

**Laramide Resources Ltd.**

ARBN 154 146 755

# REPLACEMENT PROSPECTUS

For an offer of between 10,000,000 and 12,000,000 CDIs at an issue price of \$0.85 each to raise a minimum of \$8,500,000 up to a total of \$10,200,000.

Lead Manager

**BELL POTTER**

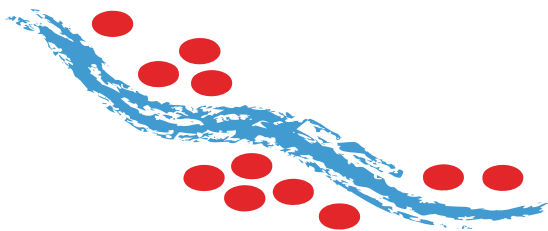
Australian Financial Services Licence No. 243 480

**The CDIs offered by this Replacement Prospectus should be considered highly speculative.**

**THIS OFFER IS NOT UNDERWRITTEN.**

#### **IMPORTANT INFORMATION**

This is an important document that requires your immediate attention and should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your stockbroker or professional advisers without delay.



**Laramide Resources Ltd.**

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# IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

## INFORMATION ABOUT CDIs

As a result of being continued under the laws of the Dominion of Canada, Laramide's Shares cannot be directly traded on the ASX. Shares in the Company will therefore trade on ASX in the form of CHESS Depository Interests (**CDIs**). Each CDI will represent one underlying Share. Further information about CDIs is set out in Sections 4.6 and 16.1(f) of this Replacement Prospectus.

## IMPORTANT NOTICE

This Replacement Prospectus is dated 14 February 2013 and was lodged with ASIC on that date. This Replacement Prospectus replaces a prospectus relating to an initial public offering of CDIs in Laramide lodged with ASIC on 31 January 2013.

Neither ASX, the ASIC or their respective officers take any responsibility for the contents of this Replacement Prospectus or the merits of the investment to which this Replacement Prospectus relates.

No CDIs will be issued on the basis of this Replacement Prospectus after the Expiry Date.

Application will be made to ASX within seven days after the date of this Replacement Prospectus for Official Quotation of the Shares. That ASX may admit Laramide to the Official List is not to be taken in any way as an indication of the merits of Laramide or any of the Shares.

## FOREIGN OFFER RESTRICTIONS

This Replacement Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Replacement Prospectus outside Australia may be restricted by law and persons who come into possession of this Replacement Prospectus should observe all applicable restrictions. Failure to comply with these restrictions could violate securities laws.

This Replacement Prospectus has not been filed with any Canadian securities regulator. This Replacement Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in Canada. This Replacement Prospectus may not be distributed to any person in Canada unless it is attached to an international Offering Circular and may only be distributed in Canada to "accredited investors".

Any securities described in this Replacement Prospectus have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements under the US Securities Act and applicable US state securities laws. This Replacement Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. This Replacement Prospectus may not be distributed to any person in the United States unless it is attached to an international Offering Circular and may only be distributed in the United States to "qualified institutional buyers" (as defined in Rule 144A under the US Securities Act).

## WEBSITE – ELECTRONIC REPLACEMENT PROSPECTUS

A copy of this Replacement Prospectus can be downloaded from the website of the Company at [www.laramide.com](http://www.laramide.com). Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Replacement Prospectus from within Australia.

The Corporations Act prohibits any person passing on to another person an Application Form unless it is attached to a hard copy of this Replacement Prospectus or it accompanies the complete and unaltered version of this Replacement Prospectus. Any person may obtain a hard copy of this Replacement Prospectus free of charge by contacting the Company.

## EXPOSURE PERIOD

In accordance with Chapter 6D of the Corporations Act, the original prospectus dated 31 January 2013 was subject to an Exposure Period of seven (7) days from the day of lodgement of that prospectus with ASIC. ASIC extended this Exposure Period for a further seven (7) days by written notice to Laramide. This Replacement Prospectus was lodged to address the concerns raised by ASIC in respect to the form and content of the original prospectus dated 31 January 2013.

The purpose of the Exposure Period is to enable the original prospectus to be examined by market participants prior to the acceptance of applications. ASIC Class Order 00/169 means that there is no additional exposure period under the Corporations Act for the Replacement Prospectus.

## FORWARD-LOOKING STATEMENTS

This Replacement Prospectus may contain forward-looking statements which are identified by words such as "may", "could", "believes", "estimates", "targets", "expects", or "intends" and other similar words that involve risks and uncertainties. Such statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Replacement Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Laramide, the Directors and the management. Laramide cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Replacement Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Laramide has no intention to update or revise forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Replacement Prospectus, except where required by law.

Any forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 13 of this Replacement Prospectus.

## PHOTOGRAPHS

Any photographs that appear in this Replacement Prospectus are not necessarily of assets owned by the Company (except where indicated) and are included to indicate the nature and location of the Company's business, its operations and the industry in which it operates.

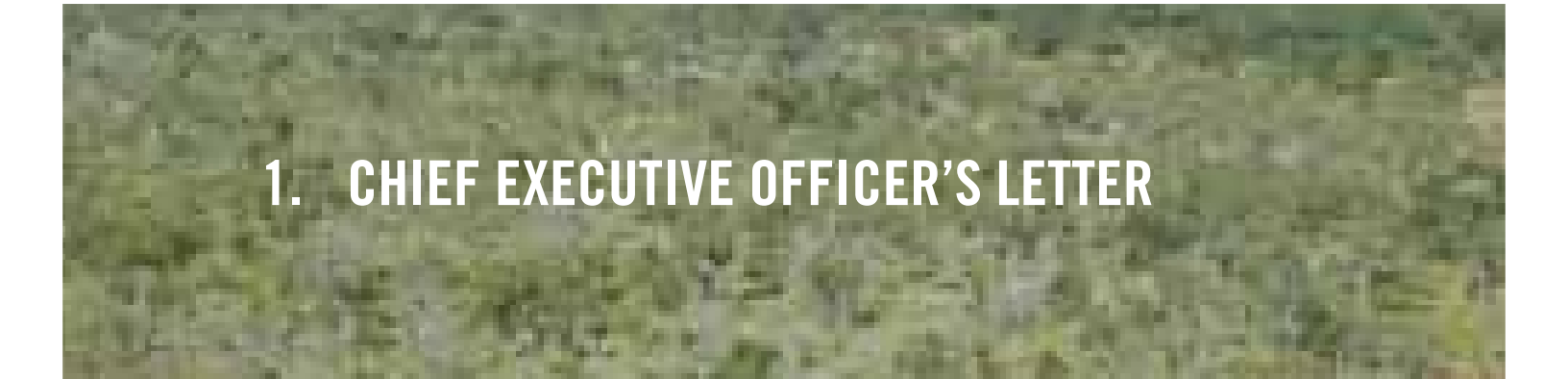
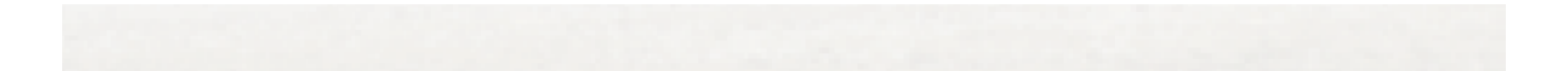
## COMPETENT PERSONS' STATEMENTS

The information in this Replacement Prospectus in Sections 1 (Chief Executive Officer's Letter), 2 (Investment Overview), 5 (Company Overview) and 8 (Independent Geologist's Report) that relates to Mineral Resources in relation to the Westmoreland Project and all statements made, referring to or derived from such information in the Replacement Prospectus is based on information compiled by Mr Andrew J Vigar. Mr Vigar is a Fellow of the Australian Institute of Mining and Metallurgy and is employed by Mining Associates Pty Ltd.

The information in this Replacement Prospectus in Sections 1 (Chief Executive Officer's Letter), 2 (Investment Overview), 5 (Company Overview) and 8 (Independent Geologist's Report) that relates to Exploration Results in relation to the Westmoreland Project and all statements made, referring to or derived from such information in the Prospectus is based on information compiled by Mr David Jones, who is a Fellow of the Australian Institute of Mining and Metallurgy and a Fellow of the Institute of Materials, Minerals and Mining. Mr Jones is an independent consultant.

The information in this Prospectus in Sections 1 (Chief Executive Officer's Letter), 2 (Investment Overview), 5 (Company Overview) and 8 (Independent Geologist's Report) that relates to Mineral Resources in relation to the La Jara Mesa Project and all statements made, referring to or derived from such information in the Replacement Prospectus is based on information compiled by Mr Douglas Peters, who is a member of the American Institute of Professional Geologists. Mr Peters is an independent consultant.

Each of Mr Vigar, Mr Jones and Mr Peters have sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (Australia) and is a Qualified Person as defined in NI43-101 (Canada). Each of Mr Vigar, Mr Jones and Mr Peters consents to the inclusion in this Replacement Prospectus of the matters based on his information in the form and context in which they appear.



## 1. CHIEF EXECUTIVE OFFICER'S LETTER



Dear Investor,

On behalf of the Directors, I am pleased to present this Replacement Prospectus and invite you to become a CDI holder in Laramide Resources Ltd.

Laramide is a Canadian company engaged in the exploration and development of uranium assets based in Australia and the United States. In August 2006, the Company listed on the Toronto Stock Exchange (**TSX**).

Laramide provides investors with exposure to uranium assets through its portfolio of projects chosen for their production potential and location in safe and politically stable jurisdictions. These projects include Westmoreland, which is located in northwestern Queensland, Australia, and two development stage assets, La Sal and La Jara Mesa, both of which are located in the United States. Within the portfolio are also joint ventures, farm-in arrangements, strategic equity positions, and royalty participation in uranium development and exploration companies that provide additional diversification.

Laramide's flagship asset is its 100% owned Westmoreland Project. Since acquiring Westmoreland in 2005, Laramide has invested cash in excess of \$30 million, expanding the work carried out by its former owner and advancing the project through a series of drilling campaigns, updated resource estimates, environmental studies and metallurgical studies. Westmoreland currently has a JORC compliant Indicated Mineral Resource of 36.0 million pounds of uranium (U3O8) contained in 18.7 million tonnes at an average grade of 0.089% U3O8 and a further Inferred Mineral Resource totalling 15.9 million pounds of uranium (U3O8) contained in 9.0 million tonnes at an average grade of 0.083% U3O8 (see Section 5.1).

As part of Laramide's strategy to control ground contained within the Westmoreland mineralised system, we are involved in three Northern Territory joint ventures that border Queensland: the first, the Lagoon Creek Joint Venture; the second, the Debbil Debbil Joint Venture; and the third, the Murphy Tenement Farm-in and Joint Venture with Rio Tinto Exploration Pty Ltd on a number of strategically located uranium tenements, situated geologically within the Murphy Uranium Province and along strike from Westmoreland.

The Company's US based projects include La Jara Mesa in Grants, New Mexico and La Sal in the Lisbon Valley district of Utah. These projects provide diversification by jurisdiction and by stage of project, as both are at the permitting stage and exploration and development activities have included metallurgical testing, mine infrastructure and resource estimates. The La Sal project is expected to be the first of the US tenements to enter into commercial production. In anticipation of this, the Company has recently entered into a toll milling agreement with Energy Fuels Inc. for the processing of ore at the White Mesa Mill (see summary at Section 14.4).

With the Company's flagship project located in Australia, Laramide seeks to provide investors in Australia with an opportunity to invest in a company with complementary listings on the ASX and the TSX. I believe that it is an ideal time to broaden our shareholder base and to maximise our strategic position in the Westmoreland uranium district, coinciding with the announcement from the Queensland Government on 22 October 2012 to recommence uranium mining in the state.

This Replacement Prospectus has been issued by the Company, for the purposes of the offer of between 10,000,000 and 12,000,000 CDIs at \$0.85 each, to raise a minimum of A\$8,500,000 up to a maximum of A\$10,200,000 before expenses of the Offer. Following successful completion of the Offer, the Company's Shares will trade on ASX in the form of CDIs with each CDI representing one underlying Share.

Upon listing on the ASX, Laramide intends to focus primarily on continuing to advance its Australian assets by progressing its Westmoreland drilling program and commencing a new exploration program in relation to the Murphy Tenement Farm-in and Joint Venture in the Northern Territory, Australia. The Company is required to escrow 25% of the proceeds of the IPO to satisfy Laramide USA's obligations to repay amounts owed to UNC under the related UNC notes as they fall due in order to receive cashflow from the UNC Mineral Royalty on the commencement of production at URI's Churchrock properties. The Company's objectives are set out in further detail in Section 2.4 of this Replacement Prospectus.

Laramide has a proven management team with extensive international mining experience. In particular, my experience includes previous chief executive roles developing successful high profile mines such as Aquiline Resources' Navidad and Minefinders' Dolores and current roles as a Non-Executive Director of Lydian International and Non-Executive Chairman of Treasury Metals Inc.

As with all companies, Laramide is subject to a range of risks, including those associated with uranium mining in Australia and the United States, volatility in the uranium price, tenure and access issues, resource and reserve estimation risk, exploration and development risks, changes in government policy, environmental risks, economic risks and risks associated with attracting and retaining appropriately qualified personnel. These risks and others are more fully detailed in Section 13 of this Replacement Prospectus.

Before making your decision to invest, I urge you to read this Replacement Prospectus in its entirety and seek professional advice where it may be required.

On behalf of the Directors and management team, I look forward to welcoming you as a CDI holder and joining in what we believe are exciting times ahead for Laramide.

Yours sincerely



**Marc Henderson**  
Chief Executive Officer, President and Director



## 2. INVESTMENT OVERVIEW



## 2. INVESTMENT OVERVIEW

### 2.1 IMPORTANT NOTICE

This Section is a summary only and is not intended to provide full information for investors intending to apply for CDIs offered pursuant to this Replacement Prospectus. This Replacement Prospectus should be read and considered in its entirety.

### 2.2 THE COMPANY

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

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

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

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

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

The Company's US-based projects, La Jara Mesa and La Sal (both of which are at the permitting stage), provide diversification by jurisdiction and by stage of project. Previous exploration and development activities on the projects have included metallurgical testing, mine infrastructure and resource and reserve estimates. The Directors anticipate that La Sal will be the first of the Company's projects to potentially achieve commercial production. In January 2013, Laramide entered into a toll milling agreement for the processing of ore obtained from La Sal at Energy Fuel Inc's White Mesa Mill (see summary at Section 14.4). La Jara Mesa is located in the Grants Mining District, New Mexico, US and is currently seeking an underground and mining permit.

The Company holds a portfolio of primarily uranium industry related equity positions and royalty interests that provide additional diversification. These include the UNC Royalty (which is discussed in detail in Sections 2.3(c), 5.3(d) and 14.1 of this Replacement Prospectus. The tenements the subject of the UNC Royalty are currently at the development stage by Uranium Resources Inc. (**URI**), a US publicly traded company.

Following Laramide's admission to the Official List, the Company will have CDIs traded on the ASX and Shares traded on the TSX, each of which will be convertible into the other on a one for one basis, subject to the restrictions described in sections 4.6(c) and 4.6(d) of this Replacement Prospectus.

## 2.3 INVESTMENT HIGHLIGHTS

### a) AUSTRALIA

#### WESTMORELAND

The Westmoreland Project is an advanced exploration stage uranium project with a JORC-compliant uranium resource located in a northern Queensland. Laramide owns 100% of the Westmoreland Project (subject to a 1% Net Smelter Royalty (**NSR**) to International Royalty Corporation, with cumulative payments capped at A\$10 million indexed to inflation, in relation to EPMS 14558 and 14672) and has advanced the exploration and development activities commenced by the project's former owner, Rio Tinto Limited, through a series of drilling campaigns, updated resource estimates, environmental studies and metallurgical studies.

Westmoreland Project highlights are as follows:

- (i) **(JORC Mineral Resource)** A JORC Indicated Mineral Resource totalling 36.0 million pounds of uranium (U3O8) contained in 18.7 million tonnes at an average grade of 0.089% U3O8 and a further Inferred Mineral Resource totalling 15.9 million pounds of uranium (U3O8) contained in 9.0 million tonnes at an average grade of 0.083% U3O8.
- (ii) **(Favourable metallurgy)** Recent metallurgical test work demonstrates a uranium recovery rate of over 90% utilising conventional technologies.
- (iii) **(Continuing exploration)** Westmoreland is a district scale play – Laramide is undertaking an active exploration program in the 979.4 km2 area outside the mineral resource area and has recently announced the discovery of a number of new mineralised zones. The Company has also entered into three joint ventures situated along strike from Westmoreland Project for an additional land package of 1,657 km2.
- (iv) **(Favourable political conditions)** On 22 October 2012, the Queensland State Government announced its intention to convene an implementation committee to oversee the recommencement of uranium mining in Queensland. This will enable Laramide to utilise the baseline environmental data collection substantially completed on the Westmoreland Project to commence the process of obtaining permits for development.

#### JOINT VENTURES

Laramide has three farm-in and joint ventures in the Northern Territory directly opposite, and along strike of, the Queensland Westmoreland deposit. These farm-in and joint ventures cover an area of 1,657 km2 and provide exploration opportunities to enhance the Westmoreland project. The most recent joint venture – the Murphy Tenement Farm-In and Joint Venture with Rio Tinto Exploration Pty Ltd has not seen any meaningful exploration since the 1970's. Further details on the nature of these farm-in and joint ventures are set out in the Solicitor's Report on the Australian Tenements in Section 11.

## b) UNITED STATES OF AMERICA

### US PROJECTS

Laramide's wholly owned US properties provide diversification in terms of both project stage and jurisdiction, with the two main projects, La Sal and La Jara Mesa, currently at the permitting stage as a result of past exploration and development activities completed to date. Highlights of each are as follows:

- (i) The La Sal Project, located in Utah, has mine infrastructure in place from its previous owner and is located in close proximity to Energy Fuels' White Mesa Mill. The United States Bureau of Land Management and the Utah State Division of Oil, Gas and Mining has permitted a bulk sample program to determine metallurgical and mill compatibility. The Company has executed a toll agreement with Energy Fuels Inc. for the processing of the bulk sample at the White Mesa Mill and, once La Sal reaches full production, for additional ore processing (see summary at Section 14.4). The current program and short term objectives at La Sal will include site access road work, development of safety procedures/plans, and sourcing of a contract mining company to reopen the mine. Upon completion of the bulk sample program and other development activities (including the conversion of the current permit to a commercial mining permit), La Sal is expected to be the first of the Company's projects to be advanced to the production stage. Completion of the bulk sample program is not a short-term objective of the Company at this time.
- (ii) The La Jara Mesa Project, located in the Grants District of New Mexico, has a JORC Mineral Resource totalling 7.3 million pounds of Indicated Mineral Resources of uranium (U3O8) contained in 1.41 million tonnes at an average grade of 0.23% U3O8 and 3.2 million pounds of Inferred Mineral Resources of uranium (U3O8) contained in 0.72 million tonnes at an average grade of 0.20% U3O8. Laramide was required to complete an environmental impact statement (EIS) under the National Environmental Policy Act in order to receive a permit for underground development activities work and mining production. The Company submitted a Plan of Operations and a Draft EIS was issued by the US Forest Service. The Draft EIS is currently under review after the period for public comment ended on July 17, 2012. Development of the project is delayed until the Final EIS is complete and a Record of Decision has been published. The Directors of Laramide expect this to occur in 2013. Concurrently, Laramide is advancing through the New Mexico mine permitting process. Both national and state agency requirements must be met before development activities can be commenced. Further details in respect of the Company and its projects are set out in Section 5 (Company Information), in the Independent Geologist's Report in Section 8 and in the US Titles Reports in Section 12.

## c) UNC ROYALTY

Laramide has acquired the right to a gross revenue royalty ranging between 5% and 25% (depending on uranium prices) on a portfolio that covers four separate parcels of mineral leases (Section 8, Section 17 and the Mancos area) in the Churchrock area of McKinley County, New Mexico, USA on all uranium produced within the mineral lease once the mineral leases reach the production stage. At the current term price of approximately US\$57.00/lb U3O8, the Royalty payments would be 14% of the revenue. The sliding scale Royalty has a maximum royalty rate of 25% if term sales prices reach US\$87.41/lb or higher.

Laramide has granted an option over this royalty whereby Anglo Pacific can acquire a 5% gross revenue royalty for an exercise price of US\$15 million. These agreements are discussed in more detail at Sections 14.1 and 14.2. The Properties are presently owned by a subsidiary of Uranium Resources Inc. (URI), a US publicly traded uranium producer. URI's primary focus in New Mexico is its Churchrock Section 8 property. It recently completed a feasibility study and now intends to hold discussions with royalty holders to enhance project economics. Laramide's royalty covers Section 8, which falls within the area covered by URI's underground injection control permit and Nuclear Regulatory Commission (NRC) licence.

## **d) EQUITY INVESTMENTS**

Laramide holds various investments in other publicly listed companies. The market value of these investments as at 24 January 2013 (on a 5 trading day volume weighted average price basis) was about C\$6,457,742.

## **2.4 BUSINESS MODEL - EXPLORATION AND DEVELOPMENT COMPANY**

Laramide's strategy is to become a diversified uranium production company that maximises value for Shareholders through a portfolio of projects consisting of Westmoreland, located in northwestern Queensland, Australia, and two development stage assets, La Sal and La Jara Mesa, in the United States. Laramide's projects are diversified by geographic location, type and stage and were chosen for their production potential and location in safe and politically stable jurisdictions. Its portfolio also contains joint ventures, farm-in agreements, strategic equity positions and royalty interests in uranium development and exploration companies, all of which provide additional diversification.

The Company's short-term objectives, assuming completion of the minimum subscription under the Offer, will be as follows:

- a)** continue an active exploration program at Westmoreland. The proposed exploration budget for Westmoreland is set out in section 8.8 of the Independent Geologist's Report, which is contained in Section 8 of this Replacement Prospectus. The current drilling program that commenced September 2012 is focused on two target areas:
  - (i)** the structural corridor connecting the Huarabagoo and Junnagunna Deposits; and
  - (ii)** the Huarabagoo deposit both in the existing identified JORC resource and in the northern section outside the resource area;
- b)** commence predevelopment stage activities at Westmoreland, including an updated scoping study and commencement of the permitting process (as set out in section 8.3 of the Independent Geologist's Report contained in Section 8 of this Replacement Prospectus) following last year's announcement that uranium mining was to be recommenced in Queensland;
- c)** commence exploration activities at the Rio Tinto Murphy Farm-In tenements in the Northern Territory, starting with an airborne survey and followed by more advanced exploration activities. These activities include surface sampling and drilling programs to cover any potential target areas that are highlighted by the airborne survey and to meet minimum spending commitments under the joint venture;
- d)** complete the initial development steps at La Sal, including site access road work, development of safety procedures/plans, and sourcing of a contract mining company to reopen the mine. The Company recently received a permit to complete a bulk sample to determine metallurgical and mill compatibility from the United States Bureau of Land Management and the Utah State Division of Oil, Gas and Mining and has now entered into a toll milling agreement with Energy Fuels Inc. (see summary at Section 14.4);

- e) satisfy Laramide USA's obligations to escrow 25% of the Offer proceeds and repay amounts owed to UNC under the related UNC Notes as they fall due in order to receive cashflow from the UNC Mineral Royalty on the commencement of production at URI's Churchrock properties. URI's primary focus in New Mexico is its Churchrock Section 8 property. In December 2012, URI completed a feasibility study and now intends to hold discussions with royalty holders to enhance project economics. Laramide's royalty covers Section 8, which falls within the area covered by URI's underground injection control permit and Nuclear Regulatory Commission (NRC) licence. Both licences are in timely renewal and allow for uranium production by in situ recovery. Though URI is continuing to develop Section 8, there can be no guarantee that URI will be successful in receiving all production permits and obtaining its publicly stated production targets. Upon issuance of the final regulatory permit required to allow production to commence on Section 8, a payment to UNC of US\$3 million (approximately C\$3.2 million) will be required. Laramide will assess its funding options at the time this milestone payment becomes due and payable, however it is currently anticipated that this payment will be made in part from a combination of the escrow of 25% of the proceeds of the Offer, existing working capital and the potential sale of equity positions held by the Company. In addition, if Anglo Pacific exercises its option over the UNC Royalty to acquire a 5% gross revenue royalty for an exercise price of US\$15 million, Laramide intends to use these proceeds in part to meet this milestone payment. It remains open to the Company to undertake a sale of its interest in the UNC Royalty (subject to third party interests) in a transaction similar to that completed with Anglo Pacific if it believes that to be the most effective way of maximising shareholder value; and
- f) the completion and receipt of a Final Environmental Impact Statement and Record of Decision to permit underground development work and mine production at La Jara Mesa. The Plan of Operations was submitted and a Draft Environmental Impact Statement issued on the project by the US Forest Service. The period for public comment is now complete and the US Forest Service is developing responses for these comments and is advancing the 106 Native American Consultation process.

The Directors are of the opinion that, on completion of the Offer, the Company will have sufficient working capital to carry out its short-term objectives. The Company intends to apply any funds raised under the Offer in excess of the minimum subscription amount up to the full subscription amount to exploration and development activities at Westmoreland to:

- (i) expand the active exploration program noted in the short term objectives above; and
- (ii) expand the predevelopment stage activities at Westmoreland to include more detailed engineering and design activities to support a full feasibility study.

Laramide's ability to generate future revenue will depend on the Company successfully advancing these projects and successfully exploiting any minerals that may be discovered on these projects.

## 2.5 KEY RISKS

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

Some of the key risks associated with an investment in the Company are summarised below. This list of risks is not exhaustive. Full details of the risks tabled below and other risks are set out in Section 13 of this Replacement Prospectus. The occurrence of any of the risks or events outlined below could have a materially adverse effect on the Company's operations and, in turn, the price at which the CDIs trade on ASX.

## **a) URANIUM MINING IN AUSTRALIA AND THE UNITED STATES**

Laramide is subject to the specific risks associated with the strict and comprehensive regulation of uranium exploration, development, and export in and from both Australia and the United States. As discussed in Section 5.3(a) of this Replacement Prospectus, the regulatory regime relating to uranium mining in Queensland is currently undergoing review and may therefore expose Laramide to additional regulatory risks as outlined in Section 13.2(o) of this Replacement Prospectus. Further risks associated with uranium mining in Australia and the United States are outlined in Sections 13.2(a) and 13.2(b) of this Replacement Prospectus.

## **b) VOLATILITY OF URANIUM PRICES**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of uranium exposes the potential income of the Company to risks associated with fluctuations in uranium prices. In addition, regardless of the success of the Company's exploration and development program and ultimate sales revenue from production, fluctuations in the price of uranium will have a direct impact on the perceived value of the Company and its projects. Uranium prices have historically been subject to long periods of flat prices with price spikes and declines that can increase or decrease the spot price by a multiple. In the last six years, for example, uranium spot prices have ranged from approximately US\$40/lb U3O8 to US\$138/lb U3O8 and are currently about US\$42.50.

## **c) TENURE AND ACCESS**

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

Please refer to the Solicitor's Report on Australian Tenements in Section 11 and the Title Reports on US Tenements in Section 12 for further details.

## **d) RESOURCES AND RESERVE ESTIMATION RISK**

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice, are inherently imprecise and rely to some extent on interpretations made. Previous estimates may also need revision if new information becomes available. These revisions may adversely affect the Company's operations or proposed operations.

## **e) COUNTERPARTY CONTRACTUAL RISK**

Laramide is subject to the specific risks associated with the strict and comprehensive regulation of uranium exploration, development, and export in and from both Australia and the United States. As discussed in Section 5.3(a) of this Prospectus, the regulatory regime relating to uranium mining in Queensland is currently undergoing review and may therefore expose Laramide to additional regulatory risks as outlined in Section 13.2(o) of this Prospectus. Further risks associated with uranium mining in Australia and the United States are outlined in Sections 13.2(a) and 13.2(b) of this Prospectus.

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

Please refer to the Solicitor's Report on Australian Tenements in Section 11 and the summaries of material contracts in Section 14 for further details.

## **f) EXPENDITURE ON TENEMENTS**

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

If Laramide only receives the minimum subscriptions for the Offer, the Company will not have sufficient proceeds from the Offer to fund the current minimum expenditure and work program requirements for the Westmoreland Project tenements. The Company will be reviewing other sources of funding such as the sale of non uranium equity investments that can provide a source of cash when market conditions favour a sale. These sources of funding can assist the Company to meet its minimum expenditure commitments across all of the Australian tenements. Refer to paragraphs (k) and (l) below in relation to the risks associated with the Company's equity investments and requirements for additional capital.

If the Company does not meet its minimum expenditure commitments on the Westmoreland Project tenements, it intends to apply to the Queensland Department of Natural Resources and Mines to vary the work program and expenditure requirements for EPMs 14558 and 14672 to accommodate any future shortfall. There is a risk that applications for variation of conditions may not be granted and that the Minister may refuse to renew or cancel the tenements. See paragraph 2.1 and 4.1 of the Solicitor's Report on Australian Tenements set out in Section 11 of this Replacement Prospectus.

## **g) EXPLORATION AND DEVELOPMENT SUCCESS**

The Tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. Few tenements that are explored are ultimately developed into producing mines and there is no assurance that the Tenements (or future licences and approvals) will be developed in this way.

## **h) OPERATING RISKS**

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

## **i) CHANGES IN GOVERNMENT POLICY**

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

## **j) ENVIRONMENTAL RISKS**

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

## **k) INVESTMENTS IN GOLD AND SILVER MINING COMPANIES**

The Company has a number of strategic investments in companies involved in the exploration and mining of minerals, including gold and silver. Gold and silver prices are volatile and may fluctuate as a result of numerous factors which are beyond the control of the Company. This volatility and fluctuation may adversely affect the value of Laramide's investments and, in turn, Laramide's financial condition and ability to fund its activities.

## **l) ADDITIONAL REQUIREMENTS FOR CAPITAL**

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

## **m) ECONOMIC RISKS**

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

## **n) LISTING RISK AND TAKEOVER PROTECTION**

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

For example, the rights of Shareholders are governed by Canadian laws and differ in some respects from the rights of shareholders of companies incorporated in Australia, particularly in relation to takeovers. See Section 16.6 for a comparison of certain Canadian and Australian corporate laws.

Investors should be aware that an investment in the Company involves risks that may be higher than risks associated with an investment in some other companies. Investors should carefully consider all matters raised in this Replacement Prospectus and the relative risk factors prior to applying for CDIs offered for subscription under this Replacement Prospectus (both as described above and as outlined in Section 13).

## **2.6 THE OFFER**

Pursuant to the Offer, the Company invites investors to apply for up to 12,000,000 CDIs at an issue price of \$0.85 each in order to raise a minimum of A\$8,500,000 up to a maximum of A\$10,200,000.

Further information about CDIs is contained in Sections 4.6 and 16.1(f) of this Replacement Prospectus.

## **2.7 INDICATIVE TIMETABLE**

|                                                   |                                   |
|---------------------------------------------------|-----------------------------------|
| Lodgement of Replacement Prospectus with the ASIC | 14 February 2013                  |
| Opening Date                                      | 15 February 2013                  |
| Closing Date                                      | 5.00 p.m. WST on 25 February 2013 |
| Despatch of Holding Statements                    | 8 March 2013                      |
| Expected date of official quotation on ASX        | 22 March 2013                     |

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

## 2.8 USE OF PROCEEDS

The funds raised from the Offer on the basis of the minimum and maximum subscriptions will be respectively applied as set out in the table below in calendar year 2013.

| ALLOCATION OF FUNDS                     | MINIMUM SUBSCRIPTION<br>(A\$8,500,000) | %          | FULL SUBSCRIPTION<br>(A\$10,200,000) | %          |
|-----------------------------------------|----------------------------------------|------------|--------------------------------------|------------|
| <b>Project expenditure:<sup>1</sup></b> | <b>(\$000's)</b>                       |            | <b>(\$000's)</b>                     |            |
| Westmorland Project                     | 2,375                                  | 28         | 3,550                                | 35         |
| NT Joint Ventures                       | 1,000                                  | 12         | 1,000                                | 10         |
| La Jara Mesa Project                    | 200                                    | 2          | 200                                  | 2          |
| La Sal Project                          | 200                                    | 2          | 200                                  | 2          |
| UNC Royalty                             | 2,125                                  | 25         | 2,550                                | 25         |
| <b>Other:</b>                           |                                        |            |                                      |            |
| Estimated costs of the Offer            | 1,022                                  | 12         | 1,127                                | 11         |
| Working Capital <sup>2</sup>            | 1,578                                  | 19         | 1,573                                | 15         |
| <b>TOTAL</b>                            | <b>8,500</b>                           | <b>100</b> | <b>10,200</b>                        | <b>100</b> |

Notes:

- 1 Proposed project expenditure will be refined to suit the results of the programs as they proceed. Please refer to Section 5.4 of this Replacement Prospectus and section 8.3 of the Independent Geologist's Report in Section 8 of this Replacement Prospectus for further details on the Company's planned exploration programs.
- 2 Working capital includes provision for corporate overheads and all other items of a general administrative nature, including the costs of leasing office space, sundry costs such as share registry, ASX and TSX fees, executive and non-executive salaries and the salaries of any additional staff or consultants that may be retained by the Company in the future.

The above table is a statement of current intentions as of the date of lodgement of this Replacement Prospectus with the ASIC. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

## 2.9 CAPITAL STRUCTURE

The capital structure of the Company following completion of the Offer is summarised below<sup>1</sup>

|                                                                                      | MINIMUM SUBSCRIPTION<br>(A\$8,500,000) | FULL SUBSCRIPTION<br>(A\$10,200,000) |
|--------------------------------------------------------------------------------------|----------------------------------------|--------------------------------------|
| <b>Shares<sup>2</sup></b>                                                            | <b>Number</b>                          | <b>Number</b>                        |
| Shares on issue at date of Replacement Prospectus                                    | 70,767,592                             | 70,767,592                           |
| Shares underlying the CDIs offered under this Replacement Prospectus                 | 10,000,000                             | 12,000,000                           |
| <b>Total Shares on issue at completion of the Offer<sup>3</sup></b>                  | <b>80,767,592</b>                      | <b>82,767,592</b>                    |
| <b>Options and Warrants<sup>4</sup></b>                                              | <b>Number</b>                          | <b>Number</b>                        |
| Options and Warrants on issue at date of Replacement Prospectus                      |                                        |                                      |
| Warrants exercisable at C\$1.00 on or before 6 January 2014                          | 375,000                                | 375,000                              |
| Warrants exercisable at C\$1.00 on or before 30 December 2013                        | 1,062,500                              | 1,062,500                            |
| Warrants exercisable at C\$1.35 on or before 31 December 2015                        | 650,000                                | 650,000                              |
| Options exercisable at C\$1.20 on or before 15 September 2014                        | 2,095,000                              | 2,095,000                            |
| Options exercisable at C\$1.10 on or before 19 May 2013                              | 1,810,000                              | 1,810,000                            |
| <b>Total Options and Warrants on issue at completion of the Offer<sup>3, 5</sup></b> | <b>5,992,500</b>                       | <b>5,992,500</b>                     |

Notes:

- 1 See the Investigative Accountant's Report in Section 9 of this Replacement Prospectus for further details.
- 2 The rights attaching to Shares and CDIs are summarised in Sections 16.1 and 16.1(f) of this Replacement Prospectus.
- 3 Assuming no Options or Warrants are exercised prior to completion of the Offer.
- 4 The terms and conditions of the Company's Warrants and Options are summarised in Section 16.4 of this Replacement Prospectus.
- 5 There are currently 2,066,250 Options and Warrants held by the Directors as at the date of this Replacement Prospectus. Please refer to Section 2.11 of this Replacement Prospectus for further details.

## 2.10 RESTRICTED SECURITIES

ASX has provided confirmation that, subject to the Company not entering any transaction for the acquisition of classified assets (as defined in the ASX Listing Rules) prior to the admission of the Company to the Official List, none of the Company's securities on issue prior to the Offer will be classified by ASX as restricted securities. None of the CDIs offered under this Replacement Prospectus will be treated as restricted securities on ASX and will be freely transferable on ASX from their date of allotment.

## 2.11 DISCLOSURE OF DIRECTORS' RELEVANT INTERESTS IN SECURITIES

Directors are not required under the Company's Articles of Continuance to hold any Shares. As at the date of this Replacement Prospectus, the Directors have relevant interests in the Company's securities as set out in the table below<sup>1</sup>:

| DIRECTOR                     | SHARES           | OPTIONS<br>(OVER SHARES) | WARRANTS<br>(OVER SHARES) |
|------------------------------|------------------|--------------------------|---------------------------|
| John Booth <sup>2</sup>      | 597,100          | 250,000                  | 37,500                    |
| Marc Henderson <sup>3</sup>  | 6,101,712        | 525,000                  | 63,750                    |
| Peter Mullens <sup>4</sup>   | 506,100          | 475,000                  | 150,000                   |
| Scott Patterson <sup>5</sup> | 460,400          | 200,000                  | 125,000                   |
| Paul Wilkens <sup>6</sup>    | 101,000          | 200,000                  | 15,000                    |
| <b>TOTAL</b>                 | <b>7,766,312</b> | <b>1,650,000</b>         | <b>416,250</b>            |

Notes:

- The Directors may participate in the Offer.
- John Booth holds 100,000 options exercisable at C\$1.10 and expiring on 19 May 2013, 150,000 options exercisable at C\$1.20 and expiring on 15 September 2014 and 37,500 warrants exercisable at C\$1.00 and expiring on 30 December 2013.
- Marc Henderson holds 275,000 options exercisable at C\$1.10 and expiring on 19 May 2013, 250,000 options exercisable at C\$1.20 and expiring on 15 September 2014 and 63,750 warrants exercisable at C\$1.00 and expiring on 30 December 2013.
- Peter Mullens intends to subscribe for 100,000 CDIs under the Offer. Peter Mullens holds 225,000 options exercisable at C\$1.10 and expiring on 19 May 2013, 250,000 options exercisable at C\$1.20 and expiring on 15 September 2014 and 150,000 warrants exercisable at C\$1.00 and expiring on 30 December 2013.
- Scott Patterson holds 100,000 options exercisable at C\$1.10 and expiring on 19 May 2013, 100,000 options exercisable at C\$1.20 and expiring on 15 September 2014 and 125,000 warrants exercisable at C\$1.00 and expiring on 30 December 2013.
- Paul Wilkens holds 100,000 options exercisable at C\$1.10 and expiring on 19 May 2013, 100,000 options exercisable at C\$1.20 and expiring on 15 September 2014 and 15,000 warrants exercisable at C\$1.00 and expiring on 30 December 2013.

