. A total of 165 drill holes have been completed to date totaling approximately 306,000 feet (data from drill summary sheets). Most of the drilling was performed during the period 1967 through 1977, with additional drilling up to 1991. The Strathmore/Churchrock resource was calculated using the general outline method employing a cut off of 6 feet of 0.05%  $U_3O_8$  (0.3 GT).
- Crownpoint – Mineralization was discovered by Conoco at Crownpoint in 1972. Follow-up drilling resulted in Conoco plans for an underground mine. Wyoming Mineral (Westinghouse) joined Conoco in a 50/50 joint venture and eventually acquired 100% of the project in 1982. Conoco and Wyoming drilled 148 holes in the southeast  $\frac{1}{4}$  of section 24. Section 9 has not been extensively drilled. URI acquired the facilities, remaining equipment, leases and all data in 1988. The URI position in the Crownpoint area consists of four contiguous tracts:
  - Walker Lease – 40% interest in the SE  $\frac{1}{4}$  of Section 24;
  - Ten “CP” unpatented lode claims in the SW  $\frac{1}{4}$  of Sect 24;
  - Two “Consol” unpatented lode mining claims in the SE  $\frac{1}{4}$  of Sect 25; and
  - Eight “Hydro” unpatented mining claims in the NE  $\frac{1}{4}$  of Sect 25.
- The resource number stated above for Crownpoint considers 100% of the mineralization in all projects apart from the Walker lease where 40% of the mineralization is included. The Churchrock resource was calculated using the general outline method.

The Company is comfortable that the resource estimation methods used for the historical resource calculations and the cut-off grade and GTs employed are appropriate for the style of deposit. The polygonal method and its variant, the general outline method were in general use for resource calculation in the Grants Mineral Belt by the U.S. A.E.C. (Department of Energy), Ranchers Exploration and Development Corporation and other companies.



In all cases exploration was performed by drilling vertical holes from the surface using truck mounted rotary mud drill rigs. Holes were then logged using downhole measurements of gamma radiation to determine the equivalent value of mineralization. Most operators also logged resistivity and spontaneous potential. On some projects intervals of mineralization were cored to obtain samples for laboratory analysis of  $U_3O_8$ , radiometric  $U_3O_8$ , other elements of interest, and metallurgical testing.

Further work is required to verify the historical foreign estimates as current mineral resources and proposed timing of that work.

To verify the historical resource estimates for reporting as current resources under NI 43-101 or JORC the Company considers the following steps to be necessary:

- A review of the estimate basis and raw data inputs to the historical resource estimates by a suitably Qualified Person;
- A review of the assumptions made in the historical resources that identified the historical resources as ISR amenable;
- Additional data in terms of new drilling and/or resource modelling may be required for some or all of the individual resource areas.

The Company intends to complete the work required to report current resources under the NI 43-101 and JORC Code within 12 months of the Closing subject to access requirements and market conditions being favorable.

### ***Debt Restructuring***

On October 7, 2016, the Company and its lenders announced they have agreed to extend the maturity date of the previously issued USD\$3.7 million term loan to July 1, 2018. Full details of the extension are included in the Debt Financing section of this report and in Note 12 to the December 31, 2016 financial statements.

### ***Updated PEA/Scoping Study - April 2016***

In April 2016, Laramide announced the results from the updated Preliminary Economic Assessment (“PEA”)/Scoping Study for the Westmoreland Uranium Project, located in the North West Queensland Mineral Province, Australia. The independent study was completed by Lycopodium Minerals Pty Ltd. ( $\pm$  35% level of accuracy). A copy of the PEA/Scoping Study has been filed and available for viewing and download at [www.sedar.com](http://www.sedar.com) and the Company’s website [www.laramide.com](http://www.laramide.com).

#### ***Key Highlights of the PEA/Scoping Study (at USD\$65/lb $U_3O_8$ life of mine price)***

- Initial capital expenditures (“CAPEX”) of USD\$268M plus USD\$49M contingency are estimated to construct the mine and a 2M tonne per annum (tpa) mill with a nameplate capacity of 4Mlb  $U_3O_8$  per annum;
- Total sustaining capital of USD\$58M over the Life of Mine (“LOM”);
- Cash operating cost to average USD\$21.00/lb  $U_3O_8$  for the first five years of operation and USD\$23.20/lb  $U_3O_8$  LOM;
- Net Present Value (“NPV”) at a 10% discount rate of USD\$598M pre-tax and USD\$400M post tax;





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- Internal Rate of Return (“IRR”) of 45.4% pre-tax and 35.8% post tax with a capital payback estimated at 2.5 years post-tax;
- Low 2.3:1 strip ratio for the first 5 years of operation and 4:1 LOM. Simple, open cut mining operation;
- Mine scheduling allows best practice in-pit tailings storage to be employed without the requirement for a temporary tailings storage facility; and
- Opportunities have been identified to further reduce operating cost through reagent recycling. Further test work is required to confirm this assumption before incorporating it into the process model.

### PEA/Scoping Study Details

The PEA/Scoping Study contemplates a conventional open pit mining operation with a processing facility operating over a 13 year life at a throughput of 5,500 tonnes per day (“tpd”). The planned processing route consists of milling followed by conventional agitated tank leach with sulphuric acid with Continuous Ion Exchange (“CIX”) employed for uranium recovery from the leach solution.

| Key Production and Financial Parameters |                                                |            |
|-----------------------------------------|------------------------------------------------|------------|
| Mine life                               | 13 years                                       |            |
| Average annual throughput               | 2 million tonnes                               |            |
| Processing methodology                  | Tank Leach – CIX                               |            |
| Overall process recovery                | 95%                                            |            |
| Open pit strip ratio (LOM)              | 4.0:1                                          |            |
| Average diluted feed grade              | 840 ppm U <sub>3</sub> O <sub>8</sub>          |            |
| Average annual production               | 3.52 million lbs U <sub>3</sub> O <sub>8</sub> |            |
| Total uranium recovered (LOM)           | 45.8 million lbs U <sub>3</sub> O <sub>8</sub> |            |
| Financial Parameters                    |                                                |            |
| Uranium price                           | USD\$65 / lb U <sub>3</sub> O <sub>8</sub>     |            |
| USD:AUD exchange rate                   | 0.70                                           |            |
| Average operating cost                  | USD\$23.30 / lb U <sub>3</sub> O <sub>8</sub>  |            |
| Initial CAPEX (including contingency)   | USD\$316 million                               |            |
| Sustaining CAPEX (LOM)                  | USD\$58 million                                |            |
| Corporate tax rate                      | 30%                                            |            |
| Royalties                               |                                                |            |
| Qld State Government                    | 5%                                             |            |
| IRC                                     | 1% (capped at \$10m indexed)                   |            |
| Inflation                               | Not included                                   |            |
|                                         | Pre-tax                                        | Post-tax   |
| NPV (10% discount Rate)                 | USD\$598 M                                     | USD\$400 M |
| IRR                                     | 45.4%                                          | 35.8%      |
| Payback period                          |                                                | 2.5 years  |

PEA assumptions and details regarding the mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental aspects of the Project (the JORC “modifying factors”) are discussed and disclosed in the PEA/Scoping Study document which has been filed and available for viewing and download at [www.sedar.com](http://www.sedar.com) and the Company’s website [www.laramide.com](http://www.laramide.com).

The previous PEA from 2007 was based largely on information acquired from Rio Tinto following the Westmoreland asset purchase. Since this time Laramide has completed several drilling campaigns, re-estimated the resource and has an improved knowledge of the metallurgical conditions required for cost



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effective uranium extraction on the Project. The updated PEA/Scoping Study reflects current inputs including currencies, commodity price forecasts, fuel costs and other input costs. The key differences between the 2007 PEA and the 2016 revised PEA are, as follows:

| <i>Parameter</i>                     | <i>2007 PEA</i>          | <i>2016 PEA</i>                |
|--------------------------------------|--------------------------|--------------------------------|
| <i>Resource Size</i>                 | 48.5 Mlb                 | <b>51.9 Mlb</b>                |
| <i>Mill Design Tonnage</i>           | 1.5 Mtpa                 | <b>2 Mtpa</b>                  |
| <i>Overall Uranium Recovery</i>      | 90.6%                    | <b>95%</b>                     |
| <i>Nameplate Production Capacity</i> | 3 Mlb/a                  | <b>4 Mlb/a</b>                 |
| <i>Mine Life</i>                     | 12 years                 | <b>13 years</b>                |
| <i>Uranium Capture Technology</i>    | Solvent Extraction       | <b>Continuous Ion Exchange</b> |
| <i>Tailings Storage Technology</i>   | Traditional Tailings Dam | <b>In-pit, dry stacked</b>     |

The Project is located in the North West Queensland Mineral Province, an area impacted by the closure of the Century Zinc mine. The total direct employment generated by the Project will be in the order of 220 to 250 for the 13 year mine life.

### *Mineral Resource Estimates*

The May 2009 Mineral Resource estimate for Westmoreland has been reviewed to ensure compliance with JORC 2012 and is restated as the 2016 Mineral Resource. The mineral resource estimate has been classified under the Canadian Institute of Mining, Metallurgy and Petroleum's (CIM) code of mineral classification and complies with National Instrument NI 43-101. The 2016 mineral resource estimate for Westmoreland is outlined in the following table (refer to notes and other details in Section 14 of the NI 43-101 report) and were prepared by Mr. A. Vigar of Mining Associates who is a competent person in accordance with the JORC code.

