

LARAMIDE RESOURCES LTD.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016



INDEPENDENT AUDITORS' REPORT

To the Shareholders of Laramide Resources Ltd.

We have audited the accompanying consolidated financial statements of Laramide Resources Ltd. and its subsidiaries, which comprise the consolidated balance sheets as at December 31, 2017 and December 31, 2016 and the consolidated statements of operations, comprehensive income, changes in shareholders' equity and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Laramide Resources Ltd. and its subsidiaries, as at December 31, 2017 and December 31, 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
April 2, 2018
Toronto, Ontario

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LARAMIDE RESOURCES LTD.
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN CANADIAN DOLLARS)

	December 31, 2017	December 31, 2016
Assets		
Current Assets		
Cash and cash equivalents (Note 7)	\$ 1,724,568	\$ 2,547,561
Short-term investments	20,025	20,045
Accounts receivable and prepaid expenses (Note 8)	309,720	224,346
Investments (Note 9)	290,990	37,346
	<u>2,345,303</u>	<u>2,829,298</u>
Long-term investments (Note 9)	2,000,000	1,807,500
Restricted cash (Note 9)	-	192,500
Prepaid royalty (Note 11)	458,729	490,981
Property and equipment (Note 10)	49,928	57,316
Advances on property acquisition (Note 12)	-	759,801
Mineral properties and related deferred costs (Note 11)	84,514,890	73,208,394
	<u>\$ 89,368,850</u>	<u>\$ 79,345,790</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 13)	\$ 2,190,446	\$ 2,703,452
Short-term loans and current portion of long-term debt (Note 14)	2,427,879	-
Derivative liability (Note 14)	2,555,040	-
	<u>7,173,365</u>	<u>2,703,452</u>
Long-term debt (Note 14)	7,079,680	3,254,863
Deferred tax liabilities (Note 6)	3,236,301	3,673,840
	<u>17,489,346</u>	<u>9,632,155</u>
Shareholders' Equity		
Capital stock (Note 15)	132,499,044	126,629,198
Shares to be issued (Note 15)	-	2,205,450
Equity component of convertible security	14,166	14,166
Warrants (Note 16)	2,538,204	1,273,068
Contributed surplus	27,007,869	25,979,970
Deficit	(95,228,587)	(91,422,142)
Accumulated other comprehensive income	5,048,808	5,033,925
	<u>71,879,504</u>	<u>69,713,635</u>
	<u>\$ 89,368,850</u>	<u>\$ 79,345,790</u>

Nature of Operations and Going Concern (Note 1)
 Commitments and Contingencies (Note 20)

SIGNED ON BEHALF OF THE BOARD

(Signed) "Marc C. Henderson"
 Director

(Signed) "Scott Patterson"
 Director

LARAMIDE RESOURCES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
(EXPRESSED IN CANADIAN DOLLARS)

Years ended December 31,	2017	2016
Income		
Gain on sale of investments (Note 9)	\$ 277,555	\$ 2,988,869
Foreign exchange gain	452,444	10,131
Other income	396	1,507
	730,395	3,000,507
Expenses		
Administrative and office	1,167,084	1,020,392
Audit and legal	191,129	71,646
Consulting	11,198	70,622
Interest (Note 14)	753,556	468,747
Amortization of transaction costs (Note 14)	533,432	1,246,948
Amortization of discount on promissory note (Note 14)	720,576	-
Stock-based compensation (Note 17)	639,660	267,330
Amortization of property and equipment (Note 10)	35,383	8,868
Write-down of available for sale investments (Note 9)	-	78,001
Write-down of mineral properties and related deferred costs (Note 11)	-	1,205,697
Loss on debt extinguishment (Note 14)	922,523	-
	4,974,541	4,438,251
Loss before income tax	(4,244,146)	(1,437,744)
Income tax recovery (Note 6)	437,701	580,819
Net loss for the year	\$ (3,806,445)	\$ (856,925)
Loss per share		
Weighted average shares outstanding - basic and diluted	114,179,701	93,757,740
Loss per share - basic and diluted	\$ (0.03)	\$ (0.01)

LARAMIDE RESOURCES LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(EXPRESSED IN CANADIAN DOLLARS)

Years ended December 31,	2017	2016
Net loss for the year	\$ (3,806,445)	\$ (856,925)
Other comprehensive income		
Items that may be reclassified subsequently to net income (loss)		
Unrealized gain (loss) on available for sale investments, net of tax	639,915	2,323,880
Reclassification of realized gain on available for sale investments to income (Note 9)	(277,555)	(2,988,869)
Reclassification of unrealized loss on available for sale investments to income upon write-down (Note 9)	-	78,001
Reclassification of foreign currency translation adjustment of the written-down mineral properties (Note 11)	-	(251,867)
Foreign currency translation adjustment	(347,477)	(2,526,844)
	14,883	(3,365,699)
Comprehensive loss for the year	\$ (3,791,562)	\$ (4,222,624)

LARAMIDE RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

	Number of Shares	Capital Stock	Shares to be Issued	Equity Component of Convertible Security	Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance, January 1, 2016	93,757,740	\$ 126,644,198	\$ -	\$ 14,166	\$ 1,029,453	\$ 25,556,043	\$ (90,565,217)	\$ 8,399,624	\$ 71,078,267
Funds received for shares to be issued	-	-	2,205,450	-	-	-	-	-	2,205,450
Cost of issue adjustment	-	(15,000)	-	-	-	-	-	-	(15,000)
Warrants issued with respect to term loan (Note 16)	-	-	-	-	298,966	-	-	-	298,966
Expiry of warrants (Note 16)	-	-	-	-	(55,351)	55,351	-	-	-
Stock-based compensation (Note 17)	-	-	-	-	-	368,576	-	-	368,576
Net loss for the year	-	-	-	-	-	-	(856,925)	-	(856,925)
Other comprehensive loss	-	-	-	-	-	-	-	(3,365,699)	(3,365,699)
Balance, December 31, 2016	93,757,740	126,629,198	2,205,450	14,166	1,273,068	25,979,970	(91,422,142)	5,033,925	69,713,635
Units issued for cash on private placements (Note 15)	14,913,500	4,474,050	(2,205,450)	-	-	-	-	-	2,268,600
Cost of issue	-	(146,716)	-	-	-	-	-	-	(146,716)
Shares and warrants issued with respect to Hydro Resources Inc. acquisition (Note 16)	2,218,333	754,233	-	-	425,952	-	-	-	1,180,185
Issuance of warrants (Note 16)	-	(1,614,774)	-	-	1,614,774	-	-	-	-
Exercise of options (Note 17)	675,000	182,500	-	-	-	-	-	-	182,500
Exercise of warrants (Note 16)	4,187,593	1,526,893	-	-	-	-	-	-	1,526,893
Fair value of exercised options (Note 17)	-	75,396	-	-	-	(75,396)	-	-	-
Fair value of exercised warrants (Note 16)	-	618,264	-	-	(618,264)	-	-	-	-
Expiry of warrants (Note 16)	-	-	-	-	(157,326)	157,326	-	-	-
Stock-based compensation (Note 17)	-	-	-	-	-	945,969	-	-	945,969
Net loss for the year	-	-	-	-	-	-	(3,806,445)	-	(3,806,445)
Other comprehensive income	-	-	-	-	-	-	-	14,883	14,883
Balance, December 31, 2017	115,752,166	\$ 132,499,044	\$ -	\$ 14,166	\$ 2,538,204	\$ 27,007,869	\$ (95,228,587)	\$ 5,048,808	\$ 71,879,504

LARAMIDE RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)

Years ended December 31,	2017	2016
Cash and cash equivalents (used in) provided by:		
Operating Activities		
Net loss for the year	\$ (3,806,445)	\$ (856,925)
Adjustments for:		
Gain on sale of investments (Note 9)	(277,555)	(2,988,869)
Stock-based compensation (Note 17)	639,660	267,330
Amortization of property and equipment	35,383	8,868
Accrued interest on long-term debt	321,840	-
Amortization of transaction costs (Note 14)	533,432	1,246,948
Amortization of discount on promissory note (Note 14)	720,576	-
Write-down of mineral properties and related deferred costs (Note 11)	-	1,205,697
Write-down of available for sale investments (Note 9)	-	78,001
Loss on debt extinguishment (Note 14)	922,523	-
Deferred tax expense (recovery) (Note 6)	<u>(437,701)</u>	<u>(580,819)</u>
Net change in non-cash working capital items:		
Accounts receivable and prepaid expenses	(85,354)	30,799
Accounts payable and accrued liabilities	<u>(208,590)</u>	<u>(204,814)</u>
	<u>(1,642,231)</u>	<u>(1,793,784)</u>
Financing Activities		
Issue of common shares (Note 15)	2,268,600	-
Share issue costs (Note 15)	(146,716)	(15,000)
Advances received for shares to be issued (Note 15)	-	2,205,450
Proceeds from long-term financing	1,825,591	-
Transaction costs on long-term loan	(183,192)	(108,561)
Repayment of short and long-term debt	(30,000)	(1,000,000)
Short-term loan	395,000	-
Options/warrants exercised	<u>1,579,393</u>	<u>-</u>
	<u>5,708,676</u>	<u>1,081,889</u>
Investing Activities		
Purchase of investments	(408,251)	(50,547)
Proceeds on sale of investments	611,410	2,317,136
Allocation of restricted cash (Note 9)	192,500	(192,500)
Capital returned on investments	-	1,912,500
Cash used on Hydro Resources Inc. acquisition	(3,313,075)	-
Acquisition of property and equipment (Note 10)	(2,226)	(9,145)
Acquisition of mineral properties and related deferred costs	<u>(1,541,791)</u>	<u>(1,590,317)</u>
	<u>(4,461,433)</u>	<u>2,387,127</u>
Change in cash and cash equivalents	(394,988)	1,675,232
Cash and cash equivalents, beginning of year	2,547,561	851,130
Exchange difference on working capital held in foreign currencies	(428,005)	21,199
Cash and cash equivalents, end of year	\$ 1,724,568	\$ 2,547,561