## 2.12 POST-LISTING INTEREST

Upon the Company's admission to the Official List and assuming full subscription of the Offer and assuming Peter Mullens subscribes for 100,000 CDIs as set out in Section 2.11, the Directors will have the following percentage interests in the Company:

| DIRECTOR        | RELEVANT INTEREST<br>(ASSUMING NO WARRANTS OR OPTIONS EXERCISED) | RELEVANT INTEREST<br>(ASSUMING ALL WARRANTS OR OPTIONS EXERCISED) |
|-----------------|------------------------------------------------------------------|-------------------------------------------------------------------|
| John Booth      | 0.72%                                                            | 1.03%                                                             |
| Marc Henderson  | 7.37%                                                            | 7.55%                                                             |
| Peter Mullens   | 0.73%                                                            | 1.39%                                                             |
| Scott Patterson | 0.56%                                                            | 0.89%                                                             |
| Paul Wilkens    | 0.12%                                                            | 0.26%                                                             |
| <b>TOTAL</b>    | <b>9.50%</b>                                                     | <b>11.10%</b>                                                     |

## 2.13 REMUNERATION OF DIRECTORS

The remuneration of executive Directors will be determined from time to time by the Board having regard to the nature and extent of their responsibilities.

The total fees paid or payable to each of the Directors in their capacity as Director for the 2011 and 2012 financial years (each ending on 31 December of the relevant year) is as follows:

| DIRECTOR                    | 2011      | 2012      |
|-----------------------------|-----------|-----------|
| John Booth                  | C\$42,000 | C\$42,000 |
| Marc Henderson <sup>1</sup> | NIL       | NIL       |
| Peter Mullens <sup>2</sup>  | NIL       | NIL       |
| Scott Patterson             | C\$24,000 | C\$24,000 |
| Paul Wilkens                | C\$24,000 | C\$24,000 |

Notes:

- 1 Marc Henderson is also paid a base salary and may receive a bonus in his capacity as Laramide's CEO. He was paid C\$228,570 in this capacity in 2012 and C\$345,808.56 (including bonus) in 2011. Please refer to the summary of Mr Henderson's employment agreement in Section 14.6 of this Replacement Prospectus for further details.
- 2 Peter Mullens was paid as a consultant to the Company in Australia in both 2012 (\$66,000) and 2011 (\$80,388.53) through his wholly-owned company, Ironbark Pacific Pty Ltd. He was also paid \$67,319 in 2011 and \$133,330 in 2012 as an employee of the Company in his capacity as vice-president of Exploration. Peter Mullens returned to Australia after 30 August 2011 and continued to be paid under his consulting agreement through Ironbark Pacific Pty Ltd. The Company's engagement with Ironbark Pacific was terminated on 30 April 2012 and Peter Mullens is now an employee of the Company and resident in Australia. A summary of Peter Mullens' employment agreement is set out in section 14.9 of this Replacement Prospectus.

## 2.14 DIVIDEND POLICY

The Company anticipates that it will incur significant expenditure in the continued exploration and development of the Tenements (and any future interests in other tenements) in the two years following the issue of this Replacement Prospectus. Accordingly, the Company does not expect to declare any dividends during that period. Once sustainable profitability has been established and, subject to working capital and reinvestment requirements, the Company may consider paying dividends to Shareholders.

## 2.15 EXPENSES OF THE OFFER

The total cash expenses of the Offer (excluding GST) are expected to be applied towards the items set out in the table below:

| ITEM OF EXPENDITURE                   | MINIMUM SUBSCRIPTION<br>(A\$8,500,000) | FULL SUBSCRIPTION<br>(A\$10,200,000) |
|---------------------------------------|----------------------------------------|--------------------------------------|
| ASX and ASIC fees                     | 97,000                                 | 100,000                              |
| Broker Commissions and other payments | 510,000                                | 612,000                              |
| Legal fees                            | 320,000                                | 320,000                              |
| Accounting fees                       | 40,000                                 | 40,000                               |
| Independent Geologist's fees          | 40,000                                 | 40,000                               |
| Prospectus Design and Printing        | 15,000                                 | 15,000                               |
| <b>TOTAL</b>                          | <b>1,022,000</b>                       | <b>1,127,000</b>                     |



### 3. KEY QUESTIONS

### 3. KEY QUESTIONS

This Section contains answers to some commonly asked questions in relation to the Offer set out in this Replacement Prospectus. It also includes cross references to sections of the Replacement Prospectus that have more detailed information.

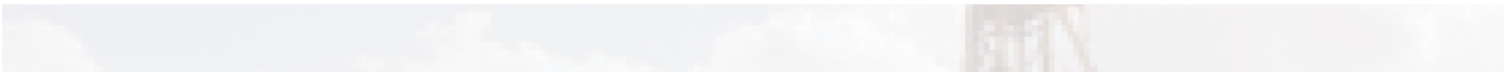
Persons who wish to participate in the Offer should read this Replacement Prospectus in its entirety.

| QUESTION                                          | ANSWER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | WHERE TO FIND MORE INFORMATION |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Who is the issuer of this Replacement Prospectus? | <p>Laramide was incorporated under the laws of the Province of British Columbia, Canada, on 29 April 1980, and was subject to the BCCA, until it was continued under the laws of the Dominion of Canada on 27 June 1996, at which time it became subject to the CBCA.</p> <p>In August 2006, Laramide was listed on the TSX under the symbol "LAM".</p> <p>The Company is also registered as a foreign company in Australia with ARBN 154 146 755.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Sections 2.2 and 5.1           |
| What does Laramide do?                            | <p>Laramide is engaged in the exploration and development of uranium assets. The Company's portfolio of uranium projects have been chosen for their production potential and their location in safe and politically stable jurisdictions.</p> <p>The Company's wholly owned uranium assets are located in Australia and the United States of America. Its flagship project, Westmoreland, in Queensland, Australia, was acquired in 2005. Since acquiring the Westmoreland Project, Laramide has invested cash in excess of \$30 million advancing the project through a series of drilling campaigns, updated resource estimates, environmental studies and metallurgical studies expanding on the work by the former owner. The Westmoreland Project currently has a JORC compliant Indicated Mineral Resource of 36.0 million pounds of uranium (U3O8) contained in 18.7 million tonnes at an average grade of 0.089% U3O8 and a further Inferred Mineral Resource totalling 15.9 million pounds of uranium (U3O8) contained in 9.0 million tonnes at an average grade of 0.083% U3O8. Laramide's US assets include La Jara Mesa in Grants, New Mexico and La Sal in the Lisbon Valley district of Utah.</p> <p>Its portfolio also includes joint ventures, farm-in arrangements, strategic equity positions and royalty participation in uranium development and exploration companies that provide additional geographic diversification and uranium exposure for investors.</p> | Sections 2.2 and 5.1           |
| What is the Offer?                                | Pursuant to the Offer, the Company invites applications for up to 12,000,000 CDIs at an issue price of A\$0.85 each to raise a minimum of A\$8,500,000 up to a maximum of A\$10,200,000.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Sections 4.1 and 16.1(f)       |
| What is the structure of the Offer?               | <p>The Offer comprises:</p> <p>a) a General Public Offer, only open to Australian resident Retail Investors made pursuant to this Replacement Prospectus; and</p> <p>b) an Institutional Offer made to Institutional Investors in Australia, New Zealand, Hong Kong, Singapore, United Kingdom, Canada and US and certain other overseas jurisdictions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Sections 4.2                   |
| Where will the Shares be listed?                  | Shares in the Company will trade on ASX in the form of CDIs. Each CDI will represent one underlying Share. All Shares will also be listed on the TSX.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Sections 4.6 and 16.1(f)       |

| QUESTION                                 | ANSWER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | WHERE TO FIND MORE INFORMATION |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| What is the purpose of the Offer?        | <p>The purpose of the Offer is primarily to facilitate an application by the Company for admission of the Company to the Official List and to raise funds to progress its short to medium term objectives.</p> <p>These objectives are set out fully in section 2.4 of this Replacement Prospectus and broadly are to:</p> <ul style="list-style-type: none"> <li>a) complete further exploration and development programs at Westmoreland;</li> <li>b) continue to undertake early stage exploration activities on the Rio Tinto joint venture in the Northern Territory; and</li> <li>c) advance its US assets.</li> </ul> <p>The Directors are of the opinion that on completion of the Offer, the Company will have sufficient working capital to carry out its short-term objectives. In order to bring the Westmoreland Project into production, further significant capital expenditure will be required. These funds will not be available immediately following completion of the Offer.</p> | Section 2.4                    |
| What is the Offer Price?                 | A\$0.85 per CDI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Section 4.1                    |
| Is the Offer underwritten?               | The Offer is not underwritten.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Section 4.12                   |
| What is a CDI?                           | <p>As a result of the laws applicable to Laramide in Canada, Laramide's Shares cannot be directly traded on the ASX. Accordingly, successful Applicants will be issued CDIs rather than Shares.</p> <p>CDIs are traded on ASX in a similar manner to shares. The Company's Shares will continue to trade on TSX under its "LAM" code.</p> <p>Each CDI represents one underlying Share. The main difference between holding CDIs and Shares is that CDI holders hold the beneficial ownership in the Shares instead of legal title.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Sections 4.6 and 16.1(f)       |
| What rights attach to the CDIs?          | <p>With the exception of voting arrangements, CDI holders have all the same rights as Shareholders whose shares are registered in their name.</p> <p>As holders of CDIs do not appear in the Company's share register, they are not entitled to vote personally at Shareholder meetings. However a CDI holder may direct CDN to cast proxy votes according to the wishes of the CDI holder for whom it holds shares.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Sections 4.6 and 16.3          |
| Can I convert my CDIs into Shares?       | <p>Following an initial four month hold period, holders of CDIs may convert their CDIs to Shares on the TSX.</p> <p>However, if they do so, they will no longer be able to trade on ASX without converting their resultant Shares back to CDIs.</p> <p>CDI holders may convert their CDIs to Shares as follows:</p> <ul style="list-style-type: none"> <li>a) for CDIs held through the issuer-sponsored sub-register, contacting Computershare (Australia); or</li> <li>b) for CDIs held on the CHESS-sponsored sub-register, by contacting their controlling participant (usually a stockbroker) who will liaise with Computershare (Australia).</li> </ul>                                                                                                                                                                                                                                                                                                                                         | Section 4.6                    |
| When will dividends on the CDIs be paid? | The Company has not paid any dividends to date and has no intention of paying any dividends in the foreseeable future. Please refer to section 16.3 for a discussion of the rights attaching to CDIs in relation to the payment of dividends.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Section 16.1                   |

| QUESTION                                                                    | ANSWER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | WHERE TO FIND MORE INFORMATION |
|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| What are the tax implications of investing in the CDIs?                     | <p>The acquisition and disposal of CDIs in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor.</p> <p>All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring CDIs from a taxation viewpoint and generally.</p>                                                                                                                                                                                                                                                                                                                                                                                                               | Section 16.11                  |
| Am I eligible to participate in the Offer?                                  | <p>This Replacement Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom it would not be lawful to make such an offer or to issue this Replacement Prospectus. Subject to certain foreign selling restrictions, the Company intends to make the General Public Offer to Australian Retail Investors and the Institutional Offer to Institutional Investors in Australia, New Zealand, Hong Kong, Singapore, United Kingdom, Canada, the US and certain other overseas jurisdictions.</p> <p>The distribution of this Replacement Prospectus outside Australia may be restricted by law and persons who come into possession of this Replacement Prospectus should observe any such restrictions.</p> | Section 4.10                   |
| How can I apply?                                                            | <p>Completed Application Forms and accompanying cheques must be mailed to, or delivered by hand, to the addresses listed in Section 4.2 by no later than the Closing Date.</p> <p>The Company reserves the right to close the Offer early.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Sections 4.2                   |
| What are the key dates of the Offer?                                        | <p>Lodgement of this Replacement Prospectus with ASIC: 14 February 2013</p> <p>Opening Date: 15 February 2013</p> <p>Closing Date: 5.00 p.m. WST on 25 February 2013</p> <p>Despatch of Holding Statements: 8 March 2013</p> <p>Expected date of official quotation on ASX: 22 March 2013</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Section 2.7                    |
| What is the minimum application size under the Offer?                       | Applications for CDIs must be for a minimum of 3,000 CDIs and thereafter in multiples of 1,000 CDIs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Sections 4.2                   |
| What are the key risks of investing in Laramide?                            | <p>There are specific risks which relate directly to the Company's business.</p> <p>There are also general risks, many of which are largely beyond the control of the Company and the Directors.</p> <p>Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Replacement Prospectus.</p>                                                                                                                                                                                                                                                                                                                               | Section 2.5 and 13             |
| Is there any brokerage, commission or stamp duty payable by the Applicants? | No. However, Bell Potter Securities Limited receives certain remuneration in consideration for acting as Lead Manager to the Offer as summarised in section 14.5 of this Replacement Prospectus.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Sections 4.13 and 14.5         |
| When will I receive confirmation that my Application has been successful?   | The Company will not issue certificates to CDI holders. Instead, as soon as practicable after issue, successful Applicants will receive a holding statement which sets out the number of CDIs held by the Applicant.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Section 4.6                    |

| QUESTION                                                              | ANSWER                                                                                                                                                           | WHERE TO FIND MORE INFORMATION |
|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Who are the advisers to the Offer and what are their contact details? | For contact details, see the Corporate Directory.                                                                                                                | Section 19                     |
| Where can I find more information?                                    | <p>This Replacement Prospectus should be read in its entirety.</p> <p>For further information, you should consult your stockbroker or professional advisers.</p> |                                |



## 4. DETAILS OF THE OFFER



## 4. DETAILS OF THE OFFER

### 4.1 THE OFFER

Pursuant to the Offer, the Company invites applications for up to 12,000,000 CDIs at an issue price of A\$0.85 each to raise a minimum of A\$8,500,000 up to a maximum of A\$10,200,000.

As Laramide is continued under the laws of Canada, successful Applicants will be issued CDIs rather than Shares, with each CDI representing one Share. Further information about CDIs is contained in Sections 4.6 and 16.1(f) of this Replacement Prospectus.

Persons who receive this Replacement Prospectus outside Australia may be unable to participate in the Offer as described in Section 4.10.

The Directors may reject any Application made under the Offer or allocate fewer CDIs than the Applicant has applied for.

### 4.2 STRUCTURE OF THE OFFER

The Offer comprises:

- a General Public Offer, only open to Australian resident Retail Investors made pursuant to this Replacement Prospectus; and
- an Institutional Offer made to Institutional Investors in Australia, New Zealand, Hong Kong, Singapore, United Kingdom, Canada and US and certain other overseas jurisdictions.

The General Public Offer and Institutional Offer are made on the same terms. The proposed allocation of CDIs between various components of the Offer is set out in Section 4.7. In allocating CDIs under the Offer the Company will seek to ensure that there is a liquid market for CDIs upon listing on the ASX.

### 4.3 APPLICATIONS

Applications for CDIs under the Offer must be made using the Application Form.

Payment for the CDIs must be made in full at the issue price of A\$0.85 per CDI. Applications for CDIs must be for a minimum of 3,000 CDIs and thereafter in multiples of 1,000 CDIs. Completed Application Forms and accompanying cheques must be mailed to:

**Computershare Investor Services Pty Ltd**  
**Level 2**  
**45 St Georges Terrace**  
**Perth WA 6000**

Cheques should be made payable to "Laramide Resources Ltd" and crossed "Not Negotiable". Completed Application Forms must reach the above address by no later than the Closing Date.

The Company reserves the right to extend the Closing Date or close the Offer early without notice.

### 4.4 OVERSUBSCRIPTION

The Company will not accept oversubscriptions.

## 4.5 MINIMUM SUBSCRIPTION

The minimum subscription to be raised pursuant to the Offer is A\$8,500,000.

## 4.6 CDIs

As a result of being continued under the laws of the Dominion of Canada, Laramide's Shares cannot be directly traded on the ASX. As a result, successful Applicants will be issued CDIs rather than Shares. CDIs are traded on ASX in a similar manner to shares. The Company's Shares will continue to trade on TSX under its "LAM" code.

Each CDI represents one underlying Share. The main difference between holding CDIs and Shares is that CDI holders hold the beneficial ownership in the Shares instead of legal title. CDN holds the legal title to the underlying Shares. The Shares underlying the CDIs will be registered in the name of CDN and will be held on behalf of and for the benefit of the CDI holder. CDIs will be CHESS-approved from the date of Official Quotation in accordance with the ASX Listing Rules and ASX Settlement Operating Rules. Holders of CDIs may convert their CDIs to Shares that may be traded on the TSX. Refer to Section 4.6(c) below for further details.

### a) REGISTERS

The Company will operate a certificated Canadian central securities register maintained by Computershare (Canada), an uncertificated issuer-sponsored sub-register of CDIs maintained by Computershare (Australia) and an uncertificated CHESS sub-register of CDIs in Australia. The two uncertificated CDI sub-registers combined will make up the register of beneficial title to the Shares underlying the CDIs.

### b) HOLDING STATEMENTS

The Company will not issue certificates to CDI holders. Instead, as soon as practicable after issue, successful Applicants will receive a holding statement which sets out the number of CDIs held by the Applicant.

A holding statement will also provide details of a security holder's Holder Identification Number (in the case of a holding on the CHESS sub-register) or Shareholder Reference Number (in the case of a holding on the issuer-sponsored sub-register). Following distribution of these initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of Shares held. CDI holders may also request statements at any other time (although the Company may charge an administrative fee).

### c) CONVERSION OF CDIs TO SHARES

Holders of CDIs can choose to have their CDIs converted to a direct holding of Shares. However, if they do so, they will no longer be able to trade on ASX (without converting their resultant Shares back to CDIs). Canadian securities laws restrict the trading of Shares in Canada for a period of four months and one day from the date of their issue. Accordingly, the conversion of CDIs tradeable on ASX to Shares tradeable on TSX will not be permitted before that date which is four months and one day from the date of the issue of the CDIs. This will be enforced by the Company's share registry. All CDIs issued under this Replacement Prospectus will be subject to this restriction.

Application will be made to the TSX for all of the CDIs offered under this Replacement Prospectus to be admitted to trading on the TSX effective subsequent to the expiry of the restriction period. After expiry of the restriction period, in order to trade on the TSX, Applicants will need to convert their CDIs tradeable on the ASX to Shares tradeable on the TSX.

CDI holders wishing to convert their CDIs to Shares may do so in one of the following ways:

- for CDIs held through the issuer-sponsored sub-register, contacting Computershare (Australia) directly to obtain the applicable conversion request form; or
- for CDIs held on the CHESS-sponsored sub-register, by contacting their controlling participant (usually a stockbroker) who will liaise with Computershare (Australia). Upon receipt of the conversion request, the relevant number of CDIs will be cancelled and the Shares underlying the CDIs will be transferred from CDN to the Shareholder or to a market participant electronically in the Canadian Depository for Securities Limited. The Shares will be tradeable on TSX but not on ASX. The Directors expect that this conversion process will be completed on the day on which a valid conversion request is received.

The ASX Settlement Operating Rules require the conversion process to be completed within three business days of receipt of the conversion request.

#### **d) CONVERSION OF SHARES TO CDIs**

Shareholders may convert their Shares to CDIs by contacting Computershare (Canada) or their stockbroker (or applicable controlling participant). In this case, the Shares will be transferred from the Shareholder's name into the name of CDN and a holding statement in the Shareholder's name will be issued for the CDIs. Upon conversion to CDIs, the CDIs will be tradeable on ASX but not on TSX. As indicated above, Canadian securities laws restrict the trading of Shares in Canada for a period of four months and one day from their date of issue. In order to comply with Canadian securities laws, the conversion of Shares tradeable on TSX to CDIs tradeable on ASX will be restricted for a period of four months plus one day from the date of their issue. The Company and its share registry may take any necessary action to enforce this restriction.

The ASX Settlement Operating Rules require the conversion process to be completed within three business days of receipt of the conversion request.

#### **e) TRADING OF CDIs**

Trading of CDIs occurs on the same trading platform on ASX as the trading of shares.

The rights attaching to Shares and CDIs are summarised in Sections 16.1 and 16.1(f) respectively.

## **4.7 ALLOCATION AND ALLOTMENT OF CDIs**

Subject to the allocation priorities described below, the Lead Manager and the Company together have absolute discretion regarding the allocation of CDIs under the Offer (including between the Retail Offer and Institutional Offer) and may reject any Application or allocate fewer CDIs than those applied for.

The allocation policy will be influenced by the following factors:

- a) the number of CDIs applied for;
- b) the overall level of demand under the Retail Offer and Institutional Offer;
- c) the desire for a wide spread of investors including Institutional Investors;
- d) the desire for an informed and active market for trading in CDIs following completion of the Offer; and
- e) any other factors the Company and the Lead Manager consider appropriate in their sole discretion.

The Company intends to allocate CDIs under the Offer to Applicants under the Institutional Offer in priority to the General Public Offer.

Subject to ASX granting approval for the Company to be admitted to the Official List, allotment of CDIs offered by this Replacement Prospectus will take place as soon as practicable after the Closing Date. Prior to allotment, all application monies shall be held by the Company on trust. The Company, irrespective of whether the allotment of CDIs takes place, will retain any interest earned on the application monies.

## 4.8 REFUNDS

Laramide will return an Applicant's monies or surplus monies (as applicable) if:

- a) the Offer does not proceed;
- b) the minimum number of securities required to be applied for is not met within four months of the date of this Replacement Prospectus;
- c) the number of CDIs allotted to the Applicant is less than the number applied for (in which case, the surplus application monies will be returned to the Applicant by cheque within 7 days of the date of allotment);
- d) Laramide is not admitted to the Official List or the CDIs are not granted quotation within three months of the date of this Replacement Prospectus;
- e) the Applicant becomes aware that the Replacement Prospectus contains a misleading or deceptive statement or that there is an omission from the Replacement Prospectus of information required under the Corporations Act and that statement or omission is materially adverse from the point of view of the Applicant; or
- f) the Applicant becomes aware of a new circumstance that has arisen since this Replacement Prospectus was lodged but that would have been required under the Corporations Act to be included in the Replacement Prospectus if it had arisen before the Replacement Prospectus was lodged and that circumstance is materially adverse from the point of view of the Applicant.

The Company is not obliged to provide refunds in any other circumstances, other than as required by applicable law.

## 4.9 ASX LISTING AND TRADING ON TSX

The Company will apply to ASX within seven days after the date of this Replacement Prospectus for admission to the Official List and for Official Quotation of all existing Shares on issue as at the date of this Replacement Prospectus and all CDIs issued under this Replacement Prospectus. If the CDIs are not admitted to quotation on ASX within three months after the date of this Replacement Prospectus, or such longer period as is permitted by the Corporations Act, all applications will be dealt with in accordance with the Corporations Act.

All CDIs issued pursuant to this Replacement Prospectus will be tradeable on the ASX upon Laramide being admitted to the Official List. Please refer to Section 4.6(c) above for further details on restrictions on conversion of CDIs to Shares in order to trade on the TSX.

## 4.10 APPLICANTS OUTSIDE AUSTRALIA

This Replacement Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom it would not be lawful to make such an offer or to issue this Replacement Prospectus. This Replacement Prospectus has not been filed with any securities commissions or other regulatory authorities in any of the Provinces or Territories of Canada. The distribution of this Replacement Prospectus outside Australia may be restricted by law and persons who come into possession of this Replacement Prospectus should observe any such restrictions, including those below. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Company has not acted to register or qualify the CDIs or the Offer or otherwise to permit a public offering of the CDIs the subject of this Replacement Prospectus in any jurisdiction outside Australia.

Applicants outside Australia are responsible for obtaining any necessary approvals applicable to them for the allotment and issue of the CDIs pursuant to this Replacement Prospectus. By returning a completed Application Form, such applicants will be taken by the Company to represent and warrant that all relevant approvals have been obtained.

## 4.11 FOREIGN OFFER RESTRICTIONS

### **CANADA (BRITISH COLUMBIA, ONTARIO AND QUEBEC PROVINCES)**

This document constitutes an offering of Shares and CDIs only in the Provinces of British Columbia, Ontario and Quebec (the “Provinces”) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such Shares and CDIs. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are “accredited investors” within the meaning of NI 45-106 – *Prospectus and Registration Exemptions, of the Canadian Securities Administrators*.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Shares and CDIs or the offering of Shares and CDIs and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Shares and CDIs or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Shares and CDIs in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the Shares and CDIs outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the Shares and CDIs.

The Company, and the directors and officers of the Company, may be located outside Canada, and as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada, and as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also complies with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

## STATUTORY RIGHTS OF ACTION FOR DAMAGES OR RESCISSION

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Shares and CDIs purchased pursuant to this document (other than: (a) a “Canadian financial institution” or a “Schedule III bank” (each as defined in NI 45-106); (b) the Business Development Bank of Canada; or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the Shares and CDIs during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that: (i) the Company will not be liable if it proves that the purchaser purchased the Shares and CDIs with knowledge of the misrepresentation; (ii) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the Shares and CDIs as a result of the misrepresentation relied upon; and (iii) in no case shall the amount recoverable exceed the price at which the Shares and CDIs were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than: (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action, other than an action for rescission, the earlier of: (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action; or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

### *Certain Canadian income tax considerations*

Prospective purchasers of the Shares and CDIs should consult their own tax advisers with respect to any taxes payable in connection with the acquisition, holding, or disposition of the Shares and CDIs as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

### *Language of documents in Canada*

Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Shares and CDIs (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

## HONG KONG

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (the **Companies Ordinance**), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the SFO). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares and CDIs have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO).

No advertisement, invitation or document relating to the Shares and CDIs has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares and CDIs that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares and CDIs may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## NEW ZEALAND

This document has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (New Zealand). The Shares and CDIs are not being offered or sold in New Zealand, or allotted with a view to being offered for sale in New Zealand, and no person in New Zealand may accept a placement of Shares and CDIs other than to:

- persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
- persons who are each required to (i) pay a minimum subscription price of at least NZ\$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ\$500,000 for securities of the Company (“initial securities”) in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this document.

## SINGAPORE

This document and any other materials relating to the Shares and CDIs have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares and CDIs, may not be issued, circulated or distributed, nor may the Shares and CDIs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an “institutional investor” (as defined in the SFA) or (iii) a “relevant person” (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares and CDIs being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares and CDIs. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## **UNITED KINGDOM**

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares and CDIs. This document is issued on a confidential basis to “qualified investors” (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the Shares and CDIs may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the Shares and CDIs has only been communicated or caused to be communicated and will only be communicated or cause to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together relevant persons). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

## **UNITED STATES**

This Replacement Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Replacement Prospectus have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws. This Replacement Prospectus may not be distributed to any person in the United States unless they receive it as an appendix to an international Offering Circular and may only be distributed in the United States to “qualified institutional buyers” (as defined in Rule 144A under the US Securities Act).

Each Applicant will be taken to have represented, warranted and agreed as follows:

- a)** it understands that the Shares and CDIs have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the United States, except in a transaction exempt from, or not subject to, registration under the US Securities Act 1933 and any applicable US state securities laws;
- b)** it is not in the United States;
- c)** it has not and will not send the Replacement Prospectus or any other material relating to the Offer to any person in the United States; and
- d)** it will not offer or sell the Shares and CDIs in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares and CDIs are offered or sold.

## 4.12 NOT UNDERWRITTEN

The Offer is not underwritten.

## 4.13 LEAD MANAGER TO THE OFFER

The Company has appointed Bell Potter Securities Limited to act as Lead Manager to the Offer. The terms of the appointment of Bell Potter Securities Limited are summarised in Section 14.5 of this Replacement Prospectus.

As remuneration for acting as Lead Manager, Bell Potter Securities Limited will receive:

- a) a lead management retainer fee of \$20,000 per month from the time of engagement, which can be offset by up to 50% against the management fee referred to in paragraph (b) below following completion of the Offer;
- b) an offer management fee equal to 1.0% of the gross amount raised under the Offer; and
- c) a selling fee equivalent to 5.0% of the gross amount raised under the Offer.

## 4.14 TSX SHARE TRADING HISTORY AND CONTINUOUS DISCLOSURE

The highest, lowest and last market sales prices of the Shares on TSX during the three months immediately preceding the date of lodgement of this Replacement Prospectus with ASIC and the respective dates of those sales were:

|         | PRICE PER SHARE (C\$) | DATE             |
|---------|-----------------------|------------------|
| Highest | 1.03                  | 22 January 2013  |
| Lowest  | 0.72                  | 28 November 2012 |
| Last    | 0.99                  | 13 February 2013 |

The Company also makes regular announcements as part of its continuous disclosure obligations to the TSX. Copies of those announcements can be obtained from SEDAR at [www.sedar.com](http://www.sedar.com).

## 4.15 PRIVACY STATEMENT

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a CDI holder and facilitate distribution payments and corporate communications to you as a CDI holder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers; regulatory bodies, including the Australian Taxation Office; authorised securities brokers; print service providers; mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Company's share registry at the relevant contact number set out in this Replacement Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

## 4.16 QUERIES

This Replacement Prospectus provides information for investors to decide if they wish to invest in the Company and should be read in its entirety. If you have any questions about investing in the Company, please contact your stockbroker, financial planner, accountant, lawyer or independent financial adviser.



## 5. COMPANY OVERVIEW

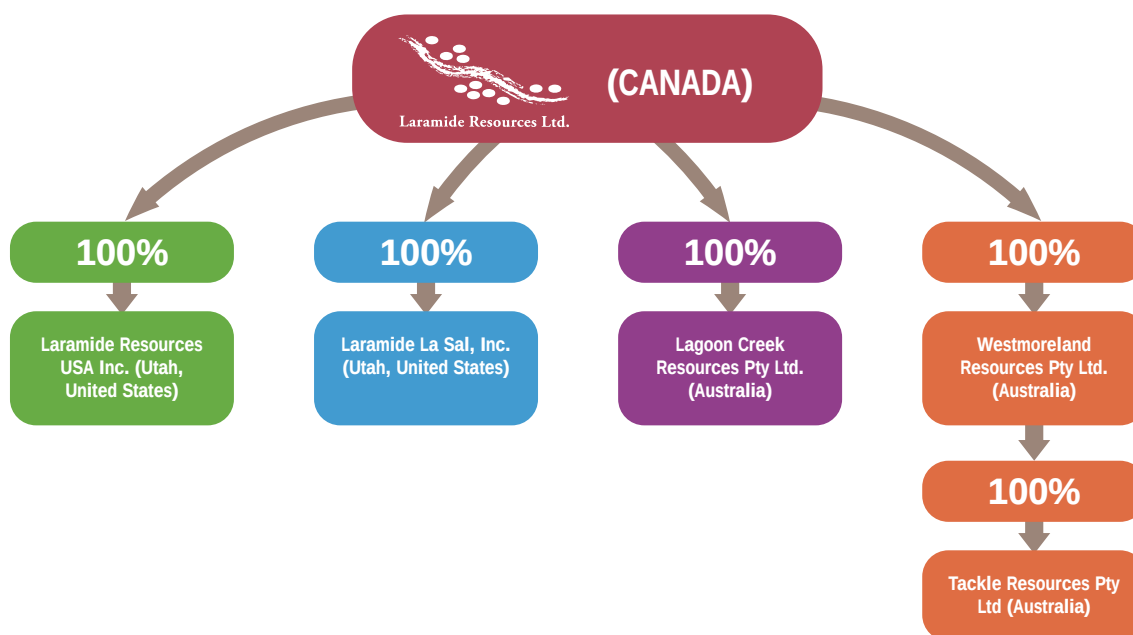
## 5. COMPANY OVERVIEW

### 5.1 OVERVIEW OF LARAMIDE RESOURCES LTD

Laramide Resources Limited (Corporation No. 327470-5) was incorporated under the laws of the Province of British Columbia, Canada, on 29 April 1980, and was subject to the BCCB, until 27 June 1996 when it was continued under the laws of the Dominion of Canada and became subject to the relevant provisions of the CBCA. In August 2006, the Company listed on the TSX under the symbol "LAM".

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

The corporate structure showing the key entities in the Group is set out below:



Laramide is engaged in the exploration and development of uranium assets. The Company's portfolio of uranium projects has been chosen for their production potential and location in safe and politically stable jurisdictions. The Company's uranium assets are located in Australia and the United States of America.

Laramide holds interests in (or has the right to earn an interest in) a series of contiguous mineral tenements that cover most of the known uranium deposits in the Westmoreland region, giving the Company a strategic position in the uranium exploration industry in Australia. The Westmoreland Project has an Indicated Mineral Resource totalling 36.0 million pounds of uranium (U<sub>3</sub>O<sub>8</sub>) contained in 18.7 million tonnes at an average grade of 0.089% U<sub>3</sub>O<sub>8</sub> and a further Inferred Mineral Resource totalling 15.9 million pounds of uranium (U<sub>3</sub>O<sub>8</sub>) contained in 9.0 million tonnes at an average grade of 0.083% U<sub>3</sub>O<sub>8</sub>.

In August 2012, Laramide commenced a drilling program which focused on the highly prospective structural corridor connecting the Huarabagoo and Junnagunna deposits in the Westmoreland region. On 17 October 2012 and 9 January 2013, it released the results of this program, highlights of which included a number of new mineralised zones, and which are discussed in greater detail in the Independent Geologist's Report in Section 8 of this Replacement Prospectus.

As part of Laramide's strategy to control ground contained within a large mineralised system in Australia, it entered into three farm-in and joint venture agreements in relation to a number of tenements situated adjacent to Westmoreland in the Northern Territory. Most recently, the Company executed an agreement in relation to a Farm-In and Joint Venture with Rio Tinto Exploration Pty Limited (**Murphy Farm-in & JV**) on strategically located uranium tenements in the Northern Territory, that are situated geologically within the highly prospective Murphy Uranium Province. On November 13, 2012, the Company completed all approvals and conditions precedent under the Rio Tinto Murphy farm-in and joint venture agreement allowing exploration activities to be commenced on these tenements.

The Company's US assets include La Jara Mesa in Grants, New Mexico and La Sal in the Lisbon Valley district of Utah. Laramide's US properties provide diversification by jurisdiction and by stage of project, as both US properties were permitted by the former owner Homestake. The Company acquired its US projects from Homestake, a wholly owned subsidiary of Barrick Gold Corp., in 2005. These projects are currently at the development stage.

Laramide's portfolio also includes strategic equity positions and royalty participation in uranium development and exploration companies that provide additional geographic diversification and uranium exposure for investors. The Company intends to advance its US projects and the larger Westmoreland Project.

The Company's ability to generate revenue in the future will depend upon the ability of the Company to advance the Westmoreland project and US assets and upon the development of URI's Churchrock project from which Laramide will receive royalty income. Laramide has an experienced and proven team of Directors and senior managers with excellent skill sets in uranium business strategy, exploration, mine development, financing and metals marketing. The Board and its advisers have extensive networks within the mineral exploration and mining industry which will assist in the development of our projects both in Australia, the United States and internationally.

## 5.2 STRATEGIC OBJECTIVES

The Company's strategic objectives are set out in section 2.4 of this Replacement Prospectus and, broadly, are to:

- a) complete further exploration and development programs on the Westmoreland Project;
- b) continue to undertake early stage exploration activities on the Rio Tinto JV in the Northern Territory; and
- c) advance its US assets.

The Directors are of the opinion that, on completion of the Offer, the Company will have sufficient working capital to carry out its short term objectives. However, in order to bring Westmoreland Project into production, further significant capital expenditures will be required. Funds for these further expenditures will not be immediately available following completion of the Offer.

## 5.3 PROJECTS

### a) WESTMORELAND PROJECT

Laramide's Westmoreland uranium project, the Company's flagship asset, is located in Queensland, Australia adjacent to the Northern Territory border. The Westmoreland Project tenements are contiguous and are located as a group approximately 400 kilometres north – north-west of Mt Isa. Laramide's wholly owned subsidiary, Tackle Resources Pty Ltd, owns 100% of Westmoreland (subject to a 1% Net Smelter Royalty to Royal Gold Inc on any production in relation to EPMS 14558 and 14672, with cumulative royalty payments capped at A\$10 million indexed to inflation), and continues to advance the project through ongoing drilling. Further details as to the standing and ownership of the Westmoreland tenements are set out in the Solicitor's Report on the Australian Tenements in section 11 of this Replacement Prospectus.

The Westmoreland Project has an Indicated Mineral Resource totalling 36.0 million pounds of uranium ( $U_3O_8$ ) contained in 18.7 million tonnes at an average grade of 0.089%  $U_3O_8$  and a further Inferred Mineral Resource totalling 15.9 million pounds of uranium contained in 9.0 million tonnes at an average grade of 0.083%  $U_3O_8$ .

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

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

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

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

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

## **b) NORTHERN TERRITORY JOINT VENTURES**

As part of Laramide's strategy to control ground contained within a large mineralised system in Australia, it has entered into three farm-in and joint venture agreements (namely the Lagoon Creek Joint Venture with NuPower Resources Ltd, the Debbil Debbil JV with Hartz Range Mines Pty Ltd (a 100% subsidiary of Gulf Mines Ltd), and the Murphy Tenement Farm-In and Joint Venture with Rio Tinto Exploration Pty Ltd) under which it has acquired the right to earn an interest in a number of tenements situated adjacent to Westmoreland in the Northern Territory. A brief summary of each of these farm-in and joint ventures is set out below. For more detailed information, refer to the Solicitor's Report on the Australian Tenements in section 11.

(i) **LAGOON CREEK EARN-IN AND JOINT VENTURE AGREEMENT**

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

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

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

(ii) **DEBBIL DEBBIL CREEK URANIUM PROJECT LETTER AGREEMENT**

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

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

The Joint Venture was varied in or about July 2009 to provide, among other things, that Hartz is free to explore for copper and other base metals. More recently, Hartz purported to terminate the Debbil Debbil agreement. Laramide does not consider that Hartz has the ability to terminate under the terms of the agreement and is opposing the attempted termination. Currently the parties are holding without prejudice negotiations with a view to resolving their disagreement and finalising a more formal joint venture agreement. Laramide has also lodged a caveat against EL10335 to protect its interest under the agreement. A third party caveat has also been lodged against EL10335 in favour of G E Reveleigh & Co Pty Ltd, although Laramide has so far been unable to identify the nature of the interest claimed under this caveat.

(iii) **MURPHY TENEMENT FARM-IN AND JOINT VENTURE**

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

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

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

## c) US URANIUM PROPERTIES

In 2005, Laramide acquired a portfolio of uranium properties from Homestake. In total, Laramide acquired three uranium properties (La Jara Mesa, Los Ochos, and Melrich) and the option to purchase a fourth (La Sal). The properties are located in the Colorado Plateau in Utah, the Upper Gunnison Basin in Colorado, and in the Grants Mining District in New Mexico.

The agreed purchase price of the Homestake properties was US\$3.75 million in total, which included a series of milestone payments which will fall due as the four projects progress. To date, Laramide has paid US\$1.5 million of the US\$3.75 million total, US\$500,000 of which was for the exercise of the option to acquire the La Sal Project.