### *Westmoreland Mineral Resource Estimates - 2016*

| <b>Resource Category</b>                                     | <b>Deposit</b>  | <b>Tonnes</b>     | <b>Grade % (U<sub>3</sub>O<sub>8</sub>)</b> | <b>M lbs U<sub>3</sub>O<sub>8</sub></b> |
|--------------------------------------------------------------|-----------------|-------------------|---------------------------------------------|-----------------------------------------|
| Indicated<br><i>cut-off 0.02% U<sub>3</sub>O<sub>8</sub></i> | Redtree (Garee) | 12,858,750        | 0.09                                        | 25.5                                    |
|                                                              | Huarabagoo      | 1,462,000         | 0.08                                        | 2.7                                     |
|                                                              | Junnagunna      | 4,364,750         | 0.08                                        | 7.8                                     |
|                                                              | <b>Subtotal</b> | <b>18,685,500</b> | <b>0.09</b>                                 | <b>36.0</b>                             |
| Inferred<br><i>cut-off 0.02% U<sub>3</sub>O<sub>8</sub></i>  | Redtree (Garee) | 4,466,750         | 0.07                                        | 6.6                                     |
|                                                              | Huarabagoo      | 2,406,000         | 0.11                                        | 5.8                                     |
|                                                              | Junnagunna      | 2,149,500         | 0.08                                        | 3.6                                     |
|                                                              | <b>Subtotal</b> | <b>9,022,250</b>  | <b>0.08</b>                                 | <b>15.9</b>                             |

*Note: Reported tonnage and grade figures have been rounded off from raw estimates to the appropriate number of significant figures to reflect the order of accuracy of the estimate. Minor variations may occur during the addition of rounded numbers.*

The PEA LOM production targets are based on approximately 70% indicated resources and 30% inferred resources. The inferred resources are predominantly scheduled in the latter stages of the mine life and have had mining factors applied. No reserves for this project have been stated at this time.

Copies of the 2009 Mineral Resource estimate and the 2016 Mineral Resource estimate have been filed and are available for viewing and download at [www.sedar.com](http://www.sedar.com) and the Company's website [www.laramide.com](http://www.laramide.com).



### *PEA/Scoping Study Cautionary Statement*

The preliminary economic assessment is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. There is no certainty that further exploration work will result in the inferred mineral resources being upgraded to indicated mineral resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the PEA/Scoping Study. The abovementioned information refers to the press release April 21, 2016 – “Laramide Resources Announces Positive Results from the Updated PEA on the Westmoreland Uranium Project”. The Company confirms that all the material assumptions underpinning the production target and forecast financial information derived from the PEA continue to apply and have not materially changed.

### ***Debt Financing***

On December 31, 2015, the Company arranged with Extract Advisors LLC (“Extract”) a USD\$3.7 (CAD\$4.9 million) term loan which was used to repay a loan facility with Anglo Pacific PLC on maturity. Royalty options associated with the loan facility also expired at that time. The terms of the loan were partially amended in December 2016. This is described in Note 12 to the December 31, 2016 Consolidated Financial Statements.

Conditions of the Extract term loan are as follows:

- USD\$3.7 million (CAD\$5 million) with an original maturity of February 28, 2017, extended to July 1, 2018;
- The Company repaid USD\$748,839 (CAD\$1 million) of the USD\$3.7 million (CAD\$5 million) as part of the amendment terms;
- Interest rate of the greater of 12-month LIBOR or 2%, plus 7.5% per annum paid monthly. The annual effective interest rate is 29%;
- Repayments at any time with a 3% make-whole penalty;
- Arrangement fees of 4% of the facility amount. In addition, a 2% extension fee and CAD\$125,000 closing fees was paid as a partial consideration for the amending agreement;
- The issuance of 2.5 million common shares of Laramide subject to a 4-month hold period;
- The issuance of 1.25 million warrants of Laramide issued at an exercise price of \$0.1911 and a second series of 1.25 million warrants of Laramide issued at an exercise price of \$0.3871. Both series of warrants expire on December 31, 2018 (extended to December 31, 2020 as per a condition of the amendment). Laramide can accelerate the exercise of the first series of warrants if the common shares trade at or above \$1.00 for ten consecutive days. These warrants were subsequently exercised in 2017;
- The issuance of 1.2 million warrants of Laramide at an exercise price of \$0.35 expiring on December 16, 2021, as partial consideration of the amending agreement for the extension of the maturity date;



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- The obligation to maintain investments with a market value of no less than \$2 million in its securities account maintained with Bank of Montreal ("Equity Account"). Any sale or disposition of the securities must have the prior written consent of Extract. In the event the market value of the Equity Account falls below \$2 million for ten consecutive business days, the Company shall deposit additional cash or securities in this Equity Account to rectify the deficiency within five business days, at December 31, 2016, there is \$192,500 of cash restricted under this obligation; and
- The payment to Extract of fifty percent of the cash proceeds of the dispositions, to be applied against the outstanding loan balance, if the aggregate balance in the Equity Account is between \$2 million and \$2.75 million at the time of the disposition. Such requirement is not applicable if the aggregate balance in the Equity Account is greater than \$2.75 million at the time of the sale.

The term loan also provides Extract a production fee of USD\$0.50 (CAD\$0.7) per pound of  $U_3O_8$  produced from any of the projects owned by Laramide. The production fee may be repurchased at any time by Laramide for a lump sum payment equal to:

- \$0.3 million if the term loan is repaid in full on or before 6 months from the closing date;
- \$0.5 million if the term loan is repaid after 6 months on or before 14 months from the closing date
- \$2 million after the repayment of the term loan.

**Other Recent Milestones**

On January 5, 2017, the Company closed this private placement issuing 14,913,500 units at a price of \$0.30 per unit, for aggregate gross proceeds of \$4,474,050 of which \$2,205,450 was received in advance and held by the trustee at December 31, 2016. Each unit consists of one common share in the capital of the Company and one share purchase warrant which entitles the holder to purchase one additional common share at \$0.45 for a period of 60 months.

In 2015, the Company completed a number of other significant corporate milestones and the industry experienced a number of positive fundamental changes, including:

- The Company completed two private placements for a total of \$3.6 million in March and December 2015. The private placements consisted of 5,714,282 units at \$0.35 per unit in March and 6,420,000 units at \$0.25 per unit in December. Each unit consists of one common share of the Company and one-half a common share purchase warrant at an exercise price of \$0.45 and \$0.50 in March and December, respectively.
- In the fourth quarter of 2015, the Company finalized an extension with Rio Tinto Exploration Pty Limited ("RTX") of the Binding Farm-In and Joint Venture Agreement for the Murphy property.
- In the third quarter of 2015, the key Westmoreland Uranium Project tenements were renewed for a period of 5 years.

**PLANS FOR 2017**

Laramide has decided to proceed cautiously until the uranium market improves and accordingly will focus on those areas which are considered to add the most value. The Company will re-evaluate its development plan timetable in conjunction with the changing uranium environment.



In 2017, the Company will be working towards:

- Updating to a 43-101 compliant mineral resource of the historical non-compliant estimates on the Churchrock and Crownpoint properties;
- Completion a PEA on the Churchrock Property;
- Design development strategy followed by implementation for the Churchrock and Crownpoint properties;
- Advancement of the Westmoreland project, and, more specifically:
  - continue with exploration work on the mineral systems approach
  - continue environmental baseline data acquisition
  - funding dependent, prepare the inputs for the Initial Advice Statement, which is the first step towards permitting
- Complete the exploration work and spending commitments on the Northern Territory tenements under the Rio Tinto-Murphy Farm-in and Joint Agreement; and,
- Continue the required legal work towards the permitting of the La Jara Mesa Project.

## **QUEENSLAND POLITICAL DEVELOPMENTS**

Uranium mining has bipartisan support at a federal level in Australia; however, portions of the permitting process is dealt with by the State of Queensland government level, where a uranium ban had been in place for 30 years since production ended at Mary Kathleen mine in 1982. The ban at the time still allowed exploration activities in Queensland. When the LNP in 2012 returned to power they reversed this longstanding policy, and following a lengthy action plan detailing an implementation strategy and outline of the uranium mining policy framework, the State deemed in August 2014 that new applications for mine permits could be submitted.

On January 31, 2015, the Queensland State election was held and shortly after the election a minority ALP was able to form government. The Queensland ALP remains opposed to granting uranium mining permits and the ban was reinstated.

Today, Australia is the third largest producer of uranium globally, with Northern Territory, South Australia and Western Australia all having created uranium industries.

## **RESULTS OF OPERATIONS – EXPLORATION AND DEVELOPMENT**

### **WESTMORELAND PROPERTY, Queensland, Australia**

The Westmoreland Project (the “Project”) in Queensland, Australia is Laramide’s flagship uranium project, acquired in 2005. Laramide owns 100% of Westmoreland (subject to a 1% Net Smelter Royalty “NSR” to Royal Gold Inc., with cumulative payments capped at AUD\$10 million indexed to inflation) and has advanced the project through a series of drilling campaigns, updated resource estimates, environmental studies and metallurgical studies.



The project is located in northwest Queensland near the Northern Territory border. The Westmoreland project was discovered by Mount Isa Mines and has had a long history of exploration. Most recently, the project was held by Rio Tinto Exploration from 1990 to 2000 during which time it completed a pre-feasibility study. Laramide subsequently completed an extensive program of airborne geophysics, drilling and environmental work. The Company completed two separate resource calculations with Mining Associates Limited of Brisbane, Australia and has recently completed a mining scoping study with Lycopodium Minerals Pty Ltd of Brisbane, Australia.

The chronology of Laramide's activity at Westmoreland has been summarized in prior MD&As, with activity over the most recent years summarized, as follows:

- December 2007 to July 2008: First phase of Westmoreland drilling by Laramide was completed, with 121 holes over 11,248 metres. Drilling results were consistent with predecessor data, or better than expected. Assay results from 31 drill holes at Westmoreland were reported in October 2008 including Hole WDD08-075 at Redtree which returned 48 metres at 0.11%  $U_3O_8$  and WDD08-084 which intersected 31 metres at 0.08%  $U_3O_8$ . These results represented the last holes in the first phase program.
- September/October 2008: Further drilling of 31 holes for 928 metres was completed. The majority of holes reported within the Jack Lens of the Redtree deposit intersected mineralization within 10 metres of surface. The Redtree deposit is the Westmoreland area containing most of the resource. Final assay results were reported in December 2008. Highlights included Hole WDD08-096, containing 10 metres at 0.66%  $U_3O_8$ .
- An environmental monitoring program collecting baseline data for flora, fauna and ground and water sampling was commenced in 2008 and continued throughout the wet and dry seasons for a number of years.
- April 2009: An updated resource estimate was announced, with Mining Associates reporting an Indicated Mineral Resource totaling 36.0 million pounds of uranium ( $U_3O_8$ ) contained in 18.7 million tonnes at an average grade of 0.089%  $U_3O_8$ , and an additional Inferred Mineral Resource totaling 15.9 million pounds of uranium ( $U_3O_8$ ) contained in 9.0 million tonnes at an average grade of 0.083%  $U_3O_8$  on the property.
- November/December 2009: Laramide drilled 31 holes for 1,871m testing exploration targets along the three-kilometre structural corridor between the Huarabagoo and Junnagunna deposits.
- August 2010: A total of 19 holes (1,378 metres) were drilled at Westmoreland between the Huarabagoo (7 holes) and Sue-Outcamp areas (12 holes). Assay results for these holes were announced in November 2010. Metallurgical work also commenced, with the engagement of Rolly Nice, a consulting metallurgical engineer with extensive and diversified expertise in uranium mineral processing worldwide (Elliot Lake, Jabiluka, Ranger). The metallurgical test work is described in more detail below.
- July 2011: Comprehensive metallurgical test work carried out by the Australian Nuclear Science and Technology Organisation was completed. High recoveries of 97% were achieved using a conventional uranium processing route. The report also identified definitive process route options to provide engineering design data sufficient to support a pre-feasibility level of study.
- August to November 2012: A diamond drilling program comprising 30 holes for 4,118 metres was undertaken at Westmoreland. The program focused on the highly prospective structural corridor that





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connects the Huarabagoo and Junnagunna deposits. Please visit Laramide's website, [www.laramide.com](http://www.laramide.com), for further diagrams and cross sections.