LARAMIDE RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(EXPRESSED IN CANADIAN DOLLARS)

Years ended December 31,	2017	2016
Supplementary cash flow information		
Changes in non cash activities:		
Amortization of property and equipment capitalized to mineral properties (Note 10)	<u>\$ 2,108</u>	<u>\$ 4,075</u>
Stock-based compensation capitalized to mineral properties (Note 17)	<u>\$ 306,309</u>	<u>\$ 101,246</u>
Shares and warrants issued with respect to Hydro Resources Inc. acquisition (Note 11)(2)	<u>\$ 1,180,185</u>	<u>\$ -</u>
Options/Warrants exercised in exchange of liabilities	<u>\$ -</u>	<u>\$ 298,966</u>
Accounts payable settled for options exercise	<u>\$ 130,000</u>	<u>\$ -</u>

LARAMIDE RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
Years ended December 31, 2017 and 2016

1. NATURE OF OPERATIONS AND GOING CONCERN

Laramide Resources Ltd. (the "Company" or "Laramide") is a publicly traded company incorporated in Canada and listed on the Toronto Stock Exchange ("TSX") and on the Australian Securities Exchange ("ASX"), under the symbol "LAM". The Company is involved in the exploration and development of mineral properties in Australia and the United States of America (USA). The mineral properties of Laramide are all in the exploration stage. Laramide's registered office address is 130 King Street West, Suite 3680, Toronto, Ontario, M5X 1B1, Canada.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not generated revenue from operations. During the year ended December 31, 2017, the Company incurred a net loss of \$3,806,445 (2016 - \$856,925), and as of that date, the Company's working capital deficiency is \$2,273,022, excluding the non-cash derivative liability (2016 - working capital of \$125,846). The Company will need to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. Should the Company be unsuccessful in doing so, there is doubt about the Company's ability to continue as a going concern, and therefore, a material uncertainty exists in relation to the going concern assumption.

On March 29, 2018, the Board of Directors approved the consolidated financial statements for the years ended December 31, 2017 and 2016.

2. BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") as at and for the year ended December 31, 2017.

The policies applied in these financial statements are based on IFRS issued and outstanding as of December 31, 2017.

Principles of Consolidation

The consolidated financial statements include all entities over which the Company has control. For accounting purposes, control is established by an investor when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are no longer consolidated on the date control ceases.

The consolidated financial statements include the accounts of the Company, its wholly owned U.S. subsidiaries, Laramide La Sal Inc., Laramide Resources (USA) Inc. and Hydro Resources Inc.; and its wholly owned Australian subsidiaries, Lagoon Creek Resources Pty Ltd., Westmoreland Resources Pty Ltd. and Tackle Resources Pty Ltd.

Intercompany balances and any unrealized gains and losses or income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

Basis of Measurement

The consolidated financial statements are presented in Canadian dollars which is also the functional currency of the parent, Laramide Resources Ltd., located in Canada. The functional currencies of the Australian and the U.S. subsidiaries are the Australian dollar and US dollar, respectively.

LARAMIDE RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
Years ended December 31, 2017 and 2016

2. BASIS OF PREPARATION (Continued)

The financial statements are prepared on the historical cost basis except the following assets and liabilities, which are stated at their fair value: financial assets classified as fair value through profit and loss ("FVTPL"), financial instruments held for trading and financial instruments classified as available-for-sale.

The accounting policies set out below have been applied consistently to the years presented in the consolidated financial statements.

Foreign Currency Translation

Foreign currency transactions are initially recorded into the functional currency at the transaction date exchange rate. At year end, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the balance sheet date's exchange rate and non-monetary assets and liabilities at the historical rate. These foreign currency adjustments are recognized in net loss of the consolidated statement of operations.

Financial statements of the Australian and U.S. subsidiaries for which the functional currency is not the Canadian dollar are translated to Canadian dollar, as this is the presentation currency, as follows: all asset and liability accounts are translated at the balance sheet date's exchange rate and all earnings and expense accounts and cash flow statement items are translated at average exchange rates for the year. The resulting translation gains and losses are recorded as foreign currency translation adjustments in other comprehensive income (loss).

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such item are considered to form part of a net investment in the foreign operation and are recognized in other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements reflect the accounting policies applied by the Company in its audited consolidated financial statements for the years ended December 31, 2017 and 2016.

Cash and Cash Equivalents

The cash and cash equivalents category consists of cash in banks and call deposits which are highly liquid and cashable without restrictions.

Short-term Investments

Short-term investments represent temporary excess of cash invested in preferred investment accounts and GICs with initial maturities of three months or less; their book values approximate their fair values.

Financial Instruments

Financial instruments classified as FVTPL are measured at fair value, with any resultant gain or loss recognized in the statement of operations.

Financial assets classified as being available for sale ("AFS") are measured at fair value, with any resultant gain or loss being recognized directly under other comprehensive income, with the exception of investments without a quoted market value and the fair value cannot be reliably measured, which are measured at cost. When these investments are derecognized, the cumulative unrealized gain or loss previously recognized directly in equity is recognized in profit or loss.

Dividend income on equity instruments measured at fair value through other comprehensive income is recognized in the statement of operations on the ex-dividend date.

LARAMIDE RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
Years ended December 31, 2017 and 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The fair value of financial instruments classified as FVTPL and AFS is their quoted bid price at the balance sheet dates.

Financial assets classified as loans and receivables are measured at amortized cost using the effective interest method.

Financial liabilities classified as other financial liabilities include accounts payable and accrued liabilities, and long-term debt including convertible security and are measured at amortized cost using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability, or, where appropriate, a shorter period.

Transaction costs associated with FVTPL financial assets and financial liabilities are expensed as incurred, while transaction costs associated with all other financial assets and financial liabilities are included in the initial carrying amount of the asset or liability.

Impairment losses for the different financial assets and liabilities are recognized as follows:

Available for sale financial assets: When a decline in the fair value, including a significant or prolonged decline in value, of an AFS financial asset has been recognized directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized directly in equity is transferred to profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss. Any further significant or prolonged decline in the fair value of these AFS investments, after an impairment loss is recognized, will be automatically considered to be further impairments to be recognized in profit and loss. Increases in value from the current carrying amount will be recognized in other comprehensive income. Impairment losses on AFS financial assets are not reversed.

Classifications of these financial instruments are as follows:

Cash and cash equivalents	Loans and Receivables
Short-term investments	Loans and Receivables
Accounts receivable and prepaid expenses	Loans and Receivables
Investments – equity instruments	AFS
Accounts payable and accrued liabilities	Other financial liabilities
Derivative liabilities	FVTPL
Long-term debt	Other financial liabilities

Convertible Debt

Hybrid financial instruments issued by the Company comprise of a U.S. dollar denominated convertible loan that can be converted into shares of the Company at the option of the holder at a specified conversion rate in Canadian dollars. Due to the loan being denominated in a currency other than the functional currency of the Company the conversion feature is classified as a derivative liability and presented within liabilities. The conversion feature is valued first with the residual being allocated to the host debt component. Related issue costs are allocated to each of the components on a relative fair value basis.

LARAMIDE RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
Years ended December 31, 2017 and 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Finance Income and Costs

Finance income comprises income on funds invested and dividend income from other investments. Interest income and costs are recognized as they accrue in the statement of operations, using the effective interest rate.

Property and Equipment

Property and equipment are carried at historical cost less any accumulated depreciation and impairment losses. Historical cost includes the acquisition cost or production cost as well as the costs directly attributable to bringing the asset to the location and condition necessary for its use in operations. When property and equipment include significant components with different useful lives, they are recorded and amortized separately. Amortization is computed using the straight-line and declining balance methods based on the estimated useful life of the assets. Useful life is reviewed at the end of each reporting period.

The Company recognizes in the carrying amount of an item of property and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognized in the consolidated statements of operations as an expense as incurred.

Depreciation is calculated based on the cost of property and equipment less their estimated residual value on a straight-line and declining balance methods, over the estimated useful lives of each item of property and equipment, as follows.

Computer equipment	20% Declining balance
Furniture and fixtures	20% Declining balance
Office equipment and software	10% Declining balance
Field equipment	Straight line, over five years
Motor vehicles	Straight line, over five years
Leasehold improvements	Straight line, over three years

Mineral Properties and Related Deferred Costs

The Company defers exploration and evaluation expenditures until such time as technical and economic feasibility is reached and the properties are either put into commercial production, sold, determined not to be economically viable or abandoned. Capitalized expenditures include all the costs incurred in exploration and evaluation of potential mineral reserves and resources, such as exploratory drilling and sample testing and the costs of pre-feasibility studies. Exploration expenditures are related to the initial search for deposits of minerals with economic value. Evaluation expenditures are related to the detailed economic assessments of identified deposits that are economically viable. Research and development ("R&D") expenses related to mineral properties that are reimbursed by the government are credited to mineral properties and related deferred costs.

Joint Arrangements

Certain of the Company's activities are owned and operated jointly with other parties. All the Company's joint arrangements are classified as joint operations. These financial statements reflect only the Company's appropriate share of the joint operation's controlled assets and liabilities it has incurred, its share of any liabilities jointly incurred, income from the sale or use of its share of the joint operation's output, together with its share of expenses incurred by the joint operation and any expenses it incurs in relation to its interest in the joint arrangement and a share of production in such activities.

