



**FOR IMMEDIATE RELEASE**

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Listed (TSX:LAM; ASX:LAM)

## **Laramide Resources to Acquire a Substantial Portfolio of ISR Projects in New Mexico**

Toronto, Canada – Laramide Resources Ltd. (“**Laramide**” or the “**Company**”) (LAM: TSX/ASX) is pleased to announce it has entered into a binding Letter of Intent (“LOI”) with Uranium Resources Inc. (“URI”) pursuant to which Laramide will acquire 100% of an advanced stage portfolio of high-quality In Situ Recovery (“ISR”) projects in New Mexico (the “Proposed Transaction”). The properties are principally comprised of the Church Rock and Crownpoint projects, in addition to nearby assets, which have near-term development potential and significant mineral resources. The properties are located within a large land package in the heart of the Grants Mining District in McKinley County, New Mexico, one of the most historically significant uranium-producing districts in the U.S.

These projects have been previously burdened by significant net smelter royalties, specifically the sliding scale royalty, held by Laramide of up to 25% of gross revenue covering certain areas of the properties. The combination of Laramide’s New Mexico uranium royalty portfolio and these projects is synergistic and creates an ISR division operating in a tier one jurisdiction with significantly enhanced overall project economics.

Total consideration to be paid by Laramide to URI is US\$12.5 million, over a three-year period, from the anniversary of closing. The targeted closing date of the Proposed Transaction is March 31, 2016 (the “Closing”). The consideration will include a combination of cash, shares, a promissory note (the “Note”), and an option for URI to acquire Laramide’s La Sal project in Utah for US\$4M, which would reduce the amount owed of the Note. Further terms related to the consideration to be paid by Laramide are summarized below in this press release.

### **Acquisition Highlights**

- URI owns mineral interests, mining claims and other assets that comprise the Church Rock and Crownpoint mining projects and the recently consolidated Strathmore/Church Rock assets.

- URI also holds a license from the United States Nuclear Regulatory Commission for production of uranium from Sections 8 and 17 of the Church Rock 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". They however cannot be considered current mineral resources. There are four historical resource estimates from 2005 to 2012, summarized in a table at the end of the release.
- Historical estimates suggest the mineral resources may be amenable to ISR;
- In a Feasibility Study on Church Rock'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 US\$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.

As consideration for acquiring the properties, the Company will deliver to URI the following at Closing:

- US\$5.25 million in cash.
- A Note of US\$7.25 million secured by a deed of trust or mortgage over the Properties. The Note shall have a three-year term with an annual interest rate as follows: (i) five percent (5%) until Laramide makes a commercial production decision on Church Rock; and (ii) ten percent (10%) thereafter. Principal payments of \$2.42 million are due and payable on the anniversary of the closing of the Proposed Transaction in each of 2017, 2018 and 2019. Interest will be payable on a quarterly basis; provided, however, that no interest will be payable prior to the first principal payment in 2017. The first principal payment and interest due on the first anniversary (in 2017) in their entirety only, can be paid in common shares, at URI's option, based on the following terms:

- A 15% premium to Laramide's 5-day VWAP on the TSX prior to the Closing (converted into US dollars based on the exchange rate on the day prior to the payment). The number of common shares issued will be subject to a collar with the minimum equal to 9.9% of Laramide's issued and outstanding shares at the time of closing the Proposed Transaction and a maximum amount of 14.9%.
- In addition to the above-listed consideration, URI shall have the right to appoint one director to the Laramide Board of Directors for as long as URI holds more than ten per cent (10%) of Laramide's outstanding common shares.
- 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 US\$4.0 million, effected by a reduction in principal of the Note from US\$7.25 million to US\$3.25 million with respective adjustments to the principal and interest payment schedule.

Marc Henderson, President and Chief Executive Officer, said, "We are pleased to introduce the Church Rock and Crownpoint group of properties as a new cornerstone asset cementing our strategy of developing low-cost uranium assets in tier one jurisdictions.

"Church Rock complements our flagship asset in Australia, Westmoreland, and our conventional hard rock projects in New Mexico and Utah, being a near term development asset."

Chief Operating Officer, Bryn Jones, said, "I am extremely excited about the addition of the Church Rock – Crownpoint projects to our portfolio. We now have an asset base that gives us size, scale and diversity – all within quality locations.

