



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

For the periods ended March 31, 2018 and 2017  
As at May 11, 2018

This Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of the financial condition and results of operations to a reader to assess material changes in the financial condition and results of operations as at and for the period ended March 31, 2018 and 2017. The MD&A is intended to supplement the interim condensed consolidated financial statements and notes thereto ("Statements") of Laramide Resources Ltd. ("Laramide" or the "Company") as at and for the period ended March 31, 2018 and 2017. You are encouraged to review the Statements in conjunction with this document.

All amounts included in the MD&A are in Canadian dollars, unless otherwise specified. This report is dated May 11, 2018, and the Company's filings, including its most recent Annual Information Form, can be reviewed on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### **OVERVIEW**

Laramide is a publicly listed company engaged in the exploration and development of high-quality uranium assets based in the United States and Australia. The Company is listed on the Toronto Stock Exchange ("TSX") and with CDI's on the Australian Securities Exchange ("ASX") both under the symbol "LAM", with 118,114,649 shares issued and outstanding, as at the date of this MD&A. Laramide provides investors exposure through its portfolio of uranium projects chosen for their production potential, including the advanced Church Rock ISR Project in the United States, Westmoreland in Australia and two development-stage assets, La Sal and La Jara Mesa, in the United States. Within the portfolio are also joint ventures in Australia and strategic equity positions.

Management believes that the development of low-cost uranium properties is one of the more attractive opportunities in resource development globally, particularly over the long-term. Uniquely positioned to capture a larger share of a growing worldwide energy market, nuclear power is currently an integral part of baseload electricity production in over 32 countries and has the additional benefit in an era of rising climate change concerns of producing electricity with zero carbon emissions.

Long-term growth prospects in nuclear power is today concentrated in a few large nations, particularly China which now has 38 operating reactors with a further 20 under construction. This strong growth profile has offset a reduction in several western countries, such as Germany, in the wake of the Fukushima event in 2011 which created new challenges for public acceptance of nuclear power at a time when renewables appeared to be a potential lower cost alternative. This debate continues and has now expanded to other important nuclear nations, such as France and South Korea, but the challenge of replacing nuclear power today with non-fossil fueled sources of baseload electricity largely remains elusive. For this reason, management believes the medium to longer term outlook for uranium producers should be healthy once the current supply overhang is eliminated. This supply overhang was created in large part due to the essential overnight shutdown in 2011 of the Japanese nuclear fleet – a situation that is now reversing, albeit very slowly.

Due to the continued uranium price weakness, production from several mining companies including Cameco's McArthur River mining and Key Lake milling operations in Northern Saskatchewan were temporarily suspended. The Cameco cut at McArthur River accounts for 11% of global annual uranium production. The 10-month shutdown could be extended depending on how the uranium market responds. The shutdown will reduce uranium supply inventory and allow the sector to reach more sustainable levels. Further, Kazakhstan's



state-owned uranium producer Kazatomprom said it will make production cuts over the next three years, as the market rebalances. Utilities continue to evaluate the implications of these cuts and further activity in the uranium market such as possible trade action under section 232 of the Trade Expansion Act, the suspension of U.S. Department of Energy's excess uranium sales for the remainder of 2018, review of the Russian Suspension Agreement, and a potential Russian ban on all trade with US nuclear power companies.

With the return of eight Japanese units restarted, there are more reactors globally today (449) producing more electricity (394,137 MWe) than there were in March 2011, when the Fukushima incident occurred. Also, according to World Nuclear Performance Report 2016, today there are more nuclear reactors under construction and more reactors that came on line last year than at any time in the past 25 years. Construction times for new reactors has also improved, with reactors coming on line in 2015 having an average construction time of 73 months.

The Company strongly believes that the long-term fundamentals have not materially changed and expects tightening supply and rising demand from expanding global nuclear power generation to bring about recovering uranium prices over the long-term. However, the current extreme weakness in the short-term spot market dictates a cautious approach to development activities in the meantime. The conservative approach was evident in the most recently completed quarter.

## **SUMMARY OF PROPERTIES AND INVESTMENTS**

The Company operates through its wholly owned U.S. subsidiaries Laramide Resources (USA) Inc., Laramide La Sal, Inc., and its wholly owned Australian subsidiaries Lagoon Creek Resources Pty Ltd., Westmoreland Resources Pty Ltd., and Tackle Resources Pty Ltd. Its wholly owned Mexican subsidiary is inactive. The organization chart contained in the Annual Information Form depicts the intercorporate relationships.

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

#### *Church Rock and Crownpoint, New Mexico*

- On January 5, 2017, the Company announced it had closed a transaction with Uranium Resources Inc. ("URI") pursuant to which Laramide acquired 100% of an advanced stage portfolio of high-quality In Situ Recovery ("ISR") projects in New Mexico through Laramide's acquisition of Hydro Resources Inc. ("HRI"), which is now a wholly owned subsidiary of Laramide. The properties are principally comprised of the Church Rock and Crownpoint projects, in addition to nearby assets;
- HRI owns mineral interests, mining claims and other assets that comprise the Church Rock and Crownpoint mining projects and the recently consolidated Strathmore/Church Rock assets;
- HRI also holds a license from the United States Nuclear Regulatory Commission for production of uranium from Sections 8 and 17 of the Church Rock project, and the Crownpoint project;
- Also, the United States Nuclear Regulatory Commission has approved for the construction of a Central Processing Plant at the Crownpoint property. While the permit to build the facility has been granted, a mining study has not been filed to support the technical feasibility or economic viability of the Central Processing Plant;
- On October 10, 2017, the Company announced the results of an independent Mineral Resource Estimate (the "Resource Estimate") for the Company's 100% owned Church Rock Uranium Project. The Resource Estimate was prepared to CIM Definition Standards (2014) as incorporated in NI 43-101 and completed by Roscoe Postle Associates Inc. ("RPA") in Denver, USA with the assistance of



Laramide's technical team. The Technical Report pertaining to the Resource Estimate is filed on SEDAR ([www.sedar.com](http://www.sedar.com)) as of Nov. 22, 2017.

- Historical estimates of uranium mineral resources have been completed on the Properties. Collectively, the Properties' historical mineral resources of uranium are considered "historical estimates" for purposes of Canadian securities legislation and NI 43-101 and are therefore "NI 43-101 compliant". However, they cannot be considered current mineral resources.

