

# **Laramide Resources Ltd.**

**ANNUAL INFORMATION FORM**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**DATED: APRIL 2, 2013**

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## PRELIMINARY INFORMATION

### References

References in this Annual Information Form (“AIF”) to “Laramide” or the “Company” refer to Laramide Resources Ltd., and its subsidiaries (as the context requires).

### Date of Information

All information in this AIF is as at December 31, 2012, unless otherwise indicated.

### Currency

The Canadian dollar is the reporting currency and currency of measurement of the Company. **All dollar amounts are expressed in Canadian dollars unless otherwise indicated.**

## NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this AIF constitutes “forward-looking information”, which is information regarding possible events, conditions or results of operations that is based upon assumptions about future economic conditions and courses of action. All information other than matters of historical fact may be forward-looking information. In some cases, forward-looking information can be identified by the use of words such as “seek”, “expect”, “anticipate”, “budget”, “plan”, “estimate”, “continue”, “forecast”, “intend”, “believe”, “predict”, “potential”, “target”, “may”, “could”, “would”, “might”, “will” and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information in this AIF includes, but is not limited to: information about exploration, development and production activities, including information regarding the potential mineralization and resources of the Company’s projects, statements about drill results and core intersection lengths, in that they constitute estimates, based on certain assumptions of mineralization that may be encountered if a deposit were to be mined, exploration and development plans, including anticipated costs and timing thereof, and anticipated time to production, and expectations regarding plans for growth through future acquisitions, exploration activities, farm-ins or otherwise.

By its nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or industry results, to differ materially from those expressed or implied by such forward-looking information. Some of the risks and other factors that could cause actual results to differ materially from those expressed in the forward-looking information contained in this AIF include, but are not limited to: risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations; results of initial feasibility, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company’s expectations; risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined; mining and development risks, including risks related to accidents, equipment breakdowns, labour disputes (including work stoppages and strikes) or other unanticipated difficulties with or interruptions in exploration and development; the potential for delays in exploration or development activities or the completion of feasibility studies; risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; risks related to commodity price and foreign exchange rate fluctuations; the uncertainty of profitability based upon the cyclical nature of the industry in which the Company operates; risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities; risks related to environmental regulation and liability; political and regulatory

risks associated with mining and exploration; risks related to the uncertain global economic environment; and other risks and uncertainties related to the Company's prospects, properties and business strategy.

A discussion of these and other factors that may affect our actual results, performance, achievements or financial position is contained in "Risk Factors" and elsewhere in this AIF and other documents incorporated in this AIF. Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those described in the forward-looking information, readers are cautioned that this list is not exhaustive and there may be other factors that the Company has not identified. Readers are cautioned not to place undue reliance on forward-looking information contained in this AIF. Forward-looking information is based upon the Company's beliefs, estimates and opinions as at the date of this AIF, which the Company believes are reasonable, but no assurance can be given that these will prove to be correct. Furthermore, the Company undertakes no obligation to update or revise forward-looking information if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

All forward-looking information contained in this AIF is expressly qualified by this cautionary note.

### **TECHNICAL INFORMATION AND DISCLOSURE FOR MINERAL PROJECTS**

This AIF contains disclosure regarding the Company's mineral resources. Mineral resources are not mineral reserves and do not have demonstrated economic viability. Mineral resources may never be converted into reserves.

The disclosure in this AIF of scientific or technical information for the Westmoreland and La Jara Mesa properties is based on the technical reports described below under "Documents Incorporated By Reference", which were prepared in accordance with National Instrument 43-101 – Standards for Disclosure for Mineral Projects of the Canadian Securities Administrators ("NI 43-101"), by or under the supervision of "qualified persons" under NI 43-101, or is otherwise based on information prepared by or under the supervision of Peter Mullens, the Company's Vice-President Exploration, who is also a "Qualified Person" under NI 43-101.

### **DOCUMENTS INCORPORATED BY REFERENCE**

Information concerning certain of the Company's mineral projects, which is required to be included in this AIF in the section entitled "Description of the Business – Mineral Projects", has been included by incorporating by reference the following documents in this AIF:

- The technical report dated May 11, 2009 and entitled *Laramide Resources Limited Westmoreland Uranium Project – Redtree Resource Update* prepared by Andrew Vigar and David Jones of Mining Associates Pty Ltd. (the "Westmoreland Report").
- The revised technical report dated July 2, 2007 and entitled *Technical Report on La Jara Mesa Uranium Property, Cibola County, New Mexico* prepared by Douglas Peters (the "La Jara Technical Report").

In addition, incorporated by reference into this AIF are the audited consolidated financial statements and management discussion and analysis for the Company for the fiscal years ended December 31, 2012 and 2011 together with the auditor's report thereon.

The foregoing documents are available for viewing under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## CORPORATE STRUCTURE

### Name, Address and Incorporation

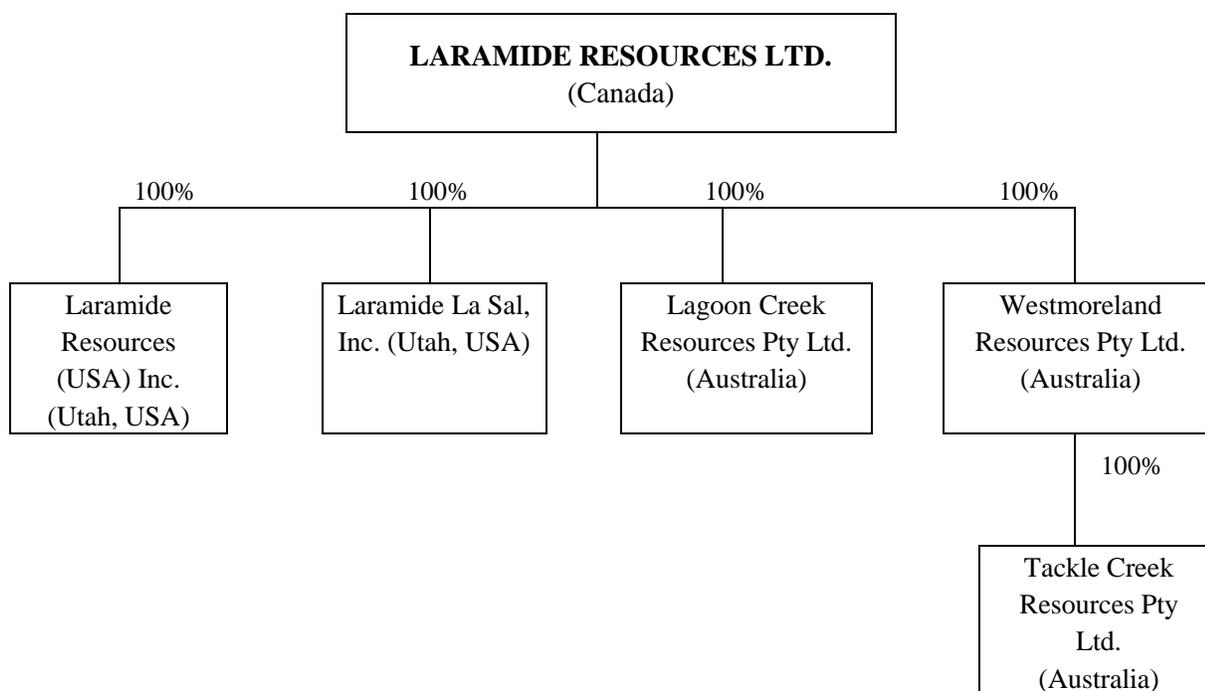
The registered and head office of Laramide is located at The Exchange Tower, 130 King Street West, Suite 3680, P.O. Box 99, Toronto, Ontario M5X 1B1. The Company also has project offices in Spring Hill, Brisbane, Queensland, Australia.

The Company was continued under the *Canada Business Corporations Act* from the Province of British Columbia by articles of continuance certified effective June 27, 1996. By articles of amendment dated June 5, 2002 the authorized capital of the Company was increased by creating an unlimited number of special shares issuance in series and by creating the first series of special shares.

The Company is a reporting issuer in all of the Canadian provinces except for Quebec. The common shares of Laramide (the “Common Shares”) are listed on the Toronto Stock Exchange (the “TSX”) under the symbol “LAM”.

### Intercorporate Relationships

The following chart sets out the Company’s corporate structure including all principal subsidiaries and their respective jurisdictions of incorporation:



## GENERAL DEVELOPMENT OF THE BUSINESS

### Three Year History

Details of the events that have influenced the general development of the Company for the past three years are set out below. Additional information concerning our business is provided elsewhere in this AIF in the section entitled “Description of the Business”.

#### Developments in Fiscal Year ended December 31, 2010

On January 28, 2010, the Company announced results from the first seven diamond drill holes completed in late 2009 at the Westmoreland Property. During November and December 2009, a total of 17 diamond drill holes were completed to launch the drilling program announced November 17, 2009.

On March 9, 2010 the Company reported the receipt of final laboratory results from drilling at the Westmoreland Property in the fourth quarter of 2009.

On June 17, 2010, the Company reported the favourable ruling announced by Uranium Resources (“URI”) concerning the decision of the U.S. Tenth Circuit Court of Appeals to uphold the permitting authority of the State of New Mexico. If no Supreme Court challenge ensues, then the underground injection control (UIC) permit granted by the State of New Mexico in 1989 can be renewed for URI to commence production at Section 8 of its Churchrock property in McKinley County, New Mexico.

On June 29, 2010, the Company announced that it has entered into a court approved settlement agreement providing for the transfer of the La Sal uranium property (the “La Sal Property”), located in San Juan County, Utah to Laramide’s wholly-owned subsidiary, Laramide La Sal Inc. The La Sal Property was previously encumbered, preventing Laramide from developing the asset despite its advanced status as a previously permitted project with a 1,200 metre access drive constructed and with access to a commercial mill.

On August 11, 2010, the Company announced the start of a 2,300 metre drill program to be split between its Gulf Mines joint venture property in the Northern Territory and the Westmoreland Property. Metallurgical studies were also commenced at Westmoreland. The drill program (1,300 metres) at Westmoreland was to follow up from the last drilling in 2009 and to perform its first drilling in the Sue-Outcamp Zone. A total of seven sites were planned. The balance of the drilling was targeted at the joint venture property in the Northern Territory. The metallurgical studies will provide data for all of the engineering design required for a pre-feasibility level of study.

On September 13, 2010, Laramide exercised its option to acquire the La Sal Property for purchase consideration of US\$500,000 and related transfer costs to Homestake Mining Company of California (“Homestake”) and certain related entities. This payment will be followed by a further payment of US\$250,000 required upon successfully permitting the La Sal Property, and a final payment of US\$500,000 upon the La Sal Property commencing commercial production.