LARAMIDE RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
Years ended December 31, 2017 and 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment

The Company continually reviews and evaluates the events or changes in the economic environment that indicate a risk of impairment of assets to determine whether the carrying amount of the asset or group of assets under consideration exceeds its or their recoverable amount. Impairment of the assets is evaluated at the cash-generating unit ("CGU") or group of units level. A CGU is the smallest identifiable group of asset that generates cash inflows, independent of the cash inflows from other assets, as defined by International Accounting Standard ("IAS") 36 "Impairment of assets". Recoverable amount is defined as the higher of an asset's fair value (less costs of disposal) and its value in use. The active market or a binding sale agreement provides the best evidence for the determination of the fair value, but where neither exists, fair value is based on the best information available to reflect the amount the Company could receive for the CGU in an arm's length transaction. Value in use is equal to the present value of future cash flows expected to be derived from the use and sale of the asset. Given the stage of development of the Company's projects, fair value less costs of disposal is used to determine the recoverable amount.

Provisions

A provision is recognized on the consolidated balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Asset Acquisition / Business Combination

In accordance with *IFRS 3 - Business Combination*, a transaction is recorded as a business combination if the significant assets acquired and liabilities assumed constitute a business. A business is defined as an integrated set of activities and assets, capable of being conducted and managed for the purpose of providing a return, lower costs, or other economic benefits. Where there are no such integrated activities, the transaction is treated as an asset acquisition. The acquisition of Hydro Resources Inc. as further described in Note 11 was recorded as an asset acquisition whereby the consideration paid was allocated to the fair value of the identifiable assets acquired and liabilities assumed.

Deferred Taxes

Pursuant to the liability method, deferred taxes are recorded for temporary differences existing at balance sheet date between the tax base value of assets and liabilities and their carrying amount on the consolidated balance sheet.

- Deferred tax assets and liabilities are measured at the expected tax rates for the year during which the asset will be realized or the liability settled, based on tax rates (and tax regulations) enacted or substantially enacted at year end. They are reviewed at the end of each year, in line with any changes in applicable tax rates.
- Deferred tax assets are recognized for all deductible temporary differences, tax losses carried forward and unused tax credits, insofar as it is probable that a taxable profit will be available, or when a current tax liability exists, to make use of those deductible temporary differences, tax loss carry forwards and unused tax credits, except where the deferred tax asset associated with the deductible temporary difference is generated by initial recognition of an asset or liability in a transaction which is not a business combination, and which, at the transaction date, does not impact earnings, tax income or loss.

LARAMIDE RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
Years ended December 31, 2017 and 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Current tax and deferred tax shall be charged or credited directly to equity if the tax relates to items that are credited or charged directly to equity.
- Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share Purchase Warrants

From time-to-time, the Company may issue Units as a means of raising capital. Ordinarily, each Unit contains one common share of the Company and a whole, or fraction of, a share purchase warrant. The company allocates the proceeds from each unit to the common share and warrant components based on their relative fair value. Warrants are valued using the Black-Scholes pricing model. Transaction costs arising on the issue of Units are recognised in equity as a reduction of the proceeds allocated to issued capital and warrants on a pro-rata basis.

Stock-based Compensation

The Company offers a stock option plan. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured using the Black Scholes option pricing model. Compensation expense for those providing employee-like services is recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest. Any consideration paid on exercise of stock options is credited to capital stock. The contributed surplus resulting from stock based payment is transferred to capital stock when the options are exercised.

For equity settled transactions with non-employees, the Company measures goods or services received at their fair value, unless that fair value cannot be estimated reliably, in which case the Company measures their value by reference to the fair value of the equity instruments granted.

Loss per Share

Basic loss per share amount is calculated by dividing net loss for the period attributable to common shareholders by the weighted average number of common shares outstanding during the period.

Diluted income (loss) per share amounts are calculated by dividing the net income (loss) attributable to common shareholders of the parent by the weighted average number of shares outstanding during the period plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential ordinary shares into common shares.

For the years ended December 31, 2017 and 2016, the options and warrants are not dilutive.

Environmental Rehabilitation Provision

The Company's activities could give rise to obligations for environmental rehabilitation which can include facilities dismantling, removal, treatment of waste materials, monitoring, compliance with environmental regulations, security and other site-related costs required to perform the rehabilitation work. Any current expenditures regarding the environmental rehabilitation are charged to the cost of the project. Provisions for rehabilitation are periodically adjusted by the Company, when applicable; such adjustments are recorded as a change in the value of the related mineral property. At the end of the year, the Company does not consider it necessary to record any provision for environmental rehabilitation.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Segment Reporting

The Company considers the geographical segment is the best distinguishable component of its operations because it is based on a particular economic environment, which is subject to risks and rewards that is different from other segments. The Company has operations in Australia and United States of America.

Accounting Standards Issued but not yet Effective

At the date of authorization of these consolidated financial statements, the IASB has issued the following standard which is not yet effective for the relevant reporting period.

IFRS 9 Financial Instruments was issued in July 2014, and is intended to replace *IAS 39, Financial Instruments: Recognition and Measurement* and uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39, and incorporates new hedge accounting requirements. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact of the standard on the Company's financial statements.

IFRS 15 Revenue from Contracts with Customers was issued in May 2014, and replaces *IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations*. The standard provides clarification for recognizing revenue from contracts with customers and establishes a single revenue recognition and measurement framework that applies to contracts with customers. The standard is required to be adopted either retrospectively or using a modified transaction approach for fiscal years beginning on or after January 1, 2018, with earlier adoption permitted. The Company has determined that there is no impact of the standard on the Company's financial statements.

IFRS 16 Leases was issued in January 2016 and replaces *IAS 17 Leases*. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. If the lease was classified as a finance lease, a lease liability was included on the statement of financial position. IFRS 16 now requires lessees to recognize a right of use asset and lease liability reflecting future lease payments for virtually all lease contracts. The right of use asset is treated similarly to other non-financial assets and depreciated accordingly. The lease liability accrues interest. The IASB has included an optional exemption for certain short term leases and leases of low value assets; however, this exemption can only be applied by lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and obtain substantially all the economic benefits from that use. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, Revenue from Contracts with Customers, is also applied. The Company is currently evaluating the impact of the standard on the Company's financial statements.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company's assets, liabilities, equity or earnings.

The consolidated financial statements reflects the accounting estimates and judgements outlined by the

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4. ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Company in its audited consolidated financial statements for the year ended December 31, 2017 and 2016.

These estimates, assumptions and judgements notably relate to the following items:

Assessment of impairment indicators and valuation of mineral properties and related deferred costs and mineral properties held for sale - Management uses significant judgement in determining whether there is any indication that these mineral properties may be impaired. Significant judgements and estimates include the market for uranium, the ability to obtain additional financing, the political environment in Australia and the ability to defer tenement spending requirements.

Measurement of impairment in available for sale financial assets - The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the consolidated statements of operations. The impairment loss recognized in the consolidated statements of operations is a reclassification of unrealized losses resulting from decline in fair value previously recorded in other comprehensive loss.

The Company uses judgement in defining significant or prolonged as a decline in fair value of at least 50% below original cost or a decline in fair value below original cost for at least 24 months.

Stock-based payment, derivative liability and warrants - The Company utilizes the Black-Scholes option pricing model to determine the fair values of the stock-based payments, derivative liabilities and warrants. The Company uses significant judgement in the evaluation of the input variables in the Black-Scholes calculation which includes: risk free interest rate, expected stock price volatility, expected life, expected dividend yield and forfeiture rate.

Debt modification - From time to time, the Company pursues amendments to its credit agreements based on prevailing market conditions. Such amendments, when completed, are considered by the Company to be debt modifications or extinguishments. The accounting treatment of a debt modification depends on whether the modified terms are substantially different than the previous terms. Terms of an amended debt agreement are considered to be substantially different based on qualitative factors, or when the discounted present value of the cash flows under the new terms discounted using the original effective interest rate, is at least ten percent different from the discounted present value of the remaining cash flows of the original debt. If the modification is not substantially different, it will be considered as a modification with any costs or fees incurred adjusting the carrying amount of the liability and amortized over the remaining term of the liability. If the modification is substantially different then the transaction is accounted for as an extinguishment of the old debt instrument with an adjustment to the carrying amount of the liability being recorded in the consolidated statements of operations immediately.

Convertible debt - The interest rate used in determining the appropriate value of the liability component of the convertible debt and to appropriately apply the effective interest rate method to the convertible debt is subject to management estimation.

Functional currency - The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which each operates, Canadian dollar, Australian dollar and US dollar. Determination of functional currency may require certain judgements to determine the primary economic environment. The Company reconsiders the functional currency used when there is a change in events and conditions which determined the primary economic environment.

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5. BUSINESS SEGMENT DATA

The Company has one operating segment and operates in the mining, exploration and development business and has operations in Australia, Canada and the USA. The Company's Board of Directors evaluates the performance of these three geographical locations and allocates resources based on certain measures.