#### *La Sal Project, Utah*

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

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

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

#### ***Australian Properties***

##### *Westmoreland, in Queensland, Australia*

- Located in northwest Queensland, near the Northern Territory border;



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

*Three contiguous joint ventures in Northern Territory, Australia, adjacent to Westmoreland Project:*

- the Verdant Minerals (previously Rum Jungle Resources) - Lagoon Creek Joint Venture
- the Gulf Manganese Joint Venture
- the Rio Tinto – Murphy Farm-In and Joint Venture

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

### **Equity Holdings**

- 8,300,000 shares of Khan Resources Inc. having a market value of \$871,500 on December 31, 2017 and \$664,000 at the date of this report; and
- 2,234,000 shares of Treasury Metals Inc. having a market value of \$1.36 million on December 31, 2017, and \$1.0 million at the date of this report. Most of these shares were retained in connection with the spin-off transaction and distribution by Return of Capital to Laramide shareholders.

All of the equity holdings are discussed in the “Investments” section, and the Treasury Metals spin-off is detailed in the MD&A for the third quarter of 2008.

## **NEW DEVELOPMENTS**

### **Acquisition of Church Rock and Crownpoint Properties**

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

These projects have been previously burdened by significant net smelter royalties, specifically the sliding scale royalty, held by Laramide Resources of up to 25% of gross revenue covering certain areas of the properties as described in Note 11 (4) to the March 31, 2018 interim condensed consolidated financial



Statements. Following the acquisition by Laramide, a leading In Situ Recovery (“ISR”) division is created operating in a tier one jurisdiction with enhanced overall project economics and potential low operating costs.

Acquisition Highlights are described later in this report under the section “Church Rock and Crownpoint Highlights” on page 7.

### ***Independent Mineral Resource Estimate for the Church Rock Uranium Project***

The Resource Estimate was prepared to CIM Definition Standards (2014) as incorporated in NI 43-101 and completed by Roscoe Postle Associates Inc. (“RPA”) in Denver, USA with the assistance of Laramide’s technical team. The Resource Estimate supersedes various “historical estimates” for purposes of NI 43-101 reporting (see press releases dated March 29, 2017 and Oct. 10, 2017) and considers planned In Situ Recovery (“ISR”) of uranium consolidating the significant work completed by previous operators on the Project. The Resource Estimate reports an Inferred Resource Estimate of 33.9 million tons at an average grade of 0.075% eU<sub>3</sub>O<sub>8</sub> for a contained resource of 50.8 million pounds using a 0.5 ft-% Grade Thickness cutoff.

### ***Debt Restructuring***

On October 7, 2016, the Company and its lenders announced they have agreed to extend the maturity date of the previously issued USD\$3.7 million term loan to July 1, 2018. A further amendment to the loan agreement was made in December 2017 where the maturity date was again extended to December 29, 2021 and the interest rate was lowered. Full details of the amendments and extensions are included in the Debt section of this report and in Note 13 to the March 31, 2018 interim condensed consolidated financial statements.

### ***Other Recent Milestones***

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

## **PLANS FOR 2018**

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

For 2018, funding dependent, the Company will be working towards:

- Commencement of a PEA on the Church Rock Project;
- Comprehensive development strategy followed by implementation for the Church Rock and Crownpoint properties;
- Advancement of the Westmoreland project, and, more specifically:
  - continue with exploration work on the mineral systems approach
  - continue environmental baseline data acquisition
  - prepare the inputs for the Initial Advice Statement, which is the first step towards permitting



- Complete the exploration work and spending commitments on the Northern Territory tenements under the Rio Tinto-Murphy Farm-in and Joint Agreement; and,
- Continue the required legal work towards the permitting of the La Jara Mesa Project.

## RESULTS OF OPERATIONS – EXPLORATION AND DEVELOPMENT

### CHURCH ROCK AND CROWNPOINT PROPERTIES, New Mexico

Churchrock, New Mexico, USA	Additions Q1		Balance March 31	
	2018	2017	2018	2017
UNC Mineral Royalty Acquisition	-	-	4,622,504	4,522,401
Churchrock acquisition (i)	-	-	9,957,831	11,640,858
Legal fees	17,320	-	137,042	-
Consulting	64,660	-	626,749	-
Capitalization of financing expenses	-	-	-	-
Other	35,387	-	101,676	-
Translation adjustment (ii)	144,825	(41,043)	440,583	589,159
<b>Total</b>	<b>262,192</b>	<b>(41,043)</b>	<b>15,886,384</b>	<b>16,752,418</b>

(i) In Q4 2017 it was recorded a reduction of the acquisition cost as per the adjustment to fair value of the USD\$5 million promissory note due to URI for this transaction.

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

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

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

Total consideration paid by Laramide to URI consisted of USD\$2.5 million (CAD\$3.3 million) in cash, the issuance by Laramide to URI of 2,218,333 units (“Units”), a promissory note in the amount of USD\$5.0 million (CAD\$6.6 million) with three anniversary payments due on January 5, 2018 of USD\$1.5 million (CAD\$2 million) (paid), 2019 USD\$1.5 million (CAD\$2 million), and 2020 USD\$2.0 million (CAD\$2.7 million), and a retained net smelter royalty on the Projects valued at USD\$4.95 million (CAD\$6.6 million). The transaction took over a year to complete and includes the approval from the U.S. Nuclear Regulatory Commission to transfer materials licenses for the properties to Laramide.





Each Unit consists of one common share in the capital of the Company and one share purchase warrant (a "Warrant"), with each Warrant entitling the holder to purchase one additional common share at a price of CAD\$0.45 for a period of 60 months from the date of closing of the Offering. In the event that the common shares trade at a price of CAD\$1.00 or greater for a period of 10 consecutive trading days, the Company may accelerate the expiry date of the Warrants by giving notice to the holders and, in such case, the Warrants will expire on the 30<sup>th</sup> business day after the date on which such notice is given by the Company. The common shares and Warrants issued pursuant to URI are subject to a statutory four-month hold period expiring on May 6, 2017. The exercise of the Warrants issued to URI were subject to approval by shareholders which was received at the annual and special meeting of the shareholders held April 27, 2017.