### (i) LA JARA MESA PROJECT

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

An independent NI 43-101/JORC compliant resource calculation on La Jara Mesa was completed in 2006, and was subsequently amended in July 2007 by Douglas Peters. The Indicated Mineral Resources are estimated at totalling 7.2 million pounds of uranium (U<sub>3</sub>O<sub>8</sub>) contained in 1.4 million tonnes at an average grade of 0.23% U<sub>3</sub>O<sub>8</sub>, and an additional 3.1 million pounds of uranium (U<sub>3</sub>O<sub>8</sub>) contained in 0.7 million tonnes at an average grade of 0.20% U<sub>3</sub>O<sub>8</sub> classified as Inferred Mineral Resources.

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

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

The US Forest Service is currently reviewing the draft EIS in light of public comments and is continuing the Native American Consultation process. Accordingly, progress will continue with the National Environmental Policy Act (NEPA) review process of La Jara Mesa, which will ultimately lead to the completion of the final EIS. Both this and the Records of Decision (ROD) from the USFS and NEPA are expected in 2013. Upon completion of any conditions in the ROD, the Company will be eligible to receive permits to allow underground development activities and mine production.

### (ii) LA SAL PROJECT

The La Sal Project is located in the Lisbon Valley Uranium District in San Juan County, Utah. Pursuant to the purchase agreement under which Laramide obtained (and later exercised) the option to acquire the La Sal Project, Laramide is obliged to pay Homestake agreed amounts upon the satisfaction of certain milestones, the first being the successful permitting of the La Sal Project (US\$250,000) and the second being the commencement of commercial production (US\$500,000). The milestone payment upon completion of permitting is required to be made upon receipt of a commercial mining permit. Laramide does not intend to fund these payments with the proceeds of the Offer.

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

In November 2010 Laramide filed a Plan of Operations for the underground exploration program with the Bureau of Land Management (**BLM**). The BLM issued a Record of Decision approving the Plan of Operations at the Company's La Sal Project in Utah in June 2012. As a result of the BLM's finding of no significant impact, the preparation of an environmental impact statement will not be required. This has allowed Laramide to initiate underground exploration and development activities including a fully permitted bulk sample program to determine metallurgical and mill compatibility. The Company has executed a toll agreement with Energy Fuels Inc. for the processing of the bulk sample at the White Mesa Mill and, once La Sal reaches full production, for additional ore processing (see summary at Section 14.4). In 2012, Laramide commenced on-site programs designed to lead towards the rehabilitation of the existing decline and ventilation raise, along with the installation of temporary surface support facilities. The short-term objectives include site access road work, development of safety procedures/plans and sourcing of a contract mining company to reopen the mine site. Commercial production is expected to occur after the mining permit is received if positive results are achieved on the underground activities, including the bulk sample program.

A commercial mining permit will be required after the bulk sample is completed. The Company will file an amended Environmental Assessment to reflect any differences between the current permit provisions and commercial production. The Company anticipates these amendments to be minor as a result of the little surface impact and relative small scale operation at La Sal, which is situated in close proximity to Energy Fuels Inc.'s White Mesa Mill at Blanding, Utah. It should be noted, however, that completion of the bulk sample program is not currently a short-term objective of the Company and that consequently the events outlined above may not occur for some time.

(iii) **LOS OCHOS AND MELRICH PROJECTS**

The two other properties that Laramide acquired from Homestake are the Los Ochos and Melrich properties. Neither received exploration expenditure in the years 2011 and 2012 and there is no expenditure on these properties budgeted in the proceeds from the offer under this Replacement Prospectus. Laramide has no plans to explore or develop these tenements at this stage.

**d) UNC ROYALTY**

On 20 December 2006, Laramide acquired a portfolio of uranium royalties in New Mexico, US from United Nuclear Corporation (**UNC**), a wholly owned indirect subsidiary of General Electric Company. The portfolio covers four separate parcels of mineral leases (Section 8, Section 17, and the Mancos area) in the Churchrock area of McKinley County which is located 20 miles northeast of Gallup, New Mexico. The properties are presently owned by a subsidiary of Uranium Resources Inc., a US publicly traded uranium producer.

The royalty acquired is a gross revenue based sliding scale royalty, ranging between 5% and 25% depending on the term price of uranium. At the current term price of approximately US\$57.00/lb U3O8, the Royalty payments would be 14% of the revenue. The sliding scale Royalty has a maximum royalty rate of 25% if term sales prices reach US\$87.41/lb or higher.

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

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

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

The next two payments (described in paragraphs (iii) and (iv) above) are not likely to become due and payable in the short to medium term. URI is only focused on Section 8 and has not commenced the permitting process on Section 17 and on Mancos. In June 2011, URI received notice from the New Mexico Environment Department that its discharge plan was in timely renewal and in October 2011, URI received notification that the NRC had reactivated its source materials licence to conduct ISR uranium mining in McKinley County, New Mexico. During the renewal process, the source materials licence may be utilised according to its terms and conditions, which allows for the production of up to 1 million pounds per year from Churchrock Section 8. Once a successful commercial demonstration of restoration is made, mining on other properties can begin. The licence allows the extraction of up to 3 million pounds of uranium per year.

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

### c) **ANGLO PACIFIC FACILITY**

On 9 August 2012 Laramide completed a transaction with Anglo Pacific Group PLC (**Anglo Pacific**) (acting through its wholly owned Australian subsidiary, Indian Ocean Resources Pty Ltd) in connection with the UNC Royalty outlined in paragraph (d) above on the development stage ISL uranium properties owned by URI in the Grants Mineral District of New Mexico, United States (the **Churchrock Properties**). A complete summary of the material terms of the agreement is set out in section 14.2 below.

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

- (i) granted Anglo Pacific an option to acquire a 5% gross revenue royalty (the **GRR**) for an exercise price of US\$15 million; and

- (ii) issued 650,000 warrants, each warrant entitling Anglo Pacific to acquire one Share at an exercise price of \$1.35 per Share on or before 31 December 2015. The terms and conditions of the Warrants are attached to the warrant certificate. The Company is presently responsible for maintaining the warrant register and receiving notice of exercise of the Warrants.

Laramide must deposit 25% of all proceeds received from any asset sales and equity or debt financings completed between 9 August 2012 and 31 December 2015 into an escrow account as described in section 14.2 below.

## f) EQUITY INVESTMENTS

In addition to the above projects, the Company holds a number of strategic investments in the form of shareholdings in the following publicly listed entities:

| COMPANY                                   | NUMBER OF SECURITIES HELD       | MARKET VALUE OF HOLDING (\$C) <sup>1</sup> |
|-------------------------------------------|---------------------------------|--------------------------------------------|
| Uranium Equities Ltd                      | 6,983,218 shares                | 241,986                                    |
| Khan Resources Inc.                       | 7,300,000 shares                | 1,387,000                                  |
| Virginia Energy Resources Inc.            | 120,000 shares                  | 89,520                                     |
| Anthem Resources Inc.                     | 400,000 shares                  | 74,800                                     |
| Alligator Energy Ltd                      | 4,925,000 shares                | 423,333                                    |
| Treasury Metals Inc.                      | 4,905,600 shares                | 4,120,704                                  |
| Pan American Silver Corp.                 | 5,000 shares / 110,000 warrants | 91,500 / 22,218                            |
| National River Resources Ltd <sup>2</sup> | 149,885 shares                  | 6,681                                      |
| <b>TOTAL</b>                              | <b>-</b>                        | <b>6,457,742</b>                           |

Notes:

- 1 Calculated using the volume-weighted average price over the five trading days ending 24 January 2013.
- 2 National River Resources Ltd has no quoted value.

Further technical information on the Company's projects is set out in the Independent Geologist's Report in Section 8 of this Replacement Prospectus.

Information about the Company's interests in the relevant tenements is set out in the Solicitor's Report on Australian Tenements in Section 11 of this Replacement Prospectus and in the Title Reports on US Tenements in Section 12.

In addition to the above projects and investments, the Company intends to pursue new projects in the resources sector, by way of acquisition or investment. These projects may include all types of minerals.

## 5.4 EXPLORATION WORK PROGRAM AND BUDGET

The Company has proposed an exploration budget totalling between \$5,900,000 and \$7,500,000 to be spent on the Company's projects from the proceeds of the Offer.

Assuming either a full subscription of \$10,200,000 or minimum subscription of \$8,500,000 is raised, the Company expects its exploration expenditure will be as follows:

|                             | MINIMUM SUBSCRIPTION | FULL SUBSCRIPTION |
|-----------------------------|----------------------|-------------------|
| Project Costs               | \$'000               | \$'000            |
| <b>Westmoreland Project</b> |                      |                   |
| Permitting                  | 500                  | 500               |
| Scoping Study               | 300                  | 300               |
| Metallurgy                  | -                    | 425               |
| Feasibility                 | -                    | 750               |
| Drilling & camp costs       | 1,575                | 1,575             |
|                             | <b>2,375</b>         | <b>3,550</b>      |
| <b>La Sal Project</b>       | <b>200</b>           | <b>200</b>        |
| <b>La Jara Mesa Project</b> | <b>200</b>           | <b>200</b>        |
| <b>NT Joint Ventures</b>    | <b>1,000</b>         | <b>1,000</b>      |
| <b>UNC Royalty Reserve</b>  | <b>2,125</b>         | <b>2,550</b>      |
| <b>TOTAL</b>                | <b>5,900</b>         | <b>7,500</b>      |

Please refer to Section 8.3 of the Independent Geologist's Report in Section 8 of this Replacement Prospectus.



## 5. INDUSTRY OVERVIEW

## 6. INDUSTRY OVERVIEW

### 6.1 URANIUM DEMAND

According to the World Nuclear Association (**WNA**), there are now over 430 commercial nuclear reactors today operating in 31 countries producing electricity around the world, providing 372,000 MWe of total capacity, with an additional 60 under construction and 150 firmly planned for construction. This represents 13.5% of current global electricity generation and it is anticipated to steadily increase as the additional capacity comes on-stream. Sixteen countries depend on nuclear power for at least a quarter of their electricity and 56 countries operate a total of 240 research reactors. These reactors have a combined capacity of over 370 GWe, and require 77,000 tonnes of uranium oxide concentrate containing 68,000 tonnes of uranium (tU) from mines (or the equivalent from stockpiles or secondary sources) each year.

Because of the cost structure of nuclear power generation, with high capital and low fuel costs, the demand for uranium fuel is much more predictable than with probably any other mineral commodity. Once reactors are built, it is very cost-effective to keep them running at high capacity and for utilities to make any adjustments to load trends by cutting back on fossil fuel use.

The tragic developments that took place on 11 March 2011 in Japan at the Fukushima Daiichi nuclear power plant have had a material impact on the uranium demand resulting in Japan shutting down 50 reactors, and other countries have considered phasing out nuclear power in the future. Although the Fukushima Daiichi nuclear power plant accident lowered public confidence across the globe, Laramide believes energy policy makers remain committed to nuclear power and positioned to capture a larger share of a growing worldwide energy market. Nuclear power is an integral part of electricity production and industrial infrastructure. Nuclear power represents one of the most economic and CO<sub>2</sub> efficient options for many countries to increase their energy supply security and to diversify away from carbon-intensive sources. This is particularly true in such emerging markets as China and India. Future demand will depend on new plants being built and the rate at which older plants are retired.

### 6.2 URANIUM SUPPLY

Uranium is supplied in 2 forms:

- a) primary production from uranium mines; and
- b) secondary production whereby uranium is delivered from other sources.

Mines in 2011 supplied some 64,402 tonnes of uranium oxide concentrate (U<sub>3</sub>O<sub>8</sub>) containing 54,610 tU, about 85% of utilities' annual requirements. Australia has the world's largest uranium resources and is currently the third largest producer in the world. The three largest uranium producing countries are Kazakhstan, Canada and Australia, which alone produce 61% of the world's mined uranium.

The balance of uranium supply is made up from secondary sources including stockpiled uranium held by utilities, but those civil stockpiles are now largely depleted. The longer-term picture for uranium supply continues to reflect a deficit of primary mined uranium relative to consumption. The shortfall is made up by supply of decommissioned nuclear warheads, a source that is expected to start declining with the end of the Russian-US HEU Agreement, scheduled in November 2013.



## 7. DIRECTORS AND MANAGEMENT



## 7. DIRECTORS AND MANAGEMENT

The Company has an experienced and proven team of Directors and managers with excellent skill sets for driving value growth in the mining industry, with backgrounds in uranium business strategy, exploration, mine development, financing and metals marketing.

In the previous ten years, none of the Directors have been found to be engaged in behaviour involving fraud, dishonesty, misrepresentation, concealment of material facts or breach of duty, nor have they been the subject of (or the director of a listed entity the subject of) any disciplinary action by a securities exchange or other authority responsible for regulating securities markets for failure to comply with applicable listing rule obligations (other than a one-off routine fine for late lodgement). Further, no Director is aware of any pending or threatened investigation or enquiry by a government agency, professional body, securities exchange or other authority responsible for regulating securities markets that could lead to proceedings, actions or findings of that type.

### 7.1 DIRECTORS

#### **John Booth**

*Non-Executive Chairman*

Mr Booth is a partner with Conservation Financial International, an FSA authorised, UK based alternative asset manager that he joined in 2004. He is also the Chairman of Buy FX Ltd., an online Foreign Exchange matching service, based in Bermuda, which he co-founded in 1998.

A qualified lawyer in Ontario, New York and DC, John articulated on Bay Street with Aylesworth Thompson in 1989 before moving to London to join the structured finance group of the non-dollar derivatives capital markets desk at Merrill Lynch International. He has also worked for ICAP, ABN AMRO Bank, CIBC, the World Bank and Climate Change Capital at various points during a 20 year career in financial services.

Mr Booth has experience with both public and private equity, M&A, structured finance, and capital markets and has co-founded three finance sector start-ups during his career - one sold, one merged and one in its fifth round of funding. He holds a BSc (Hons) in Biology and Environmental Science from the University of Guelph, LLB & JD from the joint international law program at the Universities of Windsor and Detroit and LLM in International Finance, Tax and Environmental Law from Kings College, University of London.

In addition to his position on the board of Laramide, Mr Booth also serves on the board of directors and remuneration committee of H2O Innovation and on the boards and audit committees of Sacre-Coeur Minerals Limited, Torex Resources Limited (where he serves as a nominee Non-Executive Director for the European Bank for Reconstruction and Development) and Maya Gold and Silver (MYA.V) and on the board of the Ottawa RiverKeeper charity. John currently resides in London, England.

Mr Booth does not expect that his directorships with other companies or other business activities will interfere with his ability to act as Non-Executive Chairman of the Company.

The Board considers Mr Booth to be free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of Mr Booth's judgement.

#### **Marc Henderson**

*President and Chief Executive Officer*

Mr Henderson has more than 25 years of executive experience in the mining sector. He was responsible for the acquisition of the Westmoreland Project in 2005. Mr Henderson has also been President or Chief Executive Officer of a number of public companies, including MineFinders Corporation Ltd. and Aquiline Resources Inc. In 2010, Aquiline was acquired by the world's

largest primary silver producer, Pan American Silver Corporation. Mr Henderson is a director of Lydian International Limited, a TSX-listed gold company, the non-executive chairman of Treasury Metals Inc. (as a result of Laramide's equity investment) and a director of Khan Resources (also as a result of Laramide's equity position). Mr Henderson has an economics degree from the University of Colorado and is a CFA holder.

Mr Henderson does not expect that his other directorships will interfere with his ability to act as President and Chief Executive Officer of the Company.

### **Peter Mullens**

*Vice President of Exploration and Executive Director*

Mr Mullens has a Bachelor of Science degree, majoring in Geology, from Monash University in Australia, and is a member of the Australian Institute of Mining and Metallurgy. He has worked in the industry for over 25 years in a number of different roles. Mr Mullens' experience includes six years as a mine geologist for Rio Tinto and Mt Isa Mines at Broken Hill and Mt Isa in Australia. In addition his career has brought him to Asia and several South and Central American countries.

Mr Mullens was District Manager Argentina, and then for all of Central America for Mt Isa Mines Ltd from 1994 to 1997. He followed this with a six month consultancy in China. He spent five years as an independent consultant geologist based out of Lima, Peru, before returning to Australia in 2004, where he designed and supervised Laramide's exploration program. Mr Mullens is a director of Lydian International Limited, a TSX-listed gold company, a non-executive director of Hodges Resources Limited, an ASX-listed company with coal assets in Botswana, a director and VP exploration for Terreno Resources, a TSX-V company with assets and exploration for gold in Argentina and a director of Javelina Resources, a TSX-V CPC exploration company.

Mr Mullens does not expect that his other directorships will interfere with his ability to act as Executive Director of the Company.

### **Scott Patterson**

*Non-Executive Director*

Mr Patterson joined FirstService Corporation in February 1995 and has held several senior positions before being appointed to his current role of President and Chief Operating Officer. From May 1993 to January 1995, Scott was an investment banker at Loewen, Ondaatje, McCutcheon Ltd., and prior to that he was at Bankers Trust. Mr Patterson is a Chartered Accountant and was employed at Price Waterhouse from 1983 to 1987. Scott joined the Board of Laramide in 1995.

The Board considers Mr Patterson to be free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of Mr Patterson's judgement.

### **Paul Wilkens**

*Non-Executive Director*

Mr Wilkens holds an MBA from the University of Rochester and a Master of Science in Nuclear Engineering. Mr Wilkens brings to the Company over 30 years experience with Rochester Gas and Electric (RG&E), where he served as President as well as in several other senior positions during his tenure. While at RG&E Mr Wilkens provided direction and leadership to the power generation function of the company which included the R.E. Ginna Nuclear Power Plant and partial ownership of the Nine Mile Point 2 Nuclear Power Plant. Under his leadership, Ginna received commendations from the Nuclear Regulatory Commission for its engineering organisation and from the Institute of Nuclear Power Operations for top performance.

The Board considers Mr Wilkens to be free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of Mr Wilkens' judgement.

## 7.2 COMPANY SECRETARY

### **Chris Irwin**

*Corporate Secretary*

Mr Irwin received his Bachelor of Arts from Bishop's University in Lennoxville, Quebec in 1990, his Bachelor of Laws from the University of New Brunswick in Fredericton, New Brunswick in 1994, and his Masters of Laws from Osgoode Hall Law School in Toronto. He has been a member of the Law Society of Upper Canada since 1996. Mr Irwin is a partner of Irwin Lowy LLP, and between 2006 and 2010, was the principal of Irwin Professional Corporation. Prior to that, he was associated with Wildeboer Dellelce LLP, Boyle & Company and Power Budd LLP.

Presently Mr Irwin is a director and/or officer of several public companies. Mr Irwin does not expect that his directorships with other companies or other business activities will interfere with his ability to act as Corporate Secretary of the Company.

## 7.3 SENIOR MANAGERS

### **Dennis Gibson**

*Chief Financial Officer*

Mr Gibson holds a Bachelor of Commerce degree from Concordia University and is a Certified General Accountant. Throughout his 25-year career, Dennis has held various senior financial positions including CFO for Treasury Metals Inc. from July 2010 to present, CFO for Javelina Resources and CFO for Aquiline Resources Inc. prior to its sale to Pan American Silver Corp in 2009. From 1996 to 2004, Dennis served as the Vice President, CFO and Corporate Secretary of Vector Intermediaries Inc, a company listed on the TSX Venture Exchange.

### **Greg Ferron**

*Vice President of Corporate Development and Investor Relations*

Mr Ferron has over ten years of capital markets experience as well as advising public mining companies. Prior to joining Laramide, Mr Ferron held various positions at the Toronto Stock Exchange and the TSX Venture Exchange. His positions at the Exchange included Senior Listings Manager and Head of Global Business Development for the mining sector. Prior to that, Mr Ferron was a Senior Account Manager and Financial Analyst at Scotiabank. Mr Ferron is also Vice President of Treasury Metals Inc., a gold exploration and development stage company.

## 7.4 CORPORATE GOVERNANCE

Laramide has adopted a comprehensive systems of control and accountability as the basis for the administration of corporate governance. The overall goals of the Company's corporate governance framework is to drive shareholder value, assure a prudential and ethical base to the Company's conduct and activities and ensure compliance with the Company's legal and regulatory operations.

The Board considers that the Company's corporate governance processes are suitable to achieve its aims at this point in time. As Laramide's activities develop in size, nature and scope, the implementation of additional corporate governance structures will be given further consideration. Subject to the exceptions below, the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

| No. | RECOMMENDATION                                                                                                                        | COMMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----|---------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.1 | Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions. | <p>The Company has adopted a Board Charter which deals with the roles and responsibilities of the Board, senior management, chair, CEO, directors and officers.</p> <p>Management is responsible for executing strategy and for day-to-day operations. The Board is responsible for corporate governance and for determining the strategic direction of the Company. This includes assessing and approving strategic plans and prospective decisions proposed by management and (with the assistance of the Audit Committee), assessing the integrity of the Company's internal control and management information systems.</p> <p>The Board functions independently of management and supervises the management of the business and affairs of the Company. It is mandated to act with a view to the best interests of the Company.</p> |
| 1.2 | Companies should disclose the process for evaluating the performance of senior executives.                                            | <p>The chief executive officer is responsible for evaluating the performance of senior executives. The compensation committee is responsible for evaluating the performance of the chief executive officer.</p> <p>The Policy and Procedure for Selection and (Re)appointment of Directors sets out the factors to be considered and the method to be applied in decisions involving Board composition, which is to be considered and implemented by the Nominating and Governance Committee in accordance with the Company's Nominating and Governance Committee Charter.</p>                                                                                                                                                                                                                                                           |
| 1.3 | Companies should provide the information indicated in the Guide to reporting on Principle 1.                                          | <p>The Company will include the disclosures required by Recommendation 1.3 in its future annual reports.</p> <p>In accordance with the guide to reporting on Principle 1, the Company's Board Charter and Policy and Procedure for Selection and Re(appointment) of Directors will be available on the corporate governance section of the Company's website.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2.1 | A majority of the board should be independent directors.                                                                              | <p>At the date of this Replacement Prospectus, the Board is composed of five directors, the majority of which are independent. Marc Henderson (President &amp; CEO) and Peter Mullens (Vice President, Exploration) are members of senior management and accordingly are not considered to be independent; however, the remaining three directors are considered by the Board to be independent in accordance with regulatory requirements in Canada.</p> <p>The Company's Policy on Assessing the Independence of Directors sets out the applicable considerations in determining whether a director is 'independent'.</p>                                                                                                                                                                                                              |
| 2.2 | The chair should be an independent director.                                                                                          | The chair of the Board is John Booth, an independent director.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 2.3 | The roles of the chair and chief executive officer should not be exercised by the same individual.                                    | The Company's chief executive officer is Marc Henderson, who is not chair of the Board.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| No. | RECOMMENDATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | COMMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.4 | The board should establish a nomination committee.                                                                                                                                                                                                                                                                                                                                                                                                                                                            | The Company has established a Nominating and Governance Committee. The role of the nominating and governance committee is to identify individuals qualified to become Board members and to recommend to the Board proposed nominees for Board membership. The nominating and governance committee also recommends to the Board which directors should serve on each standing committee and to oversee the corporate governance policies and practices of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 2.5 | Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.                                                                                                                                                                                                                                                                                                                                                                                   | <p>The Company has established a Compensation Committee which is responsible for reviewing the performance and determining the compensation of the Chairman and Chief Executive Officer, based on criteria including the Company's performance and accomplishment of long-term strategic objectives.</p> <p>The Company's Process for Performance Evaluation sets out the framework for review in relation to Senior Executives, the Board, Board Committees and Individual Directors.</p> <p>In addition, the chair of the Compensation Committee provides informal performance feedback to the directors through regular discussion on an ongoing basis.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 2.6 | Companies should provide the information indicated in the Guide to reporting on Principle 2.                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>The Company will include the disclosures required by Recommendation 2.6 in its future annual reports.</p> <p>In accordance with the guide to reporting on Principle 2, the Company's Compensation Committee Charter, Policy on Assessing the Independence of Directors and its Process for Performance Evaluation of Senior Executives, the Board, Board Committees and individual Directors will be available on the corporate governance section of the Company's website.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 3.1 | <p>Companies should establish a code of conduct and disclose the code or a summary of the code as to:</p> <ul style="list-style-type: none"> <li>the practices necessary to maintain confidence in the company's integrity;</li> <li>the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and</li> <li>the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</li> </ul> | <p>The Board has implemented a Code of Business Conduct and Ethics which requires the highest business and personal ethical standards as well as to comply with all applicable laws and regulations.</p> <p>The Code provides a framework for decisions and actions in relation to ethical conduct by Directors, officers, employees, advisers and consultants of the Company and sets out the principles covering appropriate conduct in a variety of contexts including conflicts of interest, use of inside information, protection and use of Company assets, accounting practices and fair dealing. In addition, the Code outlines the minimum standard of behaviour expected from the Company, the Board, officers and employees, including that each is to comply with all applicable laws, rules and regulations including insider-trading laws.</p> <p>The Board considers that the Code of Business Conduct and Ethics establishes the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholder and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</p> |

| No. | RECOMMENDATION                                                                                                                                                                                                                                                                                                                      | COMMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.2 | Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.       | Laramide has opted not to adopt a diversity policy due to its size of operations, limited number of staff, and specific technical skill requirements various positions which would make it difficult or onerous to comply with the terms of such a policy. The Board will continually reassess this stance as Laramide's activities develop in size, nature and scope.                                                                                                                                                                                                                                                                                                                                                                                   |
| 3.3 | Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.                                                                                                                              | Due to the size, nature and scope of Laramide's current business activities, the Company has not implemented measurable objectives for achieving gender diversity at this stage. However, the Company recognises the value of a talented and diverse workforce and the Board, together with the Nominating and Governance Committee, will take this into account when selecting new Board members. More broadly, high quality female candidates will be considered as part of any recruitment process.                                                                                                                                                                                                                                                   |
| 3.4 | Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.                                                                                                                                                            | The Company will include the disclosures required by Recommendation 3.4 in its future annual reports.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 3.5 | Companies should provide the information indicated in the Guide to reporting on Principle 3.                                                                                                                                                                                                                                        | <p>The Company will include the disclosures required by Recommendation 3.5 in its future annual reports.</p> <p>In accordance with the guide to reporting on Principle 3, the Company's Code of Business Conduct and Ethics will be available on the corporate governance section of the Company's website.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 4.1 | The board should establish an audit committee.                                                                                                                                                                                                                                                                                      | The Board has established an Audit Committee. The role of the Audit Committee is to monitor and review the financial reporting process, the system of internal control and management of financial risks, the audit process and the Company's process of monitoring compliance with laws and regulations and its own code of business conduct. The Audit Committee will be responsible for reviewing the Company's financial strategies, its financing plans and its use of equity and debt markets. In doing so, it has the power to conduct or authorise investigations into any matters within the scope of its responsibilities, and the authority, as it deems necessary or appropriate, to retain independent legal, accounting or other advisers. |
| 4.2 | <p>Structure the audit committee so that it:</p> <ul style="list-style-type: none"> <li>• has at least three members;</li> <li>• consists of only non-executive directors;</li> <li>• consists of a majority of independent directors; and</li> <li>• is chaired by an independent chair, who is not chair of the board.</li> </ul> | <p>At the date of this Replacement Prospectus, the Audit Committee:</p> <ul style="list-style-type: none"> <li>• consists of three members, being Scott Patterson, Paul Wilkens and John Booth;</li> <li>• consists only of non-executive directors;</li> <li>• consists only of independent directors; and</li> <li>• is chaired by Scott Patterson, an independent director who is not chair of the board.</li> </ul>                                                                                                                                                                                                                                                                                                                                  |

| No. | RECOMMENDATION                                                                                                                                                                                                                                                   | COMMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.3 | The audit committee should have a formal charter.                                                                                                                                                                                                                | <p>The board has established a formal Audit Committee Charter setting out the Audit Committee's purpose and objectives, structure and procedures for inviting non-committee members to attend meetings.</p> <p>The Company also has in place a written audit committee whistleblower policy which requires the Company's directors, officers and employees to comply with all applicable legal and regulatory requirements relating to corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and other matters pertaining to fraud against shareholders.</p> |
| 4.4 | Provide the information indicated in Guide to reporting on Principle 4.                                                                                                                                                                                          | <p>The Company will include the disclosures required by Recommendation 4.4 in its future annual reports.</p> <p>In accordance with the guide to reporting on Principle 4, the Audit Committee Charter will be available on the corporate governance section of the Company's website.</p>                                                                                                                                                                                                                                                                                                                         |
| 5.1 | Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies. | <p>The Company has established Disclosure Guidelines containing written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for such compliance. The focus of the procedures set out in the Disclosure Guidelines is on timely, factual and accurate disclosure and disclosure in accordance with all applicable legal and regulatory requirements, and on preventing the emergence of a false market.</p>                                                                                                                                     |
| 5.2 | Companies should provide the information indicated in Guide to reporting on Principle 5.                                                                                                                                                                         | <p>The Company will include the disclosures required by Recommendation 5.2 in its future annual reports.</p> <p>In accordance with the guide to reporting on Principle 5, the Company's Disclosure Guidelines will be available on the corporate governance section of the Company's website.</p>                                                                                                                                                                                                                                                                                                                 |
| 6.1 | Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.                                           | <p>The Company has adopted a Shareholder Communication Policy, which outlines the methods and purposes of a company's communication with its shareholders. The Board considers that the Shareholders Communication Policy promotes effective communication with shareholders and encourages shareholder participation at general meetings.</p>                                                                                                                                                                                                                                                                    |
| 6.2 | Companies should provide the information indicated in the Guide to reporting on Principle 6.                                                                                                                                                                     | <p>The Company will include the disclosures required by Recommendation 6.2 in its future annual reports.</p> <p>In accordance with the guide to reporting on Principle 6, the Company's Disclosure Guidelines and Shareholder Communication Policy will be available on the corporate governance section of the Company's website.</p>                                                                                                                                                                                                                                                                            |

| No. | RECOMMENDATION                                                                                                                                                                                                                                                                                                                                                                                                                          | COMMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7.1 | Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.                                                                                                                                                                                                                                                                                               | <p>The Board has adopted a Risk Management Policy, which sets out the Company's risk profile and its risk management system and processes.</p> <p>Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.</p> <p>The Board delegates day-to-day management of risk to the chief executive officer, who is responsible for identifying, assessing, monitoring and managing risks. The chief executive officer is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board. In fulfilling the duties of risk management, the chief executive officer may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.</p> <p>In addition, the Board has established a separate Audit Committee to monitor and review the integrity of financial reporting and the Company's internal financial control systems and risk management systems.</p> |
| 7.2 | The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.                                                     | <p>The Company's Risk Management Policy provides for an internal control system to manage the Company's material business risks, including internal reporting mechanisms.</p> <p>In order to ensure that the principal business risks borne by the Company are appropriate, the Board receives and comments on periodic reports from management on operations, and discussions often include questions concerning the risks and risk management of certain proposed strategies.</p> <p>The Board has also established an Audit Committee which addresses the financial risks of the Company.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 7.3 | The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. | <p>The Board will seek this assurance from the chief executive officer or chief financial officer at the relevant time.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 7.4 | Companies should provide the information indicated in the Guide to reporting on Principle 7.                                                                                                                                                                                                                                                                                                                                            | <p>The Company will include the disclosures required by Recommendation 7.4 in its future annual reports.</p> <p>In accordance with the guide to reporting on Principle 7, the Company's Risk Management Policy and Audit Committee Charter will be available on the corporate governance section of the Company's website.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| No. | RECOMMENDATION                                                                                                                                                                                                                                                    | COMMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8.1 | The board should establish a remuneration committee.                                                                                                                                                                                                              | The Board has established a Compensation Committee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 8.2 | <p>The remuneration committee should be structured so that it:</p> <ul style="list-style-type: none"> <li>• has at least three members;</li> <li>• consists of a majority of independent directors; and</li> <li>• is chaired by an independent chair.</li> </ul> | <p>The Company's Compensation Committee Charter mandates that:</p> <ul style="list-style-type: none"> <li>• there shall be no fewer than three members of the Committee; and</li> <li>• each member of the Committee shall meet the independence requirements of Canadian securities laws and the TSX Venture Exchange.</li> </ul> <p>At the date of this Replacement Prospectus, the Compensation Committee consists of three members: Scott Patterson, Paul Wilkens and John Booth, each of whom are non-executive directors. All Committee members are considered to be independent directors. Paul Wilkens acts as the independent chair who is not chair of the Board.</p> |
| 8.3 | Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.                                                                                                               | <p>The Directors of the Company are compensated based on a retainer plus committee retainers.</p> <p>Pay and rewards for executive Directors and senior executives consists of a base salary and performance incentives. Long term performance incentives may include options.</p> <p>The Company's Remuneration Policy, which outlines the Company's approach to the remuneration of its executive and non-executive directors and its employees, was drafted in accordance with Recommendation 8.2.</p>                                                                                                                                                                       |
| 8.4 | Companies should provide the information indicated in Guide to reporting on Principle 8.                                                                                                                                                                          | <p>The Company will include the disclosures required by Recommendation 8.3 in its future annual reports.</p> <p>In accordance with the guide to reporting on Principle 8, the Company's Remuneration Policy will be available on the corporate governance section of the Company's website.</p>                                                                                                                                                                                                                                                                                                                                                                                 |



# Laramide Resources Ltd.



## 8. INDEPENDENT GEOLOGIST'S REPORT





**INDEPENDENT GEOLOGIST'S REPORT ON  
MINERAL EXPLORATION ASSETS IN  
QUEENSLAND AND NORTHERN TERRITORY, AUSTRALIA  
AND IN UTAH AND NEW MEXICO, UNITED STATES OF AMERICA  
PREPARED FOR LARAMIDE RESOURCES LIMITED**



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30 January 2013

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## 1 SUMMARY

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### 1.1 Purpose

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To review the geology and exploration potential of the uranium related tenements and mineral rights located in Queensland and the Northern Territory, Australia, and in Utah, Colorado and New Mexico, United States of America either owned by Laramide Resource Limited ("Laramide" or the "Company") or in which Laramide has a significant interest.

### 1.2 Scope

---

At the request of Laramide, Mining Associates Pty Ltd ("MA" or "Mining Associates") has been commissioned to prepare an Independent Geologist's Report ("IGR" or "Report") on Laramide's uranium exploration assets in Australia and the USA. This Report is to be included in a Prospectus to be lodged with the Australian Securities and Investments Commission by the Company on or about 31 January 2013, offering subscriptions of up to 12,000,000 CHESS depositary interests, each representing a unit of beneficial interest in a common share in Laramide ("CDIs"), at an issue price of \$0.85 per CDI (the "Prospectus"), to raise up to \$10,200,000 (before costs associated with the issue). The funds raised will be used primarily for exploration on the Westmoreland Project in Queensland and the Rio Tinto farm in and joint venture in the Northern Territory.

The scope of the inquiries and of this Report included the following:

- A review of historic and recent exploration in the project areas
- A review of the deposit models employed by Laramide to guide its exploration
- An opinion of the proposed program and budget for future work on the tenements

Mining Associates has not been requested to provide an Independent Valuation, nor has Mining Associates been asked to comment on the fairness or reasonableness of any vendor or promoter considerations, and therefore no opinion on these matters has been offered.

### 1.3 Relevant codes and guidelines

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This Report has been prepared in accordance with the rules and guidelines issued by such bodies as the ASIC and the Australian Securities Exchange ("ASX"), which includes the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports (the "Valmin Code"). Where mineral resources have been referred to in this Report, the classifications are consistent with the Australasia Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code"), prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, effective December 2004. This Report complies with section 716(2) of the Corporations Act 2001 where consent is required if statements have been attributed to third parties.

References to dollar (\$) figures in the Australia section (Part A) are in Australian currency (A\$) and in the United States section (Part B) are in United States currency (US\$) unless otherwise noted.

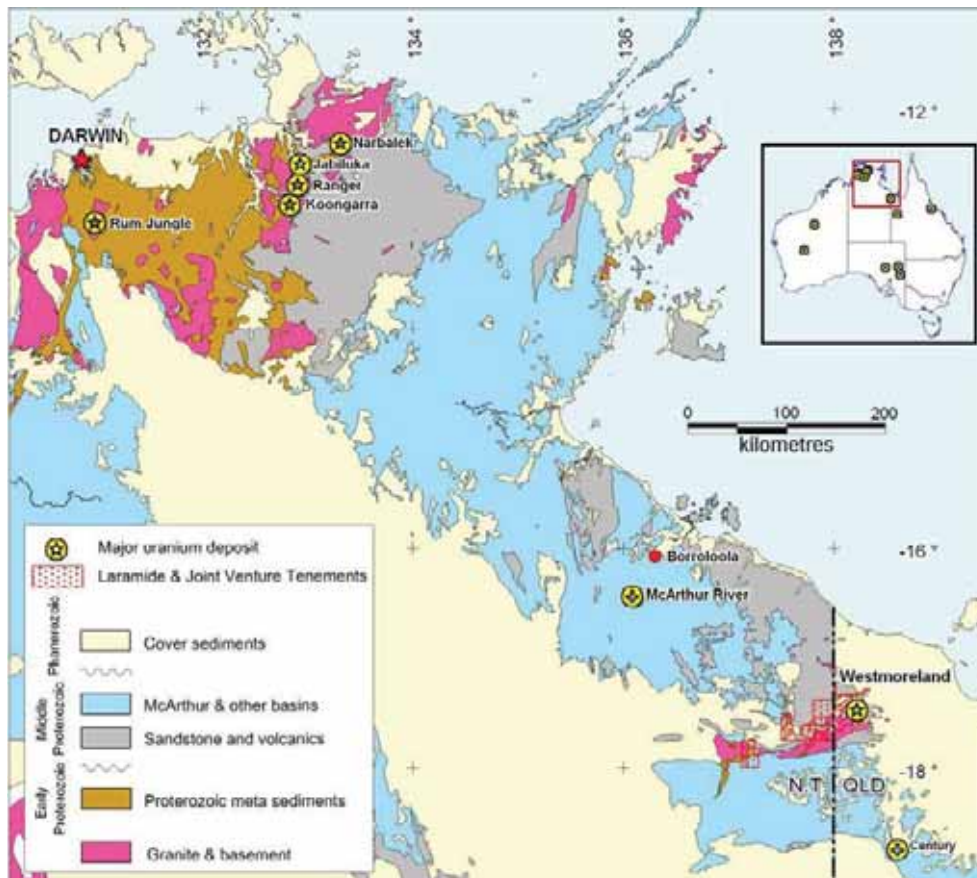
Consent has been given for the distribution of this Report in the form and context in which it appears.

### 1.4 Précis

---

This Report reviews the geology and exploration potential of all uranium exploration assets in Australia and the USA in which Laramide has an interest. It includes reviews of previous mineral resource estimates and a summary of new geology models for the various projects. It also includes a description of the resource estimates developed by Mining Associates for the Redtree group of uranium deposits at Westmoreland in northwest Queensland, Australia.