- April 2016: Completed and reported the results of an updated PEA study the details of which are detailed earlier in this report under the section New Developments.

| Exploration Costs - Westmoreland    | Additions Q4       |                | Balance December 31 |                   |
|-------------------------------------|--------------------|----------------|---------------------|-------------------|
|                                     | 2016               | 2015           | 2016                | 2015              |
| Drilling, field support and assays  | -                  | -              | 6,246,640           | 6,246,640         |
| Camp, field and land costs          | -                  | -              | 3,555,904           | 3,555,904         |
| Licencing and tenure costs          | -                  | -              | 1,735,330           | 1,735,330         |
| General and administrative          | 85,390             | 292,968        | 9,489,211           | 9,129,378         |
| Access Negotiation                  | 685                | -              | 4,272,753           | 4,207,641         |
| Project engineering studies         | -                  | 2,726          | 738,080             | 738,080           |
| Field consultants and salaries      | 56,923             | 47,141         | 6,537,883           | 6,351,913         |
| Environmental study                 | -                  | -              | 3,058,767           | 3,058,767         |
| Metallurgical consultants           | -                  | -              | 272,328             | 272,328           |
| Resource Calculation Consultants    | -                  | -              | 200,293             | 200,293           |
| Geophysics and surveyors            | -                  | -              | 236,334             | 230,937           |
| Depreciation                        | 312                | 557            | 2,155,248           | 2,153,145         |
| Acquisitions of properties and data | -                  | -              | 17,057,344          | 17,057,344        |
| R&D Refund                          | -                  | -              | (865,533)           | (865,533)         |
| Translation adjustment              | (1,710,639)        | (47,786)       | 1,856,843           | 3,866,520         |
| <b>Total</b>                        | <b>(1,567,329)</b> | <b>295,606</b> | <b>56,547,426</b>   | <b>57,938,688</b> |

*Note: Exploration costs are incurred in Australian dollars and converted to Canadian dollars at historical rates for purposes of the above table. Accounting convention requires that they be reported for financial statement purposes at the current year end exchange rate. The Translation adjustment represents the difference in the two rates.*

During the year 2015, the key Westmoreland tenements were renewed for a period of 5 years and the Company relinquished the non-core EPM15061 tenement with \$484,732 of capitalized expenditures, which were charged to the statement of comprehensive income.

Work is being undertaken to develop a mineral systems approach to regional exploration which will utilise the enormous wealth of Westmoreland data available. This model incorporates a detailed review of influencing factors on mineralised deposition and has been used successfully by Canadian explorers in the Athabaskan Uranium Province. The mineral systems approach brings together the various aspects of structural architecture, sedimentology, fluid sources and pathways from regional to prospect scale, in-turn significantly improving drill location targeting and the productivity and efficiency of future drilling programs.

In addition, this work could lead to the identification of new satellite deposits. As part of this systems approach, during the 2015 year, a significant amount of drill core from previous drill programs was scanned using a short wavelength infrared spectrometer. Further core that was not previously assayed, as it did not



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have a radiometric signature, was selected for assay to understand the composition various distances from the mineralization. This data is currently being assessed by a consultant who specializes in this field.

### NORTHERN TERRITORY JOINT VENTURES, Northern Territory, Australia

As part of its strategy to control ground contained within a large mineralized system in Australia, the Company entered into joint venture agreements on several large properties adjacent to Westmoreland in the Northern Territory, where exploration is continuing, and no state policy prohibiting the mining of uranium has ever existed. The Northern Territory is federally controlled and one of the jurisdictions favorable to uranium mining. At December 31, 2016, Laramide controls approximately 1,383 square kilometres under exploration licenses in the Northern Territory. This includes three joint venture or farm-in agreements. One joint venture is with Verdant Minerals Limited (through its subsidiary Central Australian Phosphate Limited, formerly NuPower Resources Ltd), and a second is with Gulf Manganese Corporation Ltd. (through its subsidiary Gulf Copper Pty Ltd – formerly Hartz Range Mines Pty Ltd); much of this area has only received preliminary exploration in the past. A third agreement is with Rio Tinto Exploration Pty Limited (“RTX”). The Farm-In and Joint Venture Term Sheet with RTX provided access to tenements that are situated geologically within the highly prospective Murphy Uranium Province and are along strike from Laramide’s flagship Westmoreland Project in northwest Queensland.

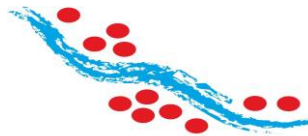
| Exploration Costs - Northern Territory JVs | Additions Q4 |              | Balance December 31 |                  |
|--------------------------------------------|--------------|--------------|---------------------|------------------|
|                                            | 2016         | 2015         | 2016                | 2015             |
| Drilling, field support and assays         | -            | -            | -                   | -                |
| Camp, field and land costs                 | -            | -            | 63,973              | 63,973           |
| Project engineering studies                | -            | 92           | 2,521               | 2,521            |
| Acquisitions of properties and data        | -            | -            | 849,487             | 849,487          |
| General and administrative                 | 75,742       | -            | 163,405             | 35,057           |
| Access Negotiation                         | -            | -            | 144,945             | 61,507           |
| Field consultants and salaries             | -            | 4,726        | 293,417             | 280,422          |
| Depreciation                               | -            | -            | -                   | -                |
| Geophysics and surveyors                   | -            | -            | 8,691               | -                |
| Translation adjustment                     | (51,041)     | (963)        | (29,819)            | 26,841           |
| <b>Total</b>                               |              | <b>3,855</b> | <b>1,496,619</b>    | <b>1,319,807</b> |

*Note: Exploration costs are incurred in Australian dollars and converted to Canadian dollars at historical rates for purposes of the above table. Accounting convention requires that they be reported for financial statement purposes at the current year end exchange rate. The Translation adjustment represents the difference in the two rates.*

The summary of the Company’s joint ventures in the Northern Territory are, as follows:

#### *Verdant Minerals Limited (through its subsidiary Central Australian Phosphate Limited) - Lagoon Creek Joint Venture*

In May 2005, Laramide (“Lagoon Creek Pty”) entered into an agreement with NuPower Resources (now Central Australian Phosphate Limited) pursuant to which the Company can farm-in to granted exploration license EL23573, Lagoon Creek, in the Northern Territory, approximately 380 kilometres NNW of Mt Isa. Laramide has made qualifying exploration payments fulfilling the expenditure requirement of AUD\$3 million



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over a four-year period as required for 50% equity in the tenement. This 50% interest has been formally transferred to the Company. Previous exploration on the joint venture area has included: an airborne magnetics and radiometrics survey in 2005; ground radiometric surveys and scintillometer lines followed by 23 RC drill holes in 2006; a helicopter-borne regional stream sediment survey and a 9 hole diamond core drill program was undertaken in 2007. During 2011 and 2012, a helicopter geophysical survey over the tenement was conducted. Central Australian Phosphate Limited was taken over by Verdant Minerals Limited in January 2014. During 2015, the geophysical survey data was reprocessed and further evaluated by a company consultant who is working on the regional mineral systems analysis project. The Company has no intention to make more expenditures, nor do further work on this property in the short and mid-term and wrote off the balance of the capitalized exploration at the end of the 2014 financial year.

### *Gulf Manganese Corporation Joint Venture*

Immediately north of the Central Australian Phosphate-Lagoon Creek tenement is a tenement held by ASX listed Gulf Manganese Corporation Ltd (through its subsidiary Gulf Copper Pty Ltd., formerly Hartz Range Mines Pty Ltd.). This tenement exhibits similar geological potential and is a part of what is a very significant and under-explored mineral district. Laramide, in the second quarter of 2005, signed an option to earn 90% of any resource pegged under mining tenure consequent to exploration over a defined area on the three Exploration Permits ("EPMs") that Hartz Range owned in the Northern Territory. On October 8, 2014, Laramide announced it has entered into a Sale Purchase Agreement ("SPA") to acquire 100% of the Gulf JV tenement EL 29898 from Gulf Copper Pty Ltd. ("Gulf"). Under the terms of the SPA Laramide must pay to Gulf AUD\$125,000 broken into three payments: AUD\$25,000 (paid) immediately; a further AUD\$25,000 subject to satisfactory completion of certain conditions (paid in March 2015); and the balance of AUD\$75,000 on transfer of the tenement title.

Previous exploration on the area has included: an airborne magnetics and radiometrics survey and soil sampling program in 2005; ground radiometric surveys and scintillometer lines followed by 4 RC drill holes in 2006; a helicopter-borne regional stream sediment survey and a 15 hole diamond core drill program was undertaken in 2007; in 2009, a program involving a scintillometer grid survey and soil sampling was commenced over targeted areas in the tenement. Results from the scintillometer survey were plotted and contoured, providing a ground radiometric signature of the target areas. Laramide followed up the results in 2010 by drilling approximately 1,000 metres to test three structural targets in the Westmoreland sandstone, which have an associated radiometric signature along strike.

The Company has no intention to make more expenditures or do further work on this property in the short or mid-term and wrote down the balance of the capitalized exploration at the end of the 2014 financial year. After such write-down, the book value of this property is \$132,397 at December 31, 2016.