On November 24, 2010 the Company released assay results for drilling completed in September 2010 at the Westmoreland Property. A total of 19 diamond drill holes for 1,377.9 metres were drilled in August and September 2010. Of the 19 drill holes, 7 holes were drilled for 630.4 metres at Huarabagoo, and 12 holes were drilled for 747.5 metres at Long Pocket, within the Westmoreland Property.

## Developments in Fiscal Year ended December 31, 2011

In January 2011, Laramide reported that it had submitted a Notice of Intent to the United States Bureau of Land Management (“BLM”) to reopen its La Sal II mine located in San Juan County, Utah. This action followed the closing of the acquisition of the La Sal Project in September 2010 from Homestake Mining, a wholly owned subsidiary of Barrick Gold Corporation (see Laramide news release of September 13, 2010). Concurrent with the BLM application, Laramide also submitted a Notice of Intent to the State of Utah, Division of Oil and Gas and Mining, for a Small Mine Permit (applicable where the surface disturbance area is less than 5 acres). Subsequently the BLM asked for a more detailed Plan of Operations. The requested Plan of Operations was submitted to the BLM in December 2010 and the BLM is reviewing it for completeness. The State of Utah will withhold final permitting until the BLM completes its review and approves the Plan of Operation. On October 11, 2011, the Company provided a further update on its permitting efforts for the La Sal Project in San Juan County, Utah. A final Environmental Assessment (“EA”) was prepared by the Moab Field Office of the US Bureau of Land Management (“BLM”) and was made public on October 7, 2011.

On May 16, 2011, the Company signed a Binding Farm-In and Joint Venture Term Sheet with Rio Tinto Exploration Pty Limited with respect to two strategically located uranium tenements in the Northern Territory of Australia. The project comprises tenement applications, EL 9319 (724 km<sup>2</sup>) and EL 9414 (387 km<sup>2</sup>) that are situated geologically within the highly prospective Murphy Uranium Province and are along strike from the Westmoreland project in northwest Queensland. Under the terms of the agreement, Laramide can earn 51 per cent 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, and would be dedicated to a large-scale helicopter supported airborne survey that will include magnetics and radiometrics.

On July 27, 2011, the Company reported that it had received the final report from the Australian Nuclear Science and Technology Organisation (“ANSTO”) for comprehensive metallurgical test work carried out on the Company’s 100% owned Westmoreland project located in Queensland, Australia. The ANSTO report, which was commissioned by Laramide in late 2010, was intended to identify definitive process route options for the Westmoreland project and to provide engineering design data sufficient to support a pre-feasibility level of study. The ANSTO report is available on SEDAR ([www.sedar.com](http://www.sedar.com)).

Report highlights include:

- The ANSTO study was completed on four composite lens samples (Junnagunna, Redtree Upper, Redtree Lower and Jacks) of the Westmoreland deposit.
- High recoveries were achieved from all areas using a conventional uranium processing route.
- The Redtree and Junnagunna samples were readily leached under conventional leaching conditions (55 wt% solids, 40 °C, pH 1.5, P80 of 250 µm and ORP of 500 mV). For these conditions uranium extraction was 97% for both ores, with acid additions of only 18 and 14 kg/t for Junnagunna and Redtree, respectively. Predicted pyrolusite requirements were also low at 3.0 kg/t for both ores.
- Variation in grind sizes in the range 350-75 µm had negligible impact on uranium extraction and acid addition.
- The uranium leaching rate increased with increasing temperatures from 30°C to 50°C. For both ores, leaching at 30°C significantly decreased the extraction rate, and to a lesser extent, the final extraction of uranium. The initial rate of leaching was reduced at 40 °C, but extractions were quite similar to those at 50°C after 12 h. Although temperature has a significant effect on the initial extraction rate, there was also a significant relative increase in the acid addition. The optimum temperature appeared to be ~ 40°C.
- Encouraging results were received from ion exchange test work. This was a preliminary step for determining the feasibility and benefits of a resin in pulp process route.

On December 30, 2011, the Company closed a non-brokered private placement (the "Offering"). The Offering consisted of 2,125,000 units (the "Units") of the Company at a price of \$0.80 per Unit, for aggregate gross proceeds of \$1.7 million. A second tranche of an additional 750,000 Units for gross proceeds of \$600,000 closed in January 2012. The Company will use the proceeds of the Offering to fund its Westmoreland Project in Australia, the La Sal Project in the U.S and for general corporate purposes. Each Unit consisted of one Common Share and one-half of one common share purchase warrant with each full warrant entitling the holder to purchase an additional Common Share at an exercise price of \$1.00 per Common Share for a period of two years from the closing date of the Offering. The Company paid finder's fees of 6% cash commission totaling \$59,040 to certain parties with respect to services provided in connection with the Offering.

#### Developments in Fiscal Year ended December 31, 2012

On March 24, 2012, the state of Queensland's Labour National Party and their leader, Campbell Newman, won a landslide election victory, securing 77 of 89 seats in Queensland Parliament. This election result has materially positive implications for Laramide and the Company's Westmoreland Project in northwest Queensland, as uranium mining has not occurred in Queensland since 1982 and was effectively banned since the election of the Goss government in 1989. Premier Campbell Newman and the new Queensland government overturned the 23-year ban on uranium mining in October 2012, and on March 18, 2013, the Government released a best practice framework for recommencement of uranium mining in Queensland.

On May 18, 2012, the U.S. Forest Service issued a Draft Environmental Impact Statement for the Company's La Jara Mesa Uranium Project in the Grants Mineral Belt, New Mexico, United States. 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.

On June 18, 2012, Laramide announced a permitting update on the La Sal Uranium Project in San Juan County, Utah. The United States Bureau of Land Management ("BLM") issued a Record of Decision approving the Plan of Operations at the Company's La Sal Project in Utah. The issuance of this permit allows 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 is not required. In addition, the Utah State Division of Oil, Gas and Mining also approved the small mine state permit.

On August 10, 2012, Laramide announced completion of a transaction with Anglo Pacific Group PLC in connection with the Company's variable rate gross revenue royalty on the development stage ISL uranium properties owned by Uranium Resources Inc. in the Grants Mineral District of New Mexico, United States. In return for a facility of \$5 million due in December 2015, Laramide has granted Anglo Pacific an option to acquire a 5% gross revenue royalty for an exercise price of US\$15 million. 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 December 31, 2015. The facility bears interest at a rate of 7% per annum payable quarterly in arrears. Laramide's Royalty ranges from 5% to 25%, depending on uranium prices.

On August 29, 2012, Laramide announced commencement of the 2012 Westmoreland drilling program. An initial program of 4,000 metres for 25 drill holes of diamond core drilling, within a larger program of 30,000 metres, is planned to test exploration targets along strike from the Huarabagoo and Junnagunna deposits. Previously drilling had not extensively targeted the 3-kilometre strike length between the two deposits.

On October 17, 2012, Westmoreland assay results were reported for nine drill holes for 1,121.7 metres of which three holes were drilled in the northern section of the Huarabagoo deposit area, and six were drilled on a single section along the structural corridor that connects the Huarabagoo and Junnagunna deposits. Initial results in the drilling campaign successfully intersected a number of new zones of mineralization in both target areas. Best results for the program include: WDD12-152 (Corridor) with 11 metres at 1,311 ppm U<sub>3</sub>O<sub>8</sub>. This is a new zone, west of the dyke, which has not been previously intercepted; WDD12-159 (Huarabagoo) 10 metres at 970 ppm U<sub>3</sub>O<sub>8</sub> from 31 metres and 14 metres at 819 ppm U<sub>3</sub>O<sub>8</sub> from 64 metres. Both of these zones are east of the dyke and have not been intercepted in previous drilling; WDD12-160 (Huarabagoo) 16 metres at 983 ppm U<sub>3</sub>O<sub>8</sub> from 62 metres. This is also a new zone east of the dyke. Full press release with drill results is filed on SEDAR.

On October 25, 2012, the Company reported commencement of La Sal's on-site construction programs leading towards the rehabilitation of the existing decline and ventilation raise, along with the installation of temporary surface support facilities. Activities also included site access road work, development of safety procedures/plans, and sourcing of a contract mining company to reopen the site.

In the third quarter 2012, the Company successfully completed royalty unit holder payment obligations on the production from the La Sal Project following the offer to purchase the royalty units under various elections.

By November 21, 2012, all approvals and conditions precedent under the Rio Tinto Murphy Farm-In and Joint Venture Agreement, including with traditional land owners, were successfully completed. The result is the right to commence exploration activities on the large strategic land package situated adjacent to Laramide's flagship Westmoreland Project.

#### Developments in the first quarter of Fiscal Year ended December 31, 2013

In a joint statement on October 22, 2012, the Queensland Premier and the Minister for Natural Resources and Mines announced that the State Government will convene an implementation committee to oversee the recommencement of uranium mining in Queensland. In March 2013, the six-person independent committee issued their report which found Queensland's existing system for regulating mining and radiation safety appropriate for uranium mining and concluded a new legislative framework was not necessary. The committee also concluded that a comprehensive regulatory system for the uranium industry is also in place at a federal government level. The possibility of mining Queensland's rich deposit became a reality again when the federal government began talks to lift its ban on exporting uranium to India in late 2011. The ban was officially lifted in October 2012 and a few days later Premier Campbell Newman announced Queensland would once again allow uranium mining. The committee has made 40 recommendations on how that would work. Assessments of possible uranium mines will be a joint decision between the Commonwealth and the Queensland governments, although the committee did recommend a coordinated approvals process. At the centre of the committee's recommendations are new institutional arrangements to improve coordination of assessment and approvals for uranium mines, including improved engagement with stakeholders and an Indigenous Training and Development trust be established with the royalties of uranium mining. The report does recommend specific mine safety and health guidance documentation be developed to ensure best standards are maintained at all stages from exploration to mining and processing. Mining royalties would be set at 5 per cent, with a view to increase this over time, but the rate would be slashed to 2.5 per cent as an incentive for investment in the first five years. The committee presented the report to Cabinet, but did not give a time frame on when the the government would respond to the 40 recommendations.

## DESCRIPTION OF THE BUSINESS

### General Overview

Laramide Resources Ltd (Corporation No. 327470-5) was incorporated under the laws of the Province of British Columbia, Canada, on April 29, 1980, and was subject to the British Columbia Corporations Act (“BCCA”). On June 27, 1996, the Company was continued under the laws of the Dominion of Canada and has since been subject to the relevant provisions of the Canada Business Corporations Act (“CBCA”). In August 2006, the Company listed on the main board of the Toronto Stock Exchange (“TSX”) under the symbol “LAM”. The Company has also applied to the Australian Securities Exchange (“ASX”) for admission to the official list of the ASX for trading. The code “LAM” has also been reserved for use on the ASX following listing.