"The quality of the companies involved in the previous stages of the projects' development gives the Laramide team a lot of confidence in being able to quickly confirm the resources and progress to development phase should a feasibility support a production decision," he stated.

Completion of a definitive agreement and due diligence is expected in mid-December. Transfer of NRC license is expected on or before March 31, 2016. The Proposed Transaction remains subject to Toronto Stock Exchange and ASX approval.

The Definitive documents will provide for a US\$250,000 mutual break fee payable in the event the Proposed Transaction does not close as a result of a breach by either party of its obligations under the Definitive documents.

### **Advisors**

Dundee Securities Ltd. acted as strategic advisor to Laramide in conjunction with this acquisition and Irwin Lowy LLP acted as legal advisor in Canada and Comeau, Maldegen, Templeman & Indall in the U.S.

### **Historical Resource Estimates**

The table below 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.

Year of Report	Source of Report	Historical Resource Clarification	Tons	Average Grade % U3O8	Lbs of U <sub>3</sub> O <sub>8</sub>
March 1, 2010 - Resource Estimate on Churchrock	Behre Dolbear & Co. prepared for URI	Measured and Indicated	N/A	N/A	18.6 million
March 1, 2010 Resource Estimate on Mancos	Behre Dolbear & Co. prepared for URI	Indicated Resource	5.2 million	0.11	11.3 million
March 1, 2010 Crownpoint Resource Estimate	Behre Dolbear & Co. prepared for URI	Indicated Resource	N/A	N/A	15.3 million
Strathmore/Churchrock Resource Estimate (December 20, 2005) and Scoping Study (April 4, 2011)	David C. Fitch prepared the Resource Estimate and Behre Dolbear the Scoping Study for Strathmore Minerals Corp.	Measured and Indicated Resource	6.22 million	0.10	11.848 million
		Inferred Resource	1.95 million	0.09	3.525 million

### **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 summarised below:

- Church Rock (including Section 8, 9 & 17) – The Church Rock 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 Church Rock 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 or 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/Church Rock – 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 Church Rock 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/Church Rock 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 – Mineralisation 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 ¼ 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 ¼ of Section 24;
- Ten “CP” unpatented lode claims in the SW ¼ of Sect 24;
- Two “Consol” unpatented lode mining claims in the SE ¼ of Sect 25; and
- Eight “Hydro” unpatented mining claims in the NE ¼ of Sect 25.
- The resource number stated above for Crownpoint consider 100% of the mineralisation in all projects apart from the Walker lease where 40% of the mineralization is included. The Church Rock 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 mineralisation. Most operators also logged resistivity and spontaneous potential. On some projects intervals of mineralisation were cored to obtain samples for laboratory analysis of U<sub>3</sub>O<sub>8</sub>, radiometric U<sub>3</sub>O<sub>8</sub>, other elements of interest, and metallurgical testing.

**Further work 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 favourable.

**Qualified Person**

The technical information in this news release has been prepared in accordance with the Canadian regulatory requirements set out in NI 43-101. The information has been reviewed and approved by Bryn Jones, MMinEng, FAusIMM a Qualified Person under the definition

established by National Instrument 43 101 and JORC. Mr. Jones is the Chief Operating Officer of the Company and a Fellow of the Australasian Institute of Mining and Metallurgy.

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. Mr. Jones 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 release of the matters based on his information in the form and context in which it appears.

To learn more about Laramide, please visit the Company's website at [www.laramide.com](http://www.laramide.com).

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### **About Laramide**

Laramide is engaged in the exploration and development of high-quality uranium assets. Its wholly owned uranium assets are in Australia and the United States. Laramide's portfolio of advanced uranium projects have been chosen for their production potential. Its flagship project, Westmoreland, in Queensland, Australia, is one of the largest projects currently held by a junior mining company. Its U.S. assets include La Jara Mesa in Grants, New Mexico, and La Sal in the Lisbon Valley district of Utah. Its portfolio also includes joint venture, strategic equity positions and royalty participation in uranium development and exploration companies that provide additional geographic diversification and uranium exposure for shareholders.

### **Forward-looking Statements and Cautionary Language**

This News Release contains forward looking statements which are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward looking statements. The Company does not intend to update this information and disclaims any legal liability to the contrary.