Westmoreland is Laramide's flagship project, which contains the Redtree group of uranium deposits. Mining Associates previously reported an NI43-101/JORC compliant Mineral Resource Estimate in May 2009 made up of Indicated Mineral Resources of 18.7 million tonnes at an average grade of 0.089%  $U_3O_8$  containing 36.0 million pounds of uranium (" $U_3O_8$ ") and an additional Inferred mineral resource of 9.0 million tonnes at an average grade of 0.083%  $U_3O_8$  containing 15.9 million pounds of  $U_3O_8$ .



Westmoreland Location Map showing regional geology and major deposits

The Westmoreland project is covered by four Exploration Permits for Minerals ("EPMs") located in the State of Queensland, Australia. Immediately adjacent to the Westmoreland tenements and across the state border in the Northern Territory ("NT"), Laramide has three joint ventures: the Lagoon Creek Joint Venture; the Gulf Mines Joint Venture; and a new joint venture with Rio Tinto Exploration Pty Ltd.

In the USA, Laramide has four uranium properties (La Jara Mesa, Los Ochos, Melrich, La Sal#2) all of which are in the historical uranium production region of the Colorado Plateau in western United States. The properties are located in the states of Utah, Colorado and New Mexico. The two most significant of the four properties are the La Jara Mesa and the La Sal projects. La Jara Mesa has NI43-101/JORC compliant Indicated Mineral Resources of 1.4 million tonnes at an average grade of 0.23%  $U_3O_8$  containing 7.3 million pounds of  $U_3O_8$  and Inferred Mineral Resources 0.72 million tonnes at an average grade of 0.20%  $U_3O_8$  containing 3.2 million pounds  $U_3O_8$ .



USA Uranium Projects Location Map

The combined JORC compliant  $U_3O_8$  mineral resources held by Laramide are:

| Laramide Group Mineral Resource Estimates - Indicated Categories |               |            |            |                      |                |
|------------------------------------------------------------------|---------------|------------|------------|----------------------|----------------|
| Project                                                          | JORC Category | Deposit    | Tonnes Ore | Grade % ( $U_3O_8$ ) | M lbs $U_3O_8$ |
| Westmoreland<br><i>cut-off 0.02%</i>                             | Indicated     | Redtree    | 12,858,750 | 0.09                 | 25.5           |
|                                                                  |               | Huarabagoo | 1,462,000  | 0.08                 | 2.7            |
|                                                                  |               | Junnagunna | 4,364,750  | 0.08                 | 7.8            |
|                                                                  |               | Subtotal   | 18,685,500 | 0.09                 | 36             |
|                                                                  |               |            |            | (e $U_3O_8$ )        |                |
| La Jara Mesa<br><i>cut-off 0.05%</i>                             | Indicated     | East Area  | 70,295     | 0.25                 | 0.4            |
|                                                                  |               | Connection | 239,349    | 0.17                 | 0.9            |
|                                                                  |               | Section 1  | 181,742    | 0.17                 | 0.7            |
|                                                                  |               | Dena Rich  | 920,102    | 0.26                 | 5.3            |
|                                                                  |               | Subtotal   | 1,411,488  | 0.23                 | 7.3            |
| Group                                                            | Indicated     | Total      | 20,096,988 | 0.10                 | 43.3           |

| Laramide Group Mineral Resource Estimates - Inferred Category |               |            |            |                      |                |
|---------------------------------------------------------------|---------------|------------|------------|----------------------|----------------|
| Project                                                       | JORC Category | Deposit    | Tonnes Ore | Grade % ( $U_3O_8$ ) | M lbs $U_3O_8$ |
| Westmoreland<br><i>cut-off 0.02%</i>                          | Inferred      | Redtree    | 4,466,750  | 0.07                 | 6.6            |
|                                                               |               | Huarabagoo | 2,406,000  | 0.11                 | 5.8            |
|                                                               |               | Junnagunna | 2,149,500  | 0.08                 | 3.6            |
|                                                               |               | Subtotal   | 9,022,250  | 0.08                 | 15.9           |
|                                                               |               |            |            | (e $U_3O_8$ )        |                |
| La Jara Mesa<br><i>cut-off 0.05%</i>                          | Inferred      | H1         | 359,057    | 0.20                 | 1.6            |
|                                                               |               | H2         | 353,789    | 0.20                 | 1.6            |
|                                                               |               | H3         | 5,790      | 0.20                 | 0.03           |
|                                                               |               | Subtotal   | 718,636    | 0.20                 | 3.2            |
| Group                                                         | Inferred      | Total      | 9,740,886  | 0.09                 | 19.1           |

## 1.5 Conclusions

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- Laramide has obtained a strategic position in the uranium exploration market in Australia and in the USA.
- In Australia, Laramide has secured a series of mineral tenements that cover almost all of the known uranium deposits in the Westmoreland region. In addition to those with already defined resources, previous exploration has identified a series of significant potentially economic deposits that require relatively modest investment to advance their status.
- In the USA, Laramide has acquired existing uranium deposits in a region of historical and current uranium mining, in the "Four Corners" region of the USA.
- At Westmoreland, Laramide has defined JORC compliant mineral resources containing 36 Mlb of uranium in Indicated Resource category and a further 15.9 Mlb in Inferred Resource category.
- At La Jara Mesa, Laramide has purchased existing high grade uranium mineral resources from Homestake Mining Company which has defined JORC compliant mineral resources to hold 7.3 Mlb of contained uranium in indicated category and a further 3.2 Mlb in inferred category mineral resources.
- At Melrich and Los Ochos, Laramide has purchased historical uranium mineral deposits. Laramide has also purchased existing historical uranium mineral deposits at La Sal#2, located in an historical uranium mining district of the USA.
- Laramide's exploration projects in the Westmoreland region of Queensland, Australia are prospective for the discovery of additional uranium mineralisation.
- Three of the four US projects require exploration drilling to outline and convert historical uranium mineral deposits to additional mineral resources in compliance with JORC Code standards.
- La Sal#2 has the advantage of an existing decline which only requires refurbishment prior to underground exploration and development.
- The existing JORC compliant mineral resources at the La Jara Mesa project require further development drilling.
- Mining Associates makes no further recommendations beyond Laramide's proposed exploration budget, which is reasonable for this scale of operations and current stage of development.

Respectfully Submitted

Brisbane

30 January 2013

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## 2 INTRODUCTION

---

This Report reviews the geology and exploration potential of all uranium exploration assets in Australia and the USA in which Laramide has an interest. It also includes a description of the resource estimates developed by Mining Associates for the Redtree group of uranium deposits at Westmoreland in northwest Queensland, Australia; as well as a review of two development stage assets, La Sal and La Jara Mesa, in the United States.

### 2.1 Purpose

---

At the request of Laramide, Mining Associates has been commissioned to prepare an Independent Geological Report on Laramide's uranium exploration assets in Australia and the USA.

### 2.2 Information Used

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This Report is based on technical data provided by Laramide and made available to Mining Associates, including NI43-101 Technical Reports for NI43-101/JORC compliant mineral resource estimates for Westmoreland, Queensland (Jones, 2009) and La Jara Mesa, New Mexico (Peters, 2007) up to and including the date of this Report. Mining Associates has no reason to doubt the authenticity or substance of the information provided.

Laramide has warranted in writing to Mining Associates that full disclosure has been made of all material information and that, to the best of Laramide's knowledge and understanding, such information is complete, accurate and true. Readers of this Report must appreciate that there is an inherent risk of error in the acquisition, processing and interpretation of geological and geophysical data, and Mining Associates takes no responsibility for such errors.

Mr Jones of Mining Associates conducted a field visit to Westmoreland from 5-9 May 2008 to inspect the conduct of the drilling and sampling programme. Mr Peters visited the La Jara Mesa deposit area on 29 June 2007 and inspected a number of historic drill hole locations on top of the Mesa.

Appraisal of all the information mentioned above forms the basis for this Report. The views and conclusions expressed are solely those of Mining Associates. When conclusions and interpretations credited specifically to other parties are discussed within the Report, then these are not necessarily the views of Mining Associates.

Geological information usually consists of a series of small points of data on a large blank canvas. The true nature of any body of mineralisation is never known until the last tonne of ore has been mined out, by which time exploration has long since ceased. Exploration information relies on interpretation of a relatively small statistical sample of the deposit being studied; thus a variety of interpretations may be possible from the fragmentary data available. Investors should note that the statements and diagrams in this Report are based on the best information available at the time, but may not necessarily be absolutely correct. Such statements and diagrams are subject to change or refinement as new exploration makes new data available, or new research alters prevailing geological concepts.

References to dollar (\$) figures in the Australia section (Part A) are in Australian currency (A\$) and in the United States section (Part B) are in United States currency (US\$) unless otherwise noted.

### 2.3 Qualified Persons

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The information in this Report that relates to Mineral Resources in relation to the Westmoreland Project is based on information compiled by Mr Andrew J Vigar. Mr Vigar is a Fellow of The Australasian Institute of Mining and Metallurgy and is employed by Mining Associates Ltd.

The information in this Report that relates to Exploration Results and Mineral Resources in relation to the La Jara Mesa Project is based on information compiled by Mr Douglas Peters. Mr Peters is a member of the American Institute of Professional Geologists ("AIPG"). Mr Peters is an independent consultant.

The information in this Report that relates to Exploration Results in relation to the Westmoreland Project is based on information compiled by Mr David Jones, who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Fellow of The Institute of Materials, Minerals and Mining. Mr Jones is employed by Mining Associates Pty Ltd of Brisbane, Australia.

Each of Mr Vigar, Mr Peters and Mr Jones all have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (Australia) and is a Qualified Person as defined in NI43-101 (Canada). Each of Mr Vigar, Mr Peters and Mr Jones consents to the inclusion in this Report of the matters based on their relevant information in the form and context in which they appear.

### 3 URANIUM DEPOSITS OVERVIEW

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Laramide's Australian and US properties contain sandstone hosted uranium deposits. This type of deposit is discussed here in general terms. Further details of the deposits are described in later sections.

#### 3.1.1 Sandstone deposits

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Sandstone uranium deposits are contained in fluvial (continental) or marginal-marine sandstone (Figure 1). The host rocks are medium to coarse-grained, poorly sorted, and contain pyrite and organic (plant) matter. The organic matter is either disseminated or forms lignite seams.

Uranium is mobile under oxidising conditions and precipitates under reducing conditions; thus the presence of a reducing environment is essential for the formation of uranium deposits in sandstone. Hydrogen sulphide, which is an effective reductant and uranium precipitant, can be generated by anaerobic decomposition of organic matter (Figure 2) or it can be introduced from underlying or overlying oil or gas horizons (Figure 3), thereby creating a favourable environment in an otherwise unfavourable host rock. Post-Silurian continental sandstone is a potentially favourable host because widespread development of land plants began in the Silurian. This abundant plant growth occurred in humid areas within the region bounded by latitudes 50° North and 50° South of the palaeo-equator. Organic matter is absent in the Proterozoic Westmoreland sandstone-hosted deposits, described in later sections of this Report, however the abundant supply of divalent iron created a reducing environment.

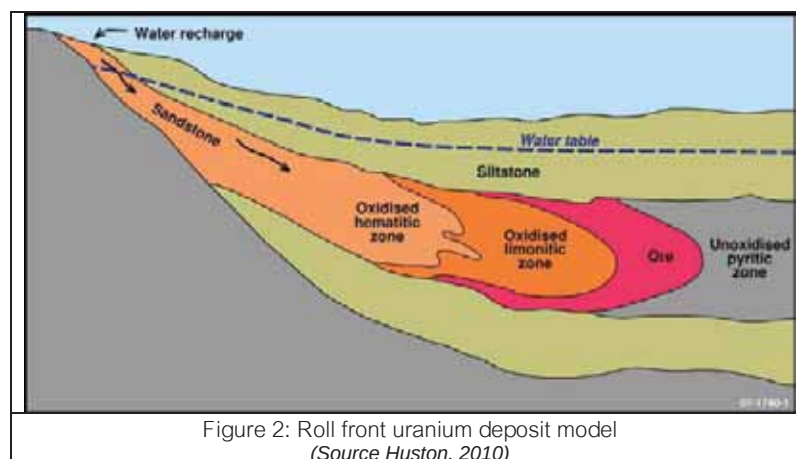
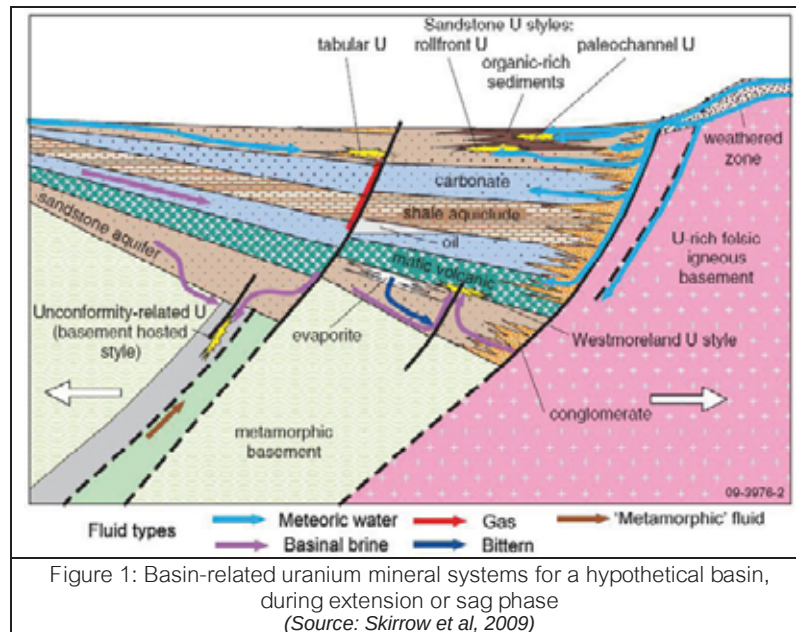
Sandstone with a slight dip, such as on the margins of continental basins and coastal plains, is more favourable than sandstone that dips steeply, because the rates of groundwater movement and oxygen intake are slowed enough to preclude destruction of reducing environments. Beds with low dips also provide large surface areas for the capture and introduction of uraniferous groundwater (Figure 3).

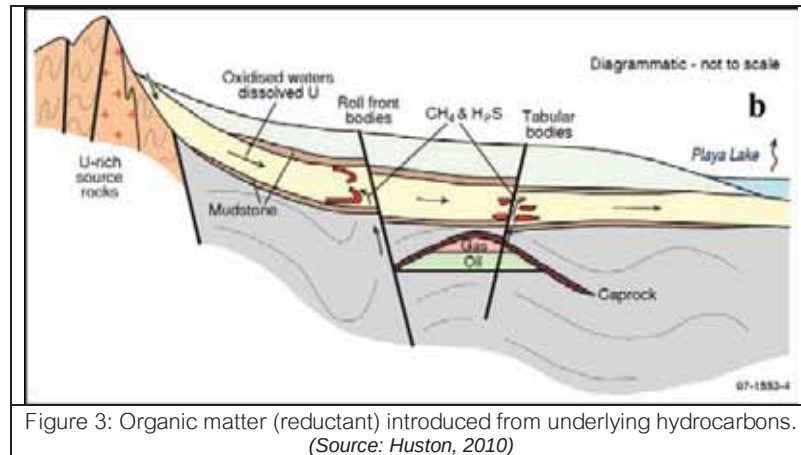
Sandstone hosted deposits are often referred to as tabular deposits, roll-front deposits (Figure 2) or shear hosted (tectonic-lithologic). This subdivision is based on orebody shape, depositional environment or structural environment and the three can be gradational.

Tectonic-lithologic deposits (such as Los Ochos and some of the Westmoreland deposits) occur along permeable fault zones which cut the sandstone mudstone sequence. Mineralisation forms tongue-shaped zones along the permeable sandstone layers adjacent to the fault. Often there are a

number of mineralised zones 'stacked' vertically on top of each other within sandstone units adjacent to the fault zone.

Sandstone deposits contain a large proportion of the world's known uranium resources, although they are commonly of low to medium grade (0.05 to 0.4%  $U_3O_8$ ). In each province or basin there are usually many small to medium-size deposits, some of which can contain up to 50 000 t  $U_3O_8$  (100 M lb  $U_3O_8$ ). The cumulative tonnage in the province or basin (e.g. Colorado Plateau) is often very large, up to several hundred thousand tonnes.





## PART A - AUSTRALIAN PROJECTS- WESTMORELAND PROJECT, QUEENSLAND & NORTHERN TERRITORY JOINT VENTURES

Westmoreland Project descriptions including mineral resource estimates are summarised from the NI43-101 Technical Report, dated 11 May 2009 entitled "Westmoreland Uranium Project Redtree Resource Update". Exploration data from the period 2009 to date has been compiled from Laramide public disclosure releases and statutory technical exploration reports.

The Westmoreland Project in Queensland, Australia is Laramide's flagship uranium project. It is located in northwest Queensland near the Northern Territory border. As part of Laramide's strategy to control ground contained within a large mineralized system in Australia, it entered into joint venture agreements to control several large properties adjacent to Westmoreland in the Northern Territory. Three of these tenements in the Northern Territory are situated across the border from the main Westmoreland tenements where Laramide is the 100% owner. The three joint venture agreements are with NuPower Resources Ltd ("NuPower"), Hartz Range Mines Pty Ltd, (subsidiary of Gulf Mines Ltd) ("Gulf") and Rio Tinto Exploration Pty Limited ("RTX") respectively.

Given the common geographical and geological setting and exploration objectives, the projects are grouped together for this review.

## 4 WESTMORELAND PROJECT

### 4.1 PROPERTY DESCRIPTION AND LOCATION

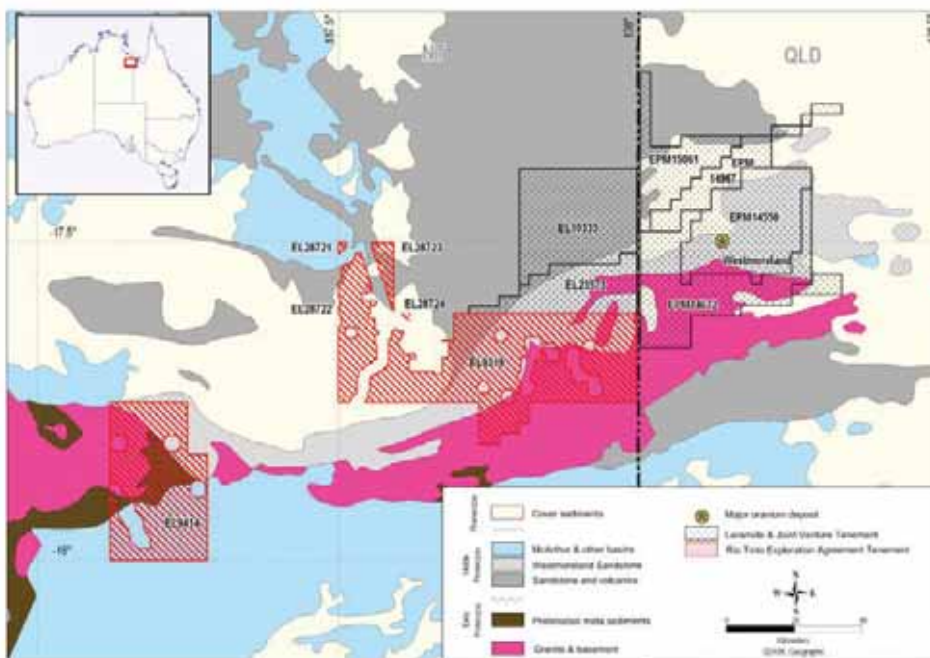


Figure 4: Location Map: Westmoreland & Northern Territory JV Uranium Projects

The Westmoreland project is covered by four Exploration Permits for Minerals (“EPMs”) located in the State of Queensland, Australia. Immediately adjacent to the Westmoreland tenements and across the state border in the Northern Territory (“NT”), Laramide has three joint ventures: the Lagoon Creek Joint Venture; the Gulf Mines Joint Venture; and a new farm in and joint venture with Rio Tinto Exploration Pty Ltd.

#### 4.1.1 Property Details – Westmoreland Project

Laramide Resources owns 100% of the Westmoreland Project through its acquisition of a private Australian company, Westmoreland Resources Pty Ltd (“WRPL”) and its wholly owned subsidiary Tackle Resources Pty Ltd (“TRPL”).

A schedule of tenements comprising the Westmoreland Project has been provided by Laramide to Mining Associates. The ownership and status of the tenements has not been independently verified by Mining Associates, apart from searches of the Queensland Interactive Resource and Tenement Map (“IRTM”) on-line database. The results of these searches are shown in Table 1 below:

| Table 1: Laramide tenements in Queensland as of January 2013                                                                                                                                                                |              |            |                   |             |             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|-------------------|-------------|-------------|
| Original Applicant                                                                                                                                                                                                          | Tenement No. | Area Sq km | Laramide Interest | Grant Date  | Expiry Date |
| Lagoon Creek Resources Pty Ltd                                                                                                                                                                                              | EPM 14967    | 161        | 100%              | 31 Jul 2007 | 30 Jul 2017 |
|                                                                                                                                                                                                                             | EPM 15061    | 164        | 100%              | 23 Aug 2007 | 22 Aug 2017 |
| Tackle Resources Pty Ltd                                                                                                                                                                                                    | EPM 14558    | 328        | 100%              | 26 Jul 2005 | 25 Jul 2013 |
|                                                                                                                                                                                                                             | EPM 14672    | 327        | 100%              | 26 Jul 2005 | 25 Jul 2013 |
| <b>TOTAL AREA:</b>                                                                                                                                                                                                          |              | 989        |                   |             |             |
| <i>Lagoon Creek Resources Pty Ltd is a 100% owned subsidiary of Laramide</i><br><i>Tackle Resources Pty Ltd is a 100% owned subsidiary of Westmoreland Resources Pty Ltd, which is a 100% owned subsidiary of Laramide.</i> |              |            |                   |             |             |

Laramide's Westmoreland EPMs are contiguous. The group is centred about 380 km NNW of Mt Isa, a major city in northwest Queensland. The Redtree group of uranium deposits are almost all located within EPM 14558 (Figure 5):

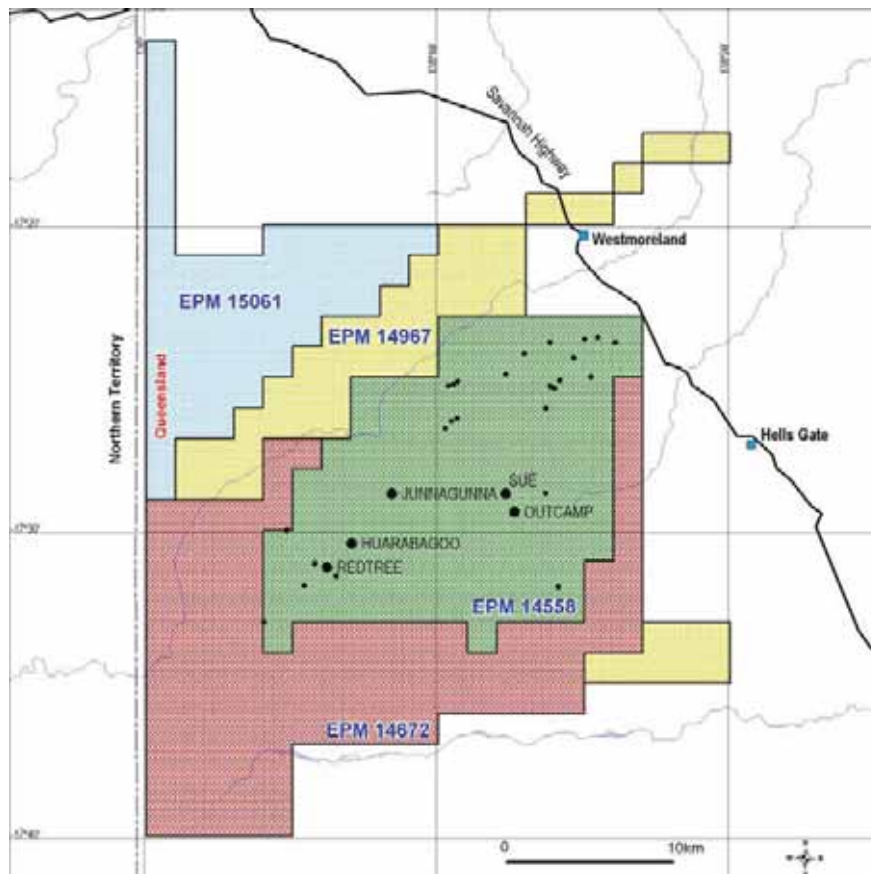


Figure 5: Laramide Westmoreland Tenements  
(Black dots =uranium deposits)

There is a 600m gap between the western edge of EPM 14672 and EPM 15061 and the Northern Territory border, as the Queensland Department of Natural Resources will only grant title up to the 138 parallel of longitude, while the Northern Territory border is 600m west of this parallel.

#### 4.1.2 Property Details – Northern Territory Joint Ventures

In addition to the above Westmoreland Queensland tenements, Laramide holds an interest in a number of adjacent tenements in the Northern Territory (Table 2) pursuant to various joint venture arrangements with third parties, the Northern Territory Joint Ventures, ("NTJV"). Figure 8 shows the locations of the NTJV tenements relative to the Westmoreland tenements. Much of the NTJV areas have only received preliminary exploration in the past.

| Table 2 Laramide tenements in NT as at January 2013 |                                                                      |                  |            |            |                                         |                               |
|-----------------------------------------------------|----------------------------------------------------------------------|------------------|------------|------------|-----------------------------------------|-------------------------------|
| Project Name                                        | Registered Holder                                                    | Tenement         | Area Sq km | Grant Date | Expiry Date                             | JV Partner Farm-in            |
| Lagoon Creek JV                                     | Lagoon Creek Resources Pty Ltd – 50% and NuPower Resources Ltd – 50% | EL 23573         | 190        | 23 Dec 03  | 22 Dec 13                               | Laramide 50%                  |
| Gulf Mines JV                                       | Hartz Range Mines Pty Ltd                                            | Part of EL 10335 | 352        | 16 Aug 02  | 15 Aug 12<br>Renewal application lodged | Laramide entitled to earn 90% |
| Murphy JV                                           | Rio Tinto Exploration Pty Ltd                                        | EL 9319          | 579        | 04 Nov 11  | 03 Nov 17                               | Laramide entitled to earn 51% |
|                                                     |                                                                      | EL 28721         | 2          | 07 Dec 11  | 06 Dec 13                               |                               |
|                                                     |                                                                      | EL 28722         | 121        | 07 Dec 11  | 06 Dec 17                               |                               |
|                                                     |                                                                      | EL 28723         | 25         | 07 Dec 11  | 06 Dec 17                               |                               |
|                                                     |                                                                      | EL 28724         | 1          | 07 Dec 11  | 06 Dec 17                               |                               |
|                                                     |                                                                      | EL 9414          | 387        | 04 Nov 11  | 03 Nov 17                               |                               |

##### 4.1.2.1 Northern Territory Joint Venture Ownership

###### *NuPower-Lagoon Creek Joint Venture*

In May 2005, Laramide and Lagoon Creek Resources Pty Ltd ("Lagoon Creek Resources") entered into an agreement with Arafura Resources NL pursuant to which Lagoon Creek Resources can farm-in to exploration license EL 23573, known as Lagoon Creek, in the Northern Territory, approximately 380 kilometres NNW of Mt Isa. Under a deed of assignment and assumption, Arafura subsequently assigned all of its right, title and interest in and to the Lagoon Creek JV to NuPower Resources Limited ("NuPower") on and from 26 February 2007.

As part of the agreement, Lagoon Creek Resources made two instalments of AUD\$50,000 each and has made qualifying exploration payments fulfilling the expenditure requirement of A\$3 million within four years of 18 May 2005 required for a 50% interest in the tenement. This 50% interest has now been transferred to Lagoon Creek Resources.

###### *Gulf Mines Joint Venture*

Immediately north of the NuPower-Lagoon Creek tenement is a tenement, EL 10335, held by Australian explorer Gulf Mines Ltd. This tenement exhibits similar geologic potential and is a part of what is a very significant and under-explored mineral district and covers a number of historical uranium occurrences. On or about 11 February 2005, Laramide executed an option agreement (as varied by a variation letter between the parties executed on 23 September 2009) to acquire a 90% interest in any exploration retention licences or mining leases applied for by Hartz Range Mines and Laramide in relation to EL 10335. The option agreement provides for Laramide to contribute expenditure and conduct certain exploration programs for uranium on the tenement. Under the agreement, Hartz is free to explore EL 10335 for copper and other base metals. Exploration for diamonds is excluded.

Laramide may exercise the option on completion of, among other matters, a bankable feasibility study on a prospect within the area and, following this, pegging and obtaining appropriate mining tenure.

### *Murphy Farm in and Joint Venture, Northern Territory, Australia*

In May 2011, Laramide, Lagoon Creek Resources and RTX signed a binding Farm-In and Joint Venture Term Sheet pursuant to which RTX and Lagoon Creek Resources agree to participate in a farm-in and joint venture for, and commercialise any minerals from, any tenements that are granted from exploration licence applications, EL 9319 and EL 9414 ("Murphy Project"), that are situated geologically within the Murphy Uranium Province and are along strike from Laramide's Westmoreland Project in northwest Queensland (Figure 8). 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, Lagoon Creek Resources may earn the right to be transferred a 51% legal and beneficial interest in the Murphy Project by undertaking exploration to a value of A\$10 million over a 4-year period. The first A\$1 million of this earn-in is a firm commitment by Lagoon Creek Resources, and will be dedicated to a large-scale helicopter supported airborne survey that will include magnetics and radiometrics. Lagoon Creek Resources intends to commence an exploration program on the Murphy Project in 2013.

#### **4.1.3 Access**

---

Westmoreland and the NTJV tenements are located in a region known as the Gulf Country, a tropical savannah region which includes the southern shores of the Gulf of Carpentaria and the country around the many rivers that flow into the Gulf.

The Westmoreland and NTJV areas are readily accessed from the Savannah Highway, a formed gravel road leading from Normanton via Burketown to Borroloola. A network of locally formed roads and pastoral tracks provides good access to most of the area of interest (Figure 5). During occasional periods of intense rainfall in summer both the major and minor creeks may be impassable for some days. There is an airstrip suitable for medium twin-engine aircraft at Hell's Gate, approximately 30 km ENE of Redtree. There is also an airport at Burketown, which is 240 km by road to site.

#### **4.1.4 Physiography**

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The Westmoreland and NTJV tenements are situated in remote, sparsely populated, rugged hill country. Topography ranges from broad gentle valleys covered by open woodland dominated by grey box eucalypt trees, to steep rugged east-west trending ridges on the flanks of the valleys. The terrain ranges in elevation from 80m to 360m.

The major land use in the region is pastoral, although most income is generated by mining with several large mines in the region including the Mount Isa copper mine and the McArthur River and Century lead-zinc mines. The fishing industry is also a major employer in the region. Any skilled workforce for a mining development in the region would be expected to be drawn from Mt Isa, the largest city in the region.

## 4.2 HISTORY

### 4.2.1 Westmoreland History

The Westmoreland region was probably first prospected in the 1890s, after the discovery in 1887 of silver-lead deposits at Lawn Hill, 100 km south. Copper was discovered in 1911 at Settlement Creek and at the nearby Redbank lode in the Northern Territory in 1916. In 1912 the Packsaddle and Bauhinia copper lodes were discovered near Wollgorang homestead. Pitchblende has been mined in the Peters Creek Volcanics, which overlie the Westmoreland Conglomerate, 20 to 30 km west of Redtree (Syvret, 1957).

Mount Isa Mines Limited ("MIM") was granted Authority to Prospect ("AP") 46M on 1st August 1956. The AP covered 1,800 sq miles (4,662 sq km) from Westmoreland station to Lawn Hill station, adjacent to the Queensland-Northern Territory border. The principal targets were copper and uranium. In early November 1956 the Bureau of Mineral Resources ("BMR") commenced an airborne scintillometer survey of the Westmoreland area. Anomalies located by the BMR were followed up by MIM, one of which was the Redtree deposit, located by MIM prospector A Blackwell (Battey, 1956).

Because of the perceived low grade and the remote location of the deposit, MIM relinquished the AP but pegged three mining lease applications over Redtree and other known surface uranium mineralisation. The leases were granted in 1959 to a 50:50 MIM/Consolidated Zinc Pty Ltd joint venture. Consolidated Zinc later became CRA Limited (now *Rio Tinto Limited*), which subsequently purchased a 100 % interest in the leases.

Subsequent drilling (12,000 m of core), pitting and shaft sinking by Queensland Mines Ltd ("QML") at the Redtree prospect during 1967-69 indicated continuous primary uranium mineralisation between minimum depths of 15 m and maximum depths of 135 m extending for at least 4,800 m along a major joint system. The Huarabagoo deposit was discovered during this programme.

In 1975 QML formed a joint venture with Urangesellschaft Australia Pty Ltd ("UAPL"), Anglo Australian Resources NL and CRA Ltd. UAPL discovered the Junganunna deposit in the period 1976 to 1983 when they were managing the joint venture. Omega Mines Ltd entered the joint venture in 1982 and completed a programme of drilling and re-assay of core for gold at Huarabagoo. Results confirmed some erratic high grades up to 86 g/t Au. In 1990 CRA took over management, and purchased 100 % of the joint venture in 1996. Prior to this time, CRA had purchased a 100 % interest in the old MIM mining leases at Redtree.

From 1960 to 1980, 14 EPMs were held and explored within the boundary of the present EPM 14558, generating 60 open file reports. The surge in gold exploration from 1980-1990 was reflected in the increased tempo of exploration in the Westmoreland area. Ten EPMs were granted in the area now covered by EPM 14558; 35 open file reports record the work done through this decade.

Since 1990, the pace of exploration has declined, and through the past 15 years there have been only 7 EPMs turned over in the area now covered by EPM 14558. Only 15 open file reports have been lodged with the GSQ detailing the exploration completed during this era, all by CRA describing the work outlined above.

By 1990 CRA Ltd held a dominant interest in tenements in the region. An internal reorganisation saw CRA absorbed into the Rio Tinto group. Rio Tinto relinquished its tenements in 2000 and subsequently Tackle Resources Pty Ltd filed applications over the areas previously held by Rio Tinto.

The chronology of Laramide's activity at Westmoreland since 2008 is summarized below (MD&A, June 2011):

- July 2008: First phase of Westmoreland drilling by Laramide was completed, with 160 holes over 11,302 metres.

- April 2009: A resource estimate was announced, with Mining Associates reporting an Indicated Mineral Resource totalling 36.0 million pounds of  $U_3O_8$  contained in 18.7 million tonnes at an average grade of 0.089%  $U_3O_8$ , and an additional Inferred mineral resource totalling 15.9 million pounds of  $U_3O_8$  contained in 9.0 million tonnes at an average grade of 0.083%  $U_3O_8$  on the property.
- November 2009- August 2010: Laramide completed drilling at both the Northern Territory JV properties (mainly the Hartz Range / Gulf Resources JV property) and at Westmoreland. A total of 19 holes (1,378 metres) were drilled at Westmoreland between the Huarabagoo (7 holes) and Sue-Outcamp areas (12 holes).
- November 2010: The environmental program for flora, fauna and ground and water sampling was initiated.
- July 2011: Details of comprehensive metallurgical test work carried out by the Australian Nuclear Science and Technology Organisation were completed. The report noted high recoveries of 97% were achieved using a conventional uranium processing route. The report also identified definitive process route options. Jacobs Engineering Group Inc. was commissioned to compile an updated scoping study.

#### **4.2.2 NT JV Area History**

Across the state border in the Northern Territory in the NT JV areas, most of the vein hosted uranium occurrences **were discovered in the mid 1950's following a Bureau of Mineral Resources airborne radiometric survey**, including the deposits at Cobar 2 and Eva that were later mined. The Eva Deposit lies within the Murphy JV tenement ELA9319 however is covered by a separate tenement held by NuPower and is not part of the NTJV.

As reported in "Uranium Ore Deposit of Pandanus Creek" (Morgan, B.D., 1965), drilling by Broken Hill Propriety Co. delineated the Eva Deposit (Pandanus Creek Deposit) in 1958-59 and South Alligator Uranium NL mined it from 1960 to 1962. Selective mining to a depth of 25 m produced 312 t high-grade mineralisation averaging 8.37%  $U_3O_8$  which was trucked to the treatment plant at Rum Jungle.

The bulk of the mineralisation as described was from a band of sericitic quartzite within porphyritic lava. The main uranium minerals are pitchblende, gummite, uranophane and sklodowskite. The mineralisation also contains significant amounts of gold and silver.

From 1980-90 the emphasis changed to gold and the entire province on both sides of the border was extensively explored. Exploration declined from 1990 with CRA holding most of the ground in the province. They relinquished all their tenements in 2000.

Within the Lagoon Creek JV (EL23573) and Murphy JV (EL9319) areas, mapping was carried out in 1967 with accompanying petrology. It was concluded that uranium and gold deposition within a quartzite/sandstone unit was controlled by a shear zone. Mineralisation was almost entirely secondary (with pseudomorphs after pitchblende observed) with probable supergene enrichment. Thirty six 1956 BMR airborne scintillometry anomalies on the tenement were inspected on the ground resulting in four ground anomalies. Three of these were discounted as daughter products resulting from groundwater movement and the fourth due to alteration in granite.

Also in the Murphy JV area (EL9319), Noranda Australia in 1972 drilled 7 vertical open-hole percussion holes at the Red Rock anomaly and 2 at Crippled Horse anomaly 12 km and 15 km east of the Eva Deposit. Haematite alteration was seen in the Clifdale Volcanics at Red Rock where the Clifdale Volcanics has been thrust-faulted over the Westmoreland Conglomerate. Patchy, low grade mineralisation was encountered only at Red Rock. No further work was recommended.

Flinders Mines in 1982 explored the area in the vicinity of the Una May prospect (5 km directly east of The Eva Deposit) where soil and stream sampling returned anomalies. Further soil and rock sampling was recommended but it appears no further work was undertaken.

During 1984, Uranerz Australia explored the area covered by Lagoon Creek JV and Murphy JV, including mapping, airborne and ground magnetics/radiometrics, geochemical and Radon surveys. They drilled 15 percussion/diamond holes for 1615 m. Three main targets were identified as Eva Mine (not included in the NTJV), Red Rock and Crippled Horse. This work identified the Eva North Anomaly and demonstrated (via the geophysics) that the Eva Fault and the Eva quartzite host continued below cover for over 1 km to the northeast. Mapping suggested that the Eva Fault is a reverse fault dipping 30 to 40 degrees to the south east with variable silica, sericite and haematite alteration and quartz veining.

### 4.3 Previous Resource and Reserve Estimates

#### 4.3.1 Westmoreland

Numerous mineral resource studies have been carried out at Redtree by previous operators over a 25-year period from 1969 to 1994. These estimates have been discussed in Vigar and Jones (2006). These estimates pre-date the CIM/JORC Codes and are not compliant in any respect and therefore are not detailed in this report.