The information based on the geographical location of the assets is as follows:

December 31, 2017	Canada	USA	Australia	Consolidated
Current assets	\$ 2,097,658	\$ 86,988	\$ 160,657	\$ 2,345,303
Long-term investments	2,000,000	-	-	2,000,000
Prepaid royalty	-	458,729	-	458,729
Property and equipment	44,558	-	5,370	49,928
Mineral properties and related deferred costs	-	25,252,544	59,262,346	84,514,890
Total assets	\$ 4,142,216	\$ 25,798,261	\$ 59,428,373	\$ 89,368,850

December 31, 2016	Canada	USA	Australia	Consolidated
Current assets	\$ 2,600,231	\$ 93,104	\$ 135,963	\$ 2,829,298
Long-term investments	1,782,834	-	24,666	1,807,500
Restricted cash	192,500	-	-	192,500
Prepaid royalty	-	490,981	-	490,981
Property and equipment	50,777	-	6,539	57,316
Advances on property acquisition	-	759,801	-	759,801
Mineral properties and related deferred costs	-	15,164,349	58,044,045	73,208,394
Total assets	\$ 4,626,342	\$ 16,508,235	\$ 58,211,213	\$ 79,345,790

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6. DEFERRED TAXES

The following table reconciles the expected income tax recovery at the blended statutory income tax rates of approximately 26.5% (2016 - 26.5%) to the amounts recognized in the statements of operations:

	December 31, 2017	December 31, 2016
Net loss reflected in the statements of operations	\$ (4,244,146)	\$ (1,437,744)
Expected income tax recovery	(1,125,000)	(381,000)
Difference in foreign tax rates	(2,000)	(1,120)
Tax rate changes and other adjustments	451,933	(537,830)
Non-deductible expenses and adjustments through OCI	(23,793)	(1,039,210)
Change in tax benefits not recognized	261,159	1,378,341
Income tax provision (recovery) reflected in the consolidated statement of operations	(437,701)	(580,819)
Deferred tax expense (recovery)	(437,701)	(580,819)
	\$ (437,701)	\$ (580,819)

The Company's deferred income tax assets and liabilities as at December 31, 2017 and 2016 are as follows:

Deferred Tax Assets	December 31, 2017	December 31, 2016
Non-capital losses-Canada	\$ 6,044,097	\$ 5,443,270
Non-capital losses-Australia	13,436,903	12,963,480
Net capital losses - Canada	1,027,080	1,027,080
Net capital losses - Australia	516,406	511,450
Undeducted share issue costs and other	18,320	296,580
Convertible loan	126,153	-
Mineral Properties US	122,501	1,824,070
Derivative liability	677,086	-
Total deferred tax assets	21,968,546	22,065,930
Less: allocated against deferred income tax liabilities	(14,774,868)	(15,134,800)
Less: unrecognized portion of deferred taxes	(7,193,678)	(6,931,130)
	\$ -	\$ -

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6. DEFERRED TAXES (Continued)

Deferred Tax Liabilities	December 31, 2017	December 31, 2016
Non-capital loss carryforward - Australia, Canada and USA	\$ 13,436,903	\$ 14,367,271
Mineral properties cost - Australia, Canada and USA	(17,778,677)	(18,808,643)
Capital losses Australia	516,406	511,453
Other temporary differences - Australia	18,320	256,079
Promissory Note	(232,492)	-
Convertible loan	126,153	-
Derivative liability	677,086	-
Total deferred tax liabilities	\$ (3,236,301)	\$ (3,673,840)

The Company's non-capital tax losses expire as follows:

2026	\$ 1,160,710
2028	488,530
2029	5,138,280
2030	991,020
2031	2,456,790
2032	2,400,480
2033	2,008,000
2034	1,872,050
2035	1,154,286
2036	2,362,705
2037	2,776,571
	\$ 22,809,422

In addition, the Company's Australian subsidiaries have non-capital losses of approximately \$43,211,598 that do not expire.

7. CASH AND CASH EQUIVALENTS

	December 31, 2017	December 31, 2016
Bank balances	\$ 1,724,568	\$ 534,611
Cash held in trust (i)	-	2,205,450
Less restricted cash presented as non-current asset (Note 9)	-	(192,500)
	\$ 1,724,568	\$ 2,547,561

(i) This amount was held by the trustee at December 31, 2016 and corresponds to the private placement closed on January 5, 2017.

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8. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

	December 31, 2017	December 31, 2016
Prepaid bonds and deposits	\$ 172,313	\$ 178,591
Prepaid expenses	105,394	11,688
Recoverable taxes	9,177	18,798
Treasury Metals Ltd. (Note 18)	8,774	-
Khan Resources Inc. (Note 18)	9,209	-
Other receivables	4,853	15,269
	\$ 309,720	\$ 224,346

9. INVESTMENTS

The Company's investments are carried at fair value and are comprised of the following:

	Number of Shares	December 31, 2017	Number of Shares	December 31, 2016
Treasury Metals Inc. - Shares	2,234,000	\$ 1,362,741	3,000,000	\$ 1,740,000
Treasury Metals Inc. - Warrants	58,500	8,887	-	-
Nation River Resources Ltd. (no quoted value)	149,885	6,681	149,885	6,681
Uranium Equities Limited	383,218	4,130	383,218	2,231
Phos Energy Inc. (no quoted value)	701,461	22,651	701,461	22,434
Khan Resources Inc. (ii)	8,300,000	871,500	2,250,000	67,500
Virginia Energy Resources Inc. (i)	120,000	14,400	120,000	6,000
Total investments		\$ 2,290,990		\$ 1,844,846
Long-term investments		\$(2,000,000)		\$(1,807,500)
Investments - current portion		\$ 290,990		\$ 37,346

The sale or disposition of these investments is subject to certain conditions and restrictions related to the long-term debt. As per the obligation to keep investments with a market value of no less than \$2 million in its securities account maintained with Bank of Montreal, the Company allocated \$192,500 from the cash balance in Bank of Montreal to a restricted cash account in the consolidated balance sheet at December 31, 2016. Such allocation is not applicable in 2017. More details of conditions and restrictions on investments are disclosed in Note 14.

- (i) In the year ended December 31, 2016, a permanent impairment in the value of Virginia Energy Resources Inc. was recorded as a result of applying the guidance of IAS 39, Financial Instruments: Recognition and measurement, as disclosed in the Note 3 Summary of Significant Accounting Policies of the audited consolidated financial statements at December 31, 2016. The write-down resulted in a reclassification of \$78,001 loss from other comprehensive loss into the statement of operations. The value of these investments on Laramide's balance sheet continues to be carried at their fair market value.
- (ii) In the year ended December 31, 2016, the Company received cash dividends in the form of a return of capital for \$1,912,500 from Khan Resources Inc.

The realized gain on AFS investments is \$277,555 (2016 - \$2,988,869).

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10. PROPERTY AND EQUIPMENT

Cost	Computer equipment, furniture and fixtures	Office equipment and software	Field equipment	Motor vehicles	Leasehold improvements	Total
January 1, 2017	\$ 320,158	\$ 55,590	\$2,001,089	\$ 153,965	\$ 66,477	\$ 2,597,279
Additions	2,227	-	-	-	-	2,227
Other (i)	-	-	665,702	-	-	665,702
Translation adjustment	1,364	454	(14,421)	1,491	-	(11,112)
December 31, 2017	\$ 323,749	\$ 56,044	\$2,652,370	\$ 155,456	\$ 66,477	\$ 3,254,096
Accumulated amortization						
January 1, 2017	\$ 269,116	\$ 55,590	\$1,994,815	\$ 153,965	\$ 66,477	\$ 2,539,963
Additions	9,330	161	28,000	-	-	37,491
Other (i)	-	-	638,724	-	-	638,724
Translation adjustment	745	293	(14,539)	1,491	-	(12,010)
December 31, 2017	\$ 279,191	\$ 56,044	\$2,647,000	\$ 155,456	\$ 66,477	\$ 3,204,168
Net book value December 31, 2017	\$ 44,558	\$ -	\$ 5,370	\$ -	\$ -	\$ 49,928

(i) Corresponds to the fair value of the fixed assets added from the acquisition of Hydro Resources Inc., see Note 12.

Cost	Computer equipment, furniture and fixtures	Office equipment and software	Field equipment	Motor vehicles	Leasehold improvements	Total
January 1, 2016	\$ 316,731	\$ 57,491	\$2,082,314	\$ 160,215	\$ 89,685	\$ 2,706,436
Additions	9,145	-	-	-	-	9,145
Translation adjustment	(5,718)	(1,901)	(81,225)	(6,250)	(23,208)	(118,302)
December 31, 2016	\$ 320,158	\$ 55,590	\$2,001,089	\$ 153,965	\$ 66,477	\$ 2,597,279
Accumulated amortization						
January 1, 2016	\$ 264,063	\$ 57,007	\$2,073,514	\$ 160,215	\$ 89,685	\$ 2,644,484
Additions	10,515	418	2,010	-	-	12,943
Translation adjustment	(5,462)	(1,835)	(80,709)	(6,250)	(23,208)	(117,464)
December 31, 2016	\$ 269,116	\$ 55,590	\$1,994,815	\$ 153,965	\$ 66,477	\$ 2,539,963
Net book value December 31, 2016	\$ 51,042	\$ -	\$ 6,274	\$ -	\$ -	\$ 57,316

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10. PROPERTY AND EQUIPMENT (Continued)

During the year, \$2,108 (2016 - \$4,075) of the \$37,491 (2016 - \$12,943) amortization charged against property and equipment was capitalized to mineral properties and related deferred costs.

11. MINERAL PROPERTIES AND RELATED DEFERRED COSTS

The accumulated costs with respect to the Company's interest in mineral properties owned, leased or under option, consisted of the following:

	Opening Balance January 1, 2017	Additions	Translation Adjustment	Ending Balance December 31, 2017
Westmoreland Project, Queensland, Australia Joint Ventures and other properties, Northern Territory, Australia	\$ 56,547,426	\$ 677,890	\$ 475,453	\$57,700,769
Grants District, New Mexico and Lisbon Valley, Utah, USA	1,496,619	50,141	14,817	1,561,577
Church Rock and Crownpoint, New Mexico, USA (Note 12)	10,011,746	273,802	(657,195)	9,628,353
	5,152,603	10,806,033	(334,445)	15,624,191
	\$ 73,208,394	\$ 11,807,866	\$ (501,370)	\$84,514,890

	Opening Balance January 1, 2016	Additions net of write- down (i)	Translation Adjustment	Ending Balance December 31, 2016
Westmoreland Project, Queensland, Australia Joint Ventures and other properties, Northern Territory, Australia	\$ 57,938,687	\$ 618,416	\$ (2,009,677)	\$ 56,547,426
Grants District, New Mexico and Lisbon Valley, Utah, USA	1,319,807	233,469	(56,657)	1,496,619
Church Rock and Crownpoint, New Mexico, USA	11,651,316	(1,044,954)	(594,616)	10,011,746
	5,219,206	78,279	(144,882)	5,152,603
	\$ 76,129,016	\$ (114,790)	\$ (2,805,832)	\$ 73,208,394

(i) In the year ended December 31, 2016, the Company recorded a \$1,457,564 write-down of the Grants District, New Mexico and Lisbon Valley, Utah, USA properties (La Jara Project) and, as a result, there was a \$1,205,697 charge in the consolidated statements of operations and \$251,867 charge of unrealized foreign exchange in other comprehensive income.