The Company is also registered as a foreign company in Australia pursuant to the provisions of the Corporations Act. The Company’s ARBN is 154 146 755.

Laramide is engaged in the exploration and development of uranium assets in Australia and the United States. The Company’s uranium projects have been chosen for their production potential and location in safe and politically stable jurisdictions. These projects include the Company’s flagship Westmoreland Project in Northwestern Queensland, Australia, and the smaller US-based projects La Jara Mesa in Grants, New Mexico and La Sal in the Lisbon Valley district of Utah.

Laramide has a strategic position in the uranium exploration industry in Australia. The Company has secured a series of contiguous mineral tenements that together cover many of the known uranium deposits in the Westmoreland region in northwest Queensland, many of which have been shown to have a significant uranium resource with attractive grades.

Further, as part of Laramide’s strategy to control ground contained within a mineralized system in Australia, the Company is involved in three Northern Territory farm-in and joint ventures that border Queensland: the Lagoon Creek Joint Venture, the Debbil Debbil Joint Venture and the recent Murphy Farm-In and Joint Venture with Rio Tinto Exploration Pty Ltd. on a number of strategically located uranium tenements, situated geologically within the highly prospective Murphy Uranium Province and along strike from Westmoreland.

The Company’s US-based projects, La Jara Mesa(at the permitting stage) and La Sal (which is permitted), provide diversification by jurisdiction and by stage of project. Previous exploration and development activities on the projects have included metallurgical testing, mine infrastructure and resource and reserve estimates. The Company’s Directors anticipate that La Sal will be the first of the Company’s projects to potentially achieve commercial production. In January 2013, Laramide entered into a toll milling agreement for the processing of ore obtained from La Sal at Energy Fuel Inc.’s White Mesa Mill (see Company press release dated January 18, 2013). La Jara Mesa is located in the Grants Mining District, New Mexico, US and is currently seeking an underground and mining permit.

The Company holds a portfolio of primarily uranium industry related equity positions and royalty interests that provide additional diversification. These include the UNC Royalty (which is discussed in detail in the “Mineral Projects: McKinley County, New Mexico U.S.A” section of this AIF. The tenements that are the subject of the UNC Royalty are currently at the development stage by Uranium Resources Inc. (“URI”), a US publicly traded company.

Following Laramide’s admission to the Official List of the ASX, the Company will have CDIs traded on the ASX and Shares traded on the TSX, each of which will be convertible into the other on a one for one basis, subject to certain restrictions governed by Canadian and Australian securities regulators.

## Employees

The Company had 14 employees as at December 31, 2012.

## Marketable Securities

Laramide owns securities in uranium exploration and development companies with complementary assets, as well as certain non-uranium investments which can be liquidated as a source of funding for continuation of 2013 exploration programs. The details as of December 31, 2012 are as follows:

Name of Company	Number of Shares	Market Value <sup>(1)</sup>	If publicly traded, list the market(s) where traded
<i>Uranium Investments</i>			
Uranium Equities Limited	6,983,218	\$231,038	ASX
Khan Resources Inc.	7,300,000	\$876,000	TSX
Virginia Energy Resources Inc.	120,000	\$58,000	TSX
Alligator Energy Ltd.	4,925,000	\$483,736	ASX
Anthem Resources Inc	400,000	\$52,000	ASX
<i>Non-Uranium, Investments</i>			
Treasury Metals Inc.	5,011,600	\$4,761,021	TSX
Nation River Resources Ltd.	149,885	\$6,681	N/A
Pan American Silver Corp.	10,000	\$185,900	TSX
Pan American Silver Corp (wts)	110,000	\$22,218	Not listed

Note:

(1) As of December 31, 2012.

## Competitive Conditions

The mineral exploration and mining business is competitive in all phases of exploration, development and production. The Company competes with a number of other entities in the search for and acquisition of productive mineral properties. As a result of this competition, the majority of which may often be with companies with greater financial resources than the Company, the Company may be unable to acquire attractive properties in the future on terms we consider acceptable. The Company also competes for financing with other resource companies, many of whom have greater financial resources and/or more advanced properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

The Company's ability to acquire properties depends on its success in exploring and developing the Company's present properties and its ability to select, acquire and bring to production suitable properties or prospects for mineral exploration and development. Factors beyond the Company's control may affect the marketability of minerals mined or discovered by the Company. See "Risk Factors" in this AIF for information regarding the impact that competitive conditions may have on the Company's business.

## **Environmental Protection**

The Company's current and future operations, including development activities on its properties or areas in which it has an interest, are subject to laws and regulations governing exploration, development, tenure, productions, taxes, labour standards, occupational health, waste disposal, protection and remediation of the environment, mine safety, toxic substances and other matters.

Environmental protection requirements did not have a material effect on the capital expenditures, earnings or competitive position of the Company during our 2012 financial year and are not expected to have a material effect during the Company's 2013 financial year.

## **RISK FACTORS**

Mineral exploration, development and mining are high-risk enterprises and only occasionally provide high rewards. Potential investors should consider an investment in Laramide as speculative.

Some of the key risks associated with an investment in the Company are summarized below. This list of risks is not exhaustive. The occurrence of any of the risks or events outlined below could have a materially adverse effect on the Company's operations and, in turn, the price at which shares of the Company trade on the TSX and CDIs trade on ASX.

### **Foreign Operations**

The majority of the Company's exploration and development activities are currently conducted outside of Canada – in Australia and the United States of America. As such, the Company is exposed to various levels of political, economic and other risks and uncertainties, which vary from country to country. Changes in regulations or shifts in political attitudes or policies in these jurisdictions are beyond the Company's control and may adversely affect its business. For example, changes in government policies regarding export controls, income taxes, expropriation of property, and repatriation of profits, land use or environmental protection matters could negatively affect the Company's future operations.

### **Volatility of Uranium Prices**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of uranium exposes the potential income of the Company to risks associated with fluctuations in uranium prices. In addition, regardless of the success of the Company's exploration and development program and ultimate sales revenue from production, fluctuations in the price of uranium will have a direct impact on the perceived value of the Company and its projects. Uranium prices have historically been subject to long periods of flat prices with price spikes and declines that can increase or decrease the spot price by a multiple. In the last six years, for example, uranium spot prices have ranged from approximately US\$40/lb U<sub>3</sub>O<sub>8</sub> to US\$138/lb U<sub>3</sub>O<sub>8</sub> and are currently about US\$42.50.

### **Tenure and Access**

Mining and exploration tenements are subject to periodic renewal, often at the discretion of the relevant government authority. There is a risk that current or future tenements or future applications for production tenements may not be approved, or may be approved with unexpected new conditions which could be burdensome or costly to satisfy, either of which may adversely affect Laramide's operations or proposed operations.

## **Resource and Reserve Estimation Risk**

Mineral resource figures are estimates and no assurances can be given to the accuracy of the estimates with respect to size (tonnage), uranium grade and recoverability. The geological modelling carried out by the Company and its consultants provides only estimated quantities of uranium that may be produced. There is no guarantee that the Company will receive the uranium prices assumed in determining its economic resources. These estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results, availability of data, accuracy of statistical computations, the assumptions and judgments made in interpreting engineering and geological information and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the resource estimates included reflect management's best estimates, by their nature resource estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and statistical inferences that may ultimately prove unreliable.

If the Company's mineral resource figures are inaccurate or are reduced in the future, this could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Furthermore, fluctuations in the market price of uranium, as well as increased capital or production costs or reduced recovery rates may render ore reserves uneconomic and may ultimately result in a reduction of resources. The extent to which resources may ultimately be reclassified as proven or probable reserves is dependent upon the demonstration of their profitable recovery. The evaluation of reserves or resources is always influenced by economic and technological factors, which may change over time.

## **Counterparty Contractual Risk**

Some of the Company's projects are subject to the risk that changes in the status of any of the Company's joint ventures or royalty arrangements may adversely affect the operations and performance of the Company. These changes may be caused by the financial failure or default of the Company or the counterparty, fundamental breach of the relevant agreement by Company or the counterparty or failure by either party to make the contributions required under the relevant agreement.

Counterparty contractual risk is particularly salient in relation to the Gulf Joint Venture, from which the Company's joint venture partner, Hartz Range Mines Pty Ltd, is attempting to withdraw, in relation to various other joint ventures, under which failure by either party to meet contributions will result in dilution of ownership, and in relation to the UNC Royalty Agreement, the Anglo Pacific Facility Agreement and the Homestake Purchase Agreement, under which failure by Laramide to meet milestone payments as required may entitle counterparties to exercise the security interests they hold over some of Laramide's assets.

## **Expenditure on Tenements**

Under the provisions of relevant Queensland legislation and the terms and conditions of the Westmoreland Project tenements, the Company is required to meet ongoing work program and minimum expenditure obligations. The Company has not met these requirements for EPMs 14558 and 14672 for the period ending July 25, 2012, with an underspend of approximately \$1,312,387 (for EPM 14558) and \$1,365,550 (for EPM 14672). For the period to July 25, 2013, the Company is obliged to expend \$5 million on EPM 14558 and \$1.9 million on EPM 14672. However, since August 2012, the Company has spent approximately \$2 million in carrying out an extensive drilling program on EPM 14558.

If the Company does not meet its minimum expenditure commitments on the Westmoreland Project tenements, it intends to apply to the Queensland Department of Natural Resources and Mines to vary the work program and expenditure requirements for EPMS 14558 and 14672 to accommodate any future shortfall. There is a risk that applications for variation of conditions may not be granted and that the Minister may refuse to renew or cancel the tenements

### **Exploration and Development Success**

Exploration for and development of uranium properties involve significant financial risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an orebody may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling, constructing mining and processing facilities at a site, connecting to a reliable infrastructure, developing metallurgical processes and extracting uranium from ore. The Company cannot ensure that its current exploration and development programs will result in profitable commercial mining operations. Also, substantial expenses may be incurred on exploration projects that are subsequently abandoned due to poor exploration results or the inability to define reserves that can be mined economically.

The economic feasibility of development projects is based upon many factors, including the accuracy of mineral reserve estimates; metallurgical recoveries; capital and operating costs; government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting and environmental protection. Development projects are also subject to the successful completion of feasibility studies, issuance of necessary governmental permits and availability of adequate financing.

### **Operating Risks**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems, adverse weather conditions, industrial and environmental accidents or disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

### **Changes in Government Policy**

Changes in government policies or legislation in Australia or the United States may adversely affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company.

### **Environmental Risks**

The operations and proposed activities of the Company are subject to State and Federal environmental regulation in both Australia and the United States and (as with other similar projects and operations) the Company expects those operations and activities to affect the environment, particularly if they constitute advanced exploration or mine development proceeds. The Company intends to conduct its activities to the highest standard of environmental obligation, including compliance with all applicable environmental laws.