### *Rio Tinto-Murphy Farm-In and Joint Venture, Northern Territory, Australia*

In May 2011, the Company announced the signing of a Binding Farm-In and Joint Venture Term Sheet with Rio Tinto Exploration Pty Limited ("RTX"), pursuant to which the Company can joint venture strategically located uranium tenements in the Northern Territory ("Project"), that are situated geologically within the highly prospective Murphy Uranium Province and are along strike from Laramide's Westmoreland Project in northwest Queensland. The Murphy Uranium Province produced high-grade uranium during the 1950s and stands out amongst the world's attractive underexplored uranium provinces, having not seen any meaningful exploration since the 1970s.

Under the terms of the agreement, Laramide can earn 51% in the Project with the expenditure of AUD\$10 million over a 4-year period on exploration and development. The first AUD\$1 million of this earn-in is a firm commitment by Laramide. Approval to commence exploration was granted by the traditional landowners in November 2012.



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The initial AUD\$1 million expenditure had not been completed by the required date of November 2013. Following several extensions agreed with RTX the date to complete the initial earn-in commitment of \$1 million in exploration activities was extended to November 2016. The other earn-in periods over the 4-year farm-in period also received corresponding extensions from the original completion dates. Unforeseen delays prevented on-ground exploration planned for the 4th quarter 2016 to allow the fulfillment of the initial earn-in commitment and the Company is working with RTX on other potential alternatives for the future of the Joint Venture tenements. During Q3 2014, Laramide completed a 16,281 line kilometres airborne geophysical survey over the tenements. Work was undertaken in 2015 as part of the regional mineral systems project analyzing the data available on the Murphy tenements in the context of the regional Westmoreland area.

### AUSTRALIAN PROPERTIES – TENEMENT RENEWALS AND EXTENSIONS

Exploration permits are granted initially for a five-year period in Queensland and a six-year period in the Northern Territory. Extensions are granted periodically following the initial period.

| Tenement        | Holder                                                                          | Expiry Date/Date for Renewal | Location           |
|-----------------|---------------------------------------------------------------------------------|------------------------------|--------------------|
| <b>EPM14558</b> | Tackle Resources Pty Ltd                                                        | 25-Jul-20                    | Queensland         |
| <b>EPM14672</b> | Tackle Resources Pty Ltd                                                        | 25-Jul-20                    | Queensland         |
| <b>EPM14967</b> | Lagoon Creek Resources Pty Ltd                                                  | 30-Jul-17                    | Queensland         |
| <b>EL23573</b>  | Lagoon Creek Resources Pty Ltd/Central Australian Phosphate Ltd (Rum Jungle JV) | 22-Dec-17                    | Northern Territory |
| <b>EL29898</b>  | Gulf Copper Pty Ltd (Gulf Manganese JV)                                         | 14-Aug-17                    | Northern Territory |
| <b>EL9319</b>   | Rio Tinto Exploration Pty Ltd                                                   | 3-Nov-17                     | Northern Territory |
| <b>EL29898</b>  | Rio Tinto Exploration Pty Ltd                                                   | 3-Nov-17                     | Northern Territory |

The main Queensland tenement upon which the identified Westmoreland resource is situated is EPM14558. It was renewed for a period of three years after the initial five years expired in 2010, and then for a subsequent two years until July 2015. A further extension application for this tenement and the adjacent EPM14672 was successful and the tenements were renewed for a further five years until 2020.

Initial grants and extensions involve commitments for rents and exploration expenditures throughout the term of the grant or extension. The current commitments for all tenements, as at December 31, 2016, are detailed in this report in the Commitments section and in Note 16(a) to the December 31, 2016 consolidated financial statements.

### HOMESTAKE URANIUM PROPERTIES – Grants Mineral Belt, NM and Lisbon Valley, Utah

| Exploration Costs - Homestake Properties | Additions Q4       |                  | Balance December 31 |                   |
|------------------------------------------|--------------------|------------------|---------------------|-------------------|
|                                          | 2016               | 2015             | 2016                | 2015              |
| Camp, field and land costs               | -                  | -                | 894,842             | 894,842           |
| Acquisitions of properties and data      | (1,205,697)        | -                | 4,229,919           | 5,435,616         |
| General and administrative               | 73,687             | 11,367           | 2,674,282           | 2,492,916         |
| Environmental studies                    | -                  | -                | 364,134             | 364,134           |
| Translation adjustment                   | (11,320)           | (145,070)        | 1,848,568           | 2,463,807         |
| <b>Total</b>                             | <b>(1,143,330)</b> | <b>(133,703)</b> | <b>10,011,746</b>   | <b>11,651,316</b> |



1. *Exploration costs are incurred in US dollars and converted to Canadian dollars at historical rates for purposes of the above table. Accounting convention requires that they be reported for financial statement purposes at the current year end exchange rate. The Translation adjustment represents the difference in the two rates.*
2. *At December 31, 2015, the outstanding balance of La Sal property of \$3,336,908 was classified as mineral property held for sale in the consolidated balance sheet.*

As discussed in the Australian properties sections earlier in this report, due to the current uranium environment, the Company plans to do only minimal work at the USA properties over the next year. The La Sal property is permitted for bulk sampling but there are not any plans to proceed further unless the market changes. Similarly, the plans for the La Jara Mesa property are to continue slowly with the legal work required for permitting. The total expenditure for the next twelve months is expected to be under \$100,000.

In 2005, the Company entered into an agreement with Homestake Mining Company of California and La Jara Mesa Mining Company (collectively "Homestake"), both being wholly owned subsidiaries of Barrick Gold Corporation, to acquire Homestake's uranium portfolio in the western United States.

Terms of the transaction require Laramide to pay Homestake a total of USD\$3,750,000 (CAD \$3,941,250) in cash. USD\$1,500,000 (CAD\$1,576,500) has been paid which includes the USD\$500,000 paid in September 2010 upon exercise of the option to purchase the La Sal property. The remaining balance of USD\$2,250,000 (CAD\$2,364,750) is represented by milestone payments tied to the permitting of the projects and commencement of commercial production. In addition, Laramide committed to expend and has paid USD\$1,500,000 (CAD\$1,827,000) by November 2007 on the properties and to pay a royalty of USD\$0.25 (CAD\$0.30) per pound of uranium ( $U_3O_8$ ) on any production in excess of eight million pounds from the La Jara Mesa property.

As discussed earlier in this report under the heading of Churchrock and Crownpoint Properties, under the purchase agreement with URI, Laramide has granted a purchase option to URI to purchase either or both of the LaSal and La Jara Mesa properties.

#### *La Jara Mesa Property*

La Jara Mesa is a sandstone hosted roll-front style deposit located within the formerly producing Grants Uranium District, approximately 10 miles northeast of the town of Grants in Cibola County, New Mexico, USA. Since the 1950s, considerable historic uranium exploration and mining activity has been done on La Jara Mesa and the surrounding area. Companies including United Nuclear Corporation, Gulf Mineral Resources Inc., Power Resources and Homestake Mining Company performed exploration work, comprising over 700 drill holes penetrating the various lithologies of the site as well as metallurgical test work. Metallurgical studies on La Jara exhibited strong recoveries (in the range of 92%) and potential underground access is quite straightforward via an inclined ramp from the valley floor. The mineral resource estimated for La Jara Mesa (Alinco GeoServices Inc., 2006) estimates Measured and Indicated mineral resources totaling 7,257,817 pounds of uranium ( $U_3O_8$ ) that are contained in 1,555,899 tons at an average grade of 0.23%  $U_3O_8$ , and an additional 3,172,653 pounds of uranium ( $U_3O_8$ ) contained in 793,161 tons at an average grade of 0.20%  $U_3O_8$  as Inferred mineral resources on the property.

On the basis of encouraging results from drilling in 2007, Laramide submitted in April 2008, (amended October 2008) to the USDA Forest Service ("Forest Service") an Amended Plan of Operations for Underground Development and Mine Production. The Amended October 2008 Plan seeks permits to proceed with an underground development program that will construct dual parallel inclines and an escape raise to access the body of mineralization. From underground in the mineralized zone, Laramide proposes to conduct mapping, longhole drilling with gamma probing, test mining and collection of bulk samples for metallurgical and mill compatibility studies. The resource lies approximately 700 feet below the surface and approximately





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500 to 800 feet above the water table. It is important to recognize that Homestake received approval from Forest Service for a similar program in two separate years, 1984 and 1988. In both years, Homestake chose not to enter into production because of steep declines in the price of uranium.

In the years since these approvals were granted, the permitting process has become more complex and protracted, partly as a result of efforts to designate Mount Taylor (which lies just east of La Jara Mesa) as a so-called Traditional Cultural Property ("TCP"). This designation allows for additional comment and potential appeal from stakeholders who are concerned about potential development impacts to Mount Taylor. Despite this potential additional risk factor, Laramide believes its proposed plan conveys relatively low environmental and technical risk because 1) no mill is proposed to be constructed at site, and 2) the underground workings will be conducted in a "dry" environment well above the water table and as such, should not penetrate any ground water. On February 4, 2011, Laramide and other opponents of the TCP designation were successful in New Mexico State District Court in defeating the imposition of a TCP designation under several points. This decision was then advanced to the New Mexico Court of Appeals. The Appellant Court certified the TCP Appeal to the New Mexico Supreme Court. In February 2014, the New Mexico Supreme Court ruled and overturned the lower court's findings as to the TCP and all points that had been ruled in Laramide's favor were overturned. The impact of the TCP classification is that the Company will communicate with both the National Historic Preservation Office and the State Historical Preservation Office. Without a TCP classification the Company would deal directly with only the federal level. Otherwise, in the long run, this ruling makes little difference in the going forward plans for the project since the Forest Service has always managed the Mount Taylor area as a TCP.

Data collection for the Environmental Impact Statement ("EIS") is collected in compliance with Forest Service protocol. Pursuant to this exercise, in March 2009, Laramide contracted Golder Associates ("Golder") to work directly with the Forest Service, in order to collect the required EIS data. Golder also provides support to the Forest Service in public meetings that are required as part of the EIS process. In addition, Laramide has entered into formal discussion with the New Mexico Mining and Minerals Division, which requires documentation similar to that required by the Forest Service. The Golder engagement also includes the development of a sampling and analysis plan for the State's review and concurrence.