(1) Westmoreland Project, Queensland, Australia

In 2005, the Company acquired the Westmoreland Project by way of a purchase of all the shares of Tackle Resources Pty Ltd., a private Australian company, in return for 3 million shares of Laramide. A further 1.5 million shares of Laramide may be issued in the future to the previous shareholders of Tackle Resources Pty Ltd., based on successful delineation of copper and gold resources on the property.

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11. MINERAL PROPERTIES AND RELATED DEFERRED COSTS (Continued)

During 2006, the Company entered into a data license agreement ("DLA") with Rio Tinto Exploration Pty Ltd, a wholly owned subsidiary of Rio Tinto Ltd. ("Rio Tinto"), to license Rio Tinto's extensive historical database for the Westmoreland uranium project located in Queensland, Australia. The database is a compilation of much of the previous exploration work which was completed by various parties on Westmoreland from its initial discovery in 1956 until the year 1999. The database, which is available in both digital and hard copy formats, includes approximately 2,100 drill holes as well as geophysical and metallurgical data.

The Company paid Rio Tinto a license fee consisting of AUD\$200,000 (\$170,860), 333,608 common shares of Laramide issued on March 16, 2006 valued at \$1,751,442, and a further 197,241 common shares on April 6, 2006, valued at \$1,309,680. On successfully attaining a mining permit for Westmoreland, the Company must make a further AUD\$500,000 (\$469,750) cash payment (inflation indexed) to Rio Tinto.

In addition, the Company has granted to Rio Tinto a 1% Net Smelter Royalty on any production from Westmoreland, with cumulative payments capped at AUD\$10 million (\$9,395,000; but also inflation indexed). In December 2008, Rio Tinto announced that they had sold this royalty to International Royalty Corporation ("IRC"), and in February 2010, IRC was acquired by Royal Gold Inc.

In October 2006, the Company completed an independent National Instrument 43-101 technical report on the Westmoreland project.

In April 2007, the Company completed a scoping study for Westmoreland. Other activities in the year included the preparation for a feasibility study program, construction of an exploration camp at the site, completion of drill clearance procedures with the aboriginal traditional owners, and commencement of a drill program in December 2007.

Activities in previous years were focused on further drilling to improve the definition of the resource and to identify potential resource extensions. An updated resource estimate was completed in April 2009 and further work includes an ongoing metallurgical testing program and work on environmental baseline surveys.

Permitting is dealt with at the individual State government level. In Queensland, the party in power is the Australian Labor Party ("ALP") which has traditionally been opposed to new uranium mine development. In March 2012, the Liberal National Party ("LNP") was elected and the Queensland ban on uranium was lifted. On January 31, 2015, a Queensland State election was held and the ALP was returned to power and reinstated the ban. In October 2017, the Queensland ALP called an election to be held on November 25, 2017 which resulted in the incumbent Labor government winning a second term in government.

During the year ended December 31, 2015, the key tenements were renewed for a period of 5 years; the Company also relinquished a non-core tenement, its capitalised expenditures of \$484,732 were written-off and charged to the statement of operations.

In April 2016, an updated PEA study was completed and as part of the updated PEA, the May 2009 mineral resource estimate was reviewed to ensure compliance with JORC 2012 and is restated as the 2016 mineral resource estimate.

(2) Joint Ventures and Other Properties, Northern Territory, Australia

Laramide has entered into three separate joint venture and farm in agreements in Australia, which are presently accounted for as joint operations:

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11. MINERAL PROPERTIES AND RELATED DEFERRED COSTS (Continued)

Verdant Minerals Limited (formerly Central Australia Phosphate (formerly Nupower)) - Lagoon Creek Joint Venture

On May 18, 2005, Laramide entered into a letter of intent with Central Australia Phosphate ("CAP"), (formerly Nupower Resources Ltd.), pursuant to which the Company can farm-in to CAP's granted exploration license EL23573, Lagoon Creek, in the Northern Territory, approximately 380 kilometres NNW of Mt Isa.

In 2013, Laramide earned 50% equity in the tenement with the expenditure of AUD\$3 million (\$2.9 million) over a four-year period on exploration and development.

Activities in 2013 and previous years, starting in 2008, were focused on searching for uranium occurrences through drilling and other exploration techniques. Limited exploration work has been done on the property since 2014. The Company has no intention to make more expenditures and do further work on this property in the short and mid-term and recorded a write-down of \$4,646,372 on this property in the consolidated statements of operations and consolidated statements of comprehensive income. After such write-down, there is no book value for this property and any subsequent expenditure regarding this property is charged to the consolidated statements of operations.

Gulf Manganese Limited Joint Venture

Immediately north of the Central Australian Phosphate Lagoon Creek Joint Venture tenement, Laramide has an agreement with Australian explorer Gulf Manganese Corporation ("Gulf") through its subsidiary Gulf Copper Pty Ltd. Under the agreement, Laramide has an option to earn 90% of any resource discovered on the area covered by the agreement. Laramide's interest encompasses all minerals with the exception of diamonds. To earn 90% Laramide has to complete a bankable feasibility study on a prospect within the area and following this obtain a mine permit.

On October 8, 2014, Laramide announced it has entered into a Sale Purchase Agreement ("SPA") to acquire 100% of the Gulf tenement EL 29898 from Gulf Copper Pty Ltd. Under the terms of the SPA Laramide must pay to Gulf AUD\$125,000 (\$124,500) broken into three payments: AUD\$50,000 (\$49,800) has been paid and the balance of AUD\$75,000 (\$74,700) is payable on transfer of the tenement title. The SPA is conditional on receiving all necessary government and regulatory approval to complete the transaction.

The Company has no intention to make more expenditures or do further work on this property in the short or mid-term and recorded a write-down of \$3,747,766 on this property in the consolidated statements of operations and consolidated statements of comprehensive income in the year 2014. After such write-down, the book value of this property is \$80,241 at December 31, 2017 (2016 - \$128,006).

Murphy Farm-In and Joint Venture, Northern Territory, Australia

In May 2011, the Company announced the signing of a Binding Farm-In and Joint Venture Term Sheet with Rio Tinto Exploration Pty Limited ("RTX") pursuant to which the Company can acquire interest in two strategically located uranium tenements in the Northern Territory ("Project") comprising tenement applications, EL-9319 (579 km²) and EL-9414 (387 km²), that are situated geologically within the Murphy Uranium Province in the Northern Territory and are along strike from Laramide's flagship Westmoreland Project in northwest Queensland.

Under the terms of the agreement, Laramide can earn 51% in the Project with the expenditure of AUD\$10 million (\$9.9 million) over a 4-year period on exploration and development. The first AUD\$1 million (\$0.99 million) of this earn-in is a firm commitment by Laramide that was required to be satisfied by November 2013 (extended to November 2016).

On October 6, 2014 Laramide completed a 16,281 line km airborne geophysical survey over the tenements.

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11. MINERAL PROPERTIES AND RELATED DEFERRED COSTS (Continued)

Unforeseen delays prevented on-ground exploration planned for the fourth quarter of 2016 to allow the fulfillment of this commitment and the Company is working with RTX on potential alternatives for the future of the Joint Venture tenements. At December 31, 2017 the book value of this property is \$1,481,336 (2016 - \$1,368,613)

(3) Grants District, New Mexico and Lisbon Valley, Utah, USA

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

Terms of the transaction require Laramide to pay Homestake a total of USD\$3,750,000 (\$1.25 million) in cash. USD\$1,500,000 (\$1.9 million) has been paid which includes the USD\$500,000 (\$0.6 million) paid in September 2010 upon exercise of the option to purchase the La Sal property. The remaining balance of USD\$2,250,000 (\$2.8 million) is represented by milestone payments tied to the permitting of the projects and commencement of commercial production. In addition Laramide committed to expend and has paid USD\$1,500,000 (\$1.9 million) by November 2007 on the properties and to pay a royalty of USD\$0.25 (\$0.31) per pound of uranium ("U₃O₈ ") on any production in excess of eight million pounds from the La Jara Mesa property.

In 2006, the Company completed an independent National Instrument 43-101 technical report on the La Jara Mesa property.

In April 2012 the Company made a proposal to each of the current royalty holders ("Royalty holders"), who are the owners of a proportionate interest in the proceeds on the production from the La Sal property ("units"), offering to either sell back the royalty stream or receive advance royalty payments. In the event the Royalty holders elected to sell back the royalty stream, the Royalty holders may choose to sell the royalty for either USD\$15 (\$20) per unit payable on June 24, 2012 or USD\$30 (\$40.2) per unit payable 121 days after issuance and receipt of all necessary permits required to bring the mine into production. In the event the Royalty holders elected to receive advance royalty payments, the Royalty holders may choose to receive an advanced royalty of USD\$8 (\$10.7) per unit payable on June 24, 2012, or USD\$12 (\$15) per unit payable 121 days after issuance and receipt of all necessary permits to bring the mine into production, or USD\$15 (\$19) per unit on the date 8,500 tons of saleable ore is produced over any 30 day period or when 50,000 tons of saleable ore has been produced from the La Sal property.

From elections made by and received from the Royalty holders, the Company paid USD\$365,667 (\$0.5 million) to Royalty holders electing the USD\$8 (\$10) per unit advanced royalty payment option, and recorded the payment as a prepaid royalty on the consolidated balance sheet. In addition, the Company was obligated to pay USD\$154,500 (\$0.2 million) to Royalty holders who elected for the USD\$15 (\$19) per unit purchase and sale option and recorded the payment as an addition to mineral properties and related deferred costs. Based on the alternate elections made by the Royalty holders, the Company is contingently liable for potential payments of USD\$1,566,420 (\$2 million) and USD\$685,625 (\$0.9 million), based on production thresholds and permitting.