### **Investments in Gold and Silver Mining Companies**

The Company has a number of strategic investments in companies involved in the exploration and mining of minerals, including gold and silver. Gold and silver prices are volatile and may fluctuate as a result of

numerous factors which are beyond the control of the Company. This volatility and fluctuation may adversely affect the value of Laramide's investments and, in turn, Laramide's financial condition and ability to fund its activities.

### **Additional Requirements for Capital**

The Company will need to seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means to progress its projects. There is a risk that additional finance may not be available at all or on favourable terms. If Laramide is unable to obtain such financing, it may need to delay, postpone or reduce the scope of its exploration, development or production plans, which could adversely affect its business, financial condition and results of operations.

### **Economic Risks**

General economic conditions such as movements in interest and inflation rates and currency exchange rates may adversely affect the Company's exploration, development and production activities, as well as its ability to fund those activities.

### **Listing Risk and Takeover Protection**

The Company is continued under the laws of Canada and its Shares are traded on the TSX. It is intended that the CDIs will trade on ASX. This may result in certain market and corporate-related complications from the perspective of an Australian investor, particularly in relation to corporation law and listing rules regulatory matters.

For example, the rights of Shareholders are governed by Canadian laws and differ in some respects from the rights of shareholders of companies incorporated in Australia, particularly in relation to takeovers.

Investors should be aware that an investment in the Company involves risks that may be higher than risks associated with an investment in some other companies. Investors should carefully consider all matters raised in this AIF.

### **Shares Reserved For Future Issuance**

At the close of business on December 31, 2012, the Company had the following options and Warrants outstanding:

<b>Security</b>	<b>Number</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Options	2,095,000	\$1.20	September 15, 2014
Options	1,810,000	\$1.10	May 19, 2013
Options	125,000	\$1.90	January 6, 2013
Warrants	650,000	\$1.35	January 6, 2015
Warrants	375,000	\$1.00	January 6, 2014
Warrants	1,062,500	\$1.00	December 30, 2013

Options and warrants are likely to be exercised when the market price of the Common Shares exceeds the exercise price of such options or warrants. The exercise price of such options or warrants and the subsequent resale of such Common Shares in the public market could adversely affect the prevailing market price and the Company's ability to raise equity capital in the future at a time and price when it deems appropriate. The Company may also enter into commitments in the future which would require the issuance of additional Common Shares and the Company may grant additional share purchase warrants and stock options. Any share issuances from the Company's treasury will result in immediate dilution to

existing shareholders.

## **MINERAL PROJECTS**

The Company's material mineral projects are the Westmoreland Property and the La Jara Mesa and La Sal properties, which are located in Australia and the United States of America, respectively. Information concerning these projects is discussed below. In addition, the Company has one royalty exploration project.

### ***Uranium Properties***

#### **Westmoreland Property**

Laramide's Westmoreland Uranium Project, the Company's flagship asset, is located in Queensland, Australia adjacent to the Northern Territory border. The Westmoreland Project tenements are contiguous and are located as a group approximately 400 kilometres north – north-west of Mt Isa. Laramide's wholly owned subsidiary, Tackle Resources Pty Ltd, owns 100% of Westmoreland (subject to a 1% Net Smelter Royalty to Royal Gold Inc. on any production in relation to EPMS 14558 and 14672, with cumulative royalty payments capped at AUD\$10 million indexed to inflation), and continues to advance the project through ongoing drilling.

The Westmoreland Project has an Indicated Mineral Resource totalling 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 a further Inferred Mineral Resource totalling 15.9 million pounds of uranium contained in 9.0 million tonnes at an average grade of 0.083%  $U_3O_8$ .

It is intended that the Westmoreland Project will involve an open cut operation using conventional acid leaching and solvent extraction technology.

In 2010, Laramide commissioned a report by the Australian Nuclear Science and Technology Organisation ("ANSTO") to identify definitive process route options for the Westmoreland Project and to provide engineering design data sufficient to support a pre-feasibility level of study. The Company received the final report in July 2011, which was undertaken on four composite lens samples of the Westmoreland deposit, namely Junnagunna, Redtree Upper, Redtree Lower, and Jacks. High recoveries were achieved from all areas using a conventional uranium processing route. Further, the Junnagunna and Redtree samples were readily leached under conventional leaching conditions of 55 wt% solids, 40 degrees Celsius, pH 1.5, P80 of 250 micron and ORP of 500 mV. Under these conditions, uranium extraction was 97% for both ores, with acid additions of only 18 and 14 kg/t for Junnagunna and Redtree respectively. Moreover, predicted pyrolusite requirements were low at 3.0 kg/t for both ores.

On August 29, 2012 Laramide announced the commencement of an initial drilling program of 4,000 metres for 25 drill holes of diamond core drilling focusing on the prospective structural corridor that connects the Huarabagoo and Junnagunna deposits. Recognition of key structural and geological controls on mineralization during past exploration programs resulted in successfully targeting mineralization on the southern extent of the Junnagunna deposit, but this was the first program to extensively target the three kilometre strike length between the two deposits.

Recent programs have also focused on completing the collection of environmental baseline data (which has been concentrated on ground and surface water monitoring, flora and fauna) for the eventual environmental study. Laramide's short-term predevelopment stage activities at Westmoreland include an updated scoping study and commencement of the permitting process following the recent announcement

in Queensland regarding recommencement of uranium mining in the State.

The newly elected Liberal National Party (“LNP”) and their leader, Campbell Newman, have acknowledged the existence of widespread support for the increased job generation, economic benefit and carbon reduction that may be associated with the reintroduction of uranium mining. In a joint statement on October 22, 2012, the Queensland Premier and the Minister for Natural Resources and Mines announced the State Government’s intention to convene an implementation committee to oversee the recommencement of uranium mining in Queensland. This change in policy has been materially positive for Laramide as a result of the ability to permit uranium mining projects in Queensland.

### **Northern Territory Joint Ventures**

As part of Laramide’s strategy to control ground contained within a large mineralized system in Australia, it has entered into three farm-in and joint venture agreements (namely the Lagoon Creek Joint Venture with NuPower Resources Ltd, the Debbil Debbil JV with Hartz Range Mines Pty Ltd (a 100% subsidiary of Gulf Mines Ltd), and the Murphy Tenement Farm-In and Joint Venture with Rio Tinto Exploration Pty Ltd) under which it has acquired the right to earn an interest in a number of tenements situated adjacent to Westmoreland in the Northern Territory. A brief summary of each of these farm-in and joint ventures is set out below.

#### **Lagoon Creek Earn-In and Joint Venture Agreement**

In May 2005, Laramide, via its wholly-owned subsidiary, Lagoon Creek Resources Pty Ltd (“Lagoon Creek”), entered into an agreement with NuPower Resources Ltd (“NuPower”) (formerly Arafura Resources NL) whereby Laramide could farm-in to NuPower’s granted exploration licence EL23573 located at Lagoon Creek, Northern Territory. Having fulfilled the expenditure requirement of \$3 million over four years, Lagoon Creek now holds a 50% interest in the tenement.

In 2011, the joint venture parties agreed to conduct and fund through equal contributions a helicopter geophysical survey over the tenement at a cost of approximately \$240,000. The survey has recently been completed and the data is being analysed.

The project’s licence renewal application was approved by the Northern Territory Government and the licence has been extended for two years until December 22, 2013.

#### **Debbil Debbil Creek Uranium Project Letter Agreement**

The Debbil Debbil agreement originally related to three tenements held by Hartz Range Mines Pty Ltd (“Hartz”). During 2009 two tenements were voluntarily surrendered, and the Debbil Debbil agreement is now comprised solely of those parts of EL10335 south of latitude 17 degrees 20 minutes, which are considered by Laramide to be the most prospective of the original three tenements.

EL10335 is located north of the NuPower-Lagoon Creek tenement in the Northern Territory. In 2005, under the terms of the Debbil Debbil agreement, Laramide acquired an option to earn a 90% legal interest in any exploration retention lease or mining lease granted from the area of EL10335 for any minerals (other than diamonds). In order to exercise this option, the Company must complete a bankable feasibility study on a prospect within the area and obtain a mine permit. During October 2011 some surface sampling work was completed on the tenement, but to date the option has not been exercised.

The Joint Venture was varied in or about July 2009 to provide, among other things, that Hartz is free to explore for copper and other base metals. More recently, Hartz purported to terminate the Debbil Debbil agreement. Laramide does not consider that Hartz has the ability to terminate under the terms of the

agreement and is opposing the attempted termination. Currently the parties are holding without prejudice negotiations with a view to resolving their disagreement and finalizing a more formal joint venture agreement. Laramide has also lodged a caveat against EL10335 to protect its interest under the agreement. A third party caveat has also been lodged against EL10335 in favour of G E Reveleigh & Co Pty Ltd, although Laramide has so far been unable to identify the nature of the interest claimed under this caveat.

### Murphy Tenement Farm-In and Joint Venture

The Murphy Tenement Farm-In and Joint Venture is based on a binding farm-in and joint venture term sheet between Laramide and Rio Tinto Exploration Pty Ltd (“Rio Tinto Exploration”). The Murphy Farm-In comprises six tenements, EL9319, EL28721, EL28722, EL28723, EL28724 and EL9414, totalling 1,115km<sup>2</sup>, which are situated in the Murphy Uranium Province in the Northern Territory. The tenements were granted by the Northern Territory government in November and December 2011.

Under the Murphy Farm-In, Laramide has the ability to earn a 51% interest in the tenements upon the expenditure of AUD\$10 million on the exploration and development of the tenements over a four year period. This agreement commenced in November 2012 when the traditional landowners approved the initial work program, thus completing the conditions precedent of the agreement. The first AUD\$1 million of this earn-in is a firm commitment by Laramide that must be satisfied by November 2013, and will be dedicated to a large-scale helicopter-supported airborne survey that will include magnetics and radiometrics. This survey is expected to commence in early 2013 and be followed up by a further exploration program targeting the results of the airborne survey.

Laramide also has an option to earn a further 9% interest in the tenements (for a total 60% legal interest) by completing a feasibility study within 36 months of the date upon which the initial farm-in is completed. However, where Laramide completes this feasibility study, Rio Tinto Exploration has the right to ‘clawback’ an 11% interest in the tenements, by paying to Laramide the costs incurred in meeting its farm-in obligations under the terms of the Murphy JV, with the result that Laramide may ultimately hold only a 49% interest.

### **Summary of the Westmoreland Technical Report**

The following description has been summarized from the Westmoreland Report and is based on and subject to all the assumptions, qualifications and procedures contained therein, and which are not fully described herein. Readers should consult the Westmoreland Report to obtain further particulars regarding the Westmoreland Uranium Project. The full text of the Westmoreland Report is available on SEDAR under the Company’s profile, which can be accessed at [www.sedar.com](http://www.sedar.com).