On May 18, 2012, the U.S. Forest Service ("USFS") issued a Draft Environmental Impact Statement ("DEIS") for the Company's La Jara Mesa uranium project. The issuance of the DEIS represents a significant milestone in the mine permit process, which would allow underground development activities and mine production at the La Jara Mesa project.

With the completion of this stage of USFS's review and notice of availability of the DEIS published in the Federal Register, there was a public review of the DEIS for a 60-day comment period ending July 17, 2012. Comments received from this public review process are still being considered by the USFS. Progress will continue with the National Environmental Policy Act ("NEPA") review process of La Jara Mesa, which will ultimately lead to the completion of the Final Environmental Impact Statement and Record of Decision ("ROD"). A copy of the DEIS can be found at Laramide's website ([www.laramide.com](http://www.laramide.com)) or link: [http://www.fs.fed.us/nepa/nepa\\_project\\_exp.php?project=25654](http://www.fs.fed.us/nepa/nepa_project_exp.php?project=25654)

### *La Sal Project*

As part of the 2005 acquisition of uranium properties from Homestake, Laramide purchased an option to acquire the La Sal property, located within the mining district in southeastern Utah. This option was exercised in Q3 2010, as announced by press release September 13, 2010. In accordance with the terms of the original purchase agreement, a further payment of USD\$250,000 to Homestake will be required upon successful permitting of the La Sal property, with a final payment of USD\$500,000 due upon commercial production. In addition, as part of the title transfer process, Laramide has provided disclosure of the required payment





**Laramide Resources Ltd.**

options to legacy royalty holders as described in the above-mentioned press release, which allows for royalty holders to elect to either sell their shares or to receive advance royalties pursuant to a defined schedule.

In April 2012, the Company made a proposal to each of the current royalty holders ("Royalty holders"), who are the owners of a proportionate interest in the proceeds on the production from the La Sal property ("units"), offering to either sell back the royalty stream or receive advance royalty payments. In the event the Royalty holders elected to sell back the royalty stream, the Royalty holders may choose to sell the royalty for either USD\$15 (CAD\$20) per unit payable on June 24, 2012 or USD\$30 (CAD\$40.2) per unit payable 121 days after issuance and receipt of all necessary permits required to bring the mine into production. In the event the Royalty holders elected to receive advance royalty payments, the Royalty holders may choose to receive an advanced royalty of USD\$8 (CAD\$10.7) per unit payable on June 24, 2012, or USD\$12 (CAD\$16) per unit payable 121 days after issuance and receipt of all necessary permits to bring the mine into production, or USD\$15 (CAD\$20) per unit on the date 8,500 tons of saleable ore is produced over any 30 day period or when 50,000 tons of saleable ore has been produced from the La Sal property.

From elections made by and received from the Royalty holders, the Company paid USD\$365,667 (CAD\$490,981) to Royalty holders electing the USD\$8 (CAD\$10.7) per unit advanced royalty payment option, and recorded the payment as a prepaid royalty on the consolidated balance sheet. In addition, the Company was obligated to pay USD\$154,500 (CAD\$152,182) to Royalty holders who elected for the USD\$15 (CAD\$20) per unit purchase and sale option and recorded the payment as an addition to mineral properties and related deferred costs. Based on the alternate elections made by the Royalty holders, the Company is contingently liable for potential payments of USD\$1,566,420 (CAD\$2.1 million) and USD\$685,625 (CAD\$0.9 million), based on production thresholds and permitting.

La Sal has a 1,200 metre long access drive into the deposit from its previous Homestake ownership. Homestake completed a positive feasibility study on the project in 1978 and was ready to place the project into production when the price of uranium collapsed. The plan of operation has been deemed administratively complete by the U.S. Bureau of Land Management.

In November 2010, Laramide filed an Exploration Plan of Operations for the underground exploration program with the Bureau of Land Management ("BLM"). The BLM determined the Exploration Plan of Operations to be administratively complete on April 5, 2011 and, because the exploration activity would be located on BLM-administered public lands, the agency decided to prepare an Environmental Assessment ("EA") in compliance with the NEPA (National Environmental Policy Act).

This EA documents the environmental analysis of the proposed underground exploration program and provides the BLM with information to make an informed decision on whether to approve the project. The EA process also provides a forum for two public reviews and comments on the project and its associated relevant issues and environmental analysis. A final Environmental Assessment was prepared by the Moab Field Office of the US Bureau of Land Management and was made public on October 7, 2011. This initiated the final 30 day public comment period following which a decision with respect to the permit could be expected. The public comment period closed and no formal notifications were received from the BLM. Following successful completion of the second comment period, the BLM would issue a Decision Record ("DR") and "Finding of No Significant Impact" ("FONSI"), approving the selected alternative, whether that is the proposed action or another action alternative.

In June 2012, the BLM issued a Record of Decision approving the Exploration Plan of Operations at the Company's La Sal Project. The issuance of this Plan of Operations approval from the BLM and the more recent State of Utah permit allows Laramide to commence underground exploration and development activities which if positive, could ultimately lead towards commercial production. In addition, as a result of the BLM's finding of no significant impact, the preparation of an environmental impact statement will not be



## **Laramide Resources Ltd.**

required. The decision of the BLM was then appealed by Uranium Watch and on March 3, 2015 the appeal was denied.

A copy of the Final Environmental Assessment ("EA") is available on Laramide's website ([www.laramide.com](http://www.laramide.com)) The Record of Decision including Conditions of Approval and Finding of No Significant Impact can be found at the following link to the BLM's Utah Website: [http://www.blm.gov/ut/st/en/fo/moab/nepa\\_enbb.html](http://www.blm.gov/ut/st/en/fo/moab/nepa_enbb.html)

La Sal is located in close proximity to Energy Fuels' White Mesa Mill in Blanding, Utah. In January 2013, the Company announced that Laramide and Energy Fuels had entered into a toll milling agreement, whereby Energy Fuels' White Mesa Mill will process all material produced from Laramide's 100% owned and operated La Sal II Uranium Mine Project in Utah. The agreement had a two-year term with an optional three-year extension and commenced in January 2013. Under the terms of the agreement, Laramide will transport material produced at La Sal II to Energy Fuels' nearby White Mesa Mill for processing of up to 20,000 tons during the test phase. Laramide will pay to Energy Fuels the costs to mill its ore, a capital charge plus a toll milling fee per ton of ore, which will be partly linked to the long-term uranium price. Laramide's agreement with Energy Fuels accommodates additional ore production once La Sal II is permitted for full production.

Laramide commenced on-site programs leading towards the rehabilitation of the existing decline and ventilation raise, along with the installation of temporary surface support facilities. These activities also include: site access road work, development of safety procedures/plans, and sourcing of a contract mining company to reopen the mine site. Exploration and mine development activities have been temporarily suspended pending a stronger uranium market and the availability of Energy Fuels' White Mesa Mill for toll milling. Project permits are being maintained during the suspension period.

As a result of the 2015 letter of intent, an option was granted to URI to acquire the La Sal project, the Company has effectively committed to a plan to sell the property with a book value of \$3,336,908 at December 31, 2015, which was presented as mineral property held for sale in the consolidated balance sheet.

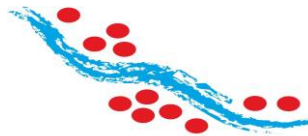
### **OTHER HOMESTAKE PROPERTIES, USA**

The two other Homestake properties are the Los Ochos and the Melrich properties, both of which are considered to be less significant properties, and neither of which received any exploration expenditures in the last two years.

### **URANIUM RESOURCES, INC. USA – Mineral Royalty**

In December 2006, the Company acquired a portfolio of uranium royalties in the Churchrock District of the Grants Mineral Belt of New Mexico, USA from United Nuclear Corporation, a wholly owned indirect subsidiary of General Electric Company ("GE") since 1997. The royalty portfolio covers five separate parcels of mineral leases (Section 8, a portion of Section 17, and the Mancos area, which comprises all of Section 13 and portions of Section 12 and 7) in the Churchrock area of McKinley County which is located 20 miles northeast of Gallup, New Mexico. The properties are presently owned by a subsidiary of Uranium Resources, Inc. ("URI"), a U.S. publicly traded uranium producer, which acquired them from United Nuclear in a series of transactions between 1986 and 1991.

Laramide's royalty is a gross revenue based sliding scale royalty, ranging from 5-25% based on uranium sales prices, but is also indexed to inflation based on the Producer Price Index. At the last calculation date, and using the latest PPI index, the royalty is 5% of the gross sales price of  $U_3O_8$  based on a gross sales price of USD\$19/lb. The maximum royalty of 25% is reached when sales prices reach USD\$87.58/lb or higher. Terms of the acquisition call for Laramide to pay United Nuclear USD\$9.25 million in cash, of which \$4.1



## **Laramide Resources Ltd.**

million (USD\$3.5 million) has already been paid at closing, with the remaining payments subject to permitting milestones. No significant expenditures were made in 2014 through 2016 on the URI Mineral Royalty. Laramide's remaining payment obligations are described in detail in Note 8 to the Consolidated Financial Statements.

Historically, the main focus of URI in Churchrock has been the Section 8 mineral lease as cited above. URI had in 1998 been granted one of the key permits to extract uranium via in-situ recovery ("ISR") by the Nuclear Regulatory Commission ("NRC") and the State of New Mexico Environmental Department, but had never operated because of a variety of court challenges that arose while other final permits were still pending. Most of these legal challenges were jurisdictional in nature and had the support of the Navajo Nation who attempted to assert that URI's land fell under the definition of Indian Country, thereby necessitating EPA authority and not the NRC.

URI's legal position eventually prevailed and with the elimination of the final potential court challenges in the third quarter of 2010, URI was finally able to turn its attention to the development of Churchrock and to the strengthening of its financial and market position.

URI proceeded to renew the license for a standard 10-year term. During the renewal process, the active license may be utilized according to its present terms and conditions, which allows for the production of up to 1 million pounds per year from Churchrock Section 8 until a successful commercial demonstration of restoration is made, after which mining on other properties can begin and the quantity of production can be increased to 3 million pounds per year.