(4) Church Rock and Crownpoint, New Mexico, USA

As described in Note 12, on January 5, 2017, the Company closed a transaction with Uranium Resources Inc. pursuant to which the Company acquired Hydro Resources Inc., an entity that holds 100% of an advanced stage portfolio of high-quality In Situ Recovery projects in New Mexico. The acquisition consisted of all mineral interests, mining claims and other assets that comprise the Church Rock and Crownpoint mining projects and the recently consolidated Strathmore/ Church Rock and Crownpoint assets.

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11. MINERAL PROPERTIES AND RELATED DEFERRED COSTS (Continued)

The Projects have a license from the United States Nuclear Regulatory Commission for production of uranium from Sections 8 and 17 of the Church Rock project, and the Crownpoint project. Also, the United States Nuclear Regulatory Commission has approved the construction of a Central Processing Plant at the Crownpoint property. While the construction permit has been granted a mining study has not been filed to support the technical feasibility or economic viability of the Central Processing Plan.

Significant historical estimates of uranium mineral resources have been completed on the Projects. Collectively, the Projects' historical mineral Resources of uranium are considered "historical estimates" for purposes of Canadian securities legislation and NI 43-101 and are therefore "NI 43-101 compliant". They however cannot be considered current mineral resources. There are four historical resource estimates from 2005 to 2012.

On October 10, 2017, the Company announced the completion of a new independent NI 43-101 Technical Report on the mineral resources of the Church Rock and Mancos properties. The updated inferred mineral resource estimate is 33.9 million tons at an average grade of 0.075% eU3O8 for a contained resource of 50.8 million pounds.

Before the January 2017 acquisition, the Company already owned royalties on the New Mexico properties owned by Hydro Resources Inc.

- In December 2006, the Company acquired a portfolio of uranium royalties in New Mexico, USA from United Nuclear Corporation ("United Nuclear"), a wholly owned indirect subsidiary of General Electric Company ("GE") since 1997. The royalty portfolio covers three separate parcels of mineral leases (Section 8, Section 17, and Mancos) in the Church Rock area of McKinley County. The properties were owned by Hydro Resources Inc. who acquired them from United Nuclear in a series of transactions between 1986 and 1991.

Terms of the acquisition were USD\$9.25 million (\$11.6 million) in cash, structured as follows:

- USD\$3.5 million (\$4.4 million) at closing (paid);
 - USD\$3 million (\$3.8 million) on issuance of the final regulatory permit required to allow production to commence on Section 8 (permits not yet issued);
 - USD\$1.25 million (\$1.6 million) on issuance of the final regulatory permit required to allow production to commence on Section 17; and
 - USD\$1.5 million (\$1.9 million) on issuance of the final regulatory permit required to allow production to commence on Mancos (also known as Sections 7, 12, and 13).
- On April 10, 2015, Laramide signed an agreement to purchase from an independent group a 6% mine price royalty on the SE/4 of Section 8 of the Church Rock insitu project located in the Grant's Mineral District. Terms of the Agreement required USD\$50,000 (\$62,725) upon signing of the Agreement (paid) and USD\$1,975,000 (\$2.5 million) on or before the option expiry date of April 10, 2016. In April 2016, the option exercise price was extended to April 10, 2017 for an extension fee of USD\$60,000 (paid) and in May 2017 was extended again for 1 year for a fee of USD\$75,000 (paid).

The Company intends to continue to meet the purchase obligation as they become due, effectively buying-back the royalties.

12. ACQUISITION OF CHURCH ROCK AND CROWNPOINT PROPERTIES

On January 5, 2017, the Company closed the acquisition from Uranium Resources Inc. of all of the shares of its subsidiary Hydro Resources Inc., a company that holds the Church Rock and Crownpoint properties in New Mexico, USA. In accordance with IFRS 3, *Business Combinations*, this transaction does not meet the definition of a business combination as the assets acquired are not an integrated set of activities with inputs, processes and outputs.

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12. ACQUISITION OF CHURCH ROCK AND CROWNPOINT PROPERTIES (Continued)

The purchase price of \$9,985,259 was allocated to the assets acquired and the liabilities assumed with financial instruments recorded at fair value and other non-financial assets and liabilities recorded at their relative fair values. The Company made cash payments for \$3,313,075, issued a promissory note of USD\$5,000,000 (\$6.3 million) (Note 14) with a fair value of \$4,960,897 at the date of the transaction and issued 2,218,333 common shares and warrants with a fair value of \$1,180,185. The warrants were valued using the Black-Scholes option pricing model (see Notes 15 and 16). In addition, the Company incurred in costs related to the acquisition of \$531,102.

As part of the acquisition agreement, the Company granted URI an option, exercisable until January 5, 2018, to purchase the La Sal project for USD\$3 million and the La Jara mine property for USD\$ 5 million (\$6.3 million) the proceeds which would be applied against the outstanding promissory note. In January 2018, URI notified the Company that it would not be exercising the option to purchase the La Sal project and the La Jara mine property.

In addition, the Company has granted URI a 4% NSR on the Church Rock project which maybe repurchased by the Company by the first anniversary of the closing date of the acquisition. The Company did not exercise the option.

Details of the acquisition are as follows:

<u>Consideration</u>	
Cash payments	\$ 3,313,075
Fair value of 2,218,333 shares issued on acquisition (Note 15)	754,233
Fair value of 2,218,333 warrants issued on acquisition (Note 16)	425,952
Promissory note issued on acquisition USD\$5,000,000 (Note 14)	4,960,897
Transaction costs	531,102
Total consideration	\$ 9,985,259
<u>Fair Value of Net Assets Acquired</u>	
Equipment	\$ 27,428
Excess of consideration over assets received, allocated to mineral properties and related deferred costs	9,957,831
Total consideration	\$ 9,985,259

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13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2017	December 31, 2016
Trade accounts payable	\$ 1,109,852	\$ 1,404,931
Accrued payroll liabilities (i)	550,518	700,289
Accrued liabilities	505,589	396,739
Payroll deductions payable	24,487	178,152
Treasury Metals Ltd. (Note 18)	-	23,341
	\$ 2,190,446	\$ 2,703,452

(i) At December 31, 2017, includes \$265,398 of compensation payable to key officers (2016 - \$382,899)

14. SHORT AND LONG-TERM DEBT

The detail of the loans at December 31, 2017 and 2016 is as follows:

	December 31, 2017	December 31, 2016
Extract Advisors LLC	\$ 3,566,257	\$ 3,254,863
Uranium Resources Inc.	5,704,502	-
Short-term loans	236,800	-
Carrying value of the debts	9,507,559	3,254,863
Current portion	(2,427,879)	-
Long-term debt	\$ 7,079,680	\$ 3,254,863

Extract Advisors LLC

The detail of the debt with Extract Advisors LLC is as follows:

	December 31, 2017	December 31, 2016
Loan facility	\$ 5,645,250	\$ 4,088,206
Unaccreted amount (i)	(2,078,993)	-
Unamortized transaction costs	-	(833,343)
Long-term debt	\$ 3,566,257	\$ 3,254,863

(i) At December 31, 2017, the unaccreted amount corresponds to the fair value of the debt presented at market rate.

On December 31, 2015 (the "Closing Date"), the Company arranged with Extract Advisors LLC ("Extract") a USD\$3.7 million (\$4.6 million) term loan which was used to repay a loan facility with Anglo Pacific PLC on maturity.

Conditions of the term loan which were partially amended in December 2016 and 2017, are as follows:

- An initial term loan of USD\$3.7 million (\$4.6 million) with a maturity of February 28, 2017. As part of the December 2016 amendment, the Company repaid USD\$748,839 (\$0.9 million) of the USD\$3.7 million (\$4.6 million) and the maturity was extended to July 1, 2018. In December 2017 additional funds were provided by Extract updating the outstanding indebtedness to USD\$4,500,000 (\$5.6 million), the loan became convertible into shares of the Company, and the maturity was extended to December 29, 2021.

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14. SHORT AND LONG-TERM DEBT (Continued)

- Interest rate of the greater of 12 month LIBOR or 2%, plus 7.5% per annum paid monthly; which was decreased to 7% in December 2017. The annual effective interest rate was 29% in 2016 which, besides the agreed interest rate, includes the effect of the cash transaction costs and the Black-Scholes value of the warrants issued and extended in favour of Extract;
- Repayments at any time with a 3% penalty;
- As per the amendment of December 2017, the outstanding indebtedness under the facility is convertible into common shares of the Company at a price of \$0.60 per share.
- Arrangement fees of 4% of the facility amount were paid as part of the initial term loan. In addition, a 2% extension fee and \$125,000 closing fees was paid as a partial consideration for the amending agreement;
- The issuance of 2.5 million common shares of Laramide subject to a 4-month hold period (issued in December 2015);
- The issuance of 1.25 million warrants of Laramide issued at an exercise price of \$0.1911 and a second series of 1.25 million warrants of Laramide issued at an exercise price of \$0.3871. Both series of warrants expire on December 31, 2018 (extended to December 31, 2020 as per a condition of the amendment). Laramide can accelerate the exercise of the first series of warrants if the common shares trade at or above \$1.00 for ten consecutive days. These warrants were subsequently exercised in 2017, see Note 20;
- The issuance of 1.2 million warrants of Laramide at an exercise price of \$0.35 expiring on December 16, 2021, as partial consideration for the amendment;
- The obligation to maintain investments with a market value of no less than \$2 million in its securities account maintained with Bank of Montreal ("Equity Account"). In the event the market value of the Equity Account falls below \$2 million for ten consecutive business days, the Company shall deposit additional cash or securities in this Equity Account to rectify the deficiency within five business days; and
- The payment to Extract of fifty percent of the cash proceeds of the dispositions, to be applied against the outstanding loan balance, if the aggregate balance in the Equity Account is between \$2 million and \$2.75 million at the time of the disposition. Such requirement is not applicable if the aggregate balance in the Equity Account is greater than \$2.75 million at the time of the sale. The December 2017 amendment revised the minimum amount of the equity account to be \$2 million and any excess to be 100% available to the Company.
- The payment to Extract 2.5% on the amount of the debt, as amendment fee for USD\$112,500 (\$141,131).