In 2006, a set of three dimensional (3-D) geological interpretations were made by Mining Associates (Vigar and Jones, 2006) using a cut-off grade of 0.02% and a minimum width of one metre. The project was subdivided into 3 sub-areas of similar mineralisation directions and drilling directions for geological interpretation and resource estimation. Within these, domains of similar geological style were represented by one or more geological wire frames to constrain the final resource block model. The resources estimates were classified by Mining Associates above an economic cut-off grade of 0.02 %  $U_3O_8$ , considered reasonable for such a shallow and flat lying deposit.

| Table 3: Resource Estimates (above 0.02% $U_3O_8$ ) from 2006 |            |            |                |              |                  |               |
|---------------------------------------------------------------|------------|------------|----------------|--------------|------------------|---------------|
| Category                                                      | Deposit    | Tonnes     | $U_3O_8$ Uncut | $U_3O_8$ Cut | Ktonnes $U_3O_8$ | Mlbs $U_3O_8$ |
| Inferred                                                      | Red Tree   | 10,928,500 | 0.094%         | 0.093%       | 10.2             | 22.4          |
|                                                               | Huarabagoo | 2,925,250  | 0.122%         | 0.108%       | 3.2              | 7.0           |
|                                                               | Junnagunna | 2,149,500  | 0.077%         | 0.075%       | 1.6              | 3.6           |
| Total Inferred                                                |            | 16,003,250 | 0.097%         | 0.094%       | 14.9             | 32.9          |
| Indicated                                                     | Red Tree   | 3,672,250  | 0.096%         | 0.096%       | 3.5              | 7.8           |
|                                                               | Huarabagoo | 0          |                |              | 0.0              | 0.0           |
|                                                               | Junnagunna | 4,364,750  | 0.082%         | 0.081%       | 3.5              | 7.8           |
| Total Indicated                                               |            | 8,037,000  | 0.088%         | 0.088%       | 7.1              | 15.6          |

## 4.4 GEOLOGICAL SETTING

### 4.4.1 Regional Geology

Laramide's Westmoreland and NT JV tenements are situated on the south eastern margin of the southern McArthur River Basin (Figure 6).

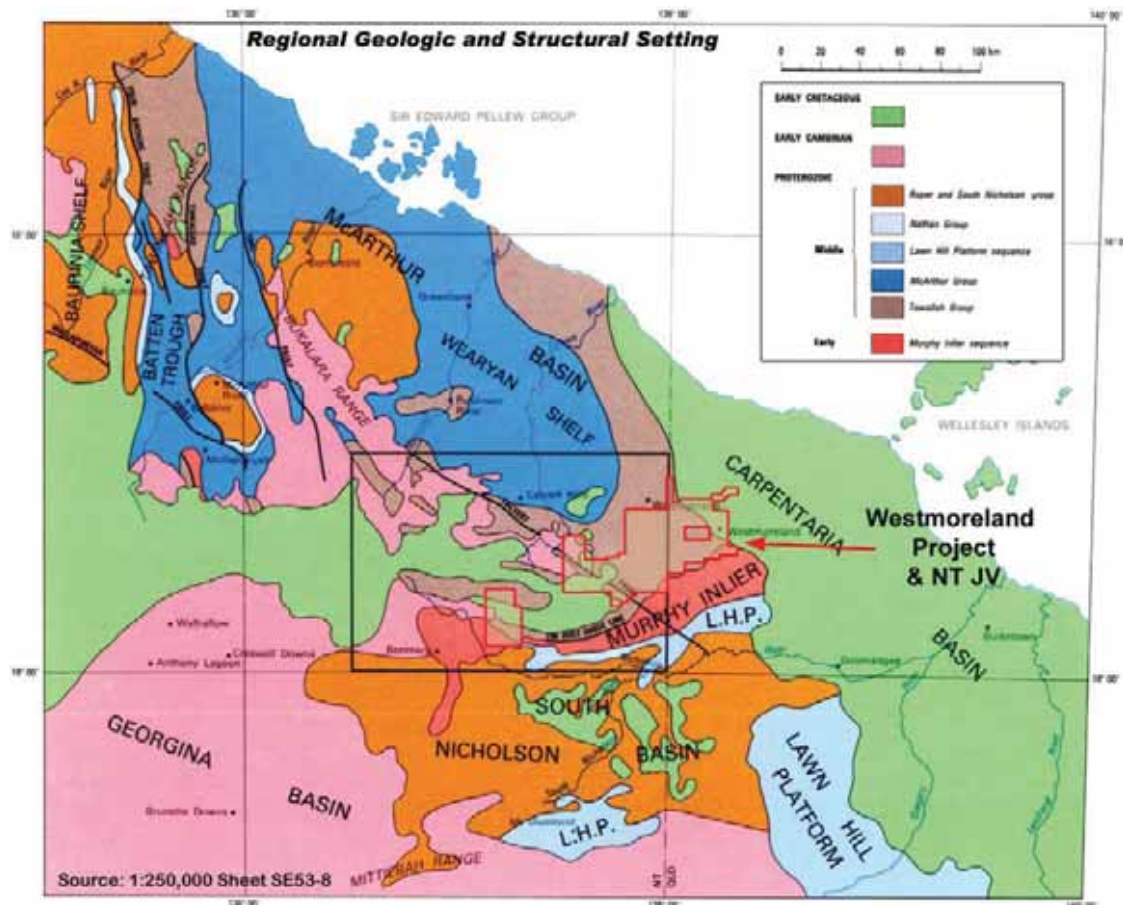


Figure 6: Geological & Structural setting of northern NT/QLD region, Australia  
(Source: from Calvert Hills, SE534-8, 1976)

The Palaeo-Mesoproterozoic aged McArthur Basin is a 5-10 km thick package of mostly unmetamorphosed sedimentary and volcanic rocks that were deposited on the North Australian Craton between ca. 1800 and 1575 Ma. The Murphy Tectonic Ridge (Murphy Inlier) is the host region for the Westmoreland and NTJV area uranium deposits and prospects. It defines the southern extent of this basin and separates the southern McArthur Basin from the Mt Isa Inlier.

The oldest sediments of the southern McArthur Basin unconformably overlie the ca. 1850 Ma Cliffdale Volcanics (contained within the Murphy Inlier), the Scrutton Volcanics, and the Urapunga Granite. Deposition of the various sedimentary units occurred in a variety of intracratonic settings, including proximal to distal fluvial, coastal, and shallow marine environments.

The southern McArthur Basin has been divided litho-stratigraphically into the Tawallah, McArthur, Nathan, and Roper Groups (refer Legend, Figure 6). Except for the Karns Dolomite of the Nathan Group, the younger Groups are largely absent on the Wearyan Shelf (upon which the Westmoreland-Pandanus Creek Uranium Field deposits are located) and only Tawallah Group is represented.

Three regionally co-relatable stratigraphic successions or “superbasins” termed the Leichhardt (ca. 1800 to ca. 1740 Ma), the Calvert (ca. 1710–1690 Ma), and the Isa (ca. 1670–1575 Ma) superbasins are now recognized for the southern McArthur Basin (Jackson et al, 2000). These three major depositional episodes are separated by ~20 million years gaps. The Calvert and Leichhardt superbasins are separated by a basin inversion event that produced a 20 million year gap in the stratigraphic record (1750–1730 Ma). The Calvert Superbasin is then separated from the overlying Isa Superbasin by a slightly longer (25 million year) gap in the stratigraphic record (1690–1665 Ma).

In the southern McArthur basin, the lithology of the Calvert and Leichhardt superbasins is represented by shallow marine and fluvial, siliciclastic successions, outer-ramp carbonate successions, turbiditic siliciclastic units, and bimodal igneous rocks. These sediments can be grouped into four broad facies associations. Rocks of the proximal fluvial facies association are composed of poorly sorted and immature, coarse- to fine-grained sandstone, pebbly sandstone, and conglomerate. These rocks are most common near the base of the Leichhardt superbasin in the Westmoreland Conglomerate, the lower Yiyinti Sandstone and the Sly Creek Sandstone, where they form successions ranging from several hundred meters to in excess of several kilometres.

#### **4.4.2 Westmoreland Local Geology**

The Westmoreland tenements are centred about the outcropping Westmoreland Conglomerate of the Tawallah Group where the southern McArthur basin onlaps the Clifffdale Volcanics of the Murphy Inlier. The Redtree deposit is located in the south west of EPM14558. The tenements cover the majority of the Westmoreland–Pandanus Creek uranium field (Figure 9).

The southernmost tenement, EPM14672, overlies the rhyolitic Clifffdale Volcanics of the Murphy Inlier and minor occurrences of Nicholson Granite. The eastern arm of EPM14967 overlies Clifffdale Volcanics (south), Westmoreland Conglomerate and Cainozoic cover (north), whilst the western arm mainly overlies Seigal Volcanics. EPM15061 hosts Seigal Volcanics (south) and younger rocks of the Tawallah Group including the McDermott Formation and the Wununmantlyala Sandstone.

The Westmoreland uranium deposits, Redtree, Junnagunna and Huarabagoo, are hosted largely within the shallow dipping Westmoreland Conglomerate (Figure 7).

The Westmoreland Conglomerate is up to 1,800 m thick and is divided into five fining-upward units termed Ptw1, Ptw2a, Ptw2b, Ptw3, and Ptw4 (Rheinberger et al, 1998; Polito et al, 2005). Each unit comprises proximal fluvial deposits typical of debris flows, alluvial fans, and braided river systems that are overlain by medium- to coarse-grained, well-sorted sandstone. Breaks in sedimentation are indicated by angular unconformities or disconformities, with each new cycle of pebble or boulder conglomerate commonly defining the beginning of a new unit. Cobbles and coarse sand grains within the basal conglomerate (Photo 1) are dominated by reworked quartz veins, chert, and clasts of felsic to mafic volcanic rocks that were likely derived from the Murphy tectonic ridge or similar basement rocks that once existed to the north. This detrital material and lithic clasts is considered by Polito et al (2005) to be a likely source for the uranium. Numerous NE trending fractures crosscut the Westmoreland Conglomerate, some filled with dolerite.

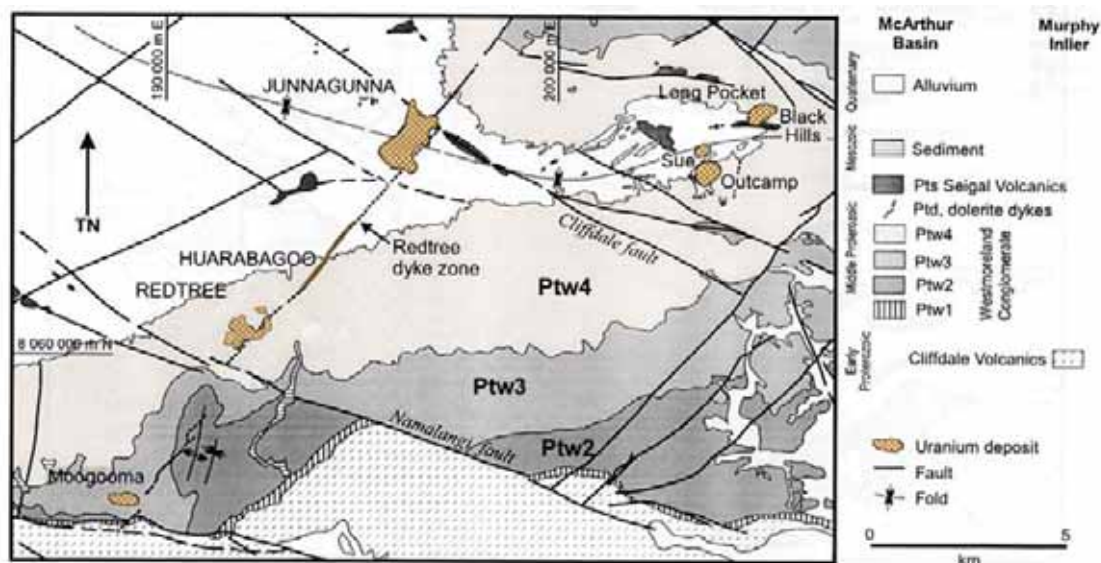


Figure 7 Redtree deposit in unit Ptw4 - note Redtree Dyke & Cliffdale Fault  
(Source: Rheinberger et al, 1998)

The Seigal Volcanics conformably overlie the Westmoreland Conglomerate. They are predominantly massive (but locally amygdaloidal) tholeiitic basaltic lava flows with minor siltstone and sandstone interbeds.

A number of aphyric, medium-grained dolerite dykes cut the Westmoreland Conglomerate and basement units belonging to the Murphy Inlier. These dykes (such as the Redtree dyke (Figure 7) commonly occur in northeast-trending structures that likely reflect zones of weakness in the underlying basement. The dykes weather more easily than the conglomerate and thus tend to be obscured at surface. Fresh dykes in core are brecciated and sheared, and extensively altered along the contact zones. The unaltered dyke is typically a dark green dolerite. The geochemistry of the Redtree dyke is consistent with that of the Seigal Volcanics, suggesting that the dykes may have been feeders for these lava flows (Rheinberger et al, 1998; Polito et al, 2005). The 15 km Redtree dyke zone is a series of en echelon dykes generally less than 20 m thick and 1 km in length.



Photo 1 Basal Westmoreland Conglomerate  
(Source: Vigar & Jones 2006)

#### 4.4.3 Northern Territory Joint Ventures Local Geology

The various NT JV tenements are located adjacent to and/or along regional strike from the Westmoreland tenements. All are located in the Tawallah Group/Murphy Inlier geological setting and cover the majority of the area of the Westmoreland–Pandanus Creek uranium field on the Northern Territory side of the border. Laramide's Westmoreland tenements cover the majority of the Westmoreland–Pandanus Creek uranium field on the Queensland side (Figure 9).

The Lagoon Creek (EL23573), Gulf Mines (EL10335) and Murphy (EL9319) JV tenements are immediately adjacent to the Westmoreland tenement. All three tenements host known uranium occurrences in an identical setting to the Westmoreland deposits. The key geological features are the presence of the NE Westmoreland dyke zone (analogous to the Redtree dyke zone) and the Westmoreland Conglomerate host; and the proximity of mafic Seigal Volcanics (Figure 8).

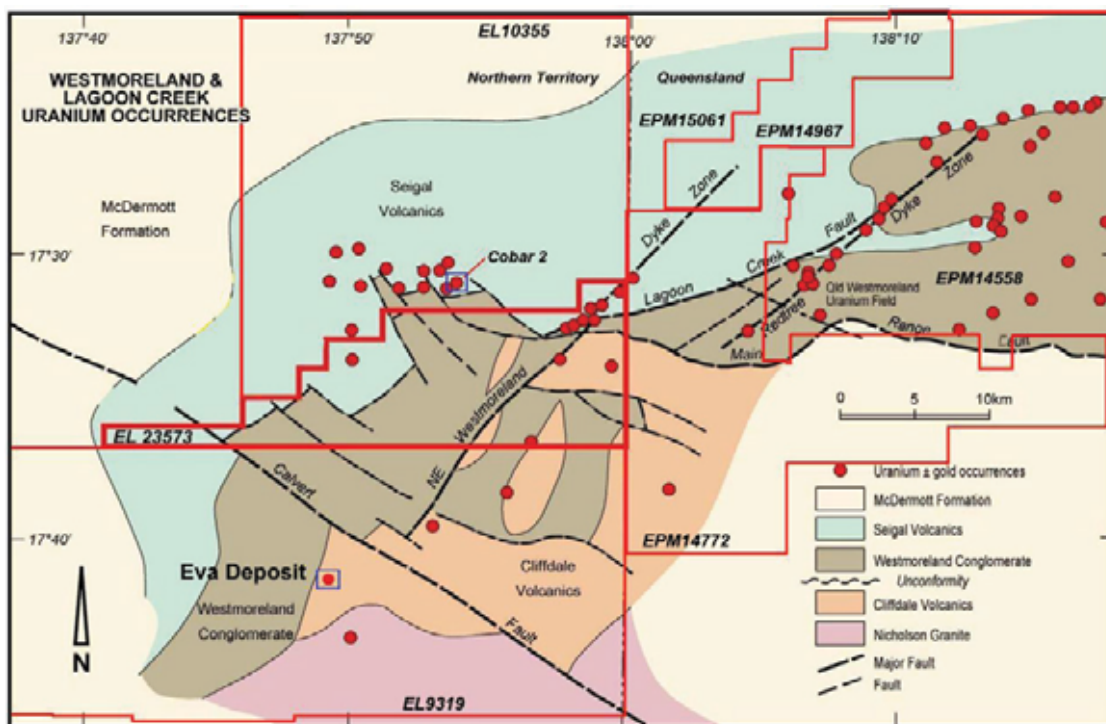


Figure 8 Geological setting of the Lagoon Creek, Murphy and Gulf Mines JV tenements showing uranium occurrences. Note: Eva Deposit and Cobar 2 are not part of Laramide or NT JV assets  
(Source: after NuPower website)

They cover an area of the rhyolitic Cliffdale Volcanics of the Murphy Inlier and minor occurrences of Nicholson Granite as well as Westmoreland Conglomerate and Seigal Volcanics (described above). The Eva Deposit (not part of the JV) mineralisation is hosted in the Cliffdale Volcanics near the contact with Nicholson Granite.

The Cliffdale Volcanics comprises over 4000m of ignimbrites and rhyolite lavas, intruded by Nicholson Granite. The Tawallah Group overlies the Cliffdale Volcanics and in the area dips gently NW. The Tawallah Group comprises a basal sequence of sandstones, siltstones and conglomerates of the Westmoreland Conglomerate, 1400-1800m thick, conformably overlain by basaltic sequence of lavas, agglomerates, tuffs, siltstones and sandstones of the Seigal Volcanics, about 1600m thick. The Cliffdale Volcanics is divided into 6 volcanic members: Pcc1 – Pcc5, Pcca.

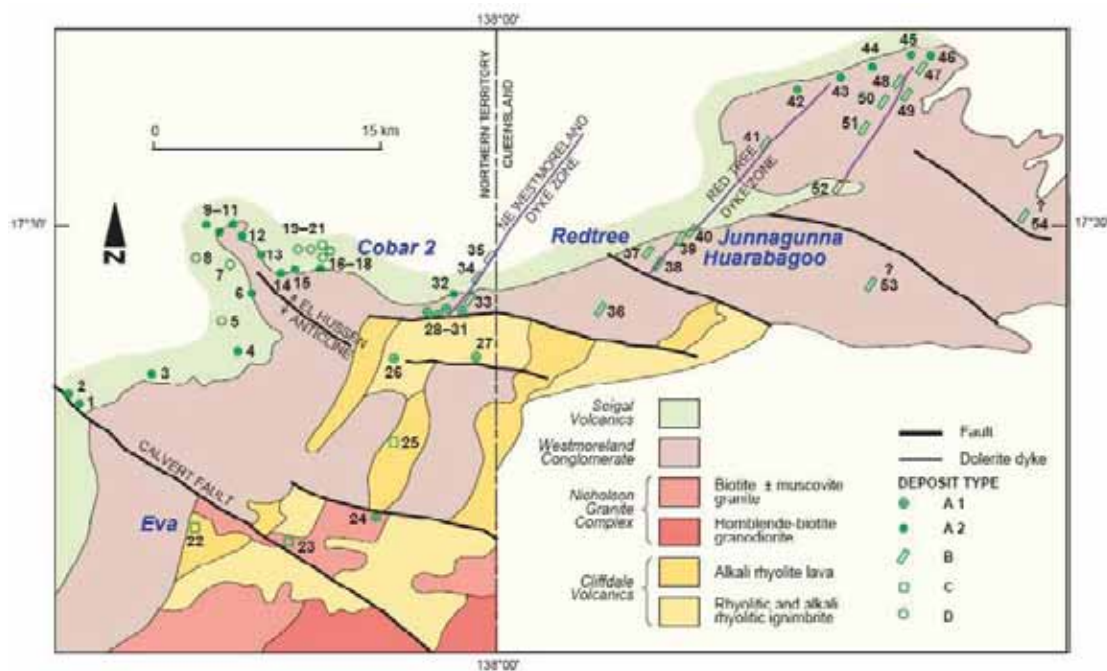
The three NE trending, parallel, fault-associated dyke systems related to U mineralisation at the Redtree and El Nashfa in Qld and the NE Westmoreland Dyke Zone in the NT, and are up to 10m wide. The NE Westmoreland structure extends into Qld where it is known as the Lagoon Fault.

## 4.5 MINERALISATION

### 4.5.1 Mineralisation – Westmoreland-style

The Westmoreland–Pandanus Creek uranium field has 4 types of uranium occurrences (Figure 9):

- Type A: At the reverse-fault contact between the Cliffdale Volcanics (hanging wall) and Westmoreland Conglomerate (Type A1), or at the contact between the Seigal Volcanics and the conformably overlying Westmoreland Conglomerate (Type A2).
- Type B: Near a contact between impermeable vertical mafic dykes and the Westmoreland Conglomerate.
- Type C: Hosted by the Cliffdale Volcanics, beneath an exhumed unconformable contact with the overlying Westmoreland Conglomerate.
- Type D: Hosted by fractures in the Seigal Volcanics, at some distance above the contact with the Westmoreland Conglomerate.



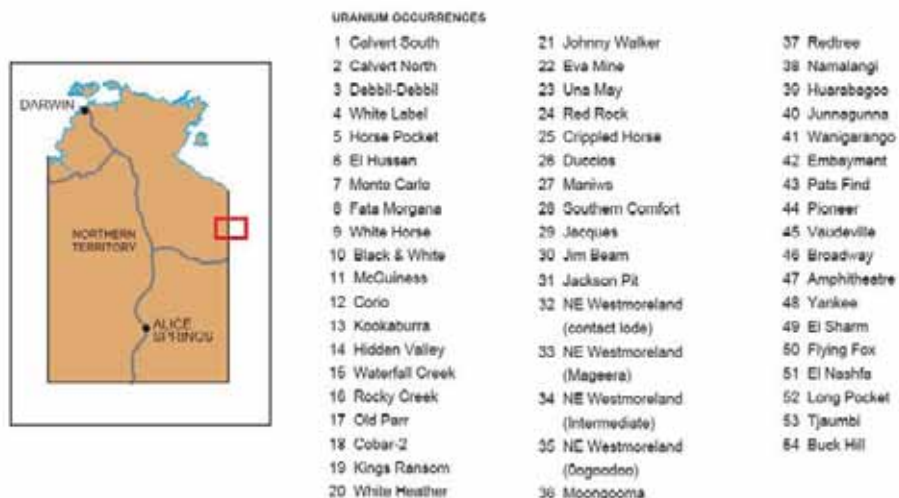


Figure 9: Geological setting of the Westmoreland-Pandanus Creek uranium field  
(Source: after Lally et al, 2006)

The uranium mineralisation assemblage at Westmoreland is characterised by the later phase uraninite, hematite, illite and minor rutile. Uraninite and hematite occur as matrix filling cement between detrital quartz grains. Uraninite also occurs as micron sized grains within the hematite (Polito, 2005). The hematite dominates the mineralised areas and results in a red-brown colour in hand specimens. Some uraninite fills fractures in pyrite. Pyrite appears to be contemporaneous with some uraninite but also brecciated pyrite is cemented by uraninite. Secondary uranium minerals found at Redtree and Junnagunna include torbernite, met-torbernite, carnotite, coffinite, autunite, bassetite and ningyoite.

Mineralisation occurs typically as vertical or horizontal zones (Figure 10). The vertical zones are adjacent to dolerite dykes (dark green unit Ptd) whilst horizontal mineralisation at Junnagunna lies beneath the Seigal Volcanics (light green Pts unit).

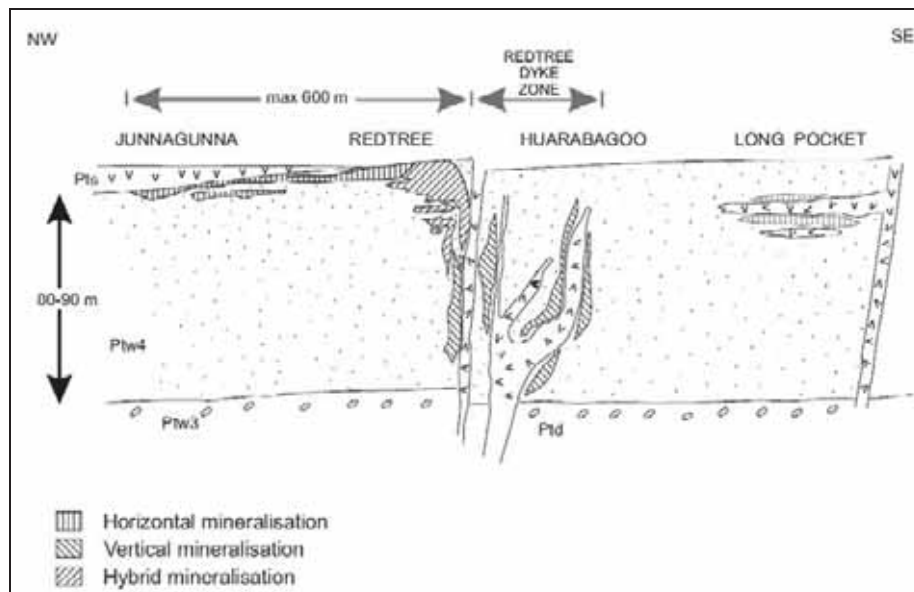


Figure 10: Westmoreland vertical & horizontal mineralisation  
(Source: Rheinberger et al, 1998)

Uranium mineralisation has been recognised in the Westmoreland region in numerous structural and stratigraphic positions. These have been documented by Rheinberger et al (1998). The main deposits occur within the Ptw4 unit (of the Westmoreland Conglomerate; Figure 10) in association with mafic dykes and sills, particularly in close proximity to the overlying Seigal Volcanics.

The Ptw4 subunit of the Westmoreland Conglomerate contains the bulk of the identified uranium at Westmoreland and is a porous, coarse grained quartz sandstone, with cross-bedding and conglomerate portions (Photo 2). It is brown coloured in outcrop and white to pale grey when fresh. Within the deposit area, it is about 80 m thick with a basal discontinuous tuffaceous fine grained laminated siltstone.



Photo 2: High grade mineralisation in Westmoreland Conglomerate  
(Source: Jones 2008)

## 4.5.2 Westmoreland Uranium Deposits

### 4.5.2.1 Redtree

The Redtree uranium deposit flanks the Redtree dyke zone immediately north of the northwest-trending Namalangi fault (Figure 7, Figure 10). The deposit comprises horizontal mineralisation in the Jack, Garee and Langi lenses and vertical mineralisation in the Namalangi lens with grades ranging from 0.15% to >2%  $U_3O_8$  (Rheinberger et al, 1998).

The horizontal mineralisation in Jack and Langi lenses on the northwest side of the dyke zone is entirely hosted within Ptw4 of the Westmoreland Conglomerate. It forms a sheet of mineralisation 0 to 10 m below ground surface (less than 20 m below the projected basal contact of the now removed Seigal Volcanics) up to 15 m thick (increasing with proximity to the dyke zone) and up to 500 m wide.

The Garee lens consists of a mix of horizontal and vertical mineralisation in the Ptw4 of the Westmoreland Conglomerate on the eastern side of the dyke zone. Mineralisation is 5 to 30 m below the surface, up to 50 m thick adjacent to the dyke and thins to the east (away from the dyke).

Vertical mineralisation at the Namalangi lens occurs over a strike length of more than 700 m within the dyke zone, particularly within the sandstone wedge between the two dykes.

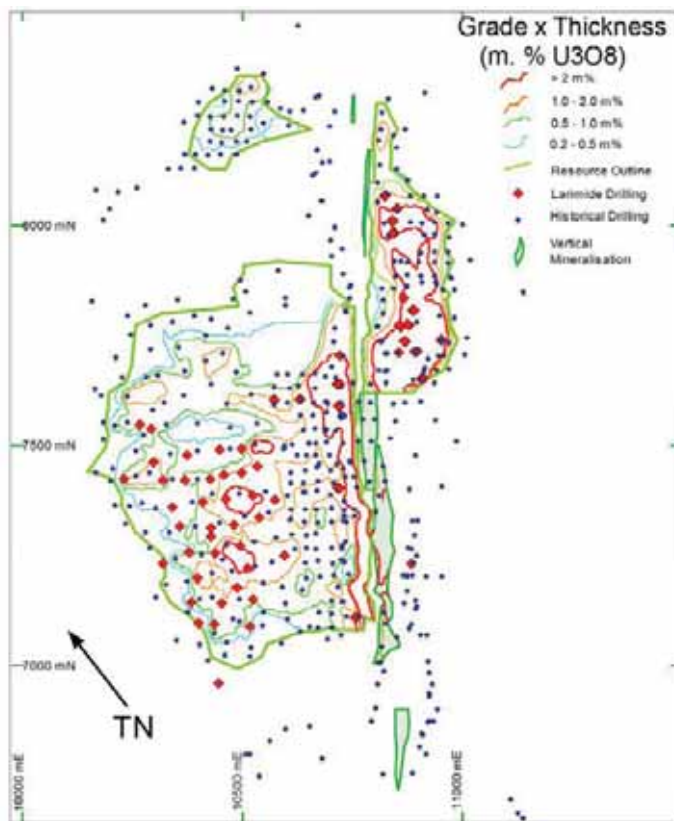


Figure 11: Four lenses of Redtree deposit  
(Source: Jones & Vigar, 2009)

#### 4.5.2.2 Huarabagoo

This deposit is about 3 km NE of Redtree along the Redtree dyke zone and straddles the contact of the Seigal Volcanics with the Westmoreland Conglomerate (Figure 7, Figure 10).

The mineralisation outcrops at the southern end and is concealed to the north under 2 to 3 m of sandy alluvium and 5 to 8 m of weathered basalt of the Seigal Volcanics. The deposit comprises a 3 km zone of vertical mineralisation associated with a complex dyke geometry with vertical and horizontal branches between the two principal dykes. Some 75 % of the mineralisation is within the flanking PtW4 sandstone (the remainder in the dykes) with individual lenses up to 20 m thick, 100 to 500 m long and extending to a depth of about 80 m. Mineralisation rarely extends beyond the PtW4 into PtW3 conglomerate.

#### 4.5.2.3 Junnagunna

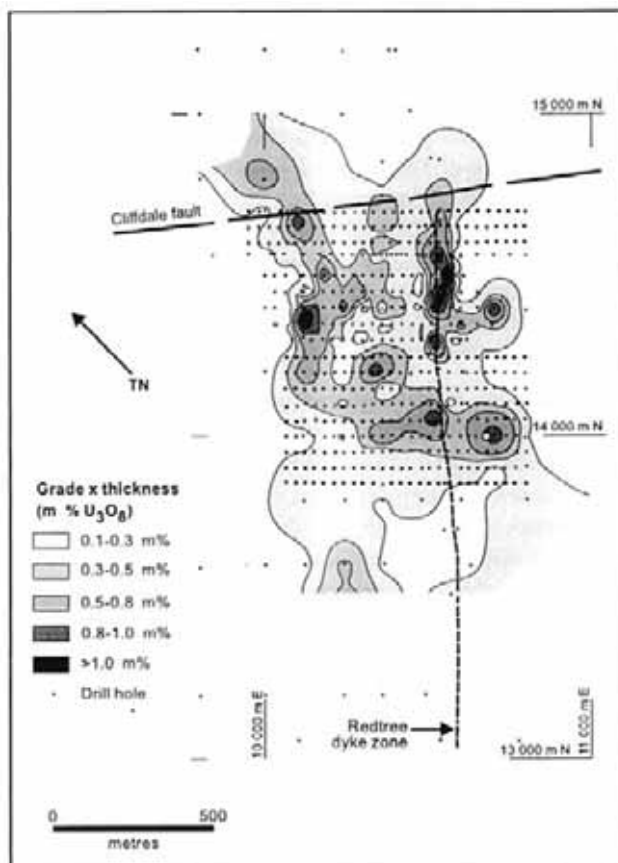


Figure 12: Junnagunna deposit  
(Source: Rheinberger et al, 1998)

The Junnagunna uranium deposit occurs at a fault intersection west of the Redtree dyke zone and south of the northwest trending Cliffdale fault (Figure 7, Figure 10). The deposit is obscured by 3 to 10 m of alluvial sand and 5 to 20 m of weathered and fresh basalt of the Seigal Volcanics (Rheinberger et al, 1998). Extensive flat lying mineralisation hosted by PtW4 sandstone is developed on either side of the Redtree dyke (Figure 12). Mineralisation lies 0.5 to 10 m thick immediately beneath the Seigal-Westmoreland contact. Note mineralisation associated with a parallel structure 400 m west of the Redtree dyke zone in Figure 12. Dolerite appears to be absent in this fault.

Limited mineralisation occurs on the northern side of the Cliffdale fault and the eastern side of the Redtree dolerite dyke zone.

The Long Pocket deposits (Outcamp, Sue and Black Hills) are situated 8 km west of the Junnagunna deposit and the Moogooma mineralisation is 5 km southwest of Redtree along the Redtree dyke zone (Figure 7). These additional deposits are all within Laramide's EPM 14558

### 4.5.3 EXPLORATION

#### 4.5.3.1 Westmoreland Exploration 2007-2008

Exploration by Laramide during the 2007/2008 period comprised a diamond drilling program resulting in 12,230.4 m of core. This drilling consisted of 8,836.7 m on the Redtree prospect and 3,393.7 m on the Junnagunna Prospect.

The primary objectives of the drilling program were:

- To provide quality controlled drill data within the Redtree and Junnagunna deposits from which to assess the accuracy and validity of historical drilling.
- To improve geological understanding of lithology, alteration and structural controls on mineralisation.
- To provide closer spaced drilling to improve confidence levels on resource estimates.

A total of 8,059 samples, consisting of 6,464 for Redtree and 1,595 for Junnagunna, were submitted for chemical analysis excluding duplicates, blanks and standards. In addition, some 26 samples were sent for petrological analysis, 20 for SEM (scanning electron microscopy) analysis, and 16 holes were drilled for metallurgical testing.

The Laramide diamond drill programs are the largest diamond drill programs undertaken at Redtree, and constitute more than half of the diamond drill holes drilled at Redtree. Table 4 provides brief history of drill programs to 2008 at Redtree.

| Company  | Period    | Open Hole Percussion |               | Reverse Circulation |               | Diamond Core |                | Total     |                |
|----------|-----------|----------------------|---------------|---------------------|---------------|--------------|----------------|-----------|----------------|
|          |           | No. Holes            | Metre drilled | No. Holes           | Metre drilled | No. Holes    | Metres drilled | No. Holes | Metres drilled |
| QML      | 1969-1971 | 286                  | 14675         |                     |               | 49           | 7637           | 335       | 22312          |
| MIM      | 1969-1970 | 26                   | 700           |                     |               | 57           | 2251.2         | 83        | 2951.2         |
| Minad    | 1975      |                      |               |                     |               | 3            | 107.9          | 3         | 107.9          |
| UG       | 1976-1978 |                      |               |                     |               | 8            | 333            | 8         | 333            |
| Omega    | 1977      |                      |               |                     |               | 3            | 183            | 3         | 183            |
| CRAE     | 1990-1995 | 81                   | 2842.6        |                     |               | 17           | 797.1          | 98        | 3639.73        |
| Laramide | 2007-2008 |                      |               |                     |               | 165          | 8836.7         | 165       | 8836.7         |
| TOTAL    |           | 393                  | 18217.6       |                     |               | 302          | 20145.9        | 695       | 38363.5        |

During the first phase of drilling (November 2007 – July 2008):

- 126 diamond holes were drilled for 7,908.3 metres at the Redtree prospect (Figure 13).
- 34 holes for 3,393.7 metres were drilled at the Junnagunna Prospect (Figure 14).

During the second phase of drilling (September 2008 – October 2008)

- 39 diamond holes were completed at Redtree for a total of 928.4. The majority of drilling was completed using NQ drill bits however a number of holes were drilled to HQ core size, primarily to obtain a larger sample for metallurgical test work.

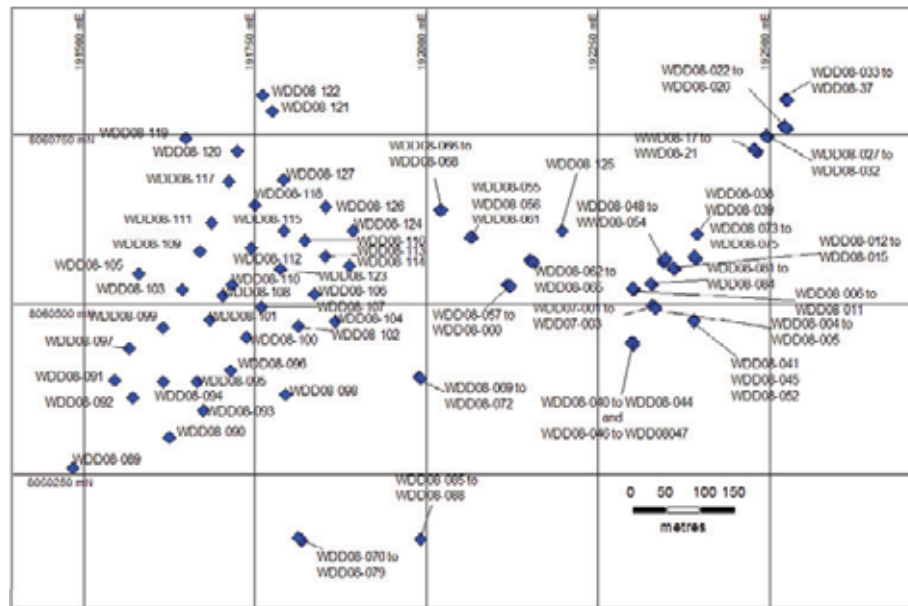


Figure 13: Redtree - 2008 Drill Plan (AGD66/AMG54)  
(Source: Jones & Vigar 2009)

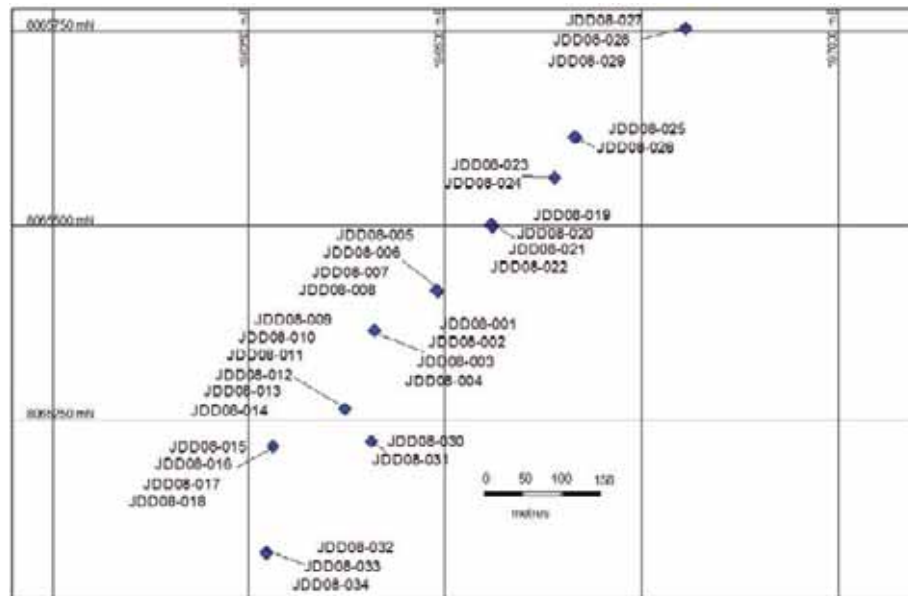


Figure 14: Junnagunna - 2008 Drill Location Plan (AGD66/AMG54)  
(Source: Jones & Vigar 2009)

Due to the difficult terrain at Redtree and to minimize environmental impact, fans of drill holes were drilled from select drill pads during the first phase of the program to obtain the required drill density. Photo 3 shows the rugged nature of the ground with a small canyon in the outcropping Westmoreland Conglomerate where the Redtree dyke has preferentially weathered. The view is from Redtree looking north east towards Huarabagoo and Junnagunna.