In the first quarter of 2012, URI entered into a merger agreement to acquire Neutron Energy, Inc. ("Neutron") in a stock-for-stock transaction, announced a financing agreement that infused USD\$10 million into URI with Resource Capital Fund V L.P., a significant resource focused private equity group, and commenced a number of ongoing development activities. Concurrent with URI's acquisition of Neutron Energy Inc., a transaction with Resource Capital Fund V L.P. resulted in a change of control at URI and an equity financing.

URI commissioned an independent engineering firm to validate the economic viability of the property. The third-party engineering firm concluded that it is an economically viable project requiring an estimated \$50 million in capital expenditures to commence production.

The Navajo Nation Council Resources and Development Committee acknowledged the Company's right-of-way and surface use in late 2013. During 2014, URI completed three new independent technical reports, compliant with the industry standard Canada National Instrument 43-101, on the Cebolleta, Juan Tafoya and Roca Honda projects in New Mexico. As a result of market conditions in the uranium sector, URI temporarily curtailed generation of technical reports for other projects, including rescheduling of the technical report for the Churchrock Project. During 2014, URI shifted its focus on advancing the Churchrock project in New Mexico to a medium-term focus. The Churchrock in-situ recovery project and certain other properties in New Mexico are licensed by the U.S. Nuclear Regulatory Commission to produce up to three million pounds of uranium per year.

In the third quarter of 2012, Laramide completed a transaction with Anglo Pacific Group PLC ("Anglo Pacific") in connection with the Royalty. Anglo Pacific provided to the Company a loan of CAD\$5 million maturing on December 31, 2015. In return for a loan facility of CAD\$5 million due in December 2015, Laramide has granted Anglo Pacific a basic option, exercisable until September 30, 2015, to acquire a 5% gross revenue royalty for an exercise price of USD\$15 million and an increased rate option at an exercise price, on a pro rata basis, equivalent to USD\$3 million for each one per cent up to an additional five per cent (5%). In connection with the transaction, Laramide has also issued 650,000 warrants, each warrant entitling Anglo Pacific to acquire one Laramide common share at an exercise price of \$1.35 per share on or before



## **Laramide Resources Ltd.**

December 31, 2015. The facility bears interest at a rate of 7% per annum payable quarterly in arrears and is secured by a pledge of the shares of Laramide Resources (USA) Inc., the wholly owned subsidiary of the Company which directly owns the royalty interest in URI. Upon 3 months' notice to the lender, the Company may prepay the loan, in whole or in part without payment of any premium or penalty. In December 2015, the loan matured and was repaid in full and the royalty options were terminated.

Most recently, Uranium Resources Inc. closed on the sale of its Roca Honda Project assets in New Mexico to Energy Fuels Inc. and announced a merger with Anatolia Energy Limited to combine the two companies to create a larger, diversified uranium development and exploration business, with the aim of becoming a low-cost uranium producer in the near term from the Temrezli Project in central Turkey.

In November 2015, Laramide signed an agreement to purchase from an independent group a 6% mine price royalty on the SE/4 of Section 8 of the Churchrock in-situ project. Term of the agreement required USD\$50,000 upon signing (paid) and USD\$1,975,000 on or before the option expiry date of April 10, 2016. In April 2016, the option maturity date was extended to April 10, 2017 for an extension fee of USD\$60,000 (paid). The Company is currently negotiating a further extension of the Agreement.

As disclosed earlier in this report, the Company has acquired from URI a 100% interest in the Churchrock and Crownpoint properties.

## **INVESTMENTS**

As detailed in Note 8 to the consolidated financial statements, the investments carried on the balance sheet at December 31, 2016 are mainly held for strategic investment purposes, with non-uranium holdings providing a source of cash when market conditions favour a sale. The sale or disposition of the investments is subject to certain conditions and restrictions related to the long-term debt to Extract. Laramide continues to be one of the largest shareholders of Treasury Metals Inc. with a disclosed position of 3,000,000 shares at December 31, 2016 (worth \$1.7 million based on the price at that date).

### *Treasury Metals Inc.*

Treasury Metals Inc. ("Treasury Metals") is a gold focused exploration and development company with assets in Canada and is listed on the Toronto Stock Exchange ("TSX") under the symbol "TML". Treasury Metals was a spin-off company of Laramide, which completed an IPO on the TSX in 2008. Treasury Metals Inc.'s 100% owned Goliath Gold Project in northwestern Ontario is slated to become one of Canada's next producing gold mines. With first-rate infrastructure currently in place and gold mineralization extending to surface, Treasury Metals plans on the initial development of an open pit gold mine to feed a 2,500 per day processing plant with subsequent underground operations in the latter years of the mine life. Treasury Metals is currently in the mine permit process and working towards completion of a feasibility study on the Goliath Gold Project. Full information regarding Treasury Metals Inc. can be found on the Treasury Metals website at [www.treasuremetals.com](http://www.treasuremetals.com).

In the year ended December 31, 2014, a permanent impairment in the value of Treasury Metals Ltd. shares was recorded based on the extent and length of time the investment has been trading below the Company's cost. The write-down resulted in a reclassification of \$2,005,308 loss from other comprehensive loss into the statement of operations and had no impact on the balance sheet. The value of the investment on Laramide's balance sheet continues to carry at the market value of the securities.



### *Uranium Investments*

Laramide's uranium investments were made for strategic purposes, and include 383,218 shares of Uranium Equities Ltd., 701,461 shares of Phos Energy Inc., 2,250,000 shares of Khan Resources Inc., and 120,000 shares of Virginia Energy Resources Inc.

### *Khan Resources Inc.*

Notwithstanding the calibre of its flagship Dornod Project (which was the rationale for Laramide's investment position), Khan has faced progressive uncertainties in Mongolia in recent years in relation to the security of its mineral tenure and in its ability to successfully implement the mining and development agreements that would allow for the commercial development of Dornod. Subsequent to two failed takeover bids and alleged license invalidation in 2010, Khan embarked on a vigorous multi-faceted legal strategy. Khan initiated the international arbitration suit in January 2011. On December 7, 2012, Khan submitted to the Tribunal seven volumes of documentation in support of its claim for damages totaling USD\$326 million, including interest from the July 2009 date of the expropriation of the Dornod deposit by the Government of Mongolia.

On July 26, 2012, Khan announced that the Tribunal hearing the company's \$200-million international arbitration action against the Government of Mongolia had ruled entirely in Khan's favour on matters of jurisdiction and had dismissed all of Mongolia's objections to the continuance of the suit. On March 2, 2015 Khan announced that the international arbitration tribunal had reached a decision and awarded approximately USD\$100 million to Khan for damages and costs.

In the year ended December 31, 2013, a permanent impairment in the value of Khan Resources Inc. shares was recorded based on the extent and length of time the investment was trading below the Company's cost. The write-down resulted in a reclassification of \$5,026,860 loss from other comprehensive loss into the statement of operations and had no impact on the balance sheet. The value of the investment on Laramide's balance sheet continues to carry at the market value of the securities.

On July 9, 2015, the Government of Mongolia filed a notice for annulment of this final Award in the French Courts and had until December 8, 2015 to file their first submission. On March 7, 2016 Khan announced that Khan and the Government of Mongolia signed an agreement whereby in consideration of the payment to Khan of USD\$70 million on or before May 15, 2016, all outstanding matters pursuant to the international arbitration award received by Khan are resolved and terminated. The Government of Mongolia has further agreed it shall forthwith withdraw and discontinue the proceedings to annul the award before the Paris courts. Upon receipt of the consideration by Khan, any and all other proceedings shall be terminated by Khan including the certification application in the U.S. District Court in Washington.

On May 18, 2016, Khan announced that they and the Government of Mongolia have signed the settlement documentation required for the release of USD\$70 million to Khan,

On November 10, 2016, Khan announced that the shareholders of Khan have approved the special resolution for the voluntary liquidation and dissolution of Khan. Pursuant to the winding up, Khan made an initial distribution of CAD\$0.85 per share by way of a return of capital, paid to shareholders of record at November 22, 2016. Laramide received \$1,912,500. Any further distribution of cash will be made in one or more instalments following receipt of funds pursuant to the liquidation of the remaining assets of Khan and the winding up of its remaining subsidiary, and the satisfaction of all liabilities, including expenses of the winding up, on a distribution date to be determined pursuant to the plan of liquidation and dissolution.





## PhosEnergy Ltd.

PhosEnergy is an unlisted Australian public company progressing the development of the PhosEnergy Process – a technology designed to recover uranium, as a by-product, from phosphate streams in the phosphate fertilizer industry. Cameco Corporation is the majority owner of the PhosEnergy Process having invested over USD\$21 million to earn a 73% interest. Laramide owns 701,461 shares of PhosEnergy Ltd. PhosEnergy Ltd. and Cameco are operating a demonstration plant facility in the USA to prove the commercial viability of the PhosEnergy Process.

## RESULTS OF OPERATIONS - FINANCIAL

### Selected Quarterly Financial Information

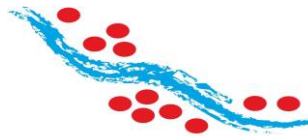
The following table summarizes selected financial data for Laramide for each of the last eight quarters. The information set forth below should be read in conjunction with the December 31, 2016, financial statements and the related notes thereto. The financial information was prepared by management in accordance with International Financial Reporting Standards (“IFRS”), including the relevant prior year comparative amounts. Detailed explanations of quarterly variances are included in each quarterly MD&A filed on SEDAR.

|                                                                | 2016      |          |           |         | 2015      |           |          |         |
|----------------------------------------------------------------|-----------|----------|-----------|---------|-----------|-----------|----------|---------|
| (\$ 000's except loss per share and Total Assets)              | Q4        | Q3       | Q2        | Q1      | Q4        | Q3        | Q2       | Q1      |
| Income (losses)                                                | \$1,771   | \$385    | \$390     | \$444   | \$71      | \$277     | \$115    | \$102   |
| Expenses                                                       | \$1,021   | \$899    | \$655     | \$569   | \$415     | \$450     | \$463    | \$463   |
| Write- down / de-recognition of available for sale investments | \$78      | \$0      | \$0       | \$0     | \$0       | \$0       | \$0      | \$0     |
| Write- down of mineral properties                              | \$1,206   | \$0      | \$0       | \$0     | \$0       | \$485     | \$0      | \$0     |
| Deferred income tax gain (loss)                                | \$581     | \$0      | \$0       | \$0     | (\$3,697) | \$0       | \$0      | \$0     |
| Net income (loss)                                              | \$47      | (\$514)  | (\$265)   | (\$125) | (\$4,041) | (\$658)   | (\$348)  | (\$362) |
| Net loss per share (basic and diluted)                         | \$0.00    | (\$0.01) | \$0.00    | \$0.00  | (\$0.04)  | (\$0.01)  | (\$0.01) | \$0.00  |
| Other comprehensive income (loss)                              | (\$3,666) | \$2,570  | (\$1,747) | (\$523) | \$4,262   | (\$2,302) | \$1,559  | \$2,703 |
| Total Comprehensive income (loss)                              | (\$3,619) | \$2,056  | (\$2,012) | (\$648) | \$223     | (\$2,960) | \$1,211  | \$2,341 |
| Total Assets (\$ millions)                                     | \$79      | \$82     | \$79      | \$81    | \$82      | \$76      | \$79     | \$78    |

Revenue variances are mainly the result of the realized gains and losses from the sale of shares of Khan Resources and Treasury Metals. In Q4 2016, \$1.9 million was received as return of capital from its investments in Khan Resources of which \$1.4 million was recorded in income.