The term loan also provides Extract a production fee of USD\$0.50 (\$0.63) per pound of U₃O₈ produced from any of the projects owned by Laramide. The production fee may be repurchased at any time by Laramide for a lump sum payment equal to \$0.3 million if the term loan is repaid in full on or before 6 months from the closing date; \$0.5 million if the term loan is repaid after 6 months on or before 14 months from the closing date; or \$2 million after the repayment of the term loan.

Due to the 2017 amendment being considered an extinguishment of debt under IFRS, the new debt instrument was recorded at fair value on the amendment date. The fair value of the debt component upon issuance was USD\$2,842,772 (\$3,566,257), based on a market borrowing rate of 20.41%.

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14. SHORT AND LONG-TERM DEBT (Continued)

The yearly activity of the Extract Advisors LLC debt is as follows:

Years ended December 31,	2017	2016
Beginning balance	\$ 3,254,864	\$ 3,468,011
Amortized transaction costs (i)	533,432	1,246,948
Principal payments made	-	(1,000,000)
Transaction costs added to principal	-	-
Foreign exchange adjustment	(231,921)	(460,095)
Carrying value prior to amendment	3,556,375	3,254,864
Loss on extinguishment (i)	739,331	-
Additional loan received	1,825,591	-
Carrying value of financial instrument (ii)	\$ 6,121,297	\$ 3,254,864

(i) Does not include \$183,192 transaction costs incurred on amendment

(ii) The financial instrument is composed of the debt and convertible portions of the loan.

Due to the loan being denominated in U.S. dollars, the conversion feature has been presented as a derivative liability, and upon issuance was assigned a fair value of \$2,555,040 using the Black-Scholes option pricing model with the following assumptions: share price \$0.47, dividend yield 0%, expected volatility, based on historical volatility 86.23%, a risk free interest rate of 1.81% and an expected life of 4 years. The transaction costs were spent to profit and loss. The effective interest rate of the debt is 20.6%.

In connection with the December 2017 amendment of the loan agreement, the Company has charged to the consolidated statement of operations \$183,192 of transaction costs relating to the amendment.

Uranium Resources Inc.

	Debt December 31, 2017
Debt amount and accrued interest	\$ 6,581,829
Unamortized discount	(877,327)
Current portion of the debt and accrued interest	(2,191,079)
Long-term portion of the debt	\$ 3,513,423

In connection with the acquisition of the Church Rock and Crownpoint properties from Uranium Resources Inc., a partial consideration for that transaction was the issuance of a promissory note in the amount of USD\$5.0 million (\$6.2 million) with three anniversary payments due on January 5, 2018 of USD\$1.5 million (\$1.9 million - paid), 2019 USD\$1.5 million (\$1.9 million), and 2020 USD\$2.0 million (\$2.5 million). The annual simple interest rate is 5% until the Company makes a commercial production decision with regard to the project and thereafter 10%. Laramide has the option to pay up to fifty per cent of the debt by delivering common shares at a conversion price determined by using the volume weighted average price per share for the twenty days prior to the payment date. The effective interest rate of the debt is 20.6%

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14. SHORT AND LONG-TERM DEBT (Continued)

Short-term Loans

	December 31, 2017
Calliope Investments Inc. (i)	\$ 121,800
Officer/director of the Company (ii)	115,000
Total short-term loans	\$ 236,800

(i) On November 15, 2017, the Company signed a promissory note for a \$120,000 loan which is due on June 30, 2018 together with the accrued interest in favour of Calliope Investments Inc., a non-related entity. This loan is unsecured and is subject to an annual interest of 12% compounded monthly.

(ii) This short-term loan was provided by an officer and director of the Company; it is unsecured, does not bear interest and is due on demand.

15. CAPITAL STOCK

a) AUTHORIZED

Unlimited common shares
2,231,622 preferred shares

b) ISSUED

COMMON SHARES	Number of Shares	Stated Value
Balance, January 1, 2016	93,757,740	\$ 126,644,198
Cost of issue adjustment	-	(15,000)
Balance, December 31, 2016	93,757,740	126,629,198
Units issued for cash on private placements	14,913,500	4,474,050
Cost of issue	-	(146,716)
Shares and warrants issued with respect to Hydro Resources Inc. acquisition	2,218,333	754,233
Issuance of warrants	-	(1,614,774)
Exercise of options	675,000	182,500
Exercise of warrants	4,187,593	1,526,893
Fair value of exercised options	-	75,396
Fair value of exercised warrants	-	618,264
Balance, December 31, 2017	115,752,166	\$ 132,499,044

On January 5, 2017, the Company completed a non-brokered private placement issuing 14,913,500 units at a price of \$0.30 per unit, for aggregate gross proceeds of \$4,474,050. Each unit consists of one common share of the Company and one common share purchase warrant exercisable within sixty months of the closing at an exercise price of \$0.45. The Company paid cash finder's fees of \$146,716 which represents 6% on certain orders for services provided in connection with the private placement. At December 31, 2016, \$2,205,450 was received in advance and held by the trustee; that amount was presented in the shares to be issued account in the statement of changes in shareholders' equity at December 31, 2016 and was subsequently reallocated to the capital stock account in the current year.

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15. CAPITAL STOCK (Continued)

In connection with the acquisition of the Hydro Resources Inc. described in Note 11, the company issued 2,218,333 common shares and warrants as a partial payment for the transaction. The common shares were valued at their fair market value on the issuance date. See Note 16 regarding the valuation of the warrants.

16. WARRANTS

The following tables reflect the continuity of warrants for the years ended December 31, 2017 and 2016.

Expiry Date	Weighted Average Exercise Price	January 1, 2017 Balance	Issued	Exercised	Expired	December 31, 2017 Balance
December 23, 2017	0.80	300,000	-	-	(300,000)	-
December 24, 2017 (iii)	0.50	3,210,000	-	(1,028,750)	(2,151,250)	30,000
March 13, 2018	0.45	2,857,140	-	(584,274)	-	2,272,866
March 13, 2018	0.36	74,569	-	(74,569)	-	-
December 31, 2018	0.19	1,250,000	-	(1,250,000)	-	-
December 31, 2018	0.39	1,250,000	-	(1,250,000)	-	-
December 16, 2021 (iv)	0.35	1,200,000	-	-	-	1,200,000
January 5, 2022 (i)	0.45	-	14,913,500	-	-	14,913,500
January 5, 2022 (ii)	0.45	-	2,218,333	-	-	2,218,333
	0.44	10,141,709	17,131,833	(4,187,593)	(2,451,250)	20,634,699

Expiry Date	Weighted Average Exercise Price	January 1, 2016 Balance	Issued	Expired	December 31, 2016 Balance
July 12, 2016	0.82	200,000	-	(200,000)	-
December 24, 2016	0.30	124,800	-	(124,800)	-
June 19, 2016	0.60	1,646,250	-	(1,646,250)	-
December 23, 2017	0.80	300,000	-	-	300,000
March 13, 2018	0.45	2,857,140	-	-	2,857,140
March 13, 2018	0.36	74,569	-	-	74,569
December 24, 2017	0.50	3,210,000	-	-	3,210,000
December 31, 2018	0.19	1,250,000	-	-	1,250,000
December 31, 2018	0.39	1,250,000	-	-	1,250,000
December 16, 2021	0.35	-	1,200,000	-	1,200,000
	\$0.42	10,912,759	1,200,000	(1,971,050)	10,141,709

The weighted average life of the outstanding warrants at December 31, 2017 is 2.7 years (2016 - 1.8 years)

- (i) In connection with the January 5, 2017 private placement, disclosed in the Note 14, the Company issued 14,913,500 warrants at an exercise price of \$0.45. The fair value of \$1,614,774 assigned to the warrants was estimated using the Black Scholes option pricing model with the following assumptions: share price \$0.34, dividend yield 0%, expected volatility based on historical volatility 77.98%, a risk free interest rate of 1.45% and an expected maturity of 5 years.

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16. WARRANTS (Continued)

- (ii) In connection with the acquisition of Hydro Resources Inc. described in Note 11, the company issued 2,218,333 warrants at an exercise price of \$0.45 for a five-year period to January 5, 2022, as a partial payment for the transaction. The fair value of \$425,952 assigned to the warrants was estimated using the Black Scholes option pricing model with the following assumptions: share price \$0.34, dividend yield 0%, expected volatility based on historical volatility 77.98%, a risk free interest rate of 1.45% and an expected maturity of 5 years.
- (iii) The Company has received the cash for the exercise of these 30,000 warrants before their expiration; at December 31, 2017, the correspondant common shares issuance was not completed.
- (iv) In connection with the extension of the term loan with Extract (see Note 13), on December 16, 2016, the Company issued 1.2 million warrants at an exercise price of \$0.3546 expiring on December 16, 2021. The fair value of \$218,254 assigned to the warrants was estimated using the Black Scholes option pricing model with the following assumptions: share price \$0.31, dividend yield 0%, expected volatility based on historical volatility 77.16%, a risk free interest rate of 1.45% and an expected maturity of 3 years.

17. STOCK-BASED COMPENSATION

The Company has a stock option plan (the "Plan") in place under which it is authorized to grant options to acquire shares of the Company to directors, officers, consultants and other key employees of the Company. The number of common shares subject to options granted under the Plan is limited to 10% in the aggregate, and 5% with respect to any one optionee, of the number of issued and outstanding common shares of the Company at the date of the grant of the option. The exercise price of any option granted under the Plan may not be less than the fair market value of the common shares at the time the option is granted, less any permitted discount. Options issued under the Plan may be exercised during a period determined by the board of directors which cannot exceed five years. The plan does not require any vesting period and the board of directors may specify a vesting period on a grant by grant basis.