The Westmoreland deposits are held by Laramide in conjunction with its 100% owned Australian subsidiary Westmoreland Resources Pty Ltd. (“WRPL”). Laramide controls four Exploration Permits for Minerals (“EPMs”) located in the State of Queensland, Australia, contiguous with seven Exploration Licences (“ELs”) located in the Northern Territory (“NT”), Australia. At the request of Mr. Peter Mullens, VP Exploration and Director of Laramide, Mining Associates Pty Ltd was commissioned to update the Redtree resources and prepare this Technical Report. Mining Associates completed a technical report (“NI 43-101”) on the exploration tenement in 2006, relying on historical drill data only. Since then Laramide has completed an additional 12,230.4 metres of diamond drilling.

The Westmoreland deposits are located within a group of mineral tenements controlled by Laramide that extend for 200 km east-west and 150 km north-south, straddling the Queensland-NT border (see Frontispiece).

The principal uranium deposits are contained within the Westmoreland Conglomerate, the basal sequence of the Tawallah Group which is the oldest (~1800 Ma) segment of the Southern McArthur Basin. The deposits are associated with an altered basic dyke system intruded along faults (~5km strike length). Mineralisation is present in both the sandstones and dyke rocks.

Anomalous mineralisation occurs along the 7km strike length of the dyke/fault system. There are three known deposits: Redtree, Huarabagoo and Junnagunna associated with the dyke. Vertical mineralisation extends to an identified depth of 80m and laterally mineralisation occurs under cover up to 800 metres in width. There remains considerable potential for further mineralisation between the deposits, particularly for both deeper flat lying and steep mineralisation adjacent to the dyke.

All facets of the geology and data collection at Westmoreland were reviewed by Mining Associates. The mineralised systems were visited in the field. The drill data entry systems and database were audited, U<sub>3</sub>O<sub>8</sub> assay and data entry were checked and use of old data validated. Laramide has completed 8,836.7 metres of diamond drilling at Redtree (165 diamond holes), providing 6,464½ core samples for geochemical analysis. The remaining 3,393.7 metres of diamond drilling occurred at Junnagunna (34 diamond holes) providing 1,595½ core samples. This drilling was designed to verify and improve the quality of previous drilling results. The historic data set and recent Laramide drilling has been used by Mining Associates to construct the current resource estimates.

A new set of three dimensional (3-D) geological interpretations were made by Mining Associates for Redtree and Huarabagoo, Junnagunna has been reviewed and remains unchanged. The 3 sub-areas represent similar mineralisation geometries and drilling directions for geological interpretation and resource estimation. Within these, domains of similar geological style are represented by one or more geological wireframes to constrain the grade estimations of the final resource block model.

Potential remains to both add to the total resource with additional inferred material and upgrade confidence moving resources from inferred to indicated and measured categories. Further data will be required for this, in particular drilling data. There are gaps in the data along strike within the system between the known deposits, as well as areas untested for laterally extensive mineralisation under cover, (e.g. Jack). The steeper portions of the deposit have better grades (for example, most of Huarabago) but the complexity of the ore in these areas requires extensive drill testing to achieve adequate confidence levels for mine planning.

The 2008 drilling and subsequent re-modelling of Redtree considerably improved the understanding of both geology and mineralisation since the previous NI 43-101 report of 2006. This increased understanding combined with validation of the historical drill data has allowed a re-interpretation of the Huarabagoo deposit.

New resource estimates have been completed for the Redtree and Huarabagoo deposits. The Junnagunna deposit was not updated in this review and is stated as the 2006 resource estimate. The 2008 Junnagunna drilling (34 holes 3,393.7 metres) highlighted extension potential to the south, beyond an unexpected fault offset, Laramide has indicated more drilling is required to fully understand the extension, and as such it would be pre-emptive to re-estimate a resource at Junnagunna. The resource estimates have been classified by Mining Associates above an economic cut-off grade of 0.02% U<sub>3</sub>O<sub>8</sub> which is considered reasonable at the time of this report for such a shallow and flat lying deposit. Full details of the parameters used for these estimates are contained in the body of this report. The resource estimates are suitable for use in the mine design process for an open pit operation.

## Summary of Westmoreland Redtree Group Resource Estimates above 0.02% U<sub>3</sub>O<sub>8</sub> Cut-off

Category	Deposit	Tonnes (t)	U <sub>3</sub> O <sub>8</sub> Uncut (%)	U <sub>3</sub> O <sub>8</sub> cut (%)	Metal (kt)	Metal (Mlb)
Inferred	Redtree	4,466,750	0.069	0.067	3.0	6.6
	Huarabagoo	2,406,000	0.116	0.109	2.6	5.8
	Junnagunna	2,149,500	0.077	0.075	1.6	3.6
<b>Sub Total</b>		<b>9,022,250</b>	<b>0.083</b>	<b>0.080</b>	<b>7.2</b>	<b>15.9</b>
Indicated	Redtree	12,858,750	0.092	0.090	11.6	25.5
	Huarabagoo	1,462,000	0.092	0.083	1.2	2.7
	Junnagunna	4,364,750	0.082	0.081	3.5	7.8
<b>Sub Total</b>		<b>18,685,500</b>	<b>0.089</b>	<b>0.088</b>	<b>16.4</b>	<b>36.0</b>

The current resource estimation has increased the total contained metal by 3.2 Mlb of U<sub>3</sub>O<sub>8</sub> above the 2006 estimation, the 2008 drilling resulted principally in re-classification of 17.1 Mlb of U<sub>3</sub>O<sub>8</sub> from an Inferred to Indicated Resource Category.

It is noted that it is the current policy of the Queensland State Government not to allow the mining of Uranium deposits. This policy is currently under review in light of the changing domestic and international political situation.

Mining Associates' Project Co-ordinator was Andrew Vigar, a Qualified Person to report on resource estimates, responsible for the detailed study of the previous resource estimates and construction of the new geology models and resource estimates. Mr. David Jones is a qualified person to report on uranium exploration results.

The resource estimate contains no Measured Mineral Resource. This is related to the extensive use of previous drill data and to the level of short-range variation inherent in the deposit, in particular with the steeper style of mineralisation around the dyke, and should in no way reflect on the viability of the project.

It should be noted that significant gold grades (up to 87 g/t Au over 1m) were recored in drill holes at Huarabagoo, averaging around 1 g/t Au over the entire volume of U<sub>3</sub>O<sub>8</sub> mineralisation investigated. This prompted a stream sediment survey to assess the gold potential of the Westmoreland Conglomerate. Five significantly anomalous drainages were detected. Visible gold was seen in outcrops within three of these areas. The gold appeared to be shedding from quartz veins. No assessment has been made of the gold potential since that time, and is not examined in this report.

Laramide has obtained a commanding strategic position in the uranium exploration industry in Australia, by securing a series of contiguous mineral tenements that cover almost all of the known uranium deposits in the Westmoreland region, a major Australian uranium province. Previous exploration has identified a series of significant potentially economic deposits that require relatively modest investment to advance their status to an indicated resource. Subject to a change in state government policy in Queensland, Laramide could move quickly to a bankable feasibility study and, potentially, into production should this be warranted.

### La Jara Mesa Property

The La Jara Mesa uranium project, located in the Ambrosia Lake Mining District of the Grants Mineral Belt, Cibola County, New Mexico, is a sandstone hosted roll-front deposit that has been extensively explored and mined by previous owners, resulting in over 700 drill holes. Laramide considers it to be the most significant of the US properties.

An independent NI 43-101/JORC compliant resource calculation on La Jara Mesa was completed in 2006, and was subsequently amended in July 2007 by Douglas Peters. The Indicated Mineral Resources are estimated at totalling 7.2 million pounds of uranium ( $U_3O_8$ ) contained in 1.4 million tonnes at an average grade of 0.23%  $U_3O_8$ , and an additional 3.1 million pounds of uranium ( $U_3O_8$ ) contained in 0.7 million tonnes at an average grade of 0.20%  $U_3O_8$  classified as Inferred Mineral Resources.

The La Jara Mesa Project resides on public lands administered by the US Forest Service, near the Mount Taylor site designated as a Traditional Cultural Property. In 2008, Laramide applied to the US Forest Service to proceed with an underground development program, under which it intends to conduct mapping, longhole drilling, test mining and collection of bulk samples for metallurgical and mill compatibility studies. To initiate and support the permitting process, Laramide submitted a Plan of Operations for the La Jara Mesa Project to the US Forest Service in 2008 for underground development and mine production. Having reviewed the Plan of Operations, and in light of the Mount Taylor area's status as a Traditional Cultural Property, the US Forest Service determined the need for an Environmental Impact Statement ("EIS") to be completed in accordance with the National Environmental Policy Act. In 2009, Laramide engaged Golder Associates to work directly with the US Forest Service to collect data for the Project's EIS.

On May 18, 2012, the USFS issued a draft EIS for the Company's La Jara Mesa uranium project. The issuance of the draft EIS represents a milestone in the mine permit process, which would allow underground development activities and mine production at the La Jara Mesa project.

The US Forest Service is currently reviewing the draft EIS in light of public comments and is continuing the Native American Consultation process. Accordingly, 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 EIS. Both this and the Records of Decision ("ROD") from the USFS and NEPA are expected in 2013. Upon completion of any conditions in the ROD, the Company will be eligible to receive permits to allow underground development activities and mine production.

### **Summary of the La Jara Technical Report**

The following description has been summarized from the La Jara Technical Report and is based on and subject to all the assumptions, qualifications and procedures contained therein, and which are not fully described herein. Readers should consult the La Jara Technical Report to obtain further particulars regarding the La Jara Mesa Property. The full text of the La Jara Technical Report is available on SEDAR under the Company's profile, which can be accessed at [www.sedar.com](http://www.sedar.com).

The La Jara Mesa Property consists of 156 unpatented mining claims sold to Laramide by Barrick Gold of North America, successor to Homestake Mining Company ("Homesake"). It encompasses an area of approximately 2,280 acres in Cibola County, New Mexico. The surface is managed by the U.S.D.A Forest Service ("Forest Service"), Cibola National Forest, and the minerals are managed by U.S. Department of the Interior, Bureau of Land Management ("BLM"). The La Jara Property is in the Grants Mineral Belt in northwest New Mexico in Sections 1, 2, 11, 12, 13, 14 and 15, Township 12 North, Range 9 West, New Mexico Principal Meridian, northeast of the city of Grants. Midas International, Power Resources, Gulf Mineral Resources and Homestake Mining Company all had drilled in the area at various times. At least 643 holes have been drilled on the property, including 18 core holes.