Expense variances quarter to quarter are mainly due to the vesting cost of the various stock option issuances; also, until Q4 2015, there was a quarterly charge of approximately \$108,000 for interest and transaction costs on the \$5,000,000 loan facility received from Anglo Pacific Group, which increased to approximately \$420,000 starting in Q1 2016, with the refinancing debt with Extract, mainly due to its shorter period against the period of the Anglo Pacific debt, resulting in higher transaction costs charges. In Q4 2016, the Company recognized the impairment in its AFS investments in Virginia Energy Resources Ltd. recording \$0.1 million in the statements of operations. In Q4 2016, the Company recorded \$1.5 million write-down in La Jara property in the USA and, as a result, there was a \$1.2 million charged to the consolidated statements of operations and





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\$0.3 million charged to other comprehensive income. In Q3 2015, the Company recorded \$0.5 million write-off of some mineral properties in Australia. There is a \$0.6 million of deferred income tax recovery in Q4 2016 and an expense of \$3.7 million in Q4 2015.

Quarterly fluctuations in other comprehensive income are largely due to changes in the market values of the available for sale investment portfolio, realized gains or losses on the sale or write-down of the available for sale investment portfolio transferred into the statement of operations, and to the foreign currency translation adjustment resulting from the difference between the functional currency and presentation currency rates applied to non-monetary foreign currency net assets.

The fluctuation in Total Assets from one quarter to the next is primarily a function of cash increases through the issuance of shares and the exercise of warrants and options, the financing through long-term debt, the valuation at fair market value of the investments, the foreign currency translation effect of the net assets kept in the Australian and USA subsidiaries and the use of working capital in the operating expenses of the Company. At December 31, 2016, the \$2.3 million decrease in total assets versus the total assets as of December 31, 2015 is mainly due to a \$2.8 million decrease of mineral properties and related deferred costs for foreign currency translation loss mainly originated by the variance of the U.S. dollar, \$1.5 million of mineral properties write-down, \$0.1 million write-down of Investments and \$1.8 million of working capital used in the operating activities, partially offset by \$2.2 million of cash received in December 2016 in advance of the private placement closed in January 2017, \$1.8 million net decrease in the value of the investment portfolio of marketable securities mainly due to higher current market value of Khan Resources and Treasury Metals securities with respect to their December 31, 2015 market value.

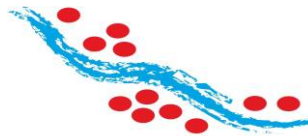
*Three months ended December 31, 2016 compared to three months ended December 31, 2015*

The net gain for the fourth quarter of 2016 was \$11,716 compared to a net loss of \$4,040,684 for the same period of 2015. The variances are summarized, as follows:

- In Q4 2016, there is a net gain of \$1,771,429 compared to \$70,687 gain in 2015. Q4 2016 includes a \$1.4 million return of capital from Khan Resources Inc. as well as realized gains from the sale of shares of Khan Resources and Treasury Metals.
- In Q4 2016 audit and legal fees decreased by \$5,818 mainly due to the reduction of legal fees.
- Q4 2016 includes a \$580,819 deferred tax recovery versus a \$3,697,005 loss in Q4 2015 due to the favorable effect of the permanent differences between accounting and taxable values.

The above indicated higher revenues and lower expenses were partially offset by the following items:

- Office and administrative expenses in Q4 2016 increased by \$14,941 compared to the same period of 2015 mainly due to the effect of \$15,914 of penalties for late payment of payroll liabilities.
- Q4 2016 includes a prior year accrual adjustment of \$97,636 for consulting fees.
- The amortization of transaction costs is \$307,122 higher in Q4 2016 versus Q4 2015 due to the shorter amortization period of the new long-term debt with Extract starting in Q1 2016.
- In Q4 2016, there is a \$220,705 exchange loss versus a \$42,083 loss of Q4 2015 mainly due to the devaluation effect in 2016 on the Extract long-term debt denominated in US dollars; in 2015 the debt with Anglo Pacific was denominated in Canadian currency.
- In Q4 2016 there is a charge of \$1,205,697 for write-down of the La Jara property in the USA. There was no write-down of properties in Q4 2015. The Q4 2016 write-down is to adjust the carrying value of the La Jara Mesa asset to the value of the purchase option amount agreed per the URI Churchrock and Crownpoint transaction.
- In Q4 2016 there is \$78,001 write-down on Virginia Energy Resources shares kept by the Company. There was no write-down in Q4 2015.



**Laramide Resources Ltd.**

- The interest expense in Q4 2016 is \$28,232 higher than Q4 2015 due to the higher interest rate of the new Extract long-term debt versus the interest charged by Anglo Pacific Group in the previous year.
- In Q4 2016 there is \$119,401 of vesting of stock options costs compared to \$98,622 in 2015 due to the higher balance of unvested options in the current period.

*Year ended December 31, 2016 compared to the year ended December 31, 2015*

The net loss for the year ended December 31, 2016 was \$856,925 compared to a net loss of \$5,408,620 for the year ended December 31, 2015. The variances are summarized as follows:

- In 2016, there is a net gain of \$2,988,869. 2016 includes a \$1.4 million return of capital from Khan Resources Inc. as well as 1,564,034 realized gains from the sale of the shares of Khan Resources and Treasury Metals.
- In 2016, the audit and legal fees decreased by \$18,284 mainly due to the reduction of legal services.
- Included in 2016 is a \$580,819 deferred tax recovery against \$3,697,005 loss in 2015 due to the favorable effect of the permanent differences between accounting and taxable values.

The above indicated higher revenues and lower expenses were partially offset by the following items:

- Office and administrative expenses in 2016 slightly increased by \$2,657 compared to the year 2015, reflecting no variance in the activities regarding the previous year.
- 2016 includes a prior year accrual adjustment of \$97,636 for consulting fees.
- The amortization of transaction costs is \$1,159,205 higher in 2016 versus 2015 due to the shorter amortization period of the costs of the new long-term debt with Extract starting in Q1 2016.
- The interest expense in 2016 is \$119,682 higher than 2015 due to the higher interest rate of the new Extract long-term debt versus the interest charged by Anglo Pacific Group in 2015.
- In 2016, there is a \$10,131 exchange gain compared to a \$152,503 loss of 2015 mainly due to the USD devaluation in 2016 and its favorable effect on the Extract long-term debt denominated in U.S. dollar; in 2015 the debt with Anglo Pacific was denominated in Canadian currency.
- In 2016 there is \$267,330 charge for vesting of stock options costs compared to \$152,503 in 2015 due to the higher balance of unvested options in the current year.
- In 2016 there is a charge of \$1,205,697 for write-down of the La Jara property in the USA against \$484,732 for the write-down of a non-core property in Westmoreland in 2015. The 2016 write-down is to adjust the carrying value of the La Jara Mesa asset to the value of the purchase option amount agreed per the URI Churchrock and Crownpoint transaction.
- In 2016 there is \$78,001 write-down on Virginia Energy Resources shares kept by the Company. There was no similar write-down in 2015.

*Liquidity*

As at December 31, 2016, the Company is reporting a working capital of \$125,846. The sale or disposition of certain investments is subject to conditions and restrictions related to the debt to Extract as indicated in Note 12 to the consolidated financial statements. Sale of these investments would require that the proceeds of the sale up to \$2 million be repaid against the outstanding loan. As such these investments, because of the restriction, have been classified as non-current assets.

Current uranium market conditions remain insufficiently robust to incentivize new production and the Company has decided to proceed cautiously until the market improves. In the short term, the Company plans to complete a PEA on the Churchrock property and to update the 43-101 on the Churchrock and Crownpoint



## Laramide Resources Ltd.

properties to a compliant mineral resource and to advance the Westmoreland project in only those areas that are necessary. The cost for the work plan for both the Churchrock, Crownpoint, and Westmoreland projects, and for its corporate and field offices, public company costs, interest, tenement renewals, and general and administrative expenses is approximately \$4.6 million. The Company plans to finance expenditures for the work plan from working capital and equity financings throughout the year. As described in the following Capital section, on Jan. 5, 2017, the Company closed a private placement and raised \$4,474,050.

The Company is in the advanced exploration stage at most of its properties and has been largely reliant on obtaining equity financing in order to continue its longer term exploration and development activities, and on its working capital for its short and medium term requirements. Management believes that a variety of funding alternatives is available and is now actively pursuing available alternatives.

### *Capital*

| For the year ended | December 31, 2016  | December 31, 2015  |
|--------------------|--------------------|--------------------|
| Common Shares      | 93,757,740         | 93,757,740         |
| Warrants           | 10,141,709         | 10,912,579         |
| Stock options      | 6,030,000          | 6,010,000          |
| <b>Total</b>       | <b>109,929,449</b> | <b>110,680,499</b> |

As described in Note 20 in the December 31, 2016, Consolidated Financial Statements, on Jan. 5, 2017, the Company closed a non-brokered private placement issuing 14,913,500 units at a price of \$0.30 per unit, for aggregate gross proceeds of \$4,474,050 of which \$2,205,450 was received in advance and held by the trustee at December 31, 2016. Each unit consists of one common share in the capital of the Company and one share purchase warrant which entitles the holder to purchase one additional common share at \$0.45 for a period of 60 months.