#### *Church Rock and Crownpoint Highlights*

- Laramide through the acquisition of HRI owns mineral interests, mining claims and other assets that comprise the Church Rock and Crownpoint mining projects and the recently consolidated Strathmore/Church Rock assets;
- HRI also holds a license from the United States Nuclear Regulatory Commission for production of uranium from Sections 8 and 17 of the Church Rock project, and the Crownpoint project;
- Also, the United States Nuclear Regulatory Commission has approved for the construction of a Central Processing Plant at the Crownpoint property. While the permit to build this facility has been granted, a mining study has not been filed to support the technical feasibility or economic viability of the Central Processing Plant;
- In a Feasibility Study on Church Rock's Section 8, prepared by Behre Dolbear & Company, the existing royalties, in particular Laramide's royalties, were highlighted as substantially impacting the project economics;
- Laramide has expertise in New Mexico through its current ownership of the La Jara Mesa uranium project and the Company's Chief Operating Officer has strong ISR experience globally;
- Multiple proximal uranium properties provide the opportunity for further consolidation and toll-milling revenues;
- The properties are located in a mining district in a jurisdiction with excellent infrastructure; and
- URI was also granted an option to purchase, through and including January 5, 2018, Laramide's interest in a subsidiary that owns the La Sal project in Utah for USD\$3.0 million, effected by a reduction in principal of the note with respective adjustments to the principal and interest payment schedule. There was also a second option to purchase the La Jara Mesa for \$5.0 million. In January 2018 URI notified the Company that it would not be exercising this option.

#### *Results of Recent Mineral Resource Estimate*

The recently completed Church Rock Resource Estimate was prepared to CIM Definition Standards (2014) as incorporated in NI 43-101 and completed by Roscoe Postle Associates Inc. ("RPA") in Denver, USA with the assistance of Laramide's technical team. The Technical Report pertaining to the Resource Estimate was filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

The current Resource Estimate supersedes various "historical estimates" for purposes of NI 43-101 reporting (see press release dated March 29, 2017) and considers planned In Situ Recovery ("ISR") of uranium consolidating the significant work completed by previous operators on the Project.



Highlights include:

- An Inferred Resource Estimate of 33.9 million tons at an average grade of 0.075% eU<sub>3</sub>O<sub>8</sub> for a contained resource of 50.8 million pounds using a 0.5 ft-% Grade Thickness (GT) cutoff.
- Data from previous operators was consolidated and digitized resulting in a database of 1,667 drill holes totaling approximately 1,841,545 feet of drilling.
- The report highlighted areas for immediate follow up exploration to both improve confidence in the Resource Estimate and potentially discover additional mineral resources.

A Preliminary Economic Assessment (“PEA”) is planned as the next step, including core drilling with ISR process and restoration testing of mineralized materials, and Exploration drilling in areas of potential mineralization.

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 covered 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., the company that acquired them from United Nuclear in a series of transactions between 1986 and 1991.

Terms of the acquisition were USD\$9.25 million (CAD\$11.3 million) in cash, structured as follows:

- USD\$3.5 million (CAD\$4,071,900) at closing (paid);
- USD\$3 million (CAD\$3,153,000) on issuance of the final regulatory permit required to allow production to commence on Section 8 (permits not yet issued);
- USD\$1.25 million (CAD\$1,313,750) on issuance of the final regulatory permit required to allow production to commence on Section 17; and
- USD\$1.5 million (CAD\$1,576,500) on issuance of the final regulatory permit required to allow production to commence on Mancos (also known as Sections 7, 12, and 13).

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

In April, 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 in-situ project located in the Grants Mineral District. Terms of the Agreement required USD\$50,000 upon signing of the Agreement (paid) and USD\$1,975,000 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).

### **Westmoreland Property, Queensland, Australia**

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





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

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

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



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

- April 2016: Completed and reported the results of an updated PEA study and the PEA's details of which are detailed on the next page.

Exploration Costs - Westmoreland	Additions Q1		Balance March 31	
	2018	2017	2018	2017
Drilling, field support and assays	-	-	6,246,640	6,246,640
Camp, field and land costs	-	-	3,555,904	3,555,904
Licencing and tenure costs	-	-	1,735,330	1,735,330
General and administrative	35,801	90,386	9,814,097	9,579,597
Access Negotiation	-	-	4,277,338	4,272,753
Project engineering studies	-	-	738,080	738,080
Field consultants and salaries	35,265	44,241	6,952,293	6,582,125
Environmental study	-	-	3,058,767	3,058,767
Metallurgical consultants	-	-	272,328	272,328
Resource Calculation Consultants	-	-	200,293	200,293
Geophysics and surveyors	-	3,445	240,440	239,779
Depreciation	241	244	2,156,465	2,155,491
Acquisitions of properties and data	-	-	17,057,344	17,057,344
R&D Refund	-	-	(865,533)	(865,533)
Translation adjustment	525,689	2,370,500	2,857,979	4,227,343
<b>Total</b>	<b>596,997</b>	<b>2,508,815</b>	<b>58,297,766</b>	<b>59,056,241</b>

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

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

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

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

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



*Key Highlights of the PEA/Scoping Study (at USD\$65/lb U<sub>3</sub>O<sub>8</sub> Life of Mine price)*

- Initial capital expenditures (“CAPEX”) of USD\$268M plus USD\$49M contingency are estimated to construct the mine and a 2M tonne per annum (tpa) mill with a nameplate capacity of 4Mlb U<sub>3</sub>O<sub>8</sub> per annum;
- Total sustaining capital of USD\$58M over the Life of Mine (“LOM”);
- Cash operating cost to average USD\$21.00/lb U<sub>3</sub>O<sub>8</sub> for the first five years of operation and USD\$23.20/lb U<sub>3</sub>O<sub>8</sub> LOM;
- Net Present Value (“NPV”) at a 10% discount rate of USD\$598M pre-tax and USD\$400M post tax;
- Internal Rate of Return (“IRR”) of 45.4% pre-tax and 35.8% post tax with a capital payback estimated at 2.5 years post-tax;
- Low 2.3:1 strip ratio for the first 5 years of operation and 4:1 LOM. Simple, open cut mining operation;
- Mine scheduling allows best practice in-pit tailings storage to be employed without the requirement for a temporary tailings storage facility; and
- Opportunities have been identified to further reduce operating cost through reagent recycling. Further test work is required to confirm this assumption before incorporating it into the process model.

*PEA/Scoping Study Details*

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

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



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

The total direct employment generated by the Project will be in the order of 220 to 250 for the 13 year mine life.