The uranium in the mineralized rocks occurs as uranium oxides (coffinite) with humates cementing sandstones in fluvial units of the Poison Canyon sandstone Member of the Morrison Formation of Jurassic age. The mineral deposits are elongate, generally tabular extending in a southeasterly direction. The mineralization may be from a few inches to tens of feet in thickness and extend from a few feet to hundred or more feet in length.

Historical resource estimates for La Jara Mesa were calculated by Midas International and, Homestake, by consulting geologists George G. Beaumont and Chapman, Wood and Griswald (“CW&G”).

In reviewing the historical data, it is concluded that Homestake, the last owner of record, was careful and diligent in data acquisition and interpretation. The resource estimates by others noted above are also reliable. There is additional potential in the area to expand the uranium resource. Isolated mineralized drill holes may need to be off-set in order to further evaluate the resource expansion.

There was a slight probability of disequilibrium as to chemical values versus radiometric. CW&G’s conclusion was that it was near one to one, and, probably, there was no need to make any corrections to the radiometric values calculated by Dalton. The author believes that additional coring may be needed to confirm the conclusion reached by CW&G. Also the author suggests that the Dalton Gamma-Ray logs of the ore-grade holes should be recalculated.

In the La Jara Mesa uranium occurrence, the Poison Canyon Member of Morrison Formation may have as many as four sandstone units separated by shale and mudstones. Mineralization may occur in all the sand units, but the most significant mineralization occurs in the lowest two sandstones, (H1) and (H2) and to a minor degree in H3.

For this report a mineral resource was estimated only for H1, H2 and H3 sands as the remaining sand has no significant mineralization. A polygon method was used with a radius of influence for each mineralized hole being 100 feet for the combined measured and indicated mineralization, or half the distance between two adjacent holes, whichever distance is less. The tonnage factor of 15 cubic feet per ton was used. The resources were estimated at three cut-off grades of 0.05%, 0.10% and 0.15% uranium and GT (grade x thicknesses) of 0.30, 0.60 and 0.90, respectively. An inferred resource was also estimated at 0.15% uranium cut-off, only. This was estimated at 3,172,653 pounds of uranium oxide.

In April 2008, Laramide submitted to the Forest Service a Plan of Operations for Underground Development and Mine Production (“Plan of Operations”), discussed in the 2008 MD & A. The Plan of Operations received comments and requests from Forest Services which are currently being incorporated into an updated Plan of Operations. Laramide is currently working on collection of the required Environmental Impact Assessment data which will be required as part of the Forest Service protocol. This data collection started in the first quarter of 2009, and will be ongoing throughout the year.

### **Events subsequent to the the La Jara Technical Report**

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, which has not made a ruling to date. The US Forest Service continues to manage the Mount Taylor area as a TCP.

Data collection for the Environmental Impact Statement is collected in compliance with Forest Service protocol. Pursuant to this exercise, Laramide contracted Golder Associates (“Golder”) to work directly

with the Forest Service in March 2009, in order to collect the required Environmental Impact Statement (“EIS”) data. Golder will also provide support to the Forest Service in public meetings that will be required as part of the EIS process. Laramide has also 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 will also include development of a sampling and analysis plan for the State’s review and concurrence. As the Forest Service completed their review process, the EIS was made available for public review, which ended on July 17, 2012. The received comments are still under review by the Forest Service.

### **La Sal Property**

The following description has been summarized from the La Sal Technical Report and is based on and subject to all the assumptions, qualifications and procedures contained therein, and which are not fully described herein. Readers should consult the La Sal Technical Report to obtain further particulars regarding the La Sal Project. The full text of the La Sal Technical Report is available on SEDAR under the Company’s profile, which can be accessed at [www.sedar.com](http://www.sedar.com).

The La Sal Project is located in the Lisbon Valley Uranium District in San Juan County, Utah. Pursuant to the purchase agreement under which Laramide obtained (and later exercised) the option to acquire the La Sal Project, Laramide is obliged to pay Homestake agreed amounts upon the satisfaction of certain milestones, the first being the successful permitting of the La Sal Project (US\$250,000) and the second being the commencement of commercial production (US\$500,000). The milestone payment upon completion of permitting is required to be made upon receipt of a commercial mining permit

On May 24, 2010, Laramide disclosed the required payment options to legacy royalty holders (“Unitholders”), who were required to elect to either sell their shares or to receive advance royalties. Based on these elections, the Company paid US\$365,667 to Unitholders electing the US\$8 advanced royalty payment option, and US\$154,500 to Unitholders who elected the US\$15 purchase and sale option in August 2012. Commitments to Unitholders based on receipt of all necessary permits required to bring the mine into production are US\$1,566,420 and are US\$685,625 based on production thresholds.

In November 2010, Laramide filed a Plan of Operations for the underground exploration program with the Bureau of Land Management (“BLM”). The BLM issued a Record of Decision approving the Plan of Operations at the Company’s La Sal Project in Utah in June 2012. As a result of the BLM’s finding of no significant impact, the preparation of an environmental impact statement will not be required. This has allowed Laramide to initiate underground exploration and development activities including a fully permitted bulk sample program to determine metallurgical and mill compatibility. The Company has executed a toll agreement with Energy Fuels Inc. for the processing of the bulk sample at the White Mesa Mill and, once La Sal reaches full production, for additional ore. In 2012, Laramide commenced on-site programs designed to lead towards the rehabilitation of the existing decline and ventilation raise, along with the installation of temporary surface support facilities. The short-term objectives include site access road work, development of safety procedures/plans and sourcing of a contract mining company to reopen the mine site. Commercial production is expected to occur after the mining permit is received if positive results are achieved on the underground activities, including the bulk sample program.

A commercial mining permit will be required after the bulk sample is completed. The Company will file an amended Environmental Assessment to reflect any differences between the current permit provisions and commercial production. The Company anticipates these amendments to be minor as a result of the little surface impact and relative small scale operation at La Sal, which is situated in close proximity to Energy Fuels Inc.’s White Mesa Mill at Blanding, Utah. It should be noted, however, that completion of

the bulk sample program is not currently a short-term objective of the Company and that consequently the events outlined above may not occur for some time.

In addition to the Westmoreland Property and La Jara Mesa and La Sal properties, Laramide has a royalty interest in the following property:

#### **McKinley County, New Mexico, U.S.A.**

On December 20, 2006, Laramide acquired a portfolio of uranium royalties in New Mexico, US from United Nuclear Corporation (“UNC”), a wholly owned indirect subsidiary of General Electric Company. The portfolio covers four separate parcels of mineral leases (Section 8, Section 17, and the Mancos area) 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., a US publicly traded uranium producer.

The royalty acquired is a gross revenue based sliding scale royalty, ranging between 5% and 25% depending on the term price of uranium. At the current term price of approximately US\$57.00/lb U<sub>3</sub>O<sub>8</sub>, the Royalty payments would be 14% of the revenue. The sliding scale Royalty has a maximum royalty rate of 25% if term sales prices reach US\$87.41/lb or higher.

Under the terms of the acquisition, Laramide must pay US\$9.25 million in cash to UNC, structured as follows:

- i) US\$3.5 million (CAD\$4.1 million) at settlement (which has been paid);
- ii) US\$3.0 million (CAD\$3.2 million) on issuance of the final regulatory permit required to allow production to commence on Section 8 (where such permits are yet to be issued);
- iii) US\$1.25 million (CAD\$1.3 million) on issuance of the final regulatory permit required to allow production to commence on Section 17; and
- iv) US\$1.5 million (CAD\$1.6 million) on issuance of the final regulatory permit required to allow production to commence on Mancos (also known as Sections 7, 12 and 13).

Though there can be no guarantee that URI will be successful in receiving all production permits and obtaining its publicly stated production targets it is continuing to develop Section 8. Upon issuance of the final regulatory permit required to allow production to commence on Section 8, a payment to UNC of US\$3 million (approximately CAD\$3.2 million) will be required. Laramide will assess its funding options at the time this milestone payment becomes due and payable, however it is currently anticipated that this payment will be made in part from a combination of the escrow of 25% of the proceeds of any financings activities held in escrow (pursuant to the terms of the Anglo Pacific Facility described below), existing working capital and the potential sale of equity positions held by the Company. In addition, if Anglo Pacific exercises its option over the UNC Royalty to acquire a 5% gross revenue royalty for an exercise price of US\$15 million, Laramide intends to use these proceeds in part to meet this milestone payment. It remains open to the Company to undertake a sale of its interest in the UNC Royalty (subject to third party interests) in a transaction similar to that completed with Anglo Pacific if it believes that to be the most effective way of maximising shareholder value.

The next two payments (described in paragraphs (iii) and (iv) above) are not likely to become due and payable in the short to medium term. URI is only focused on Section 8 and has not commenced the permitting process on Section 17 and on Mancos. In June 2011, URI received notice from the New Mexico Environment Department that its discharge plan was in timely renewal and in October 2011, URI received notification that the NRC had reactivated its source materials licence to conduct ISR uranium mining in McKinley County, New Mexico. During the renewal process, the source materials licence may be utilised according to its terms and conditions, which allows for the production of up to 1 million

pounds per year from Churchrock Section 8. Once a successful commercial demonstration of restoration is made, mining on other properties can begin. The licence allows the extraction of up to 3 million pounds of uranium per year.

URI has recently completed a feasibility study on Section 8 and is currently working to both de-risk and further enhance the economics of the project by negotiating with royalty holders on Section 8, 17 and Mancos and continuing to advance discussions with the Navajo Nation and its government regarding project access.

### **Anglo Pacific Facility**

On August 9, 2012 Laramide completed a transaction with Anglo Pacific Group PLC (“Anglo Pacific”) (acting through its wholly owned Australian subsidiary, Indian Ocean Resources Pty Ltd) in connection with the UNC Royalty outlined in above on the development stage ISL uranium properties owned by URI in the Grants Mineral District of New Mexico, United States (the “Churchrock Properties”).

In return for a facility of CAD\$5 million (which bears an interest rate of 7% per annum payable in quarterly arrears) due in December 2015, Laramide has:

- granted Anglo Pacific an option to acquire a 5% gross revenue royalty (the GRR) for an exercise price of US\$15 million; and
- issued 650,000 warrants, each warrant entitling Anglo Pacific to acquire one Share at an exercise price of \$1.35 per Share on or before December 31, 2015. The terms and conditions of the Warrants are attached to the warrant certificate. The Company is presently responsible for maintaining the warrant register and receiving notice of exercise of the Warrants.

Laramide must deposit 25% of all proceeds received from any asset sales and equity or debt financings completed between August 9, 2012 and December 31, 2015 into an escrow account.