As described in Note 13 in the consolidated financial statements, the Company completed two private placements for a total of \$3.6 million in March and December 2015. The private placements consisted of 5,714,282 units at \$0.35 per unit in March and 6,420,000 units at \$0.25 per unit in December. Each unit consisting of one common share of the Company and one-half a common share purchase warrant at an exercise price of \$0.45 and \$0.50 in March and December, respectively.

In connection with the term loan arranged with Extract, the Company issued 2.5 million shares which are subject to a 4-month hold period. The fair value of these shares is recorded in the unamortized transaction costs which will be amortized and charged to the statement of operations over the term of the loan.

On August 22, 2016, the Company granted a total of 2,540,000 options to officers, directors, employees and consultants to buy common shares at an exercise price of \$0.25 each. The fair value assigned was estimated using the Black-Scholes option pricing model with the following assumptions: share price \$0.24, dividend yield 0%, expected volatility based on historical volatility 82.230%, a risk free interest rate of 1.03%, and an expected maturity of 3 years. These options vested at a rate of 50% every six months after the date of grant and expire on August 22, 2019. As a result, the fair value of the options estimated at \$308,121 will be recognized over the periods the underlying options vest.

During the year, \$101,246 (2015 - \$69,820) of vesting option cost was capitalized to mineral properties and \$267,330 (2015 - \$152,503) was expensed to operations and deficit. The offsetting charge was allocated to contributed surplus for \$368,576 (2015 - \$222,323) in aggregate, pertaining to the recognition of the fair value of options vesting during the year.

The following is a summary of warrants outstanding at December 31, 2016.



| Number of Warrants | Exercise Price (\$) | Expiry Date       |
|--------------------|---------------------|-------------------|
| 300,000            | \$0.80              | December 23, 2017 |
| 3,210,000          | \$0.50              | December 24, 2017 |
| 2,857,140          | \$0.45              | March 13, 2018    |
| 74,569             | \$0.36              | March 13, 2018    |
| 1,250,000          | \$0.19              | December 31, 2018 |
| 1,250,000          | \$0.39              | December 31, 2018 |
| 1,200,000          | \$0.35              | December 16, 2021 |

## OFF BALANCE SHEET TRANSACTIONS

In 2016 and 2015, there were no off-balance sheet transactions. The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk.

## COMMITMENTS

In order to maintain current rights to tenure of exploration tenements, the Company will be required to expend amounts in respect of tenement rent to the relevant governing authorities and to meet certain annual exploration expenditure commitments. It is likely that variations to the terms of the current and future tenement holding, the granting of new tenements and changes at renewal or expiry, will change the expenditure commitments for the Company from time to time.

These outlays (exploration expenditure and rent) which arise in relation to granted tenements inclusive of tenement applications granted to December 31, 2016 but not recognized as liabilities are: \$1,676,972 for a period not longer than one year; (\$1,377,256 at December 31, 2015); \$4,535,285 for a period longer than one year but not longer than 5 years (\$6,195,222 at December 31, 2015) and \$nil more than five years. These commitments are detailed in Note 18 to the consolidated financial statements.

Annual property renewals for the U.S. properties are approximately USD\$37,000 per year and must be filed by September 1 of each year.

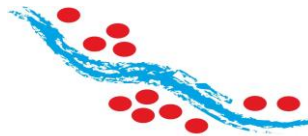
The term loan with Extract provided Extract with a production fee of USD\$40.50 per pound of U<sub>3</sub>O<sub>8</sub> produced from any of the projects owned by Laramide. The production fee may be repurchased at any time by Laramide for a lump sum payment as described in Note 12 to the December 31, 2016 Consolidated Financial Statements.

## CONTINGENCIES

With respect to the Company's wholly owned Australian subsidiary, Tackle Resources Pty Ltd., no provision has been made for the possibility of native title claim applications at some future time, under the provisions of the Australian Native Title Act (1993), which may impact on exploration tenements under application. Any substantiated claim may have an effect on the value of the tenement application affected by the claim. The amount and likelihood of any such claim(s) in the future cannot be reasonably estimated at this time.

## RELATED PARTY TRANSACTIONS

During the year \$98,510 (2015 - \$21,676) was charged for legal services and filing fees by a firm, in which an officer of the Company, Chris Irwin, is a partner. Included in accounts payable and accrued liabilities at December 31, 2016 there is \$61,247 (December 31, 2015 - \$39,197) of payables to the firm.



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During the year, the Company charged \$211,513 (2015 - \$206,234) for office rent and other shared administrative expenses to Treasury Metals Inc., a company having a director, Marc Henderson, and an officer, Dennis Gibson, in common with Laramide. During the year, Treasury Metals also shared administrative expenses payments of \$43,685 on behalf of the Company. At December 31, 2016, there is \$23,341 of net accounts payable (December 31, 2015 – net receivable of \$1,258) to/from Treasury Metals Inc.

At December 31, 2016, there is \$382,899 of compensation (December 31, 2015 - \$232,899) payable to Marc Henderson. At December 31, 2016, there is \$197,000 of directors' fees payable (December 31, 2015 - \$102,000). Transactions with related parties were conducted on terms that approximate market value and measured at the exchange amounts.

### **FINANCIAL INSTRUMENTS**

The current bank accounts, accounts receivable and accounts payable are non-interest bearing. The majority of cash and cash equivalents are held in short-term investments bearing interest up to 1.25%.

The principal financial instruments affecting the Company's financial condition and results of operations is currently its cash, which it receives from interest and royalty payments, its investment portfolio and any financing transactions entered into by the Company. These sources of revenue are subject to various risks, including production risks with respect to the royalty payments and market risks with respect to the investment portfolio. The investment portfolio is managed by the Company. The long-term debt has a non-fixed interest rate of 12-month LIBOR plus 7.5%. The Company to date has not used any formal currency hedging contracts to manage currency risk.

### **RISKS AND UNCERTAINTIES**

The Company's Risks and Uncertainties are disclosed in the Laramide March 29, 2016 Annual Information Form, which is filed on SEDAR and is herein incorporated by reference. These Risks are updated each quarter in the Management Discussion and Analysis when new events or changes in the jurisdictions where the Company operates necessitate new risk analysis. No new risks have been identified to date other than as disclosed in the Annual Information Form.

### **OTHER INFORMATION**

This discussion and analysis of the financial position and results of operation as at December 31, 2016 should be read in conjunction with the consolidated financial statements for the year ended December 31, 2016. Additional information can be accessed at the Company's website [www.laramide.com](http://www.laramide.com) or through the Company's public filings at [www.sedar.com](http://www.sedar.com).

### **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

The Company's financial statements are the responsibility of the Company's management, and have been approved by the Board of Directors. The consolidated financial statements were prepared by the Company's management in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.





## **DISCLOSURE CONTROLS AND PROCEDURES**

Management has designed and evaluated the effectiveness of disclosure controls and procedures and the internal controls on financial reporting and have concluded that, based on our evaluation, they are sufficiently effective as of December 31, 2016 to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries is made known to management and disclosed in accordance with applicable securities regulations.

## **MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Management is responsible for certifying the design of the Company's internal control over financial reporting ("ICFR") as required by Multilateral Instrument 52-109 – "Certification of Disclosure in Issuers' Annual and Interim Filings" and CSA staff notice 52-316 – "Certification of Design of Internal Control over Financial Reporting". Our Internal Control over Financial Reporting is intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable IFRS. Internal Control over Financial Reporting should include those policies and procedures that establish the following:

- maintenance of records in reasonable detail, that accurately and fairly reflect the transactions and dispositions of our assets;
- reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable IFRS;
- receipts and expenditures are only being made in accordance with authorizations of management and the Board of Directors;
- reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, Internal Control over Financial Reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the design of the Company's internal controls over financial reporting as of December 31, 2016, pursuant to the requirements of Multilateral Instrument 52-109. The Company has designed appropriate internal controls over financial reporting for the nature and size of the Company's business, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS except as noted herein.

There have been no changes in Internal Control over Financial Reporting during the year ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect the Company's Internal Control over Financial Reporting.

Marc C. Henderson  
President and Chief Executive Officer  
March 20, 2016



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## **QUALIFIED / COMPETENT PERSON STATEMENT**

*Information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves has been reviewed and approved by Mr. Bryn Jones, a Qualified Person under the definition established by National Instrument 43-101 and JORC. Under the guidelines of National Instrument 43-101, the Qualified Person for the Westmoreland Uranium Project is Mr. Bryn Jones, a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Jones is the Chief Operating Officer of the Company, and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Jones consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

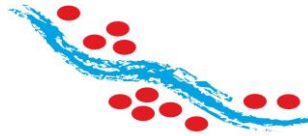
*The information in the market announcement that relates to the reporting of Historical or Foreign Estimates is provided under ASX listing rules 5.12.2 to 5.12.7 and is an accurate representation of the available data and studies for the group of properties subject to the Proposed Transaction based upon information compiled by Mr. Jones.*

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION**

*This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to Laramide's future exploration and drilling plans, environmental protection requirements, business plans and strategy. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved".*

*Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including risks associated with the exploration, development and mining industry such as economic factors as they affect exploration, future commodity prices, obtaining financing, market conditions, changes in interest rates, actual results of current exploration activities, government regulation, political or economic developments, environmental risks, insurance risks, capital expenditures, operating or technical difficulties in connection with development activities, personnel relations, the speculative nature of uranium exploration and development, including the risks of diminishing quantities of grades of reserves; contests over title to properties, and changes in project parameters as plans continue to be refined as well as those risk factors discussed or referred to in this MD&A and in Laramide's Annual Information Form.*

*Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because the Company can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions that may be identified in this MD&A and in Laramide's Annual Information Form, assumptions have been made regarding, among other things: the Company's ability to carry on its exploration and development activities, the timely receipt of any required approvals, the price of uranium, the ability of the Company to obtain qualified personnel, equipment and services in a timely and cost-efficient manner, the ability of the*



**Laramide Resources Ltd.**

*Company to operate in a safe, efficient and effective manner, the ability of the Company to obtain financing on acceptable terms, the accuracy of the Company's resources estimates and geological, operational and price assumptions on which these are based and the regulatory framework regarding environmental matters. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions that may have been used.*

*Although Laramide has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Laramide does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*