*Mineral Resource Estimates*

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

*Westmoreland Mineral Resource Estimates - 2016*

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

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

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

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

*PEA/Scoping Study Cautionary Statement*

The preliminary economic assessment is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. There is no certainty that further exploration work will result in the inferred mineral resources being upgraded to indicated mineral resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Given the uncertainties involved, investors should not



make any investment decisions based solely on the results of the PEA/Scoping Study. The abovementioned information refers to the press release April 21, 2016 – “Laramide Resources Announces Positive Results from the Updated PEA on the Westmoreland Uranium Project”. The Company confirms that all the material assumptions underpinning the production target and forecast financial information derived from the PEA continue to apply and have not materially changed.

### Queensland Political Developments

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

On January 31, 2015 and again on November 25, 2017, a Queensland State election was held and in both cases shortly after the election a minority ALP was able to form government. The Queensland ALP remains opposed to granting uranium mining permits and the ban was reinstated.

As a country, Australia is the third largest producer of uranium globally, due to the Northern Territory and South Australia having created uranium industries.

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

As part of its strategy to control ground contained within a large mineralized system in Australia, the Company entered into joint venture agreements on several large properties adjacent to Westmoreland in the Northern Territory, where exploration is continuing, and no state policy prohibiting the mining of uranium has ever existed. The Northern Territory is federally controlled and one of the jurisdictions favorable to uranium mining.

At December 31, 2017, Laramide controls approximately 1,332 square kilometres under exploration licenses in the Northern Territory. This includes three joint venture or farm-in agreements. One joint venture is with Verdant Minerals Limited (through its subsidiary Central Australian Phosphate Limited, formerly NuPower Resources Ltd), and a second is with Gulf Manganese Corporation Ltd. (through its subsidiary Gulf Copper Pty Ltd – formerly Hartz Range Mines Pty Ltd); much of this area has only received preliminary exploration in the past. A third agreement is with Rio Tinto Exploration Pty Limited (“RTX”). The Farm-In and Joint Venture Term Sheet with RTX provided access to tenements that are situated geologically within the highly prospective Murphy Uranium Province and are along strike from Laramide’s flagship Westmoreland Project in northwest Queensland.

Exploration Costs - Northern Territory JVs	Additions Q1		Balance March 31	
	2018	2017	2018	2017
Camp, field and land costs	-	-	63,967	63,970
Project engineering studies	-	-	2,521	2,521
Acquisitions of properties and data	-	-	778,249	849,487
General and administrative	7,093	127	291,876	163,534
Access Negotiation	-	-	144,942	144,945
Field consultants and salaries	-	-	293,421	293,419
Geophysics and surveyors	-	-	8,691	8,691
Translation adjustment	16,063	71,079	1,066	41,259
<b>Total</b>	<b>23,157</b>	<b>71,206</b>	<b>1,584,733</b>	<b>1,567,825</b>



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

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

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

In May 2005, Laramide ("Lagoon Creek Pty") entered into an agreement with NuPower Resources (now Central Australian Phosphate Limited) pursuant to which the Company can farm-in to granted exploration license EL23573, Lagoon Creek, in the Northern Territory, approximately 380 kilometres NNW of Mt Isa. Laramide has made qualifying exploration payments fulfilling the expenditure requirement of AUD\$3 million over a four-year period as required for 50% equity in the tenement. This 50% interest has been formally transferred to the Company.

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

*Gulf Manganese Corporation Joint Venture*

Immediately north of the Central Australian Phosphate-Lagoon Creek tenement is a tenement held by ASX listed Gulf Manganese Corporation Ltd (through its subsidiary Gulf Copper Pty Ltd., formerly Hartz Range Mines Pty Ltd.). This tenement exhibits similar geological potential and is a part of what is a very significant and under-explored mineral district. Laramide, in the second quarter of 2005, signed an option to earn 90% of any resource pegged under mining tenure consequent to exploration over a defined area on the three Exploration Permits ("EPMs") that Hartz Range owned in the Northern Territory.

On October 8, 2014, Laramide announced it has entered into a Sale Purchase Agreement ("SPA") to acquire 100% of the Gulf JV tenement EL 29898 from Gulf Copper Pty Ltd. ("Gulf"). Under the terms of the SPA Laramide must pay to Gulf AUD\$125,000 broken into three payments: AUD\$25,000 (paid) immediately; a further AUD\$25,000 subject to satisfactory completion of certain conditions (paid in March 2015); and the balance of AUD\$75,000 on transfer of the tenement title. The AUD\$75,000 has since been reduced to AUD\$25,000 subject to the licence renewal which is currently being processed.

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





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

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

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

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

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

**AUSTRALIAN PROPERTIES – TENEMENT RENEWALS AND EXTENSIONS**

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

Tenement	Holder	Expiry Date/Date for Renewal	Location
EPM14558	Tackle Resources Pty Ltd	25-Jul-20	Queensland
EPM14672	Tackle Resources Pty Ltd	25-Jul-20	Queensland
EPM14967	Lagoon Creek Resources Pty Ltd	30-Jul-22	Queensland
EL23573	Lagoon Creek Resources Pty Ltd/Central Australian Phosphate Ltd (Rum Jungle JV)	22-Dec-17 (renewal lodged)	Northern Territory
EL29898	Gulf Copper Pty Ltd (Gulf Manganese JV)	14-Aug-19	Northern Territory
EL9319	Rio Tinto Exploration Pty Ltd	3-Nov-17 (renewal lodged)	Northern Territory
EL9414	Rio Tinto Exploration Pty Ltd	3-Nov-17 (renewal lodged)	Northern Territory

The main Queensland tenement upon which the identified Westmoreland resource is situated is EPM14558. It was renewed for a period of three years after the initial five years expired in 2010, and then for a subsequent



two years until July 2015. A further extension application for this tenement and the adjacent EPM14672 was successful and the tenements were renewed for a further five years until 2020.

Initial grants and extensions involve commitments for rents and exploration expenditures throughout the term of the grant or extension. The current commitments for all tenements, as at December 31, 2017, are detailed in this report in the Commitments section and in Note 20 (a) to the March 31, 2018 interim condensed consolidated financial statements.