The following tables reflect the continuity of stock options for the year ended December 31, 2017 and for the year ended December 31, 2016:

	Number of Stock Options 2017	Number of Stock Options 2016	Weighted Average Exercise Price-2017	Weighted Average Exercise Price-2016
Beginning balance	6,030,000	6,010,000	\$ 0.28	\$ 0.49
Options granted	2,950,000	2,540,000	\$ 0.60	\$ 0.25
Options exercised	(275,000)	-	\$ 0.30	\$ -
Options exercised	(400,000)	-	\$ 0.25	\$ -
Options expired	-	(2,520,000)	\$ -	\$ 0.75
Ending balance	8,305,000	6,030,000	\$ 0.39	\$ 0.28

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17. STOCK-BASED COMPENSATION (Continued)

As at December 31, 2017, the issued and outstanding options to acquire common shares of the Company are as follows:

Number of Options	Exercise Price	Expiry Date
3,215,000	\$ 0.30	September 18, 2018
2,140,000	\$ 0.25	August 22, 2019
2,950,000	\$ 0.60	March 30, 2020
8,305,000	\$ 0.39	

The weighted average life of the outstanding options at December 31, 2017 is 1.5 years (2016 - 2.1 years)

At December 31, 2017, 5,355,000 options are fully exercisable (2016 - 3,490,000). The average fair market value at the exercise date of the 675,000 exercised options in the year 2017 was \$0.33 per share.

On March 30, 2017, the Board of Directors granted a total of 2,950,000 stock options to officers, director, employees and consultants. The stock options have a three-year term, vest 50% after the first six months and the remaining 50% after twelve months, and have an exercise price of \$0.60. The fair value assigned of \$917,071 was estimated using the Black-Scholes option pricing model with the following assumptions: share price \$0.58, dividend yield 0%, expected volatility based on historical volatility 84.73%, a risk free interest rate of 1%, and an expected maturity of 3 years. The fair value of the options will be recognized over the periods the underlying options vest.

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

During the year, \$306,309 (2016 - \$101,246) of stock based compensation was capitalized to mineral properties and \$639,660 (2016 - \$267,330) was expensed to operations. The offsetting charge pertaining to the recognition of the fair value of options vesting during the year of \$945,969 (2016 - \$368,576) was allocated to contributed surplus.

18. RELATED PARTY TRANSACTIONS

During the year, \$67,755 (2016 - \$98,510) was charged by a firm, in which an officer of the Company is a partner, for legal services and filing fees. Included in accounts payable and accrued liabilities at December 31, 2017 there is \$56,563 (2016 - \$61,247) payable to the firm.

During the year, the Company charged \$219,251 to Treasury Metals Inc., a company having a director and an officer in common with Laramide (2016 - \$211,513) for office space rent and other shared expenditures paid by the Company on behalf of Treasury Metals Inc. During the year, Treasury Metals made payments of \$8,797 (2016 - \$43,685) on behalf of the Company. At December 31, 2017, there is \$9,209 of net accounts receivable (2016 - net account payable \$23,341) from/to Treasury Metals Inc. which was subsequently collected before the issuance of these consolidated financial statements.

During the year, the Company charged \$27,615 to Khan Resources Inc., a company having a director and officer in common with Laramide for office space rent and other shared expenditures paid by the Company on behalf of Khan Resources Inc. At December 31, 2017, there is \$9,209 of accounts receivable from Khan Resources Inc. which was subsequently collected before the issuance of this report.

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18. RELATED PARTY TRANSACTIONS (Continued)

At December 31, 2017, there is \$115,000 of a short-term loan and \$265,398 of compensation payable to an officer/director of the Company (2016 - \$382,899); there is also \$136,000 of unpaid directors' fees (2016 - \$197,000).

19. KEY MANAGEMENT COMPENSATION

Key management includes Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and directors of the Company.

The compensation paid or payable to key management is shown below:

Years ended December 31,	2017	2016
Salaries and other payments	\$ 595,502	\$ 444,814
Director fees	67,500	90,000
Stock-based compensation	380,817	130,075
	\$ 1,043,819	\$ 664,889

20. COMMITMENTS AND CONTINGENCIES

Commitments and contingencies not otherwise disclosed in these statements and notes are as follows:

a) COMMITMENTS

Exploration Tenement Expenditure Requirements

In order to maintain current rights to tenure of exploration tenements, the Company will be required to outlay amounts in respect of tenement rent to the relevant governing authorities and to meet certain annual exploration expenditure commitments. It is likely that variations to the terms of the current and future tenement holdings, the granting of new tenements and changes at renewal or expiry, will change the expenditure commitments for the Company from time to time. During the third quarter of the year 2015 the Company's principal tenements were renewed for a further period of 5 years each, as indicated in Note 11.

These outlays (exploration expenditure and rent), which arise in relation to granted tenements but not recognised as liabilities, are as follows:

	December 31, 2017	December 31, 2016
Not longer than one year	\$ 3,074,843	\$ 1,676,972
Longer than one year but not longer than five years	2,988,511	4,535,285
	\$ 6,063,354	\$ 6,212,257

Occupancy Lease Agreement

The Company is committed to minimum annual rent payments of \$275,000 until the end of the underlying lease in June 2023.

Production fees

The term loan with Extract provides Extract a production fee of USD\$0.50 (\$0.7) per pound of U₃O₈ produced from any of the projects owned by Laramide. The production fee may be repurchased at any time by Laramide for a lump sum payment as described in Note 14.

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20. COMMITMENTS AND CONTINGENCIES (Continued)

b) CONTINGENCIES

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

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position and the capital stock, warrant, and option components of its shareholders' equity.

At December 31, 2017, the Company had a working capital deficiency of \$2,273,022 (2016 - working capital of \$125,846). Capital stock and warrants total \$135,037,248 (2016 - \$127,902,266).

To effectively manage the Company's capital requirements, the management has in place planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company ensures that there are sufficient committed loan facilities and planned future capital raises to meet its short-term business requirements, taking into account its anticipated cash flow from operations and its holding of cash and cash equivalents and money market investments.

At December 31, 2017, the Company expects its capital resources and projected future cash flows from financing to support its normal operating requirements on an ongoing basis, and planned development and exploration of its mineral properties and other expansionary plans. At December 31, 2017, there were certain externally imposed capital requirement related to the Extract loan, to which the Company is subject and with which the Company is in compliance, however, at certain points during the year the Company was in violation of its working capital covenant. A waiver was obtained to confirm that the Company was not in default on the long-term debt.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2017, except for the new capital and investments requirement described in Note 9.

Risk Disclosures

Exposure to credit, interest rate, price, liquidity and currency risks arises in the normal course of the Company's business.

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21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest Rate Risk

The Company has exposure to interest rate risk in the loan arranged with Extract (see Note 14) since the rate on the loan was subject to changes in the 12-month LIBOR for the year ended December 31, 2016. At the end of fiscal 2017, all loans carried a fixed rate of interest.

Foreign Currency Risk

The Company is exposed to foreign currency risk on financial assets and liabilities that are denominated in a currency other than the Canadian dollar. The currencies giving rise to this risk are the Australian dollar and the US dollar.

Price Risk

Price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities and commodities.

Credit Risk

The Company has cash and cash equivalents balance of \$1,724,568 (2016 - \$2,547,561) and short-term investments of \$20,025 (2016 - \$20,045). The Company's current policy is to invest excess cash in investment grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Other receivables as of December 31, 2017 of \$4,853 (2016 - \$15,269) are in good standing. Management believes that the credit risk concentration with respect to financial instruments included in other receivable is minimal.

Liquidity Risk

The Company is exposed to liquidity risk primarily as a result of its accounts payable and accrued liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2017, the Company had a cash and cash equivalents balance of \$1,724,568 (2016 - \$2,547,561), liquid short-term investment balance of \$20,025 (2016 - \$20,045) and an investments balance of \$290,990 (2016 - \$37,346), available to settle current liabilities of \$4,618,325, excluding the derivative liability, (2016 - \$2,703,452). The sale of certain AFS investments is subject to certain conditions described in Note 14.

Sensitivity Analysis

In managing currency risks the Company aims to reduce the impact of short-term fluctuations on the earnings. Over the longer term, however, permanent changes in foreign exchange would have an impact on consolidated earnings.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period.

- i) The Corporation is exposed to foreign currency risk on fluctuations of financial instruments that are denominated in US and Australian dollars related to cash and cash equivalents, accounts receivable, investments and accounts payable and accrued liabilities. Sensitivity to a plus or minus 10% change in the foreign exchange rate would affect the net comprehensive income by \$849,602.
- ii) The Company is exposed to market and price risk as it relates to its investments held in marketable securities. If market prices had varied by 10% from their December 31, 2017 fair market value

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21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

positions, the net loss and/or comprehensive income would have varied by \$229,099.

- iii) The Company is exposed to interest rate risk as it relates to its debt arranged with Extract. Sensitivity to a plus or minus 1% change in the 12-month LIBOR would affect the net comprehensive income by \$56,453.

Fair Value Hierarchy

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash and cash equivalents and short-term investments. The fair value of long-term debt approximates their carrying amount due to the interest rate being close to the market rate. Fair value amounts represent point in time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data. The carrying value of cash and cash equivalents and short-term investments approximate their fair value.

	Level One	Level Two	Level Three
December 31, 2017			
Cash and cash equivalents	\$ 1,724,568	\$ -	\$ -
Short-term investments	\$ 20,025	\$ -	\$ -
Investments	\$ 2,261,658	\$ -	\$ 29,332
Derivative liability (Note 14)	\$ -	\$ (2,555,040)	\$ -

	Level One	Level Two	Level Three
December 31, 2016			
Cash and cash equivalents	\$ 2,740,061	\$ -	\$ -
Short-term investments	\$ 20,045	\$ -	\$ -
Investments	\$ 1,815,732	\$ -	\$ 29,115

There have been no transfers between levels 1, 2 or 3 during the years.