Photo 3: Looking NE along Redtree Dyke from Garee Lens  
(Source: Jones 2008)

#### 4.5.3.2 Westmoreland Results 2007-2008 Drilling

##### *Lithology and Stratigraphy*

Drilling at Redtree intersected primarily the upper unit of the Westmoreland Conglomerate (Ptw4). Lithologies intersected within this unit were predominantly coarse quartz arenites with intervals grading into pebble conglomerate. These lithologies are underlain by coarser cobble conglomerates at depth.

At Junnagunna, the Westmoreland Conglomerate is overlain by basalt of the Seigal Volcanics which are in turn overlain by about 8 metres of Quaternary alluvial/colluvial clays and sand. Extremely to moderately weathered basalt was intersected to vertical depths of between approximately 10 and 25 metres. The stratigraphy of the Westmoreland Conglomerate at Junnagunna differs from the Redtree area in that there are less of the coarse, pebble conglomerate units. The upper part of the sequence at Junnagunna is dominantly a medium to coarse grained sandstone underlain by a coarse sandstone with scattered pebbly clasts. The distinct pebbly conglomerate evident in the upper part of the Redtree deposit appears to be absent.

Drilling during the 2008 program focused on intersecting mineralisation in the vicinity of the dyke. The dyke was intersected in a number of holes and was shown to be strongly fractured and variably altered. Steeply dipping fault planes and fracture networks were observed within the dyke, on the dyke contacts and to a limited extent, into the surrounding sandstone.

##### *Mineralisation and Alteration*

Mineralisation intersected at Redtree was found to be associated with chlorite/and or hematite alteration of coarse sandstone and pebble conglomerate. There appears to be a broad association between higher grade mineralisation and coarser grained intervals, particularly fine pebble conglomerate beds which are dominantly clast supported, although mineralisation has been observed in a range of sandstone and conglomerate types. Mineralisation and alteration contacts are mostly bedding parallel (gently dipping). In the central part of the deposit there is little evidence for significant steep, or dyke related mineralisation.

Flat lying, shallow mineralisation at Redtree is commonly associated with a pebble conglomerate layer that is continuous over a significant part of the deposit area. This includes the Jack Lens and the upper part of the Garee Lens (Figure 15). Mineralisation in these lenses is associated with moderate to strong hematite alteration with lesser chlorite and sericite alteration. Deeper lenses of mineralisation have also been intersected but tend to be associated with more variable stratigraphy, although higher grade mineralisation is again associated with coarser sandstone/pebble conglomerate units. Deeper mineralisation is commonly associated with chlorite altered sediments with lesser hematite and sericite alteration.

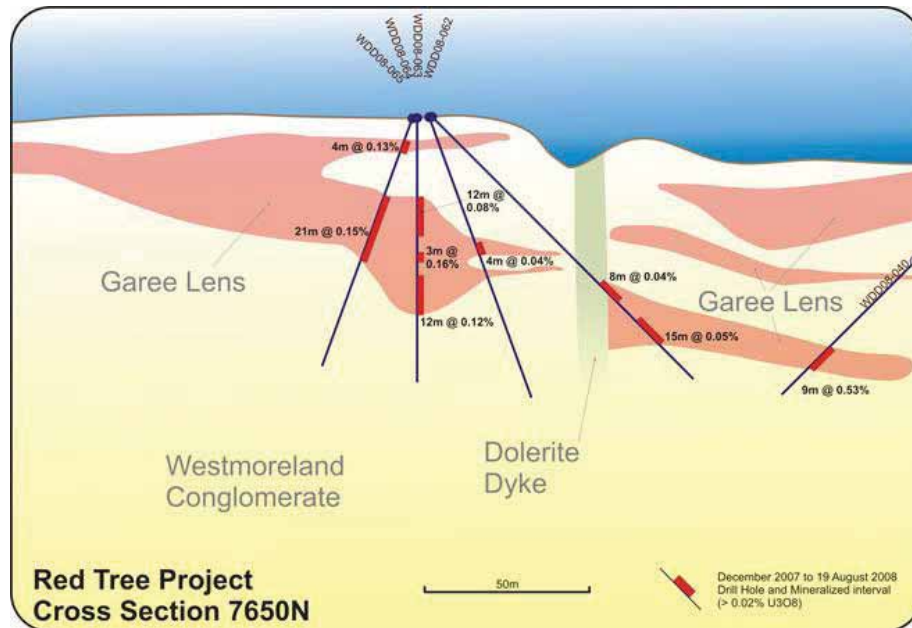


Figure 15 Fan of drill holes in Garee Lens, Redtree Prospect

(Source: Laramide 2009)

Figure 16 shows an intersection of 12 to 14 m (approximate true width) sub-horizontal mineralisation at Redtree from a depth of about 10 m below the ground surface by WDD08-040 (far left) and WDD08-046 (middle).

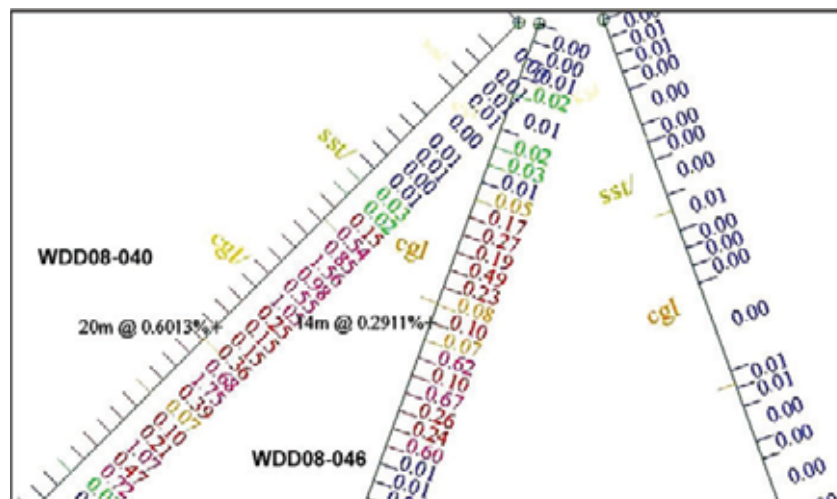


Figure 16 Fan of drill holes at Redtree

(Source: Jones & Vigar 2009)

SEM analysis of uranium mineralogy indicates relatively consistent uranium occurrence in the various lenses intersected during the first phase of drilling. For the majority of samples, 60 to 80 % of uranium is contained within uraninite with the remainder being dominantly coffinite (2 to 15 %) and meta-autunite (1 to 6 %). Coffinite was found to be proportionally more abundant in two samples (40 % and 32 %) both of which were obtained from the lower part of the Garee lens. Brannerite was found to be absent or in trace quantities (<1 % of uranium in brannerite).

At Junnagunna, mineralisation was intersected within the vicinity of the dyke, broadly confirming historic drilling; however the association of uranium mineralisation with faulting was shown to be indirect. Mineralisation was not associated with the most strongly faulted and fractured rock, although some steeper mineralisation has been identified in steep structures close to the dyke.

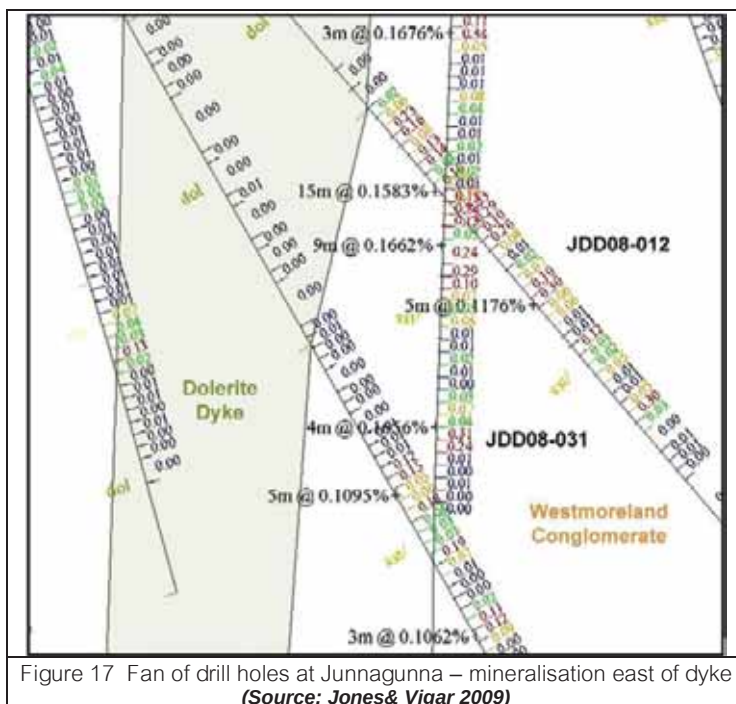


Figure 17 Fan of drill holes at Junnagunna – mineralisation east of dyke  
(Source: Jones & Vigar 2009)

Figure 17 shows three holes drilled at Junnagunna from the west side of the Redtree dyke penetrating the dolerite to intersect mineralisation in Westmoreland Conglomerate on the east side of the dyke. Drill holes JDD08-012 (angled hole) and JDD08-031 (subvertical hole) intersect some 9 m (approximate true width) of subhorizontal mineralisation at about 57 m below the ground surface that may have a vertical component immediately adjacent to the dyke.

Strongest mineralisation was found to be associated with chlorite and hematite altered coarse pebbly sandstones broadly similar to that encountered at Redtree. Strongly silicified and fractured rock found adjacent to the dyke was generally poorly mineralised. Alteration and mineralisation contacts indicate a bedding parallel component to the mineralisation however the overall geometry of mineralisation indicates a vertical control. It is interpreted that higher grade mineralisation occurs partly within favourable horizons but laterally confined within a broad structural corridor.

Drilling also identified offsets in the position in the dyke suggesting cross faulting. The recognition of this offset allowed for repositioning drill holes at the completion of the program to test the southern extension of steep mineralisation. Drill hole JDD08-033 intersected 8 metres at 0.52%  $U_3O_8$  from 94m suggesting the continuation of this mineralisation to the south. A re-evaluation of the geological model suggests that the steep mineralisation is not adequately tested in the Junnagunna deposit due to these fault offsets and it is considered that further drilling will allow for better definition of this zone.

It is considered that there is potential for more laterally extensive lenses where other favourable sedimentary horizons occur, such as those intersected at Redtree.

#### 4.5.3.3 Validation of Historical Drilling

The objective of the 2007-2008 programme was to provide quality controlled drill data within the Redtree and Junnagunna deposits from which to assess the accuracy and validity of historical drilling. A number of holes were drilled adjacent to historic holes to validate past intersections. Due to the difficulty in placing drill rigs with helicopters, these holes were generally drilled within 5 to 10 metres.

Comparisons of grade were considered acceptable, showing equivalent grades over mineralized intervals. Variations were considered within range taking into account dip and strike of the mineralised body, short range grade variations and nugget effects. These twinned holes have validated the historical drilling.

#### 4.5.3.4 Westmoreland Exploration 2009-2010

Following the 2007-2008 field season drilling program, the next phase of drilling, part of a program assessing the potential for additional uranium resources in the Redtree-Junnagunna structural trend, was completed during the latter half of 2009 and 2010.

A total of 17 diamond drill holes for 1871.2 metres were drilled in November and December 2009. The drilling at Huarabagoo and Junnagunna was focused on defining steeper structurally controlled mineralisation.

In August and September 2010 an additional 19 diamond drill holes for 1377.9 metres were drilled. Of the 19 holes, 7 holes were drilled at Huarabagoo and 12 holes were drilled at Long Pocket. The drilling at Huarabagoo was undertaken primarily to obtain structural data on mineralizing structures in the northern part of that prospect. Drilling at Long Pocket consisted of a single traverse of 50 metre spaced holes and was undertaken to test the tenor and distribution of mineralisation at the historic Outcamp prospect.

#### 4.5.3.5 Westmoreland Results of 2009 Drilling

Drilling confirmed continuity of mineralisation at Junnagunna and Huarabagoo and indicated that steeper structurally controlled mineralisation may extend beyond the defined boundaries of the existing resources. Holes were also analysed for gold but no significant gold was detected other than the weakly anomalous gold in WDD09-128.

| Table 5: Summary of 2009 Drilling Results |              |               |                      |                  |           |                       |           |                 |                                      |
|-------------------------------------------|--------------|---------------|----------------------|------------------|-----------|-----------------------|-----------|-----------------|--------------------------------------|
| Drill Hole                                | AMG<br>East* | AMG<br>North* | Azimuth<br>(degrees) | Dip<br>(degrees) | RL<br>(m) | From<br>(m)           | To<br>(m) | Interval<br>(m) | U <sub>3</sub> O <sub>8</sub><br>(%) |
| <b>Huarabagoo North</b>                   |              |               |                      |                  |           |                       |           |                 |                                      |
| WDD09-128                                 | 194494       | 8063127       | 309                  | -60              | 82.35     | 32                    | 57        | 25              | 0.07                                 |
| <b>Including</b>                          |              |               |                      |                  |           | 48                    | 57        | 9               | 0.14                                 |
| WDD09-128                                 | 194494       | 8063127       | 309                  | -60              | 82.35     | 79                    | 103       | 24              | 0.07                                 |
| <b>Including</b>                          |              |               |                      |                  |           | 90                    | 96        | 6               | 0.13                                 |
| WDD09-129                                 | 194494       | 8063127       | 309                  | -45              | 82.35     | 23                    | 39        | 16              | 0.06                                 |
| WDD09-130                                 | 194494       | 8063127       | 0                    | -90              | 82.35     | 53                    | 60        | 7               | 0.08                                 |
| WDD09-131                                 | 194494       | 8063127       | 129                  | -45              | 82.35     | 85                    | 90        | 5               | 0.04                                 |
| WDD09-131                                 | 194494       | 8063127       | 129                  | -45              | 82.35     | 107                   | 117       | 10              | 0.04                                 |
| WDD09-132                                 | 194678       | 8063348       | 309                  | -75              | 81.26     | 44                    | 53        | 10              | 0.08                                 |
| WDD09-132                                 | 194678       | 8063348       | 309                  | -75              | 81.26     | 72                    | 75        | 3               | 0.06                                 |
| WDD09-133                                 | 194678       | 8063348       | 309                  | -55              | 81.26     | No Significant Assays |           |                 |                                      |
| WDD09-134                                 | 194678       | 8063348       | 129                  | -45              | 81.26     | No Significant Assays |           |                 |                                      |
| WDD09-135                                 | 194678       | 8063348       | 0                    | -90              | 81        | No Significant Assays |           |                 |                                      |

| Table 5: Summary of 2009 Drilling Results                                                                           |              |               |                      |                  |           |                       |           |                 |                                      |
|---------------------------------------------------------------------------------------------------------------------|--------------|---------------|----------------------|------------------|-----------|-----------------------|-----------|-----------------|--------------------------------------|
| Drill Hole                                                                                                          | AMG<br>East* | AMG<br>North* | Azimuth<br>(degrees) | Dip<br>(degrees) | RL<br>(m) | From<br>(m)           | To<br>(m) | Interval<br>(m) | U <sub>3</sub> O <sub>8</sub><br>(%) |
| Junnagunna Deposit                                                                                                  |              |               |                      |                  |           |                       |           |                 |                                      |
| WDD09-136                                                                                                           | 196728       | 8065615       | 309                  | -80              | 76        | 60                    | 65        | 5               | 0.18                                 |
|                                                                                                                     |              |               |                      |                  | And       | 73                    | 75        | 2               | 0.24                                 |
|                                                                                                                     |              |               |                      |                  | And       | 79                    | 81        | 2               | 0.14                                 |
|                                                                                                                     |              |               |                      |                  | And       | 90                    | 100       | 10              | 0.10                                 |
| WDD09-137                                                                                                           | 196764       | 8065649       | 309                  | -80              |           | 56                    | 76        | 20              | 0.25                                 |
|                                                                                                                     |              |               |                      |                  | And       | 80                    | 93        | 13              | 0.07                                 |
| Junnagunna South                                                                                                    |              |               |                      |                  |           |                       |           |                 |                                      |
| WDD09-138                                                                                                           | 196139       | 8065001       | 309                  | -60              | 76.5      | No Significant Assays |           |                 |                                      |
| WDD09-139                                                                                                           | 196139       | 8065001       | 129                  | -55              | 76.5      | No Significant Assays |           |                 |                                      |
| WDD09-140                                                                                                           | 196139       | 8065001       | 129                  | -75              | 76.5      | 71                    | 76        | 5               | 0.09                                 |
| WDD09-141                                                                                                           | 196204       | 8064939       | 309                  | -60              | 76.6      | No Significant Assays |           |                 |                                      |
| WDD09-142                                                                                                           | 196204       | 8064939       | 129                  | -60              | 76.6      | No Significant Assays |           |                 |                                      |
| Huarabagoo North                                                                                                    |              |               |                      |                  |           |                       |           |                 |                                      |
| WDD09-143                                                                                                           | 194551       | 8063076       | 309                  | -60              | 82.35     | No Significant Assays |           |                 |                                      |
| WDD09-144                                                                                                           | 194551       | 8063076       | 0                    | -90              | 82.35     | No Significant Assays |           |                 |                                      |
| *Datum is AGD66                                                                                                     |              |               |                      |                  |           |                       |           |                 |                                      |
| *Intersections calculated using a 0.02% U <sub>3</sub> O <sub>8</sub> cut-off and minimum intersection of 2 metres. |              |               |                      |                  |           |                       |           |                 |                                      |

#### 4.5.3.6 Westmoreland Results of 2010 Drilling

The drilling at Huarabagoo confirmed the Huarabagoo mineralisation is bound by steep structures broadly parallel to the Redtree Dyke with indications of horizontal mineralisation in coarser more permeable sandstone facies.

Drilling at Long Pocket confirmed the presence of a broad, flat-lying and relatively shallow zone of uranium mineralisation. In the historic Outcamp prospect area the width of the mineralized zone (>0.02% U<sub>3</sub>O<sub>8</sub>) is approximately 500 metres.

| Table 6: Summary of 2010 Drilling Results |           |            |                   |               |        |                       |        |              |                                   |
|-------------------------------------------|-----------|------------|-------------------|---------------|--------|-----------------------|--------|--------------|-----------------------------------|
| Drill Hole                                | AMG East* | AMG North* | Azimuth (degrees) | Dip (degrees) | RL (m) | From (m)              | To (m) | Interval (m) | U <sub>3</sub> O <sub>8</sub> (%) |
| <b>Huarabagoo**</b>                       |           |            |                   |               |        |                       |        |              |                                   |
| WDD10-145                                 | 194603.4  | 8063271.9  | 309               | -45           | 80.75  | No Significant Assays |        |              |                                   |
| WDD10-146                                 | 194603.4  | 8063271.9  | 309               | -70           | 80.75  | 28                    | 38     | 10           | 0.04                              |
|                                           |           |            |                   |               |        | 40                    | 45     | 5            | 0.05                              |
| WDD10-147                                 | 194603.4  | 8063271.9  | 0                 | -90           | 80.75  | 18                    | 20     | 2            | 0.05                              |
|                                           |           |            |                   |               |        | 27                    | 48     | 21           | 0.05                              |
|                                           |           |            |                   |               |        | 69                    | 71     | 2            | 0.05                              |
| WDD10-148                                 | 194599.6  | 8063268.5  | 129               | -60           | 80.47  | No Significant Assays |        |              |                                   |
| WDD10-149                                 | 194540.9  | 8063207.2  | 129               | -45           | 81.41  | No Significant Assays |        |              |                                   |
| WDD10-150                                 | 194540.9  | 8063207.2  | 129               | -70           | 81.38  | 19                    | 35     | 16           | 0.08                              |
| WDD10-151                                 | 194540.9  | 8063207.2  | 0                 | -90           | 81.38  | 22                    | 31     | 9            | 0.16                              |
|                                           |           |            |                   |               |        | 43                    | 45     | 2            | 0.06                              |
|                                           |           |            |                   |               |        | 55                    | 62     | 7            | 0.11                              |
| <b>Long Pocket***</b>                     |           |            |                   |               |        |                       |        |              |                                   |
| LPDD10-001                                | 204262.5  | 8065022.9  | 0                 | -90           | 93.82  | 42                    | 45     | 3            | 0.02                              |
| LPDD10-002                                | 204166.8  | 8064992.1  | 0                 | -90           | 93.91  | 5                     | 11     | 6            | 0.06                              |
|                                           |           |            |                   |               |        | 15                    | 17     | 2            | 0.03                              |
|                                           |           |            |                   |               |        | 41                    | 42     | 2            | 0.03                              |
| LPDD10-003                                | 204084.4  | 8064936.4  | 0                 | -90           | 94.18  | 0                     | 6      | 6            | 0.03                              |
|                                           |           |            |                   |               |        | 17                    | 23     | 6            | 0.03                              |
| LPDD10-004                                | 204005.5  | 8064877.0  | 0                 | -90           | 94.93  | 19                    | 23     | 4            | 0.13                              |

**Table 6: Summary of 2010 Drilling Results**

| Drill Hole                                                                                    | AMG East* | AMG North* | Azimuth (degrees) | Dip (degrees) | RL (m) | From (m)              | To (m) | Interval (m) | U <sub>3</sub> O <sub>8</sub> (%) |
|-----------------------------------------------------------------------------------------------|-----------|------------|-------------------|---------------|--------|-----------------------|--------|--------------|-----------------------------------|
| LPDD10-005                                                                                    | 203915.6  | 8064837.6  | 0                 | -90           | 95.26  | 33                    | 36     | 3            | 0.02                              |
| LPDD10-006                                                                                    | 203822.1  | 8064799.0  | 0                 | -90           | 95.79  | 23                    | 27     | 4            | 0.29                              |
| LPDD10-007                                                                                    | 203732.6  | 8064759.3  | 0                 | -90           | 97.17  | No Significant Assays |        |              |                                   |
| LPDD10-008                                                                                    | 204125.2  | 8064963.2  | 0                 | -90           | 94.26  | 8                     | 11     | 3            | 0.02                              |
|                                                                                               |           |            |                   |               |        | 29                    | 31     | 2            | 0.03                              |
|                                                                                               |           |            |                   |               |        | 39                    | 41     | 2            | 0.02                              |
| LPDD10-009                                                                                    | 204044.4  | 8064906.3  | 0                 | -90           | 94.57  | 5                     | 20     | 15           | 0.09                              |
| LPDD10-010                                                                                    | 203960.2  | 8064855.3  | 0                 | -90           | 95.42  | 22                    | 26     | 4            | 0.04                              |
|                                                                                               |           |            |                   |               |        | 35                    | 37     | 2            | 0.02                              |
| LPDD10-011                                                                                    | 203869    | 8064818.3  | 0                 | -90           | 95.27  | 26                    | 30     | 4            | 0.04                              |
|                                                                                               |           |            |                   |               |        | 32                    | 35     | 3            | 0.02                              |
| LPDD10-012                                                                                    | 204214.5  | 8065012.3  | 0                 | -90           | 93.89  | 4                     | 9      | 5            | 0.04                              |
| *Datum is AGD66                                                                               |           |            |                   |               |        |                       |        |              |                                   |
| **WDD10 = 200ppm U <sub>3</sub> O <sub>8</sub> cut off and minimum intersection of 2 metres   |           |            |                   |               |        |                       |        |              |                                   |
| ***LPDD10 = 100ppm U <sub>3</sub> O <sub>8</sub> cut off and minimum intersection of 2 metres |           |            |                   |               |        |                       |        |              |                                   |

#### 4.5.4 Westmoreland Results of 2012 Drilling

The 2012 drilling program comprised 31 diamond drill holes for 4,118m, of which 19 holes were drilled in the northern Huarabagoo deposit area, and 12 were drilled along the structural corridor that connects the Huarabagoo and Junnagunna deposits.

Results of this drilling campaign have identified new zones of mineralisation in both the Huarabagoo deposit area and the Structural Corridor, as described in press releases dated 17 October, 2012, and 9 January 2013.

##### Drilling Highlights:

A portion of the program was focused on the highly prospective structural corridor that connects the Huarabagoo and Junnagunna deposits in an area not extensively targeted in the past by Laramide or previous owner Rio Tinto. This drilling was one component of a broader program to assess the potential for additional uranium resources at Westmoreland.

Initial drilling in the corridor resulted in the discovery of a new zone of mineralisation (WDD12-152 - 11 metres at 1311 ppm U<sub>3</sub>O<sub>8</sub>) that was not previously known to the Company.

In addition, Holes 155 and 156 intersected a flatly dipping mineralisation zone that has the potential for further resource development. This mineralisation intercepted in drill hole WDD12-155 (3 metres at 1094 ppm U<sub>3</sub>O<sub>8</sub>) and WDD12-156 (5 metres at 805 ppm U<sub>3</sub>O<sub>8</sub>) is similar in style to the shallow mineralisation at Junnagunna and shows the potential to further increase the overall size of the resource.

The Huarabagoo deposit and Huarabagoo-Junnagunna structural corridor is the least understood of the three main deposits with the bulk of the Westmoreland resource base located in the Redtree deposit. The Huarabagoo deposit is approximately 3 kilometres northeast of the Redtree deposit along the Redtree dyke which extends for 7 kilometres to the Junnagunna deposit. A 2009 drilling program successfully targeted mineralisation in the southern extent of the Junnagunna deposit and this new program demonstrates potential in the southern and central area of the structural corridor.

The second target area in the program focused on the Huarabagoo deposit both in the existing resource and in the northern section outside the resource area. Drilling was designed to better define the structurally controlled mineralisation in this area and, potentially, increase the resource within the existing deposit and along strike.

Drilling in this program delivered significant widths and grades from Huarabagoo which continues to establish the quality of the resource as seen in Hole WDD12-158 (52 metres at 492 ppm U3O8). The drilling confirmed the Huarabagoo mineralisation is controlled by steep structures broadly parallel to the Redtree dyke with indications of horizontal mineralisation in coarser more permeable sandstone facies.

Drilling in the northern portion of the prospect successfully identified new intersections east of the dyke in Holes WDD12-160 (16 metres at 983 ppm U3O8 from 62 metres) and WDD12-169 (6 metres at 377 ppm U3O8). In addition, a new mineralized zone was hit in Holes WDD12-159 (10 metres at 970 ppm U3O8 within a broader zone of 18 metres at 621 ppm U3O8) and WDD12-170 (10 metres at 3,965 ppm U3O8 within a broader zone of 34 metres at 1,467 ppm U3O8). These intersections were also a new zone previously unknown located east of the dyke.

Assay results of the reported drill holes are summarised below.:

| Table 7: Summary of Reported 2012 Drilling |           |            |                   |               |        |                |           |                  |              |                                     |     |      |       |     |     |   |      |
|--------------------------------------------|-----------|------------|-------------------|---------------|--------|----------------|-----------|------------------|--------------|-------------------------------------|-----|------|-------|-----|-----|---|------|
| Drill Hole                                 | AMG East* | AMG North* | Azimuth (degrees) | Dip (degrees) | RL (m) | Hole Depth (m) | From (m)  | To (m)           | Interval (m) | U <sub>3</sub> O <sub>8</sub> (ppm) |     |      |       |     |     |   |      |
| WDD12-152                                  | 195154    | 8064005    | 309               | -75           | 77.5   | 138.0          | 72        | 75               | 3            | 484                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 87        | 98               | 11           | 1311                                |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 109       | 116              | 7            | 221                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 123       | 126              | 3            | 1087                                |     |      |       |     |     |   |      |
| WDD12-153                                  | 195154    | 8064005    | 309               | -55           | 77.5   | 156.0          | 36        | 38               | 2            | 135                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 45        | 46               | 1            | 107                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 70        | 72               | 2            | 128                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | WDD12-154 | Abandoned at 80m |              |                                     |     |      |       |     |     |   |      |
| WDD12-155                                  | 195281    | 8063885    | 309               | -60           | 77.0   | 147.1          | 42        | 45               | 3            | 1094                                |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 133       | 136              | 3            | 161                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | WDD12-156 | 195281           | 8063885      | 129                                 | -60 | 77.0 | 123.1 | 39  | 44  | 5 | 804  |
| WDD12-157                                  | 195208    | 8063954    | 129               | -60           | 77.5   | 120.1          | 42        | 45               | 3            | 196                                 |     |      |       |     |     |   |      |
| WDD12-158                                  | 194452    | 8063086    | 0                 | -90           | 80.0   | 114.6          | 22        | 74               | 52           | 492                                 |     |      |       |     |     |   |      |
| Includes                                   |           |            |                   |               |        |                | 46        | 58               | 12           | 1480                                |     |      |       |     |     |   |      |
| WDD12-159                                  | 194481    | 8063059    | 129               | -50           | 80.0   | 119.0          | 23        | 41               | 18           | 621                                 |     |      |       |     |     |   |      |
| Includes                                   |           |            |                   |               |        |                | 31        | 41               | 10           | 970                                 |     |      |       |     |     |   |      |
| and                                        |           |            |                   |               |        |                | 64        | 78               | 14           | 819                                 |     |      |       |     |     |   |      |
| WDD12-160                                  | 194412    | 8062986    | 129               | -60           | 81.0   | 123.0          | 10        | 14               | 4            | 130                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 49        | 54               | 5            | 214                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 62        | 78               | 16           | 983                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | WDD12-161 | 194405           | 8063115      | 129                                 | -50 | 80.0 | 201.0 | 6   | 13  | 7 | 404  |
|                                            |           |            |                   |               |        |                | 44        | 46               | 2            | 290                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 52        | 67               | 15           | 2778                                |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | Includes  |                  |              |                                     |     |      |       | 55  | 61  | 6 | 6500 |
|                                            |           |            |                   |               |        |                | 76        | 95               | 19           | 247                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | Includes  |                  |              |                                     |     |      |       | 77  | 84  | 7 | 398  |
|                                            |           |            |                   |               |        |                |           |                  |              |                                     |     |      |       | 100 | 102 | 2 | 238  |
| WDD12-162                                  | 194370    | 8063017    | 129               | -50           | 80.0   | 132.0          | 36        | 75               | 39           | 983                                 |     |      |       |     |     |   |      |
| Includes                                   |           |            |                   |               |        |                | 49        | 67               | 18           | 1614                                |     |      |       |     |     |   |      |
| WDD12-163                                  | 194370    | 8063017    | 129               | -65           | 80.0   | 123.3          | 42        | 50               | 8            | 3503                                |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 62        | 79               | 17           | 1289                                |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 63        | 67               | 4            | 3160                                |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | Includes  |                  |              |                                     |     |      |       |     |     |   |      |
| WDD12-164                                  | 194276    | 8062822    | 129               | -70           | 81.0   | 120.0          | 27        | 38               | 11           | 164                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 54        | 56               | 2            | 201                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 76        | 78               | 2            | 175                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 89        | 92               | 3            | 1076                                |     |      |       |     |     |   |      |
| WDD12-165                                  | 194276    | 8062822    | 129               | -85           | 81.0   | 111.3          | 4         | 6                | 2            | 352                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 14        | 16               | 2            | 526                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 21        | 39               | 18           | 252                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | WDD12-166 | 194276           | 8062822      | 309                                 | -70 | 81.0 | 111.3 | 4   | 6   | 2 | 393  |
|                                            |           |            |                   |               |        |                | 56        | 69               | 13           | 838                                 |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 65        | 69               | 4            | 2341                                |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | Includes  |                  |              |                                     |     |      |       | 74  | 76  | 2 | 328  |
| WDD12-167                                  | 194108    | 8062643    | 129               | -55           | 84.0   | 122.1          | 0         | 7                | 7            | 852                                 |     |      |       |     |     |   |      |
| Includes                                   |           |            |                   |               |        |                | 0         | 3                | 3            | 1663                                |     |      |       |     |     |   |      |
|                                            |           |            |                   |               |        |                | 11        | 14               | 3            | 833                                 |     |      |       |     |     |   |      |

| Table 7: Summary of Reported 2012 Drilling                                                                                                                                |        |         |     |     |      |       |           |           |           |             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|---------|-----|-----|------|-------|-----------|-----------|-----------|-------------|
|                                                                                                                                                                           |        |         |     |     |      |       | 18        | 23        | 5         | 272         |
|                                                                                                                                                                           |        |         |     |     |      |       | 28        | 35        | 7         | 590         |
|                                                                                                                                                                           |        |         |     |     |      |       | 55        | 59        | 4         | 369         |
|                                                                                                                                                                           |        |         |     |     |      |       | 64        | 67        | 3         | 777         |
|                                                                                                                                                                           |        |         |     |     |      |       | 86        | 95        | 9         | 842         |
| <b>WDD12-168</b>                                                                                                                                                          | 194108 | 8062643 | 129 | -75 | 84.0 | 128.9 | <b>0</b>  | <b>7</b>  | <b>7</b>  | <b>1454</b> |
|                                                                                                                                                                           |        |         |     |     |      |       | 17        | 23        | 6         | 894         |
|                                                                                                                                                                           |        |         |     |     |      |       | <b>27</b> | <b>63</b> | <b>36</b> | <b>858</b>  |
| <b>Includes</b>                                                                                                                                                           |        |         |     |     |      |       | <b>33</b> | <b>38</b> | <b>5</b>  | <b>1752</b> |
|                                                                                                                                                                           |        |         |     |     |      |       | 119       | 121       | 2         | 208         |
| <b>WDD12-169</b>                                                                                                                                                          | 194412 | 8062986 | 129 | -45 | 81.0 | 121.8 | 32        | 38        | 6         | 377         |
| <b>WDD12-170</b>                                                                                                                                                          | 194481 | 8063059 | 129 | -70 | 80.0 | 150.0 | 33        | 36        | 3         | 442         |
|                                                                                                                                                                           |        |         |     |     |      |       | <b>57</b> | <b>91</b> | <b>34</b> | <b>1467</b> |
| <b>Includes</b>                                                                                                                                                           |        |         |     |     |      |       | <b>60</b> | <b>70</b> | <b>10</b> | <b>3965</b> |
| <b>WDD12-171</b>                                                                                                                                                          | 195154 | 8064005 | 309 | -65 | 77.5 | 155.1 | 48        | 51        | 3         | 163         |
|                                                                                                                                                                           |        |         |     |     |      |       | 125       | 128       | 3         | 383         |
| <b>WDD12-172</b>                                                                                                                                                          | 195154 | 8064005 | 129 | -70 | 77.5 | 150.0 | 100       | 110       | 10        | 136         |
| <b>WDD12-173</b>                                                                                                                                                          | 195154 | 8064005 | 129 | -85 | 77.5 | 162.1 | 30        | 35        | 5         | 205         |
| * Datum is AGD66<br>** Intersections calculated using a 100 ppm U3O8 cut-off and minimum intersection of 1 metre<br>*** WDD12-154 was abandoned and therefore not assayed |        |         |     |     |      |       |           |           |           |             |

In addition, several gold intersections were encountered in the drilling program as well, including Hole WDD12-167 with 2 metres at 6.1 g/t Au from 33 metres, and 4 metres at 30.9 g/t Au from 55 metres.

Assay results of the reported drill hole gold intercepts are summarised below.

| Table 8: Summary of 2012 Drilling Gold Assays                                                                     |           |            |                   |               |        |                |           |           |              |             |
|-------------------------------------------------------------------------------------------------------------------|-----------|------------|-------------------|---------------|--------|----------------|-----------|-----------|--------------|-------------|
| Drill Hole                                                                                                        | AMG East* | AMG North* | Azimuth (degrees) | Dip (degrees) | RL (m) | Hole Depth (m) | From (m)  | To (m)    | Interval (m) | Au (g/t)    |
| <b>WDD12-163</b>                                                                                                  | 194370    | 8063017    | 129               | -65           | 80.0   | 123.3          | 62        | 63        | 1            | 0.6         |
| <b>WDD12-165</b>                                                                                                  | 194276    | 8062822    | 129               | -85           | 81.0   | 111.3          | <b>14</b> | <b>16</b> | <b>2</b>     | <b>31.5</b> |
| <b>WDD12-166</b>                                                                                                  | 194276    | 8062822    | 309               | -70           | 81.0   | 111.3          | 54        | 56        | 2            | 1.6         |
| <b>WDD12-167</b>                                                                                                  | 194108    | 8062643    | 129               | -55           | 84.0   | 122.1          | 33        | 35        | 2            | 6.1         |
|                                                                                                                   |           |            |                   |               |        |                | <b>55</b> | <b>59</b> | <b>4</b>     | <b>30.9</b> |
|                                                                                                                   |           |            |                   |               |        |                | 64        | 66        | 2            | 1.6         |
| <b>WDD12-168</b>                                                                                                  | 194108    | 8062643    | 129               | -75           | 84.0   | 128.9          | 13        | 14        | 1            | 2.7         |
|                                                                                                                   |           |            |                   |               |        |                | 28        | 31        | 3            | 0.8         |
|                                                                                                                   |           |            |                   |               |        |                | 55        | 57        | 2            | 1.1         |
|                                                                                                                   |           |            |                   |               |        |                | 61        | 62        | 1            | 1.7         |
|                                                                                                                   |           |            |                   |               |        |                | 72        | 73        | 1            | 0.6         |
| * Datum is AGD66<br>** Gold intersections calculated using 0.5 g/t Au cut-off and minimum intersection of 1 metre |           |            |                   |               |        |                |           |           |              |             |

#### 4.5.5 Westmoreland Data Verification

During the early stages of 2008 drill programme an audit of logging and sampling procedures was undertaken in May 2008 by independent geologist Mr D. Jones (Jones 2008). Mr D. Jones verified drill procedures, chain of custody, security of samples, and independently verified the presence of gamma radiation with a dosimeter.