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

Exploration Costs - Homestake Properties	Additions Q1		Balance March 31	
	2018	2017	2018	2017
Camp, field and land costs	-	-	894,842	894,842
Acquisitions of properties and data	-	-	4,229,919	4,229,919
General and administrative	18,722	39,592	2,945,583	2,713,874
Environmental studies	-	-	364,134	364,134
Translation adjustment	264,734	(85,966)	1,477,330	1,762,601
<b>Total</b>	<b>283,456</b>	<b>(46,374)</b>	<b>9,911,809</b>	<b>9,965,371</b>

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

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

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

Terms of the transaction require Laramide to pay Homestake a total of USD\$3,750,000 (CAD \$3,941,250) in cash. USD\$1,500,000 (CAD\$1,576,500) has been paid which includes the USD\$500,000 paid in September 2010 upon exercise of the option to purchase the La Sal property. The remaining balance of USD\$2,250,000 (CAD\$2,364,750) is represented by milestone payments tied to the permitting of the projects and commencement of commercial production. In addition, Laramide committed to expend and has paid USD\$1,500,000 (CAD\$1,827,000) by November 2007 on the properties and to pay a royalty of USD\$0.25 (CAD\$0.30) per pound of uranium (U<sub>3</sub>O<sub>8</sub>) on any production in excess of eight million pounds from the La Jara Mesa property.

As discussed earlier in this report under the heading of Church Rock and Crownpoint Properties, under the purchase agreement with URI, Laramide has granted a purchase option to URI to purchase either or both of the La Sal and La Jara Mesa properties. In January 2018, URI (now Westwater) notified Laramide that it would not be exercising this option.

#### *La Jara Mesa Property*

La Jara Mesa is a sandstone hosted roll-front style deposit located within the formerly producing Grants Uranium District, approximately 10 miles northeast of the town of Grants in Cibola County, New Mexico, USA.



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

On the basis of encouraging results from drilling in 2007, Laramide submitted in April 2008, (amended October 2008) to the USDA Forest Service ("Forest Service") an Amended Plan of Operations for Underground Development and Mine Production. The Amended October 2008 Plan seeks permits to proceed with an underground development program that will construct dual parallel inclines and an escape raise to access the body of mineralization. From underground in the mineralized zone, Laramide proposes to conduct mapping, longhole drilling with gamma probing, test mining and collection of bulk samples for metallurgical and mill compatibility studies. The resource lies approximately 700 feet below the surface and approximately 500 to 800 feet above the water table. It is important to recognize that Homestake received approval from Forest Service for a similar program in two separate years, 1984 and 1988. In both years, Homestake chose not to enter into production because of steep declines in the price of uranium.

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

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

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



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

As part of the acquisition terms of the Church Rock and Crownpoint properties, URI was granted an option to purchase the La Jara Mesa Property for USD\$5 million, exercisable up to January 5, 2018. In January 2018, URI (now Westwater) notified Laramide that it would not be exercising this option.

### *La Sal Project*

As part of the 2005 acquisition of uranium properties from Homestake, Laramide purchased an option to acquire the La Sal property, located within the mining district in southeastern Utah. This option was exercised in Q3 2010, as announced by press release September 13, 2010. In accordance with the terms of the original purchase agreement, a further payment of USD\$250,000 to Homestake will be required upon successful permitting of the La Sal property, with a final payment of USD\$500,000 due upon commercial production. In addition, as part of the title transfer process, Laramide has provided disclosure of the required payment options to legacy royalty holders as described in the above-mentioned press release, which allows for royalty holders to elect to either sell their shares or to receive advance royalties pursuant to a defined schedule.

In April 2012, the Company made a proposal to each of the current royalty holders ("Royalty holders"), who are the owners of a proportionate interest in the proceeds on the production from the La Sal property ("units"), offering to either sell back the royalty stream or receive advance royalty payments. In the event the Royalty holders elected to sell back the royalty stream, the Royalty holders may choose to sell the royalty for either USD\$15 (CAD\$20) per unit payable on June 24, 2012 or USD\$30 (CAD\$40.2) per unit payable 121 days after issuance and receipt of all necessary permits required to bring the mine into production. In the event the Royalty holders elected to receive advance royalty payments, the Royalty holders may choose to receive an advanced royalty of USD\$8 (CAD\$10.70) per unit payable on June 24, 2012, or USD\$12 (CAD\$16) per unit payable 121 days after issuance and receipt of all necessary permits to bring the mine into production, or USD\$15 (CAD\$20) per unit on the date 8,500 tons of saleable ore is produced over any 30 day period or when 50,000 tons of saleable ore has been produced from the La Sal property.

From elections made by and received from the Royalty holders, the Company paid USD\$365,667 (CAD\$490,981) to Royalty holders electing the USD\$8 (CAD\$10.70) per unit advanced royalty payment option, and recorded the payment as a prepaid royalty on the consolidated balance sheet. In addition, the Company was obligated to pay USD\$154,500 (CAD\$152,182) to Royalty holders who elected for the USD\$15 (CAD\$20) per unit purchase and sale option and recorded the payment as an addition to mineral properties and related deferred costs. Based on the alternate elections made by the Royalty holders, the Company is contingently liable for potential payments of USD\$1,566,420 (CAD\$2.1 million) and USD\$685,625 (CAD\$0.9 million), based on production thresholds and permitting.

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



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

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

In June 2012, the BLM issued a Record of Decision approving the Exploration Plan of Operations at the Company’s La Sal Project. The issuance of this Plan of Operations approval from the BLM and the more recent State of Utah permit allows Laramide to commence underground exploration and development activities which if positive, could ultimately lead towards commercial production. In addition, as a result of the BLM’s finding of no significant impact, the preparation of an environmental impact statement will not be required. The decision of the BLM was then appealed by Uranium Watch and on March 3, 2015 the appeal was denied. A copy of the Final Environmental Assessment (“EA”) is available on Laramide’s website ([www.laramide.com](http://www.laramide.com)).

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

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

As part of the acquisition terms of the Church Rock and Crownpoint properties, URI was granted an option to purchase the La Sal Project for USD\$3 million, exercisable up to January 5, 2018, the proceeds from which would be used to reduce the promissory note due to URI. In January 2018, URI notified the Company that it would not be exercising this option.