A summary of the material terms of the agreement is available on the Company’s website [www.laramide.com](http://www.laramide.com), see press release dated August 10, 2012. This press release is also available on SEDAR.

### **DIVIDENDS**

Subject to statutory or legal requirements, there are no restrictions in the Company’s articles or by-law that would restrict or prevent the Company from paying dividends. However, the Company has not paid any dividend or made any other distribution in respect of its outstanding shares and management does not anticipate that the Company will pay dividends or make any other distribution in respect on its shares in the foreseeable future. The Company’s board of directors, from time to time, and on the basis of any earnings and the Company’s financial requirements or any other relevant factor, will determine the future dividend policy of the Company with respect to its shares.

### **DESCRIPTION OF SHARE STRUCTURE**

Laramide’s authorized share capital consists of an unlimited number of Common Shares and an unlimited number of special shares (the “Special Shares”), issuable in series, of which 70,867,592 Common Shares and no Special Shares were issued and outstanding as of the date of this AIF. The following is a summary of the material provisions attaching to the Common Shares and Special Shares.

## **Common Shares**

The holders of the Common Shares are entitled to receive notice of and to attend all meetings of the shareholders of the Company and shall have one vote for each Common Share held at all meetings of the shareholders of the Company, except for meetings at which only holders of another specified class or series of shares are entitled to vote separately as a class or series. Subject to the prior rights of the holders of the Special Shares or any other shares ranking senior to the Common Shares, the holders of the Common Shares are entitled to (a) receive any dividends as and when declared by the board of directors, out of the assets of the Company properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine, and (b) receive the remaining property of the Company in the event of any liquidation, dissolution or winding-up of the Company.

## **Special Shares**

The board of directors of the Company may issue the Special Shares at any time and from time to time in one or more series, each series of which shall have the designations, rights, privileges, restrictions and conditions fixed by the directors. The Special Shares of each series shall rank on a parity with the Special Shares of every other series, and shall be entitled to priority over the Common Shares and any other shares of the Company ranking junior to the Special Shares, with respect to priority in the payment of dividends and the return of capital and the distribution of assets of the Company in the event of the liquidation, dissolution or winding-up of the Company.

## **Shareholder Rights Plan**

In April 2007, the Company approved the adoption of a shareholder rights plan (the “Rights Plan”) designed to encourage the fair and equal treatment of shareholders in connection with any takeover bid for the outstanding securities of the Company. In accordance with its terms, the Rights Plan was re-approved and confirmed at the Company’s annual and special meeting of shareholders held in 2010. Under the terms of the Rights Plan, one right is attached to each Common Share currently outstanding (and will attach to each Common Share issued subsequently). Each right will entitle the holder, upon the occurrence of certain specified events and subject to certain limitations, to purchase one Common Share at an exercise price equal to five times the market price (the “Exercise Price”), subject to adjustment under certain circumstances. If certain events occur (including when a person or group becomes the beneficial owner of 20% or more of any class of voting shares of the Company without complying with the “permitted bid” provisions of the Rights Plan or without the approval of the Company’s board of directors), exercise of the rights would entitle the holders (other than the acquiring person or group) to acquire that number of Common Shares having an aggregate market price on the date of the event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price. Accordingly, exercise of the rights may cause substantial dilution to a person who attempts to acquire control of the Company.

## **MARKET FOR SECURITIES**

### **Trading Price and Volume**

The Common Shares are currently listed and posted for trading on the TSX under the trading symbol “LAM”. The table below sets forth the high and low trading prices and volume for the Common Shares traded through the TSX on a monthly basis for the period commencing on January 1, 2012 and ending on December 31, 2012.

<i>2012</i>	<b>Price Range and Trading Volume</b>		
	<b>High</b>	<b>Low</b>	<b>Volume</b>
January	1.10	0.71	8,130,654
February	1.21	0.83	3,564,702
March	1.61	1.05	4,486,302
April	1.38	0.99	1,375,457
May	1.13	0.77	1,351,996
June	0.91	0.76	1,148,665
July	0.87	0.75	959,711
August	0.99	0.75	1,096,735
September	1.07	0.90	1,849,464
October	1.10	0.79	3,629,236
November	0.95	0.68	2,098,384
December	0.87	0.72	1,606,531

### **Prior Sales**

The following table sets forth the securities not listed but issued by the Company during the year ended December 31, 2012.

<b>Date</b>	<b>Class of Securities</b>	<b>Number of Securities</b>	<b>Exercise Price</b>
February 15, 2012	Options	2,225,000	\$1.20
January 06, 2012	Warrants	375,000	\$1.00
August 09, 2012	Warrants	650,000	\$1.35

### **ESCROWED SECURITIES**

To the knowledge of the Company, no securities of the Company are held in escrow.

### **DIRECTORS AND OFFICERS**

#### **Name, Occupation and Security Holding**

The following table and the notes thereto set out the name, province or state and country of residence of each director and executive officer of the Company, their current position and office with the Company, their respective principal occupation during the five preceding years, the date on which they were first elected or appointed as a director or officer of the Corporation, the number of Common Shares of the Company beneficially owned, directly or indirectly, or over which they exercise control or direction as at the date of this AIF, and the percentage of the total issued and outstanding Common Shares of the Company represented by such shares:

<b>Name and Province or State and Country of Residence</b>	<b>Offices Held and Date Appointed</b>	<b>Principal Occupation During Past 5 Years</b>	<b>Director or Officer of Company Since</b>	<b>Director Classification</b>
Marc C. Henderson Ontario, Canada	Director, President, Chief Executive Officer	Chartered Financial Analyst, President and CEO of Laramide Resources Ltd., former President and CEO of Aquiline Resources Inc. (1998-2009)	May 16, 1995	Insider
Scott Patterson <sup>(2)(3)(4)</sup> Ontario, Canada	Director	Chartered Accountant, President and Chief Operating Officer, FirstService Corporation	June 21, 1995	Independent
Peter Mullens Brisbane, Australia	Director, VP, Exploration	Mining and Exploration Geologist	December 3, 2003	Insider
John G. Booth <sup>(2)(3)(4)</sup> London, UK	Director	Barrister and Solicitor, Chairman BuyFX Ltd. and Partner Conservation Financial International	December 3, 2003	Independent
Paul Wilkens <sup>(2)(3)(4)</sup> New York State, USA	Director	Retired businessman. Prior thereto, President and senior officer of Rochester Gas and Electric Corporation	March 7, 2007	Independent
Dennis Gibson Ontario, Canada	Chief Financial Officer	CFO of Laramide Resources Ltd. , prior thereto Vice-President, Chief Financial Officer and Corporate Secretary of Vector Intermediaries Inc.; former Chief Financial Officer of Aquiline Resources Inc. (2006-2009); current CFO of Javelina Resources Ltd. and of Treasury Metals Inc. since July 2010.	April 6, 2006	N/A
Greg Ferron Ontario, Canada	Vice President, Corporate Development and Investor Relations	Vice President of Treasury Metals Inc. and Laramide Resources Ltd., prior thereto Head of Global Mining, Business Development and Senior Listings Manager of Toronto Stock Exchange and TSXV	January 17, 2011	N/A

*Notes:*

- (1) Information regarding Common Shares held does not include Common Shares issuable upon the exercise of options of the Company.
- (2) Member of Audit Committee.
- (3) Member of Compensation Committee.
- (4) Member of Nominating and Governance Committee.

Each director and officer listed above had held the principal occupation listed for the past five years, other than as noted below.

Paul Wilkens

Mr. Wilkens has been a director of the Company since March 7, 2007. Mr Wilkens holds a Bachelor of Science in Engineering Physics and Secondary Education from South Dakota State University, a Master of Science in Nuclear Engineering from the University of Illinois and a Master of Business Administration from the University of Rochester. Prior to his retirement in 2003, Mr. Wilkens had a 30 year career with Rochester Gas and Electric Corporation and held numerous positions in the corporation including Senior Vice President and President prior to his retirement in 2003.

Dennis Gibson

Mr. Gibson serves as Chief Financial Officer of the Company. Mr. Gibson holds a Bachelor of Commerce from Concordia University (Loyola College), and is a member in good standing with the Certified

General Accountants of Ontario (CGA). He has held various senior financial positions over the past twenty-five years. From July 2004 until joining the Company in March 2006, he was a self-employed financial consultant. From 1996 to 2004, Mr. Gibson served as the Vice-President, Chief Financial Officer and Corporate Secretary of Vector Intermediaries Inc., a public company listed on the TSX Venture Exchange. In 2006, he became Chief Financial Officer of Laramide and of Aquiline Resources Inc., and currently he is the Chief Financial Officer of Treasury Metals Inc., Laramide Resources Ltd., and Javelina Resources Ltd.

#### Greg Ferron

Mr. Ferron serves as Vice President of Corporate Development and Investor Relations of the Company. Prior to joining the Company, Mr. Ferron held various positions at the Toronto Stock Exchange and the TSX Venture Exchange for the past nine years, including being a member of the stock list committee. His last position at the Exchange was heading the global business development for the mining sector. Prior to that, Mr. Ferron was a Senior Account Manager and Financial Analyst at Scotiabank. Mr. Ferron also serves as Vice President Corporate Development and Investor Relations for Treasury Metals Inc.

The directors and executive officers as a group beneficially owned, directly or indirectly, 8,123,212 Common Shares representing approximately 11.47% of the issued and outstanding Common Shares as at the date of this AIF.

#### **Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Other than as noted below, no director or executive officer of the Company is, or within the 10 years prior to the date of this AIF, either:

- (I) has been a director, chief executive officer or chief financial officer of any company that:
  - (a) while the director or executive officer was acting in that capacity as director, chief executive officer or chief financial officer, was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days (any of such orders, an “Order”); or
  - (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (II) has been a director or executive officer of any company that while acting in that capacity as director or executive officer, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (III) has individually become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets, with the exception of the following:

Mr. Gibson, CFO of Laramide, was the CFO of Vector Intermediaries, Inc. (“Vector”), a TSX Venture Exchange (“TSXV”) traded company. Vector was subject to a cease trade order by the Alberta Securities Commission dated June 20, 2003. The cease trade order was imposed for failure to file audited financial

statements for the year ended December 31, 2002 and unaudited financial statements for the period ended March 31, 2003. Following the imposition of the cease trade order, Vector was sold in receivership, and its securities were de-listed from the TSXV.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflict of Interest**

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors (the "Board"), any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, that director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

To the best of the Company directors' knowledge, save as described herein, there are no known existing or potential conflicts of interest among the Company, its directors, officers or other members of management of the Company as a result of their outside business interests except that certain of the directors, officers, and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. Such directors or officers in accordance with the *Canada Business Corporations Act* will disclose all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

### **LEGAL PROCEEDINGS AND REGULATORY ACTION**

The Company was not party to any legal proceedings or regulatory action during the year ended December 31, 2012.