#### 4.5.6 Limitations on Data Verification

The location of the core drilled by previous explorers has not been ascertained so the core could not be inspected. The area of the Laramide licences in Queensland and the Northern Territory was over-flown at low altitude and evidence of exploration work and mining was observed at all significant localities marked in open file reports.

As well as several hundred open file reports made available by the GSQ, a large volume of published data was reviewed by David Jones. These publications are listed in the References. This independent material did not conflict with the information supplied by Laramide.

#### 4.5.7 Northern Territory Joint Ventures Exploration

The various NT JV tenements are located adjacent to and/or along regional strike from the Westmoreland tenements. All are located in the Tawallah Group/Murphy Inlier geological setting and cover the majority of the area of the Westmoreland–Pandanus Creek uranium field on the Northern Territory side of the border.

##### 4.5.7.1 Lagoon Creek JV Exploration

The Lagoon Creek tenement EL23573 (Figure 18) hosts uranium occurrences in an identical setting to the Westmoreland deposits. It covers the southwest strike extension of the NE Westmoreland dyke zone. The key prospective features are:

- NE Westmoreland dyke zone (analogous to the Redtree dyke zone).
- Westmoreland Conglomerate host.
- Proximity of mafic Seigal Volcanics.

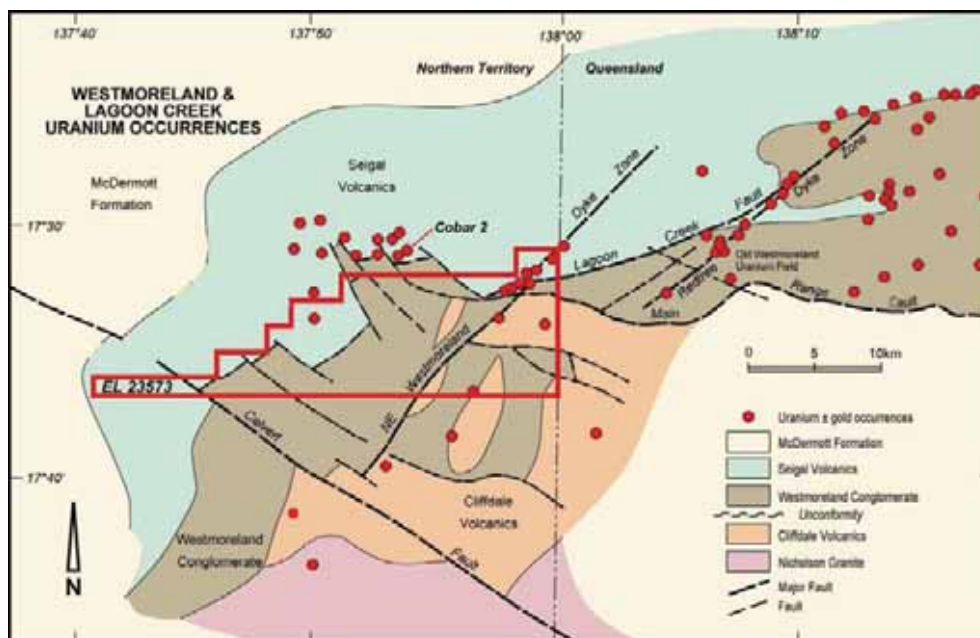


Figure 18 Lagoon Creek JV Location EL23573  
(Source: after NuPower website)

Laramide drilled 23 reverse circulation (RC) holes for 2,818 m in late 2006 to test for mineralisation in flat lying zones and sub-vertical structures associated with the steeply westwards dipping NE Westmoreland Fault.

Six holes were abandoned prior to reaching target depths and 105 samples were assayed. Uranium mineralisation results were reported in 7 drill holes at the NEWM area. Drilling at El Hussen returned uranium mineralisation results in 2 drill holes.

Laramide's 2006 drill holes did not intersect any sub-vertical structures as planned because the holes were terminated prematurely due to heavy water inflows.

Laramide drilled 19 holes totalling 3,159 metres in July 2007, including completion of the terminated holes from 2006. These angled holes assisted with further interpretation of the geology of the prospect but appeared not to intersect significant mineralisation.

A detailed airborne radiometric survey identified various uranium anomalies but the results of follow-up of some of the anomalies were disappointing. Regional stream sediment sampling generated some minor multi-element anomalies. Investigation of these anomalies and other previously identified is yet to be conducted.

NuPower reported that the Lagoon Creek JV drilling to date drilling along the strike of the NE Westmoreland and El Hussen structures in zones previously tested by earlier explorers has not interested economic grades of uranium mineralisation.

#### 4.5.7.2 Gulf Mines JV Exploration

The remaining Gulf Mines JV tenement, EL10335, is adjacent to the northern border of the Lagoon Creek JV tenement EL23573 and along the west border of Laramide's Westmoreland tenements, EMP14672 and EMP15061.

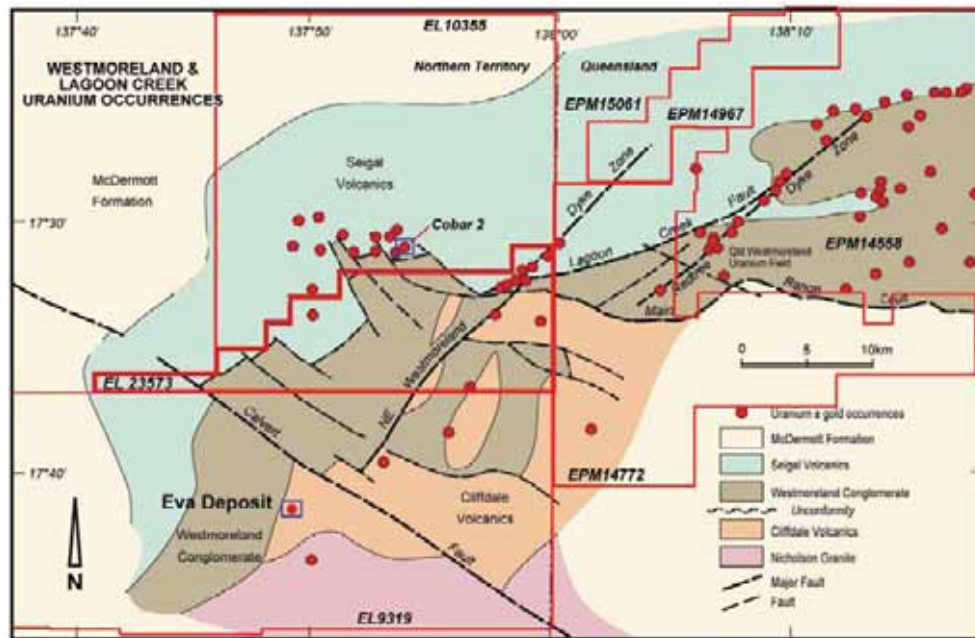


Figure 19 Location of Lagoon Creek, Murphy and Gulf Mines JV tenements showing Eva Deposit and Cobar II locations (not part of NT JV)  
(Source: after image on NuPower website)

EL10335 encompasses the Cobar II prospect held by NuPower under MLN578 (Figure 19). The Cobar II uranium mineralisation is confined to narrow and discontinuous shear zones in basalts of the Seigal Volcanics, unconformably overlying the Westmoreland Conglomerate. NuPower reported drilling 7 holes in 2010 at Cobar II which did not intersect significant mineralisation but did indicate that the better mineralisation is confined to a small shoot of hydrothermal breccia developed above the unconformity. As the mineralisation at Cobar II is within the same geological framework (being surrounded by EL10335), it is considered relevant to the understanding of the mineralisation potential within the area of EL10335.

A program involving a scintillometer grid survey and soil sampling was completed over 11 target areas. Results from the Phase 1 scintillometer survey provided a ground radiometric signature of the target areas. Phase 2 soil survey grids were proposed based on these results and 529 soil samples were collected for analysis, over target areas.

Laramide followed up the assay results by drilling 9 holes to test three structural targets in the Westmoreland sandstone, which have an associated radiometric signature along strike. The three

structural targets are in the Westmoreland Sandstone beneath 20m to 60m of basalt cover. Drilling was conducted in August 2010 when Laramide completed 9 drill holes for a total of 924m at three targets selected on the southern part of EL 10335. Each hole was gamma logged, and moderate responses were recorded at or near the unconformity in some holes. Assay results were released in November 2010 with no significant results reported.

#### 4.5.7.3 Murphy JV Exploration

No field exploration has yet been conducted on this project. The tenements were granted in November and December 2011 and the work program approval was received from the Traditional owners in November 2012. Exploration activities will commence in 2013 following the wet season.

### 4.6 MINERAL PROCESSING AND METALLURGICAL TESTING - WESTMORELAND

Previous scoping style test work was conducted by CRA and reviewed by GRD Minproc in 2007 (Nofal et al, 2007). This work included mineralogy, mineralisation characterisation, heap leaching, conventional leaching, solid liquid separation, and uranium separation and precipitation (ion exchange, solvent extraction and direct precipitation).

#### 4.6.1 GRD Minproc Scoping Study 2007

GRD Minproc Limited ("Minproc") completed an engineering study May 2007 conducted with  $\pm 30\%$  accuracy base on the October 2006 mineral resource estimate (Table 3).

Minproc's initial scope of work was to cover mining and process plant requirements which was later expanded to include site infrastructure including roads, accommodation, airstrip and power supply

The mine was planned as an entirely open cut operation using conventional acid leaching and solvent extraction technology in the process plant.

The scoping study was completed on the basis of a US\$ 50 per pound uranium price assumption. An Australian dollar rate of US\$ 0.78 to A\$ 1.00 was the currency exchange rate used. All costs were reported in Australian dollar as at 1<sup>st</sup> Quarter 2007.

Production costs for a pound of  $U_3O_8$  from the study ranged from US\$ 19.02 to US\$ 25.17. The higher costs per pound occur because the strip ratio increased during the mining of the smaller Junnagunna and Huarabagoo deposits.

Direct and indirect capital costs (determined to a nominal accuracy of  $\pm 30\%$ ) were estimated by GRD Minproc to be US\$ 214 million. An accuracy provision of US\$ 29 million and an initial working capital of US\$ 4.6 million were added to the Total Bare Cost. The scoping study costs are summarised in Table 9.

| Table 9: 2007 Scoping Study Summary   |            |             |
|---------------------------------------|------------|-------------|
| CAPITAL COSTS                         |            |             |
| Direct Capital ('000)                 | A\$232 631 | US\$181 452 |
| Indirect Capital ('000)               | A\$41 874  | US\$32 661  |
| Subtotal Capital                      | A\$274 505 | US\$214 113 |
| Accuracy Provision ('000)             | A\$37 058  | US\$28 905  |
| Initial Working Capital ('000)        | A\$5 951   | US\$4 642   |
| TOTAL                                 | A\$317 514 | US\$247 661 |
| OPERATING COSTS                       |            |             |
| Lower Strip Ratio (per lb $U_3O_8$ )  | A\$24.38   | US\$19.02   |
| Higher Strip Ratio (per lb $U_3O_8$ ) | A\$32.27   | US\$25.17   |
| OTHER COSTS                           |            |             |
| Sustaining Capital ('000)             | A\$10 100  | US\$7 878   |

| Table 9: 2007 Scoping Study Summary       |           |            |
|-------------------------------------------|-----------|------------|
| Closure Costs ('000)                      | A\$45 788 | US\$35 715 |
| Exchange rate used is US\$0.78 to A\$1.00 |           |            |

The capital cost includes mining, processing plant, tailings storage facility and plant, area and regional infrastructure. Mining will be carried out by contract miners. A cut-off grade of 0.04 %  $U_3O_8$  was used for the study. It is planned for the project to be a fly-in, fly-out operation sourcing labour from regional Australian centres.

The total planned through-put was 17.0 million tonnes at 0.10 %  $U_3O_8$  (based on the 2006 mineral resource estimate) located in three separate deposits. The study planned for these to be mined sequentially as open pit deposits, commencing with the largest, Redtree.

Based on historical information and studies provided by Laramide, open pit mining was selected as the mining method for use in this study. The assumed production rate and likely strip ratios suggested that a likely fleet would consist of 50 t trucks and excavators. As the area is in a high rainfall region, additional support equipment and dewatering pumps would likely be required.

Two process options were investigated; heap leaching and conventional leaching, the selected option for the study being the conventional leach option.

#### **4.6.2 ANSTO Study 2011**

Mineralogical investigations by the Australian Nuclear Science and Technology Organisation ("ANSTO") identified the dominant uranium minerals to be uraninite and coffinite with lesser amounts of autunite and torbernite. ANSTO conducted a number of scoping conventional agitated leach tests for the oxidised and fresh ores under a variety of conditions. The results of these tests indicated high recoveries (87%-96%) with modest acid consumption (10-20kg  $H_2SO_4$ /t mineralised material). Further testing is required however to further define the metallurgical characteristics.

The ANSTO study was completed on four composite lens samples (Junnagunna, Redtree Upper, Redtree Lower and Jacks) of the Westmoreland deposit. ANSTO reported the following results.

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

## 4.7 WESTMORELAND MINERAL RESOURCE ESTIMATES

The 2009 mineral resource estimate was a complete re-estimation of the resources for the Redtree and Huarabagoo deposits completed by Mining Associates using recent 2008 drill data and historical drill data as supplied by Laramide. There are no mineral reserve estimates.

Each of the four main deposits within the Redtree Group was modelled separately according to lens orientation and drilling direction. The results of Redtree estimation prompted the re-estimation and re-classification of Huarabagoo as well. The Junnagunna deposit was not updated in the 2009 estimate. The 2008 Junnagunna drilling highlighted extension potential to the south, beyond an unexpected fault offset, Laramide has indicated more drilling was required to fully understand the extension, and as such it was too early to re-estimate a resource at Junnagunna. The 2008 Drill programme focused on the Redtree deposit (see Figure 13), targeting infill tonnes and grade of the Jack and Garee Lenses (Figure 20). The updated Redtree resource area measures 1.5 km by 0.8 km wide, Huarabagoo measures 3 km by 0.1 km wide.

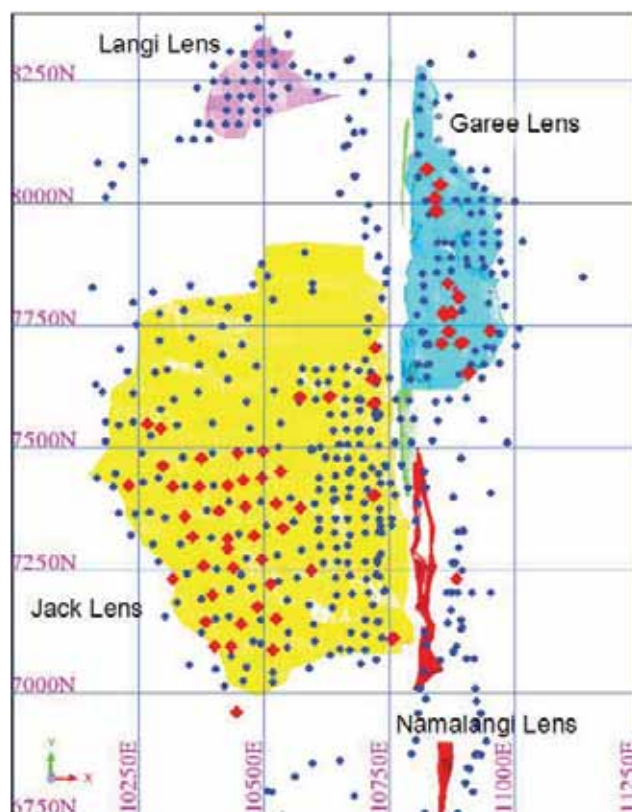


Figure 20: Redtree Deposit Drilling (red – Laramide, blue - Historical)  
(Source: Jones & Vigar, 2009)

### 4.7.1 Resource/Reserve Statement - Westmoreland

The 2009 mineral resource estimates was an update to the 2006 mineral resource estimate (Vigar 2006). New mineral resource estimates have only been updated for the Redtree and Huarabagoo deposits. The re-estimation did not include the Junnagunna deposit, this deposit was estimated in the 2006 resource report (Vigar 2006). The 2008 Junnagunna drilling highlighted extension potential to the south, beyond an unexpected fault offset, Laramide has indicated more drilling is required to fully understand the extension, and as such it would be pre-emptive to re-estimate a resource at Junnagunna.

The 2009 mineral resources estimates for the Redtree and Huarabagoo deposits have been classified by Mining Associates above an economic cut-off grade of 0.02%  $U_3O_8$ , which is considered reasonable at the time of this Report for such a shallow and flat lying deposit. Note that the current resource estimates do not include any measured category material.

| Table 10: Westmoreland Group Resource Estimates above 0.02% $U_3O_8$ |            |            |       |       |                   |               |
|----------------------------------------------------------------------|------------|------------|-------|-------|-------------------|---------------|
| Category                                                             | Deposit    | Tonnes     | Uncut | Cut   | K tonnes $U_3O_8$ | Mlbs $U_3O_8$ |
| Inferred                                                             | Redtree    | 4,466,750  | 0.069 | 0.067 | 3.0               | 6.6           |
|                                                                      | Huarabagoo | 2,406,000  | 0.116 | 0.109 | 2.6               | 5.8           |
|                                                                      | Junnagunna | 2,149,500  | 0.077 | 0.075 | 1.6               | 3.6           |
|                                                                      |            | 9,022,250  | 0.083 | 0.080 | 7.2               | 15.9          |
| Indicated                                                            | Redtree    | 12,858,750 | 0.092 | 0.090 | 11.6              | 25.5          |
|                                                                      | Huarabagoo | 1,462,000  | 0.092 | 0.083 | 1.2               | 2.7           |
|                                                                      | Junnagunna | 4,364,750  | 0.082 | 0.081 | 3.5               | 7.8           |
|                                                                      |            | 18,685,500 | 0.089 | 0.088 | 16.4              | 36.0          |

Parameters for estimate:

1. Geological model method used was sectional interpretation for 3D wireframes, each domain separately estimated.
2. Total of 695 drill holes (including 393 open hole percussion and 302 diamond cored) for 38,363.5 metres evaluated at Redtree Deposit, suspect and duplicate holes not used.
3. Total of 361 drill holes (including 48 open hole percussion, 28 RC and 285 diamond cored) for 32,320.3 metres evaluated at Huarabagoo Deposit.
4. Drill composite width of one metre.
5. Missing samples or intervals not used.
6. Cut-off grade of 0.02% used on blocks.
7. Top cut applied and varied for each domain.
8. Estimates made using ordinary krige method.
9. Panel size of 20m by 20m by 4m for estimation and sub-blocked to 5m by 5m by 2m for volumes.
10. Bulk Density of 2.5 throughout.
11. No mining or metallurgical factors applied.

## PART B - UNITED STATES OF AMERICA PROPERTIES – COLORADO, UTAH & NEW MEXICO PROJECTS

In November 2005, Laramide acquired from Homestake Mining Company (“Homestake”) and La Jara Mesa Mining Company (both wholly owned subsidiaries of Barrick Gold Corp.), three uranium properties and an option to purchase a fourth uranium property (namely La Sal), all of which are in the “Four Corners” region of the western United States.

The properties acquired by Laramide (the La Jara Mesa, Los Ochos and Melrich properties) and by exercise of option (the La Sal property) are located in:

- The Colorado Plateau in Utah (La Sal);
- The Upper Gunnison Basin in Colorado (Los Ochos); and
- The Grants Mining District (south eastern Colorado Plateau), New Mexico (La Jara Mesa and Melrich).

The two most significant of the four properties are the La Jara Mesa and the La Sal projects.



Figure 21: Laramide USA Uranium Projects – Location Map  
(Source: after Google Maps 2011)

### **La Jara Mesa (and Melrich)**

The La Jara Mesa (and nearby Melrich) project is a Jurassic sandstone hosted roll-front style deposit located in the formerly producing Grants Uranium District, approximately 15 km northeast of the town of Grants in Cibola County, New Mexico, USA. It hosts 10.5 million pounds of  $U_3O_8$  and is currently undergoing permitting. The permitting process has been protracted due to cultural heritage uncertainties.

On the basis of encouraging results from drilling in 2007, Laramide submitted an Amended Plan of Operations for Underground Development and Mine Production in 2008 to the US Department of Agriculture Forest Service. The submission seeks permits to proceed with an underground development program that will construct dual parallel inclines and an escape raise to access the body of mineralisation. The project permitting is advancing through an Environmental Impact Statement (EIS) as a result of Mount Taylor (which lies 14.5 km to the east of the La Jara Mesa Project site) designated as a Traditional Cultural Property. A draft of the EIS is currently under rewrite by the US Forest Service (the lead agency) after receiving public comments. The Melrich deposit is located 5 km to the northeast of La Jara Mesa,

### **La Sal 2**

The La Sal 2 project is a Permian sandstone hosted roll-front style deposit located in the Lisbon Valley area, Utah, near the centre of the Colorado Plateau.

It is potentially eligible for fast-track permitting due to the nature of its proposed operations. The La Sal project hosts historical mineral resources determined by its previous operator, Homestake Mining Company ("Homestake"). These resources were estimated before the establishment of the JORC Code and, therefore, are not included in this report.

The project has significant mine infrastructure put in place by Homestake. La Sal has a 1,200 m long access drive into the deposit and as soon as permits are obtained, the project is essentially ready for production. La Sal is located in close proximity from Energy Fuels Inc.'s White Mesa mill in Blanding. The plan of operation at La Sal was deemed administratively complete by the U.S. Bureau of Land Management on April 15, 2011.

### **Los Ochos**

The Los Ochos project is a shear-hosted-Jurassic sandstone deposit located about 32 km south-east of Gunnison, Colorado in the Cochetopa mining district in the northwest corner of Saguache County, Colorado. Past uranium production in this area came from the Thornburg mine which lies 1.6 km to the west of the Los Ochos property. As the mineralisation at Thornburg is within the same geological framework (being along regional strike from Los Ochos), it is considered relevant to the understanding of the mineralisation potential within the area of Los Ochos. No development has occurred on the Laramide's Los Ochos property.

## **5 LA JARA MESA (AND MELRICH), NEW MEXICO**

### **5.1 PROPERTY DESCRIPTIONS AND LOCATION**

#### **5.1.1 Property Details**

The current La Jara Mesa uranium property is located in Sections 1, 2, 10, 11, 12, 13, 14 and 15, Township 12 North, Range 9 West, Ambrosia Lake District of the Grants Mineral Belt, Cibola County, New Mexico. The property consists of 212 Claims. There are 128 Bolivar Claims, 24 Pat Claims, 13 Mill Site Claims known as Charles Claims, 27 Simon Claims and 20 Gap Claims. The total size of the block is approximately 3,440 acres. The Charles Mill Site Claims are located on top of the Pat 210 and 212; Simon 1, 2, 10 and 11; Bolivar 125 and Gap 14 claims.

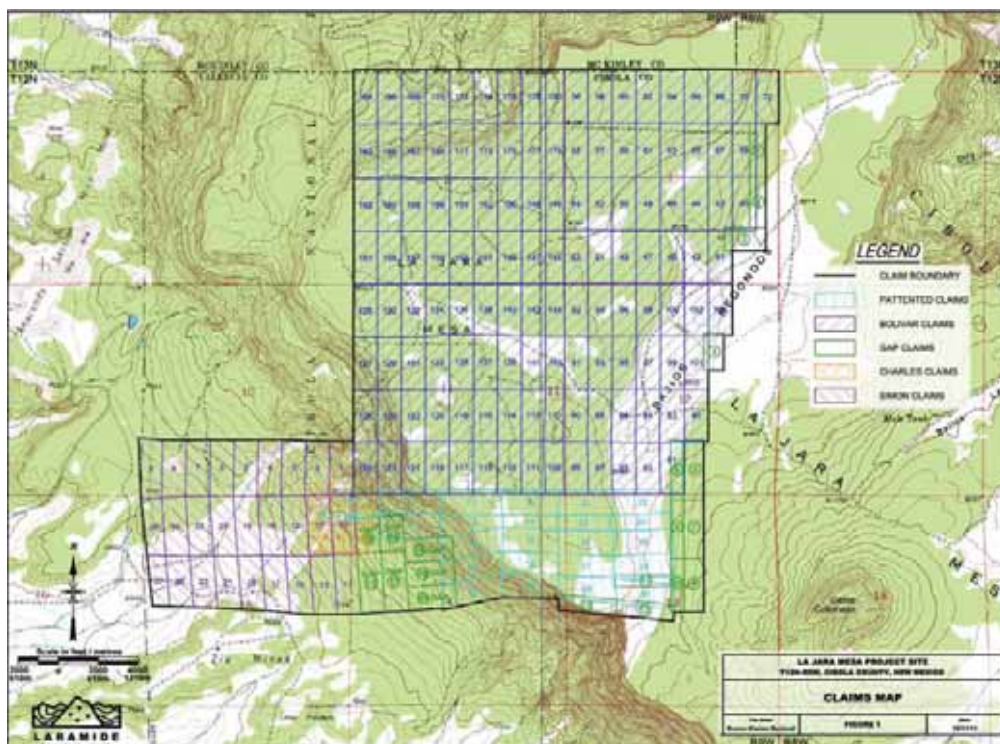


Figure 22: La Jara Mesa Claim Map – La Jara Mesa area  
(Source: Laramide, 2011)

The Melrich uranium deposit is located 13 km to the northeast of the La Jara Mesa deposit in Section 32, T13 N., R. 8 W., McKinley County

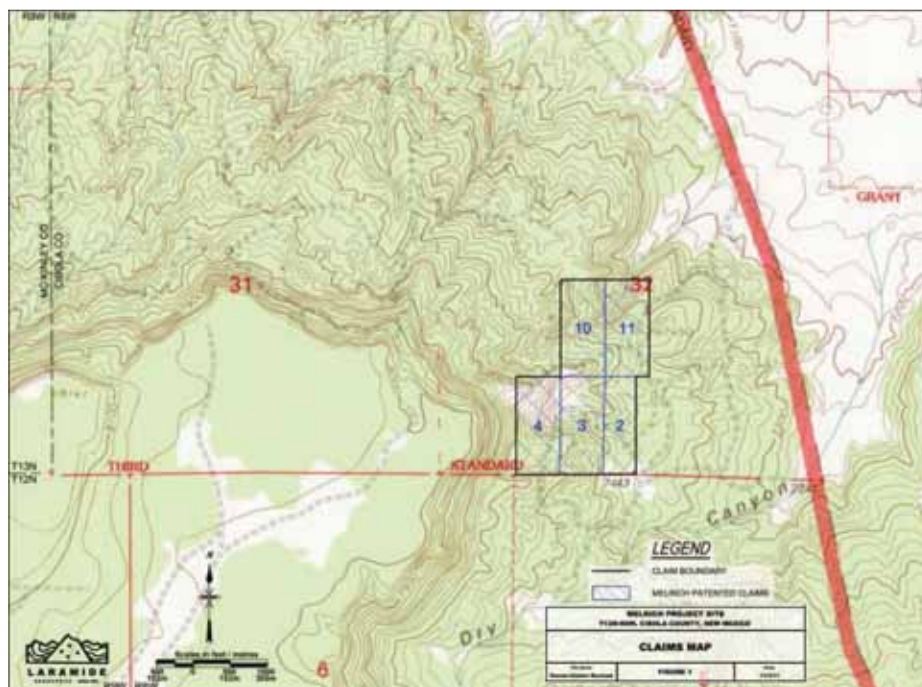


Figure 23: La Jara Mesa Claim Map – Melrich area  
(Source: Laramide, 2011)

### 5.1.2 Property Ownership

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The La Jara Mesa property consists of 152 unpatented lode claims and four mill site claims purchased from Barrick. An additional 47 unpatented lode claims and 9 mill site claims were located. The surface is controlled by the Forest Service. A Notice of Intent and/or Plan of Operation must be filed with the appropriate Forest Service District Office and approval received prior to any new surface disturbance activities. The Forest Service must reply within 30 days with either an approval or request for additional information. A Plan of Operation requires cash bond, the amount to be set by the Forest Service. Regulatory authority for the Forest Service Plan of Operations is CFR 43, subparts 3802 and 3809 "Surface management under the general mining laws". In addition, exploration operations require an approved exploration permit from the New Mexico Bureau of Mining and Minerals Division of Energy, Minerals and Natural Resources Department.

The Melrich property consists of 5 patented lode claims. The property is held as Tenants in Common which is divided between Marchiondo (13%), Richards (40%) and Laramide (47%). There are no adjoining unpatented claims. Holding cost is \$170 in annual taxes. The resource ownership held by the three parties is governed by the configuration of the pre-existing unpatented lode claim which results in Laramide having approximately 50% of the Melrich property.

### 5.1.3 Mining Claims

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Holding costs for the unpatented mining claims include a claim maintenance fee of \$ 140.00 per claim per year payable to the BLM before September 1 of each calendar year, and recording the Notice of Intent to hold with the Cibola County Clerk, New Mexico. County recording fees are \$9.00 for the first page and \$2.00 for each additional page. The above BLM fees may be modified by future legislation. The county filing is done on or before December 30, each year as long as the property is held.

To keep the claims valid beyond August 31, of any year, Laramide is required to submit documents noting the intent to hold the claims along with a list of the claims to BLM and Cibola County, New Mexico, and pay the required fees.

### 5.1.4 Royalties

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The property has a Net Profits Royalty on the sale of uranium after all costs are recovered ranging from 45.83% of the aggregate payments on the first \$9 million of net profits and 25.35% thereafter. Net Profits is defined as cumulative gross revenues less all costs including exploration, mining, milling, processing, construction, reclamation, royalties and others. There is an additional 8.5% mine value based on Circular 5 on all production from the property. After the production on the first 8 million pounds there is a \$0.25 royalty on each additional pound of uranium produced.

### 5.1.5 Environmental Regulation

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The uranium mineralisation at La Jara Mesa occurs at depths of 182 to 212 m below the surface. Except for a few occurrences on the west side of the Mesa where mineralisation was first discovered, there is no surface expression of the deposits and thus all information defining the mineralisation is from drill holes from the surface. There has been surface disturbance consisting of drill roads about 10 feet wide and drill pads. Drill pits had been backfilled and levelled, the sites reclaimed and drill holes contained a surface cement plug with 0.6 m steel pipe.

In New Mexico there are also drill hole plugging requirements for all holes that encounter water. Forms describing the method of plugging and other required information must be submitted to the State Engineer's Office and the State Bureau of Mines and Mineral Resources within 90 days of encountering water in the hole. As there has been no previous mining on the property, it is likely that there are no existing significant environmental liabilities associated with this property.

Laramide submitted a Plan of Operations for the La Jara Mesa Project to the USFS in April of 2008 for underground development and mine production. As a result of the Plan of Operations, the USFS determined the need for an Environmental Impact Statement, which commenced in May 2009. Homestake Mining Company ("Homestake") had a similar Plan of Operations for the La Jara Mesa project reviewed and approved by the USFS in 1984 and 1988. In both cases, Homestake chose not to enter into production because of steep declines in the price of uranium.

On May 18, 2012, the U.S. Forest Service ("USFS") issued a Draft Environmental Impact Statement ("DEIS") for the La Jara Mesa uranium 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 17 July 2012.

The National Environmental Policy Act (NEPA) review process of La Jara Mesa will ultimately lead to the completion of the Final Environmental Impact Statement and Record of Decision (ROD) expected later in 2012.

Laramide has also entered into formal discussion with the New Mexico Mining and Minerals Division, which requires documentation similar to that required by the Forest Service.

### 5.1.6 Access

La Jara is approximately 15 km northeast of Grants, New Mexico. The locations of the Bolivar, Pat and other claims are shown in Figure 24. The property lies within the Cibola National Forest, with access to the top of the mesa by paved road, State Highway 547 by way of Lobo Canyon about 20 km from Grants and another 8 km of dirt, Forest Service Road 544.



Figure 24: Local Location Map of La Jara Mesa and Melrich Properties  
(Source: after Google Maps, 2011)

### 5.1.7 Physiography

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La Jara Mesa ranges from 2438 m to 2530 m in elevation and is capped by Tertiary basalt flows from nearby Mount Taylor. A bluff 152 m to 244 m high bounds the southern and western limits of the mesa, with gentler slopes down the regional dip of 2-3 degrees to the north, and with the terrain beyond that rising rapidly to the east toward Mt. Taylor (Figure 24).

## 5.2 HISTORY

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### 5.2.1 Discovery and Ownership

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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 performed exploration work, comprising over 700 drill holes penetrating the various lithologies of the site as well as metallurgical test work.

Exploration on and near La Jara Mesa has been intermittently pursued since the discovery of uranium in the Todilto Limestone (Triassic) at Haystack Mesa in Grants area in early 1950s. Exploration was dormant from the late 1950s until 1967, at which time electric utility companies became an important market for uranium.

With the renewed activity, Homestake claimed the portion of Section 34, T13N, R 9W not already staked by Vallejo Mining Company and leased from Atomic Empire Corporation (a Melvin E. Richards company) 34 Tourich Claims, covering all but the southeast corner of Section 2, T12N, R9W, 15 Partner Claims, located in the southeast part of Section 2 and the north 1/3 of Section 11, T12N, R9W, and 27 Richtou Claims, covering the south 2/3 of Section 11 and the north part of Section 14, T12N, R9W. Almost simultaneously, Homestake staked lode mining claims for the account of HMC-UNC (United Nuclear Corp.) Joint Venture, a 50%-50% venture with United Nuclear Corporation, on the northwest quarter of Section 26, Section 27, the east one half of Section 28, and the west 1/2 of Section 35, McKinley County, and Sections 1, 3, 12 and 13, T12N, R9W, Valencia County (at that time Cibola County had not been established).

From 1967 through 1971, Homestake Mining Company, for its own account, completed a total of 86 exploration drill holes on these claims.

With the rapid rise in the price of uranium in 1974, Melvin E. Richards re-staked the area (all open ground in the above sections, plus Section 36, T13N, R9W, this time, designating the claims as the Bolivar Claims. In 1976, he leased the property to Gulf Mineral Resources. Gulf drilled 71 exploration holes on the Property during the next four years but did not encounter any mineralised intercepts. Gulf turned the Bolivar Claims back to the heirs of Melvin E. Richards in 1980.

The Richards' heirs under the name of Power Resources, Inc, and in contract with Midas International, Inc., commenced exploratory drilling in November 1980. The first uranium mineralised hole was completed in Section 12. Power Resources did no further drilling until 1981 when it began a systematic exploration drilling program over the property. As far as is known, they drilled 516 holes, including 11 core holes.

Homestake Mining Company completed six core holes and three rotary holes during June and July of 1983. These holes were selectively located to confirm previous drilling by Power Resources for Midas International.

As drilling progressed, resource estimates were calculated by Power Resources and its consultants and by Homestake Mining Company from data, principally gamma-ray logs, provided by Dalton Logging Company.

## 5.2.2 Previous Exploration

Several companies explored the area and the discoveries made are the results of their collective efforts. The earliest exploration work was done in late 1960s by Homestake-United Nuclear Partners, Gulf Mineral Resources, Power Resources (for Midas International) and Homestake Mining Company. The traditional method of exploration for uranium was applied to this area (Figure 25).

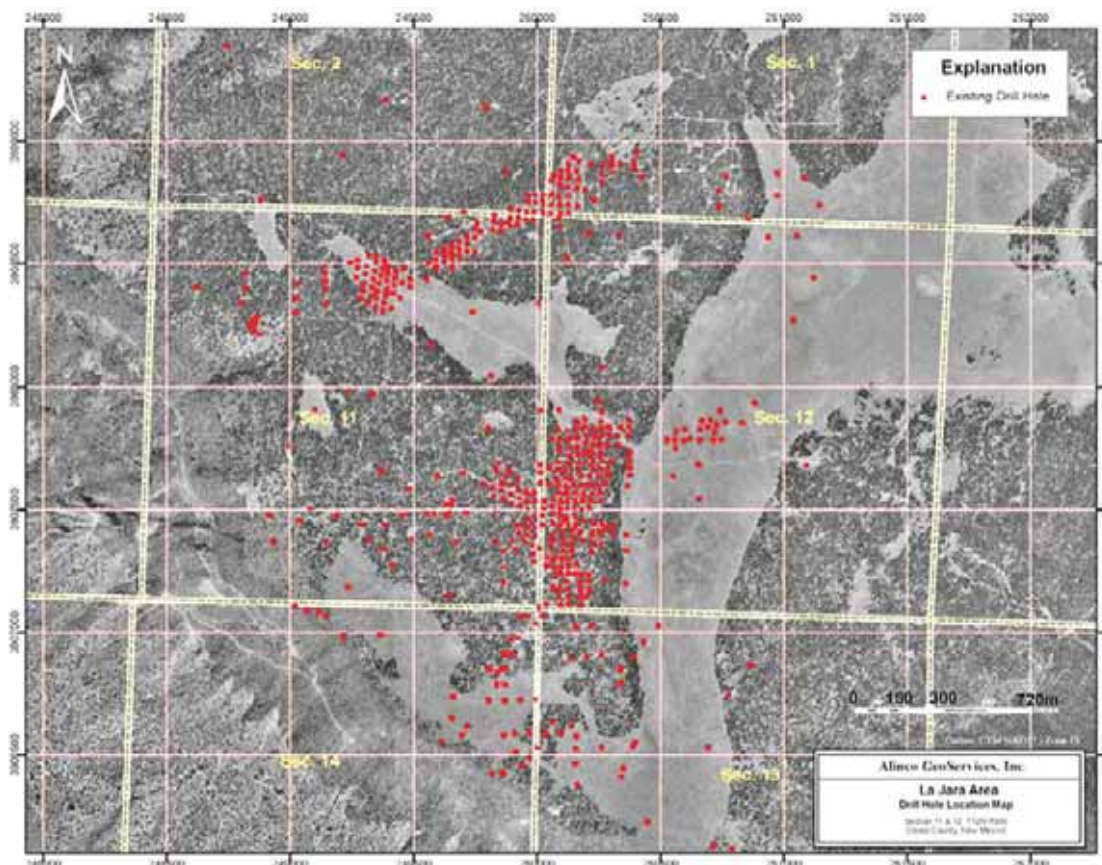


Figure 25: Location Map of La Jara Mesa historic drill holes  
(Source: Peters, 2007)

## 5.2.3 Previous Resource and Reserve Estimates

Historical resource estimates (i.e. the mineral resources estimate were not conducted in accordance with the requirements of the JORC Code) using the polygonal method were prepared by:

- Consulting Geologist George Beaumont in 1981 for Power Resources.
- Homestake Mining Company, 1983.
- Homestake Mining Company, 1988.
- Chapman Wood and Griswald for Homestake.

The Melrich orebody, located about 5 km northeast of Lara Jara Mesa, is a north-south trending tabular unit which also contains a historical, NI 43-101 non-compliant mineral resource.