#### *Other Homestake Properties, USA*

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

#### **INVESTMENTS**

As detailed in Note 7 to the interim condensed consolidated financial statements, the investments carried on the balance sheet at March 31, 2018 are mainly held for strategic investment purposes, with non-uranium holdings providing a source of cash when market conditions favour a sale. The sale or disposition of the investments is subject to certain conditions and restrictions related to the long-term debt to Extract. Laramide continues to be one of the largest shareholders of Treasury Metals Inc. with a disclosed position of 2,202,000 shares at March 31, 2018 (worth \$1.2 million based on the price at that date).

#### *Treasury Metals Inc.*

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

#### *Uranium Investments*

Laramide's uranium investments were made for strategic purposes, and include 383,218 shares of Uranium Equities Ltd., 701,461 shares of PhosEnergy Inc., 8,300,000 shares of Khan Resources Inc., and 120,000 shares of Virginia Energy Resources Inc.

#### *Khan Resources Inc.*

Laramide Resources initially invested in Khan Resources due to the caliber of its flagship Dornod Project. In past recent years, Khan faced progressive uncertainties in Mongolia constraining its ability to successfully implement the mining and development agreements that would allow for the commercial development of Dornod. In July 2009, the Government of Mongolia promulgated its Nuclear Energy Law, which among other items, provided the State with 51 per cent of the Dornod property without compensation to prior owners. In 2010, Khan embarked on a vigorous multi-faceted legal strategy. On May 18, 2016, Khan announced that they and the Government of Mongolia signed the settlement documentation required for the release of USD\$70 million to Khan.

On November 10, 2016, Khan announced that the shareholders of Khan approved the special resolution for the voluntary liquidation and dissolution of Khan. Pursuant to the winding up, Khan made an initial distribution of CAD\$0.85 per share by way of a return of capital, paid to shareholders of record at November 22, 2016. Laramide received \$1,912,500. In March 2017, Khan announced that it had signed a definitive agreement with Arden Holdings Ltd. whereby Arden would acquire all of Khan's outstanding shares for cash of CAD\$0.05





per share. In May 2017, Khan announced that the pending transaction with Arden had been cancelled due to insufficient shareholder support.

At Khan's Annual and Special Meeting held May 5, 2017, Mr. Marc Henderson, a Board Director of Khan and the President and CEO of Laramide Resources Ltd., was re-elected to the Board of Khan Resources Inc. and was appointed Interim CEO.

#### *PhosEnergy Ltd.*

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

## **RESULTS OF OPERATIONS - FINANCIAL**

### *Selected Quarterly Financial Information*

The following table summarizes selected financial data for Laramide for each of the last eight quarters. The information set forth below should be read in conjunction with the December 31, 2017 financial statements and the related notes thereto. The financial information was prepared by management in accordance with International Financial Reporting Standards ("IFRS"), including the relevant prior year comparative amounts. Detailed explanations of quarterly variances are included in each quarterly MD&A filed on SEDAR.

	2018	2017				2016		
(\$000's except loss per share and Total Assets)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues (losses)	\$7	\$116	\$146	\$15	\$0	\$1,771	\$385	\$390
Expenses	(\$789)	\$796	\$605	\$680	\$798	\$1,135	\$864	\$655
Write-down / de-recognition of available for sale investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Write- down of mineral properties	\$0	\$0	\$0	\$0	\$0	\$1,206	\$0	\$0
Amortization of transaction costs and discount on promissory note	\$213	\$721	\$0	\$0	\$0	\$0	\$0	\$0
Loss on debt extinguishment	\$0	\$923	\$0	\$0	\$0	\$0	\$0	\$0
Fair value loss (gain) in derivative liability	(\$1,522)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred income tax gain (loss)	\$0	\$438	\$0	\$0	\$0	\$581	\$0	\$0
Net gain (loss)	\$383	(\$1,885)	(\$458)	(\$665)	(\$798)	\$12	(\$479)	(\$265)
Net loss per share (basic and diluted)	(\$0.00)	(\$0.02)	\$0.00	\$0.00	(\$0.01)	\$0.00	\$0.01	\$0.00
Other comprehensive income (loss)	\$788	\$310	(\$1,285)	(\$2,057)	\$3,047	(\$3,667)	\$2,570	(\$1,746)
Total Comprehensive income (loss)	\$1,171	(\$1,575)	(\$1,743)	(\$2,722)	\$2,249	(\$3,655)	\$2,091	(\$2,011)
Total Assets (\$ millions)	\$89	\$89	\$89	\$90	\$93	\$79	\$82	\$79



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

Expense variances quarter to quarter are mainly due to the vesting cost of the various stock option issuances; also, in Q1 2016 there was an increase of financing expenses from the debt with Extract which has a shorter period against the previous debt with Anglo Pacific, resulting in higher transaction costs charges. In Q1 2017 the interest charges have increased approximately \$80,000 per quarter as a result of the USD\$5 million promissory note owed to Uranium Resources Inc. as part of the acquisition costs of the Church Rock and Crownpoint properties. In Q4 2016, the Company recognized the impairment in its AFS investments in Virginia Energy Resources Ltd. recording \$0.1 million in the statements of operations. In Q4 2016, the Company recorded \$1.5 million write-down in La Jara property in the USA and, as a result, there was a \$1.2 million charged to the consolidated statements of operations and \$0.3 million charged to other comprehensive income. There is \$0.4 million and \$0.6 million of deferred income tax recovery in Q4 2017 and 2016, respectively. In Q4 2017 there is \$0.9 million charge for loss on debt extinguishment as a result of the Extract debt refinancing. In Q1 2018 it started the periodic valuation of the derivative liability which is originated by the convertibility option of the USD\$ denominated debt with Extract. In the current period there is \$1.5 million gain in the valuation of the derivative liability.

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

The fluctuation in Total Assets from one quarter to the next is primarily a function of cash increases through the issuance of shares and the exercise of warrants and options, the financing through long-term debt, the valuation at fair market value of the investments, the foreign currency translation effect of the net assets kept in the Australian and USA subsidiaries and the use of working capital in the operating expenses of the Company. At March 31 2018, the \$0.7 million decrease in total assets versus the total assets as of December 31, 2017 is mainly due to a \$0.7 million of cash payment of the Uranium Resources Inc. debt, \$1 million of working capital used in the operating activities partially and \$0.2 decrease in the market value of the investments, partially offset by \$335,010 of short-term loan received from a third party entity, \$45,000 received from the exercise of options and \$1 million for foreign currency translation gain in mineral properties.