### **AUDIT COMMITTEE INFORMATION**

Multilateral Instrument 52-110 ("MI52-110") requires the Company to disclose annually in its AIF certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor. This information is provided below.

## **Audit Committee**

The Audit Committee is responsible for the Company’s financial reporting process and the quality of its financial reporting. The Audit Committee is charged with the mandate of providing independent review and oversight of the Company’s financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight and compensation of the Company’s external auditors. The Audit Committee also assists the board of directors in fulfilling its responsibilities in reviewing the Company’s process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Audit Committee maintains effective working relationships with the board of directors, management, and the external auditors and monitors the independence of those auditors. The Audit Committee is also responsible for reviewing the Company’s financial strategies, its financing plans and its use of the equity and debt markets.

The full text of the charter of the Company’s Audit Committee is attached hereto as Appendix “A”.

### **Composition of the Audit Committee**

The Audit Committee of Laramide is comprised of the following members of the board of directors of the Company:

<u><b>Name</b></u>	<u><b>Corporate Position</b></u>	<u><b>Independent</b></u>	<u><b>Financial Literacy</b></u>
Paul Wilkens	Director	Yes	Yes
Scott Patterson	Director (Chair)	Yes	Yes
John Booth	Director	Yes	Yes

The following table describes the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member:

<u><b>Name of Member</b></u>	<u><b>Relevant Experience and Qualifications</b></u>
Paul Wilkens	Mr. Wilkens holds a Bachelor of Science in Engineering Physics and Secondary Education from South Dakota State University, a Master of Science in Nuclear Engineering from the University of Illinois and a Master of Business Administration from the University of Rochester. Prior to his retirement in 2003, Mr. Wilkens had a 30 year career with Rochester Gas and Electric Corporation and held numerous positions in the corporation including Senior Vice President and President prior to his retirement in 2003.
Scott Patterson	Mr. Patterson is the President and Chief Operating Officer of FirstService Corporation. He joined FirstService Corporation in 1994 as Vice President Corporate Development, and was the Chief Financial Officer from February 1995 until September 2003. Prior to FirstService Corporation, Mr. Patterson was an investment banker at Bankers Trust. Mr. Patterson is a Chartered Accountant and began his career at Price Waterhouse.
John Booth	Mr. Booth is a partner with Conservation Finance International, the trading name of JAS Financial Products LLP, a hedge fund in London, UK (since 2004). He is also Chairman of BuyFX Ltd., an online Foreign Exchange matching service based in Bermuda (since 1998). Mr. Booth is a qualified lawyer (Ontario, NY & DC) and has worked as a banker and broker in the international capital markets for over 20 years at firms including Merrill Lynch International, ICAP, CEDEF, ABN AMRO Bank, the World Bank and Climate Change Capital.

## Pre-Approval Policies and Procedures

In the event that the Corporation wishes to retain the services of the Corporation's external auditors for any non-audit services, prior approval of the Audit Committee must be obtained.

### Audit Fees

The following table provides detail in respect of audit, audit related, tax and other fees incurred by the Company to the external auditors for professional services:

	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
<b>Year ended December 31, 2011</b>	\$80,040	\$14,450	\$18,210	\$1,500
<b>Year ended December 31, 2012</b>	\$71,100	\$39,690	\$6,180	\$1,300

**Audit Fees** – Audit fees were paid for professional services rendered by the auditors for the audit of the Company's annual financial statements as well as services provided in connection with statutory and regulatory filings.

**Audit-Related Fees** – Audit-related fees are paid for professional services rendered by the auditors and would comprise primarily of the review of quarterly financial statements, opening IFRS statements, and related documents.

**Tax Fees** – payable in respect of tax compliance, tax advice and tax planning professional services. These services include reviewing tax returns and assisting in responses to government tax authorities.

**All Other Fees** – The "other fee" category in both 2012 and 2011 related mainly to work performed for financings in both years. It also reflects fees that were payable for professional services, which included accounting advice.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the following persons:

- (a) a director or executive officer of the Company;
- (b) a person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 per cent of any class or series of the Company's voting securities; or
- (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b) above,

has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years of the Company or during the current financial year of the Company that has materially affected or will materially affect the Company.

## **TRANSFER AGENT AND REGISTRAR**

The Company's transfer agent and registrar is Computershare Investor Services Inc. ("Computershare"), 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario.

## **MATERIAL CONTRACTS**

Other than contracts entered into in the ordinary course, the following material contracts were entered into by the Company within its most recently completed financial year or prior thereto but which are still in effect:

1. Shareholder Rights Plan Agreement dated November 23, 2012 between the Company and Computershare, as rights agent, in respect of the Rights Plan, as described elsewhere in this AIF under "Description of Share Capital".
2. Underwriting Agreement dated February 19, 2009, between the Company and GMP Securities L.P., Dundee Securities Corporation, Cormark Securities Inc. and Haywood Securities Inc., as underwriters, in respect of a public offering of 5,000,000 units of the Company completed in February 2009 discussed elsewhere in this AIF under "General Development of the Business-Three Year History".

## **INTEREST OF EXPERTS**

### **Names of Experts**

Set forth below are the persons and companies who prepared or certified a statement, report, valuation or opinion described, included or referred to in a filing that we made under National Instrument 51-102 during or relating to our most recently completed financial year.

Peter Mullens, the Vice-President Exploration and a director of the Company and a "qualified person" under NI 43-101, prepared or supervised the preparation of certain scientific or technical information about the Company's mineral projects during its most recently completed financial year.

Andrew J. Vigar and David G. Jones of Mining Associates Pty Ltd., Brisbane, Australia, each a "qualified person" under NI 43-101, prepared the Westmoreland Technical Report.

Douglas Peters, a "qualified person" under NI 43-101, prepared the La Jara Mesa Technical Report.

The qualified persons named above are collectively referred to herein as the "Qualified Persons".

None of the Qualified Persons named under "Names of Experts" has received or will receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of any of the Company's associates or affiliates in connection with the preparation or certification of any statement, report or valuation prepared by such person. During the financial year ended December 31, 2012, Mr. Mullens received stock options of the Company for services rendered by him generally to the Company in his capacity as a director, officer and employee of the Company. To the knowledge of the Company, none of the Qualified Persons named under "Names of Experts" (or any of the designated professionals thereof) held securities of the Company representing more than 1% of all issued and outstanding securities of that class as at the date of the statement, report or valuation in question.

Collins Barrow Toronto LLP ("Collins Barrow") was appointed as auditor of the Company on April 30, 2003. Collins Barrow prepared the auditor's report on the annual consolidated financial statements of the

Company for the financial year ended December 31, 2012 and 2011. Collins Barrow is independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Accountants of Ontario.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company filed under its continuous disclosure obligations is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the joint management information circular of the Company for its most recent meetings of shareholders that involved the election of directors, and additional financial information is provided in the financial statements of the Company and management's discussion and analysis for each of their most recently completed financial years, respectively.

## APPENDIX “A”

### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

#### 1. Overall Purpose / Objectives

The committee will assist the board of directors (the “Board”) in fulfilling its responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company’s process of monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. The committee will also be responsible for reviewing the Company’s financial strategies, its financing plans and its use of the equity and debt markets.

To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company’s business, operations and risks.

#### 2. Authority

The Board authorizes the committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to retain outside legal or professional counsel and other experts and to ensure the attendance of the Company officers at meetings as appropriate.

#### 3. Organization

##### 3.1 Membership

- i) The committee will be comprised of at least three members, each of which should be an independent director.
- ii) The chairman of the audit committee will be nominated by the committee from time to time.
- iii) A quorum for any meeting will be two members.
- iv) The secretary of the committee will be the Company’s secretary, or such person as nominated by the Chairman.

##### 3.2 Attendance at Meetings

- i) The committee may invite such other persons (e.g. the CEO) to its meetings, as it deems appropriate.
- ii) The external auditors should be present at the annual audit committee meeting and be expected to comment on the financial statements in accordance with best practices. The committee may as it deems appropriate, invite the external auditors to participate in other audit committee meetings.
- iii) Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary.
- iv) The proceedings of all meetings will be minuted.

#### **4. Roles and Responsibilities**

The committee will:

- 4.1 Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- 4.2 Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- 4.3 Review the Company's strategic and financing plans to assist the Board's understanding of the underlying financial risks and the financing alternatives.
- 4.4 Review management's plans to access the equity and debt markets and to provide the Board with advice and commentary.
- 4.5 Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- 4.6 Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside counsel whenever deemed appropriate.
- 4.7 Review the annual and quarterly financial statements including Management's Discussion and Analysis and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.
- 4.8 Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- 4.9 Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- 4.10 Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.
- 4.11 Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- 4.12 Assess the fairness of the interim financial statements and disclosures, and obtain explanations from management on whether:
  - a) actual financial results for the interim period varied significantly from budgeted or projected results;
  - b) generally accepted accounting principles have been consistently applied;
  - c) there are any actual or proposed changes in accounting or financial reporting practices;
  - d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.

- 4.13 Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
- 4.14 Review the performance of the external auditors and approve in advance provision of services other than auditing.
- 4.15 Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company.
- 4.16 Make recommendations to the Board regarding the reappointment of the external auditors.
- 4.17 Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
- 4.18 Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- 4.19 Obtain regular updates from management and the Company's legal counsel regarding compliance matters, as well as certificates from the Chief Financial Officer as to required statutory payments and bank covenant compliance and from senior operating personnel as to permit compliance.
- 4.20 Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- 4.21 Perform other functions as requested by the full Board.
- 4.22 If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist.
- 4.23 Review and update the charter; receive approval of changes from the Board.

## **APPENDIX “B”**

### **Procedures for Receipt of Complaints and Submissions Relating to Accounting Matters**

1. The Company shall inform employees verbally or via written communication of the officer (the “Complaints Officer”) designated from time to time by the Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters.
2. The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.
3. The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meeting of the Committee called to approve interim and annual financial statements of the Company.
4. Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.
5. The Complaints Officer shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

### **Procedures for Approval of Non-Audit Services**

1. The Company’s external auditors shall be prohibited from performing for the Company the following categories of non-audit services:
  - (a) bookkeeping or other services related to the Company’s accounting records or financial statements;
  - (b) financial information systems design and implementation;
  - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
  - (d) actuarial services;
  - (e) internal audit outsourcing services;
  - (f) management functions;
  - (g) human resources;
  - (h) broker or dealer, investment adviser or investment banking services;
  - (i) legal services;
  - (j) expert services unrelated to the audit; and
  - (k) any other service that the Canadian Public Accountability Board determines is impermissible.
2. In the event that the Company wishes to retain the services of the Company’s external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Company shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.

The Chief Financial Officer of the Company shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.