*Three months ended March 31, 2018 compared to three months ended March 31, 2017*

The net gain for the first quarter of 2018 was \$383,490 compared to a net loss of \$798,204 for the same period of 2017. The variances are summarized, as follows:

- There is \$6,878 gain on sale of investments in Q1 2018; in Q1 2017 there was no sale of investments.
- Office and administrative expenses in Q1 2018 are \$94,001 lower than Q1 2017 mainly due to the \$48,321 decrease of investor relation expenses, and \$24,000 of recovery of rental expenses due to the moving of Khan Resources to Laramide's office.
- In Q1 2018, audit and legal fees increased by \$124,750 compared to Q1 2017 mainly due to \$100,000 accrual of legal expenses regarding the Allen & Overy lawsuit settlement in Australia, and the increase of the audit fees accrual regarding the mineral properties valuation work.
- The amortization of property and equipment is \$16,921 lower in 2018 versus 2017 mainly due to the 2017 full amortization of the equipment acquired in the purchase of Hydro Resources Inc.



- In Q1 2018 there is a \$1,522,131 gain in the valuation of the derivative liability. The derivative liability is periodically valued using the Black-Scholes methodology and the variances are originated mainly by the current market price of the Company shares as well as by the period of the debt maturity.
- The Q1 2018 interest expense of \$173,391 are slightly higher than \$172,448 of Q1 2017.
- The amortization of transaction costs of \$212,619 is \$96,369 higher than the \$116,250 of Q1 2017 mainly due to the inclusion in 2018 of the discount amortization of the debt with Uranium Resources Inc.
- In Q1 2018, there is a \$248,892 exchange loss versus a \$25,700 loss in Q1 2017 mainly due to the 2.8% revaluation in Q1 2018 of the US dollar versus a minimal devaluation of 0.8% Q1 2017.
- In Q1 2018 there is \$74,855 of vesting of stock options costs which is higher than the \$59,631 in Q1 2017 due to the higher balance of unvested options in 2018.

### *Liquidity*

As at March 31, 2018, the Company is reporting a working capital deficiency of \$3,902,413, which includes \$1,978,687 of the current portion of the Uranium Resources debt which is due on January 5, 2019. As per the debt agreement with URI, 50% of the debt can be paid in shares. The sale or disposition of certain investments is subject to conditions and restrictions related to the debt to Extract as described in Notes 7 and 12 to the interim condensed consolidated financial statements. Sale of these investments would require that the proceeds of the sale up to \$2 million be repaid against the outstanding loan. As such these investments, because of the restriction, have been classified as non-current assets.

On January 5, 2018, the Company paid USD\$1.5 million (\$1.9 million) to Uranium Resources Inc., as the first partial repayment of the Promissory Note owed to that company. Fifty per cent of the payment was made in cash and the other fifty per cent was paid through the issuance of 1,982,483 common shares of the Company.

Current uranium market conditions remain insufficiently robust to incentivize new production and the Company has decided to proceed cautiously until the market improves. The cost for the work plan for the Church Rock, Crownpoint, and Westmoreland projects, and for its corporate and field offices, public company costs, interest, tenement renewals, and general and administrative expenses is approximately \$4.6 million. The Company plans to finance expenditures for the work plan from working capital and equity financings throughout the year.

In Q1 2018, 30,000 warrants with an exercise price of \$0.50 and 100,000 options with an exercise price of \$0.30 have been exercised for proceeds of \$45,000.

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

### *Debt*

On December 31, 2015 (the "Closing Date"), the Company arranged with Extract Advisors LLC ("Extract") a US\$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 debt 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;

- 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 is 29% 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 2016);
- 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 16;
- 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 initial agreement stated that payment to Extract of fifty per cent 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. In the December 2017 amendment a minimum amount of \$2 million was maintained but any value in excess of that is fully available to the Company.

The term loan also provides Extract a production fee of USD\$0.50 (CAD\$0.60) per pound of U<sub>3</sub>O<sub>8</sub> produced from any of the projects owned by Laramide. The production fee may be repurchased at any time by Laramide for a lump sum payment 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.

### Capital

For the period ended	March 31, 2018	December 31, 2016
Common Shares	117,864,649	115,752,166
Warrants	18,331,833	20,634,699
Stock options	8,205,000	8,305,000
<b>Total</b>	<b>144,401,482</b>	<b>109,929,449</b>



As described in Note 13 of the interim condensed consolidated financial statements, on January 5, 2017, the Company closed a non-brokered private placement issuing 14,913,500 units at a price of \$0.30 per unit, for aggregate gross proceeds of \$4,474,050 of which \$2,205,450 was received in advance and held by the trustee at December 31, 2016. Each unit consists of one common share in the capital of the Company and one share purchase warrant which entitles the holder to purchase one additional common share at \$0.45 for a period of 60 months.

In connection with the acquisition of the Hydro Resources Inc. described in Note 10 of the consolidated financial statements, 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 of the issuance date. See Note 14 of the financial statements regarding the valuation of the warrants.

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

On March 30, 2017, the Board of Directors granted a total of 2,950,000 stock options to officers, directors, 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.

During the period, \$36,954 (2017 - \$24,057) of vesting option cost was capitalized to mineral properties and \$74,855 (2017 - \$59,631) was expensed to operations and deficit. The offsetting charge was allocated to contributed surplus for \$111,809 (2017 - \$83,688) in aggregate, pertaining to the recognition of the fair value of options vesting during the year.

The following is a summary of warrants outstanding at March 31, 2018.

Number of Warrants	Exercise Price (\$)	Expiry Date
1,200,000	\$0.35	December 16, 2021
17,131,833	\$0.45	January 5, 2022

### *Off Balance Sheet Transactions*

In 2018 and 2017, there were no off-balance sheet transactions. The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk.

### *Commitments*

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

These outlays (exploration expenditure and rent) which arise in relation to granted tenements inclusive of tenement applications granted to March 31, 2018 but not recognized as liabilities are: \$3,086,706 for a period





not longer than one year; (\$3,074,843 at December 31, 2017); \$3,019,308 for a period longer than one year but not longer than 5 years (\$2,988,511 at December 31, 2017) and \$nil more than five years. These commitments are detailed in Note 18 to the interim condensed consolidated financial statements.

Annual property renewals for the U.S. properties are approximately USD\$60,000 per year and must be filed by September 1 of each year. The 2017 payments were made as required.

The term loan with Extract provided Extract with a production fee of USD\$0.50 per pound of  $U_3O_8$  produced from any of the projects owned by Laramide. The production fee may be repurchased at any time by Laramide for a lump sum payment as described in Note 12 to the March 31, 2018 interim condensed Consolidated Financial Statements.

#### *Contingencies*

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

#### *Related Party Transactions*

Included in accounts payable and accrued liabilities at March 31, 2018 there is \$46,563 (December 31, 2017 - \$56,563) of payables to a firm, in which an officer of the Company, Chris Irwin, is a partner. There were no charges during the reported periods.

During the period, the Company charged \$47,670 (2017 - \$51,364) for office rent and other shared administrative expenses to Treasury Metals Inc., a company having a director, Marc Henderson, and an officer, Dennis Gibson, in common with Laramide. During the period, Treasury Metals also shared administrative expenses payments of \$Nil (2017 - \$8,797) on behalf of the Company. At March 31, 2018, there is \$17,834 of net accounts receivable (December 31, 2017 - \$9,209) from Treasury Metals Inc.

In May 2017, at the annual and special meeting of the shareholders of Khan Resources Inc., Mr. Marc Henderson was re-elected as a Director of the Board of Khan, and was also appointed Interim CEO of Khan. Mr. Henderson is also a Director, President and CEO of Laramide Resources. Laramide does own an investment in Khan of 8.3 million shares which represents approximately 9.9 per cent of the outstanding shares with a current market value of approximately \$871,500.

During the period the Company charged \$22,655 for office rent and other shared administrative expenses to Khan Resources Inc. At March 31, 2018, there is \$14,286 of net accounts payable (December 31, 2017 - net receivable of \$9,209) to/from Khan Resources Inc.

At March 31, 2018, there are \$70,000 of short-term loan and \$321,648 compensation payable to Marc Henderson a Director, President and CEO of the Company (December 31, 2017 - \$265,398).

At March 31, 2018, there is \$132,000 of directors' fees payable (December 31, 2017 - \$136,000).

Transactions with related parties were conducted on terms that approximate market value and measured at the exchange amounts.





### *Subsequent Events*

On April 25, 2018, the Company received a short-term loan of USD\$250,000 (\$321,725) from Extract Advisors LLP. This loan is payable on August 31, 2018, is unsecured and is subject to a monthly interest of 1%.

On April 19, 2018, the Company received USD\$50,000 (\$64,470) and \$20,000 as additional short-term loans from Marc Henderson, a Director and Officer of the Company. The loan is unsecured, does not bear interest and is due on demand.

### *Financial Instruments*

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

The principal financial instruments affecting the Company's financial condition and results of operations is currently its cash, which it receives from interest and royalty payments, its investment portfolio and any financing transactions entered into by the Company. These sources of revenue are subject to various risks, including production risks with respect to the royalty payments and market risks with respect to the investment portfolio. The investment portfolio is managed by the Company. The long-term debt with Extract has a non-fixed interest rate of 12-month LIBOR plus 7.5% and the Promissory Note with Uranium Resources has an annual fixed interest rate of 5 per cent. The Company to date has not used any formal currency hedging contracts to manage currency risk.

## **RISKS AND UNCERTAINTIES**

The Company's Risks and Uncertainties are disclosed in the Laramide April 2, 2018 Annual Information Form, which is filed on SEDAR and is herein incorporated by reference. These Risks are updated each quarter in the Management Discussion and Analysis when new events or changes in the jurisdictions where the Company operates necessitate new risk analysis. No new risks have been identified to date other than as disclosed in the Annual Information Form.

## **OTHER INFORMATION**

This discussion and analysis of the financial position and results of operation as at March 31, 2018 should be read in conjunction with the interim condensed consolidated financial statements for the Period ended March 31, 2018. Additional information can be accessed at the Company's website [www.laramide.com](http://www.laramide.com) or through the Company's public filings at [www.sedar.com](http://www.sedar.com).

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

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



## **DISCLOSURE CONTROLS AND PROCEDURES**

Management has designed and evaluated the effectiveness of disclosure controls and procedures and the internal controls on financial reporting and have concluded that, based on our evaluation, they are sufficiently effective as of March 31, 2018 to provide reasonable assurance that material information relating to the Company and its interim condensed consolidated subsidiaries is made known to management and disclosed in accordance with applicable securities regulations.

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

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

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

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

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the design of the Company's internal controls over financial reporting as of March 31, 2018, pursuant to the requirements of Multilateral Instrument 52-109. The Company has designed appropriate internal controls over financial reporting for the nature and size of the Company's business, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS except as noted herein.

There have been no changes in Internal Control over Financial Reporting during the period ended March 31, 2018 that have materially affected, or are reasonably likely to materially affect the Company's Internal Control over Financial Reporting.

Marc C. Henderson  
President and Chief Executive Officer  
May 11, 2018



## QUALIFIED / COMPETENT PERSON STATEMENT

Information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves has been reviewed and approved by Mr. Bryn Jones, a Qualified Person under the definition established by National Instrument 43-101 and JORC. Under the guidelines of National Instrument 43-101, the Qualified Person for the Westmoreland Uranium Project is Mr. Bryn Jones, a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Jones is the Chief Operating Officer of the Company, and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Jones consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. The historical/foreign estimates were reported in the press release "Laramide to Acquire a Substantial Portfolio of ISR Projects" dated 10 November 2015. The Company is not in possession of any new information or data relating to the historical/foreign estimates that materially impacts upon the reliability of the estimates or the Company's ability to verify the historical/foreign estimates as mineral resources in accordance with Appendix 5A (JORC Code). The Company confirms that the supporting information provided in the initial market announcement referred to in rule 5.12 continues to apply and has not materially changed.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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

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

*Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because the Company can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions that may be identified in this MD&A and in Laramide's Annual Information Form, assumptions have been*



*made regarding, among other things: the Company's ability to carry on its exploration and development activities, the timely receipt of any required approvals, the price of uranium, the ability of the Company to obtain qualified personnel, equipment and services in a timely and cost-efficient manner, the ability of the Company to operate in a safe, efficient and effective manner, the ability of the Company to obtain financing on acceptable terms, the accuracy of the Company's resources estimates and geological, operational and price assumptions on which these are based and the regulatory framework regarding environmental matters. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions that may have been used.*

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