## 5.2.4 Laramide Resources Mineral Resource Estimate

As detailed in the NI 43-101 Technical Report for Laramide (Peters, 2007), a mineral resource estimation conducted in accordance with the requirements of the NI43-101 Rules and JORC Code

were run by using a polygonal method, cut-off grades of 0.05%  $U_3O_8$  and a GT (grade x thickness) of 0.30. These mineral resource estimations were conducted by Mr Peters who is a member of the American Institute of Professional Geologists, a JORC recognized overseas professional organisation.

A maximum radius of 100 feet (30.48 m) was used for each drill hole and a density (based on typical densities used by mining companies in the Grants Mineral Belt) of 15 cubic feet equal to one ton (2000 lb) (metric equivalent is 2.14 tonnes per cubic metre). The tons were multiplied by grade and then by 20 to obtain the total pounds of  $U_3O_8$ . For this estimation, the actual mineral intercept whenever available was used; otherwise, 1.83 m composites were used.

The resource calculation was done for each of the mineralized zones H1, H2 and H3 separately (where H1-4 are individual sand layers separated by thin but continuous shale layers) (Figure 26). No distinction was made between Measured and Indicated categories which were combined together as Indicated, provided the distance between the holes was 200 feet (61 m) or less.

| Table 11: La Jara Mesa – 2007 Mineral Resource Estimate *                                                                             |                                               |                                               |                  |                                         |                                         |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|------------------|-----------------------------------------|-----------------------------------------|
| Indicated Category                                                                                                                    |                                               |                                               |                  |                                         |                                         |
| Area                                                                                                                                  | Horizon                                       | Grade %<br>(e U <sub>3</sub> O <sub>8</sub> ) | Thickness<br>(m) | Tonnes<br>Ore                           | Pounds<br>U <sub>3</sub> O <sub>8</sub> |
| East                                                                                                                                  | H1                                            | 0.16                                          | 1.34             | 9,821                                   | 35,667                                  |
| East                                                                                                                                  | H2                                            | 0.26                                          | 2.35             | 60,474                                  | 352,767                                 |
| East                                                                                                                                  | H3                                            | 0                                             | 0                | 0                                       | 0                                       |
| Total East Area                                                                                                                       |                                               | 0.25                                          | 2.13             | 70,295                                  | 388,434                                 |
| Conn.                                                                                                                                 | H1                                            | 0.18                                          | 2.19             | 130,132                                 | 502,085                                 |
| Conn.                                                                                                                                 | H2                                            | 0.17                                          | 2.08             | 106,720                                 | 402,061                                 |
| Conn.                                                                                                                                 | H3                                            | 0.17                                          | 1.22             | 2,497                                   | 9,357                                   |
| Total Connection                                                                                                                      |                                               | 0.17                                          | 2.12             | 239,349                                 | 913,503                                 |
| Sec1                                                                                                                                  | H1                                            | 0.18                                          | 1.79             | 34,538                                  | 134,746                                 |
| Sec1                                                                                                                                  | H2                                            | 0.18                                          | 2.96             | 129,078                                 | 510,462                                 |
| Sec1                                                                                                                                  | H3                                            | 0.13                                          | 1.98             | 18,126                                  | 53,189                                  |
| Total Section 1                                                                                                                       |                                               | 0.17                                          | 2.52             | 181,742                                 | 698,397                                 |
| Dena                                                                                                                                  | H1                                            | 0.26                                          | 2.19             | 498,307                                 | 2,876,421                               |
| Dena                                                                                                                                  | H2                                            | 0.28                                          | 2.21             | 367,904                                 | 2,234,628                               |
| Dena                                                                                                                                  | H3                                            | 0.12                                          | 2.12             | 53,890                                  | 146,434                                 |
| Total Dena Rich                                                                                                                       |                                               | 0.26                                          | 2.19             | 920,102                                 | 5,257,483                               |
| Total (at 0.05% cut-off)                                                                                                              |                                               | 0.23                                          | 2.22             | 1,411,488                               | 7,257,817                               |
| * Mineral resources estimate was conducted in accordance with the requirements of the JORC Code by D Peters (2007)                    |                                               |                                               |                  |                                         |                                         |
| Table 12: La Jara Mesa – JORC Compliant 2007 Mineral Resource Estimate *                                                              |                                               |                                               |                  |                                         |                                         |
| Inferred Category                                                                                                                     |                                               |                                               |                  |                                         |                                         |
| Zone                                                                                                                                  | Grade %<br>(e U <sub>3</sub> O <sub>8</sub> ) | Thickness<br>(m)                              | Tonnes<br>Ore    | Pounds<br>U <sub>3</sub> O <sub>8</sub> |                                         |
| H1                                                                                                                                    | 0.2                                           | 1.83                                          | 359,057          | 1,587,173                               |                                         |
| H2                                                                                                                                    | 0.2                                           | 1.83                                          | 353,789          | 1,559,542                               |                                         |
| H3                                                                                                                                    | 0.2                                           | 1.83                                          | 5,790            | 25,528                                  |                                         |
| Total Inferred                                                                                                                        | 0.2                                           | 1.83                                          | 718,636          | 3,172,653                               |                                         |
| Note: For inferred resources an average grade of 0.20% eU <sub>3</sub> O <sub>8</sub> and thickness of six feet (1.83m) are estimated |                                               |                                               |                  |                                         |                                         |
| * Mineral resources estimate was conducted in accordance with the requirements of the JORC Code by D Peters (2007)                    |                                               |                                               |                  |                                         |                                         |

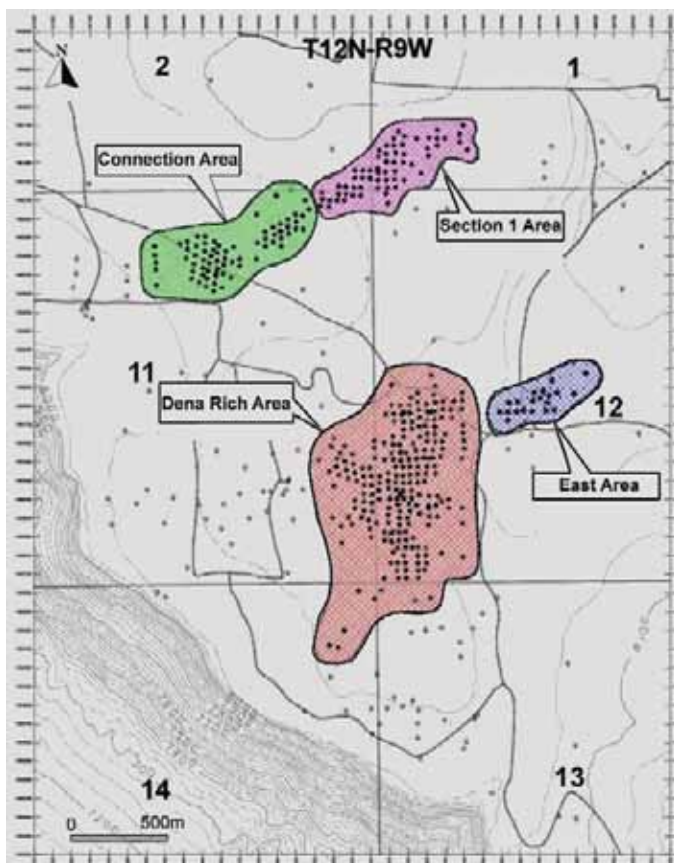


Figure 26: Outline of mineralized areas of La Jara Mesa Property included in resource calculation  
(Source: Peters, 2007)

#### 5.2.4.1 Metallurgical Testing

Three composite samples from three core holes were tested for amenability both by Homestake Mining Company and Kerr McGee Corporation in the early 1980s. In both tests recovery was better than 90% of contained  $U_3O_8$ . The overall conclusion from limited metallurgical testing by Homestake is that the material is amenable to leaching and recovery is about 91%.

For in-situ leaching,  $CaCO_3$  might pose a problem. The permeability of lime saturated zones might not be as good as the ones with low lime content. If heap leach method is used this could be compensated by using dilute  $H_2SO_4$  as a leaching agent to dissolve the lime and increase the recovery of the  $U_3O_8$ .

### 5.3 GEOLOGICAL SETTING

#### 5.3.1 Regional Geology

The La Jara Mesa property lies in the eastern part of Ambrosia Lake District southwest of Mount Taylor in the San Juan Basin (Figure 2). The San Juan Basin contains one of the principle uranium-producing regions in the United States and consists of largely flat-lying sedimentary rocks of continental and marine origin up to 4,600 m thick (e.g. Granger et al, 1961; Sanford, 1994).

Lower Palaeozoic to Pennsylvanian sedimentary rocks are largely marine, whereas Permian to Jurassic sedimentary rocks are dominantly continental red beds. During the time of uranium mineral

formation, the San Juan basin was at the foot of a semi-arid to arid drainage area covering about 400,000 km<sup>2</sup> and extending southwest (up-gradient) to the Mogollon highlands. Eroding highlands merged north-eastward into an aggrading alluvial plain dominated by sand, which merged into mud flat in the central part of the basin.

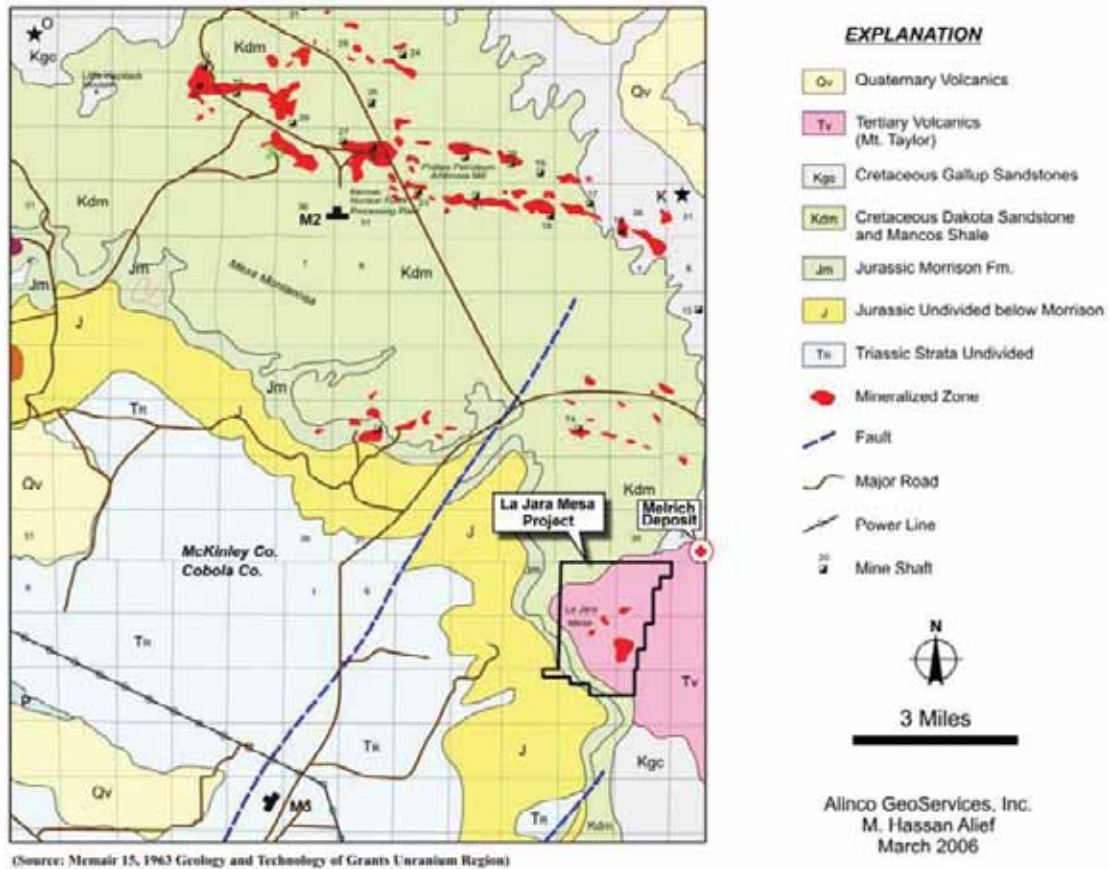


Figure 27: Summary of La Jara Mesa Regional Geology  
(Source: Peters, 2007)

A summary of the regional stratigraphic units is illustrated in Table 13.

| Table 13: Stratigraphy of Ambrosia Lake district, Grants Mineral Belt, New Mexico<br><i>Uranium host rocks highlighted</i> |                           |                                   |                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------|------------------------------------------------------------------------------------|
|                                                                                                                            | Stratigraphic unit        | Thickness                         | Description                                                                        |
|                                                                                                                            |                           |                                   | Pliocene & Neogene basalt-andesite lava & tuff.                                    |
| Cretaceous                                                                                                                 | Point Lookout sandstone   | 45 m +                            | Continental sandstone.                                                             |
|                                                                                                                            | Crevasse Canyon formation | 140 m                             | Marginal marine sandstone, siltstone, shale and coal.                              |
|                                                                                                                            | Gallup sandstone          | 39 – 48 m                         | Marginal marine sandstone.                                                         |
|                                                                                                                            | Mancos shale              | 285 – 338 m                       | Marine shale.                                                                      |
|                                                                                                                            | Dakota sandstone          | 18 – 25 m                         | Continental & marginal marine sandstone.                                           |
| Jurassic                                                                                                                   | Morrison formation        | Brushy Basin shale member         | Mainly continental mudstone; some sandstone including the Poison Canyon sandstone. |
|                                                                                                                            |                           | Westwater Canyon sandstone member | Continental sandstone.                                                             |
|                                                                                                                            |                           | Recapture shale member            | Mainly continental mudstone; some sandstone.                                       |
|                                                                                                                            |                           | Bluff sandstone                   | Aeolian sandstone.                                                                 |
|                                                                                                                            |                           | Summerville formation             | Continental mudstone & siltstone.                                                  |
|                                                                                                                            |                           | Todilto limestone                 | Lacustrine limestone.                                                              |
|                                                                                                                            |                           | Entrada sandstone                 | Aeolian sandstone.                                                                 |
| Triassic                                                                                                                   |                           | Wingate sandstone                 | Aeolian sandstone.                                                                 |
|                                                                                                                            |                           | Chinle formation                  | Mainly continental mudstone; some sandstone.                                       |
|                                                                                                                            |                           | Moenkopi formation                | Mainly continental sandstone & conglomerate; some siltstone.                       |
| Permian                                                                                                                    |                           | San Andrea limestone              | Mainly marine limestone; some sandstone.                                           |
|                                                                                                                            |                           | Glorietta sandstone               | Not exposed; marine sandstone.                                                     |
|                                                                                                                            |                           | Yeso formation                    | Not exposed; marine sandstone & limestone.                                         |
|                                                                                                                            |                           | Abo formation                     | Not exposed; marginal marine sandstone, limestone & siltstone.                     |

(Source: Granger et al, 1961)

### 5.3.2 Local Geology

The uranium host unit is within the Morrison Formation.

The Morrison Formation members make up a huge alluvial fan formed of continental, fluvial deposits by mostly aggrading streams flowing in an easterly to northeasterly direction. The fan was reaching maturity at the start of Brushy Basin member deposition and stream channels in this member are consequently smaller, more sinuous and meandering, and more numerous than the channels in Westwater Canyon member which represents intervals of fastest growth of the fan.

The Poison Canyon member at La Jara Mesa contains from one to four sand units separated by thin but distinct shale layers. Each of these sands may host uranium mineralization. The sandstones trend east-southeasterly and are parallel and somewhat similar to a mineralized Brushy Basin sandstone channel located about four miles to the north that contains the Marquez Mine (Section 23, T13N, R9W) and San Mateo Mine (Section 30, T13N, R8W), as well as several smaller occurrences.

The open pit deposits at the eastern limits of Grants Mineral Belt, Laguna and Pagate, are hosted in what is locally called the Jackpile sandstone. It is in upper Brushy Basin and is time-equivalent to Poison Canyon Member of the Morrison Formation.

## 5.4 DEPOSIT TYPES

La Jara Mesa is located within the Grants Mineral Belt ("GMB"). The GMB is located in northwest New Mexico, and extends over a length of 161 km, and is about 40 km wide. The GMB contains nearly all of New Mexico's reported uranium production and resources, which amount to over a billion pounds of  $U_3O_8$ .

La Jara Mesa uranium deposit is a roll front uranium deposit occurring within a sequence of clastic Jurassic and Cretaceous sedimentary rocks. Tertiary basaltic lavas occur unconformably on top of the Cretaceous sediments.

Uranium mineralization at La Jara Mesa occurs within 4 levels of the Poison Canyon sandstone Member of the Morrison formation. However the only significant deposits are known within the lower two units.

Four different deposits are known at La Jara Mesa: Dena Rich, Dena Rich east, and the smaller L Connection and Section 1 deposits.

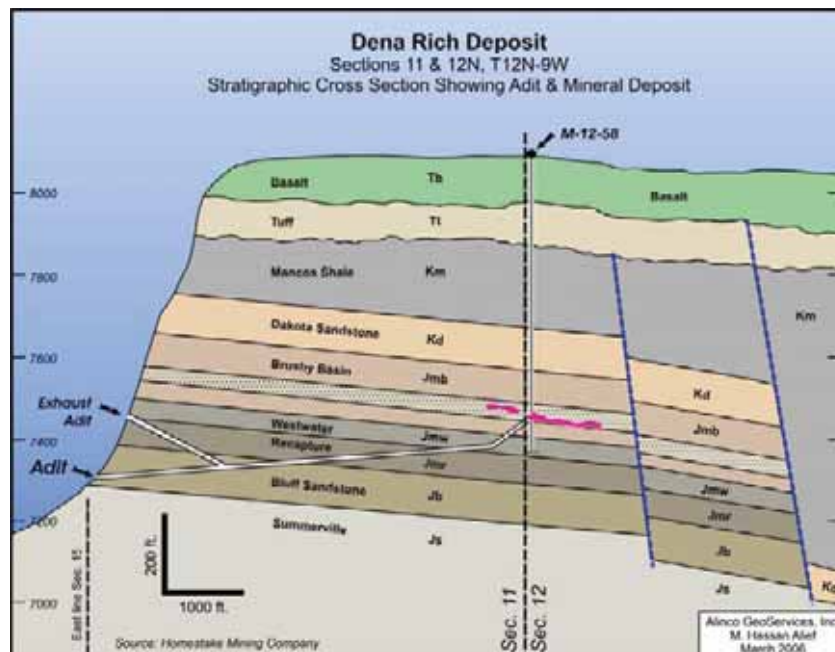


Figure 28: La Jara Mesa East-West Cross-Section showing Poison Canyon mineralization (pink) and possible access and ventilation drifts required to develop the mineralized zones  
(Source: Peters, 2007)

## 5.5 MINERALISATION

Uranium occurs as coffinite in tabular deposits, and as c-shaped trends or roll fronts. Mineralisation is generally associated with carbon trash and indistinct organic matter, locally, known as humates. Humates formed from the breakdown and dissolving of vegetal matter and re-deposition in the mineralized zones (e.g., Hansley and Spirakis, 1992). Pyrite and jordisite (black, soft molybdenum mineral,  $MoS_2$ ) are frequently found as associated minerals in the arkosic sandstone host rock. The mineralisation is found as coating on the sand grains and as fillings in the interstices between grains. The interstices are also filled with very fine kaolin. The humates and jordisite, when present, give the mineralized rock a dark to black colour.

At Dena Rich (La Jara Mesa), as at the Marquez Mine, the entire sandstone section is filled with higher-grade mineralisation in some places. The Dena Rich deposit has been drilled on approximately 30 m centres and displays very good continuity between drill holes. Much of the mineralisation is in the basal sandstone (known as H1) with significant amounts occurring in the next upper sand, H2.

The Melrich uranium deposit is located within Laramide's claims, 5 km to the northeast of La Jara Mesa, contains mineralisation hosted in a north-trending tabular unit within the uppermost D sand of the Westwater Canyon member of the Jurassic Morrison formation. The top of host sand is at a depth of 520 m and is saturated with water. The water is under a slight artesian head of about 100 m. The mineralised body is approximately 790 m long by 170 m wide and has an average thickness of 3.6 m. The Melrich property is extensively drilled with very little additional potential. Several scoping studies have been conducted to consider conventional mining by shaft entrance and extraction by in situ leach.

## 5.6 EXPLORATION

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### 5.6.1 Validation Drilling 2007

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On February 18, 2007, Laramide concluded a nine hole core drill program on the La Jara Mesa property. Drilling and coring was contracted under Himes Drilling Company, Grand Junction, Colorado. Electronic downhole probing was done by Jet West Geophysical Services, Farmington, New Mexico, assaying by Energy Laboratories, Casper, Wyoming, and field supervision by Mr N.M. Naiknimbalkar, licensed Geological Engineer #540, Washington State, USA.

The nine hole program totalled 1,949 m drilled. Drilling was done to confirm historical earlier drill programs results conducted in the late 1960s, the 1970s and the 1980s. Over 700 holes had been drilled on the property since the late 1960s, with most of the drilling occurring in the late 1970s to the early 1980s. Five uranium mineralised areas were delineated, with the largest to date being the Dena Rich deposit located in Sections 11 and 12, T12N, R9W, N.M.P.M (Figure 49).

Confirmation drilling was limited to the Dena Rich deposit (Figure 26, Figure 28). Prior to the recent drill program, 376 holes, including 18 core holes, had been drilled in and around the Dena Rich resource area. A review of the Dena Rich deposit by Alinco GeoServices, Inc., Lakewood, Colorado included a mineral resource estimate. The Alinco GeoServices resource estimate has been superseded by the 2007 mineral resource estimate (Peters, 2007).

The deposit is elongated north-south at approximately 762 m long and 457 m wide and is confined primarily to the lower two sands of the Poison Canyon member of the Morrison Formation of Jurassic age. It dips to the south southeast with the base of the Poison Canyon sand lying at a depth of 191 m below the surface at the north end of the resource area and at 210 m at the south end.

In the west central area, the base of the lower sand is at 201 m and, at the centre east side, the basal sand lies at 208 m. In all holes, core was taken from the Poison Canyon Member to obtain material for assay and metallurgical testing. Lithologic logging supported visual analysis of the resource zone, as well as competence of the host formation for mine extraction studies. Four holes were extended through the underlying Westwater Canyon Member of the Morrison Formation. Core was recovered from the Westwater Canyon sand in three of the extended holes to review sand alteration and its potential for mineral development, as well as obtaining core samples for mine planning and development studies.

Drill hole locations were not intended to twin previously drilled holes but were placed to confirm the general trend of previously identified resource zones.

A summary of the significant chemical  $U_3O_8$  assay results of the nine hole program is tabulated in Table 14.

**Table 14: February 2007 Drilling Results**

| Hole#    | Coordinates* |         | Depth to Intercept base | Thickness (m) | Grade                          | Grade x Thickness | Comments         |
|----------|--------------|---------|-------------------------|---------------|--------------------------------|-------------------|------------------|
|          | Northing     | Easting |                         |               | %U <sub>3</sub> O <sub>8</sub> |                   |                  |
| LR-12-1C | 1,557,90 8   | 526,117 | 184.1                   | 4.9           | 0.243                          | 1.185             | Upper intercept  |
|          |              |         | 189.9                   | 3.1           | 0.251                          | 0.780             | Lower intercept  |
| LR-12-2C | 1,557,72 0   | 526,121 | 189.0                   | 0.6           | 0.154                          | 0.094             | Severe core loss |
| LR-12-3C | 1,557,28 1   | 525,915 | 189.3                   | 2.5           | 0.161                          | 0.402             |                  |
| LR-12-4C | 1,557,08 2   | 526,139 | 198.7                   | 2.6           | 0.168                          | 0.440             |                  |
| LR-12-5C | 1,556,67 6   | 526,327 | 206.7                   | 4.0           | 0.719                          | 2.849             |                  |
| LR-12-6C | 1,556,21 1   | 525,756 | 205.7                   | 1.5           | 0.389                          | 0.593             |                  |
| LR-12-7C | 1,555,88 0   | 525,984 | 208.9                   | 3.8           | 0.106                          | 0.404             | Upper intercept  |
|          |              |         | 210.6                   | 0.9           | 0.229                          | 0.209             | Lower intercept  |
| LR-12-8C | 1,556,76 6   | 525,813 | 200.6                   | 4.4           | 0.513                          | 2.252             |                  |
| LR-11-9C | 1,556,70 9   | 525,476 | 197.3                   | 1.6           | 0.287                          | 0.472             | Upper intercept  |
|          |              |         | 200.9                   | 0.9           | 0.324                          | 0.296             | Lower intercept  |

\* New Mexico State Plane Coordinate  
All holes drilled vertically

## 5.6.2 Plan of Operations

In April 2008, Laramide submitted a Plan of Operation to the Forest Service outlining a plan to develop the La Jara Mesa project by developing a twin incline from the toe of La Jara Mesa to access the delineated portions of the Dena Rich deposit. This development included an escape raise to the surface of the mesa at the north end of the deposit. This project would disturb some 18 acres of the surface and would be accessed by existing Forest Service roads and roads across private property.

From underground in the mineralized zone, Laramide proposed to conduct mapping, longhole drilling with gamma probing, test mining and collection of bulk samples (approximately 40,000 – 50,000 tonnes) for metallurgical and mill compatibility studies.

The program would be expected to take roughly 18-24 months to complete and, assuming the findings of development work confirm the positive economic promise of the deposit, lead to underground mine production subject to obtaining all the necessary approvals.

In September 2008, a Memorandum of Understanding was signed between Laramide and the Forest Service. The Forest Service concluded that due to the recent designation of Mount Taylor as a Traditional Cultural Property that it would be necessary that an Environmental Impact Study be prepared prior to issuing a permit for the project.

In March 2009, Golder Associates was contracted to complete the EIS for the Forest Service which was followed by the Notice of Intent being published in the U.S. Federal Register in mid-May 2009.

Prior to proceeding with the EIS, the Forest Service held Public Scoping Meetings in the latter part of May 2009 to gain insight as to public concerns as to the project development.

A copy of the Draft EIS was available for internal review in mid-May 2010, followed by the Forest Supervisor's office completing its review of the document in early August 2011 and sending it up the chain of command for further review at the Forest Regional Office prior to moving it on to the Washington, D.C. Office. As part of the EIS process, Laramide contracted a third party archaeological company to conduct a Cultural Resource Evaluation on the access roads and facility sites. The initial survey was completed in June of 2009. In June of 2011 Native American consultation started with the first consultation of all interested parties in mid-August, which included formal meetings and field evaluations.

In conjunction with the EIS process with the Forest Service, Laramide is advancing the mine permit process with the New Mexico State Mining and Mineral Division. Laramide submitted a Sample and Analysis Plan (SAP) in June of 2009. The State notified Laramide that the Plan was administratively

complete in August of 2010. With Golder Associates as a third party contractor, the one year evaluation of the site was commenced on January, 2011. Native American consultation is continuing.

A draft EIS for the La Jara Mesa Project was published in the U. S. Federal Register on May 18, 2012. The Public was given a 45 day comment period to respond to the Draft document. The U.S. Forest Service is reviewing the public comments and preparing a final EIS.

The one year Sample and Analysis field program has been complete and documents are being prepared for filing with the State Mining and Mineral Division.

## **5.7 RECOMMENDATIONS**

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### **5.7.1 Future Exploration**

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As mentioned above, there are areas that could be further explored from the surface by drilling. Should the property go to production, the most efficient and accurate exploration can be done from underground by jackleg and underground rotary drilling. The holes can be logged by gamma-ray tools and the uranium content calculated by usual means.

There is a small uncertainty about the equilibrium, but this can be checked when a few core holes are drilled to test the mineralisation for leachability. The cores may also be analysed by chemical means and compared to gamma-ray methods for equilibrium purposes.

### **5.7.2 Drill-logs Review**

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The nine drill logs that Peters reviewed show a slightly higher grade than calculated by Century for the same holes and chemical analysis by Homestake and Core Lab. Chemical results of cores may not be as reliable as a well-calibrated logging unit though, because a core is only 2-3 inches thick when cut through the mineralised zone, whereas a log measures the radioactivity of a larger volume of rock and determines the average grade for that volume. This may be more representative of what is actually there as compared to a cored section.

One item of concern about Dalton Logging's results is that they consistently overestimated the grade, even though not by much, probably 1-5%. For this reason, it is recommended that all the logs be reviewed and recalculated. Peters believed that Dalton included some low-grade mineralisation in their calculations. Using the half amplitude of the maximum value might give more realistic grade figures for the mineralized holes. If it turns out that the Dalton calculations are higher by 1-5%, or an average of 2%; the resource estimate may have to be revised downward by 2%.

## 6 LA SAL #2, UTAH

### 6.1 PROPERTY DESCRIPTIONS AND LOCATION

#### 6.1.1 Property Details

The La Sal Property is located in Sections 33 and 34, Township 29 South, Range 24 East and in Sections 26, 27, 28, 33, 34, and 35, Township 29.5 South, Range 24, East, Salt Lake Base Meridian. The property lies in the Big Indian Mining District, San Juan County, Utah. The property consists of 46 unpatented claims which include 10 Mill Site Claims and 36 Lode Claims which cover approximately 591 acres (Figure 29).

The claims are further described as follow:

##### *Lode Claims*

8 New Change, 2 Big Change, 3 La Sal, Alice, Billie Mike, Chris, Dana Lode, Elohim, Hudson, Jimmie, John David, Patsie, Opal, Richardson, Richard, Star, Robin Roy, Susie, Thirty Three, Thirty Four, Thirty Five, Victory, Star# 1, Dissipation, Dynaflo and Wig

##### *Mill Site Claims*

4 Pat and 6 New Pat

A Notice of Intent to Hold must be filed with the BLM before September 1 of each year at a cost of \$140 per claim for a total of \$6,440, and the notice must also be filed with the County of record at a fee of \$79.

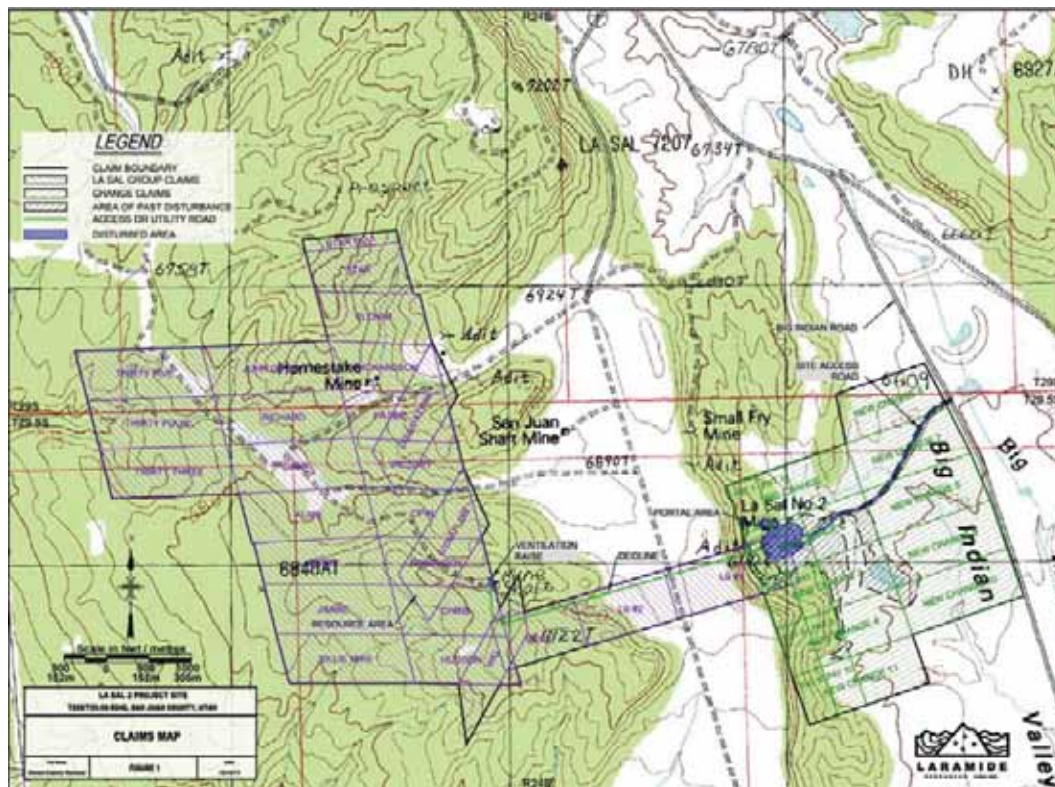


Figure 29: La Sal #2 Claim Map  
(Source: Laramide 2011)

### 6.1.2 Property Ownership

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As part of the 2005 acquisition of uranium properties from Homestake, Laramide purchased an option to acquire the La Sal property, located within the Big Indian mining district in Utah. This option was exercised on the third quarter of 2010. In accordance with the terms of the original purchase agreement, a further payment of US\$250,000 to Homestake will be required upon successful permitting of the La Sal property, with a final payment of US\$500,000 due upon commercial production. In addition, as part of the title transfer process, Laramide will provide disclosure of the required payment options to legacy royalty holders as described in the above press release, which will allow for royalty holders to elect to either sell their shares or to receive advance royalties pursuant to a defined schedule. This election is occurred in the third quarter of 2012.

### 6.1.3 Royalties

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The La Sal Property is burdened by a Net Profits royalty that ranges from 50 to 55%, which is paid after all development and operating costs are recovered, and a 6% net proceeds royalty on a portion of the claims. Trucking and milling costs are deducted when calculating net proceeds.

### 6.1.4 Environmental Regulation

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In November 2010, Laramide filed a Plan of Operations for the underground exploration program with the Bureau of Land Management ("BLM"). The BLM determined the 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 EA (environmental assessment) in compliance with 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.

In June 2012, the BLM issued a Record of Decision approving the Plan of Operations for the La Sal Project. This permit allows Laramide to commence underground exploration and development activities which if positive, could ultimately lead towards commercial production. In addition, BLM also issued a "Finding of No Significant Impact" ("FONSI"), as a result which the preparation of an environmental impact statement will not be required.

When Laramide submitted its Plan of Operations to the BLM, a small mine permit application was also submitted to the Utah State Division of Oil, Gas and Mining. The state permit has also been reviewed and approval was pending issuance of the BLM's approval of the Plan of Operations and payment of the reclamation financial assurance (Bond) amount. Laramide has posted the reclamation financial assurance (Bond) and has initiated surface site development with plans to reenter the mine soon.

### 6.1.5 Access

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La Sal #2 is approximately 10 km from the Energy Fuels' La Sal Complex operation and is 40 km north and 45 km south southeast, respectively of the towns of Monticello and Moab. It is located in the Lisbon Valley region of San Juan County in south eastern Utah.

The nearest airport is in Grand Junction Colorado, approximately 209 km from the project area. The project area is accessed from Grand Junction along US Interstate 70, a distance of 144 km west to Highway 197, then south 37 km to the town of Moab, and from there, 32 km to La Sal Junction going south. From La Sal Junction, one travels east on Highway 46 about 10 km to Lisbon Valley Road, then south on Lisbon Valley Road to the junction with Big Indian Road. The project area is just off Big Indian Road.



Figure 30: La Sal#2 regional location  
(Source: after Google maps 2011)

### 6.1.6 Physiography

Elevations in the region range from 1,828 m to a high of 2,133 m. Vegetation in the area consists of sagebrush, juniper and piñon pine on the hills and slopes while desert grasses and sagebrush sparsely cover the Lisbon Valley floor.

## 6.2 HISTORY

### 6.2.1 Discovery and Ownership

La Sal is located on the southwest side of the Lisbon Valley therefore the history of uranium discovery and development of the uranium deposits of Lisbon Valley is considered relevant to the understanding of the uranium mineralisation potential at La Sal. Historical discoveries of uranium mineralisation are distributed along 24 km of outcrop on the southwest side of the Lisbon valley anticline. The district produced 49 million pounds of  $U_3O_8$  through 1965.

Uranium was discovered in sandstone of the Chinle Formation in Lisbon Valley, San Juan County in 1913, and some carnotite was mined on a small scale for vanadium in 1917, 1940, and 1941. In the uranium mining boom of 1948, mining began in sandstone of the Permian Cutler Formation. In 1952, Charles Steen drilled into a rich 21 m thick uraninite orebody in the Triassic Chinle Formation which became the Mi Vida Mine, the largest producer in the district.

The La Sal property was first acquired by Homestake 1954 when Homestake acquired the option to purchase all the outstanding shares of common stock of the La Sal Mining and Development Company. On May 26, 1955, Homestake exercised its option to purchase and paid part of the purchase price, with the remaining balance to be paid in proportion to certain "net profits", if derived from the property.

In 1962, Homestake exercised its right under the 1954 agreement to liquidate La Sal. La Sal Mining Company mortgaged all its real and personal properties in favour of the former La Sal shareholders and the caused la Sal to transfer all of its properties to Homestake subject to the mortgages.

Homestake actively mined the original La Sal Mine from 1954 to 1963, producing from the Chinle formation over 363,000 tonnes of mineralised rock at an average grade of 0.44%  $U_3O_8$ . In 1977 a surface exploration program, initiated to test the Chinle and Cutler formation on the La Sal property, discovered a mineralised horizon in the Permian Cutler formation. The newly discovered mineralised body was intercepted by 73 drill holes at an average depth of approximately 213 m.

### **6.2.2 Previous Exploration**

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La Sal has a 1.2 km long access drive into the deposit and as soon as permits are obtained, the project is essentially ready for development. 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 and the project was shut down.

### **6.2.3 Previous Resource and Reserve Estimates**

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Homestake completed mineral resource estimates for La Sal when it held the property. These estimates were not conducted in accordance with the requirements of the JORC Code and would require validation drilling to update into JORC compliant status. These estimates therefore are not included in this report.

## **6.3 GEOLOGICAL SETTING**

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### **6.3.1 Regional Geology**

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The Property lies within the Lisbon Valley uranium district (also known as the Big Indian uranium district) which is roughly in the east central portion of the Colorado plateau (Figure 31).

The Lisbon valley anticline is a northwest trending doubly plunging anticline caused by flowage of salt and gypsum in the Paradox Member of the Pennsylvanian aged Hermosa Formation. The salt and gypsum beds have been intersected in oil and gas well drilling and are at least 1800 m thick.

Uplift began in late Permian time and probably continued into late Triassic time. The uranium bearing Moss Back sediments were probably laid down in north westward flowing streams during the final mild stages of uplift during the late Triassic as evidenced by the occurrence of intra-formational conglomerates that contain pebbles or fragments derived from erosion of Permian and Triassic sediments.

The anticline was faulted along its northwest trending axis during the Laramide Orogeny and there is a vertical offset of approximately 600 m with the northeast side downthrown. Erosion of the anticline, which began in Late Eocene time, removed at least 1500 m of sediments and exposed Pennsylvanian sediments on the crest of the anticline.

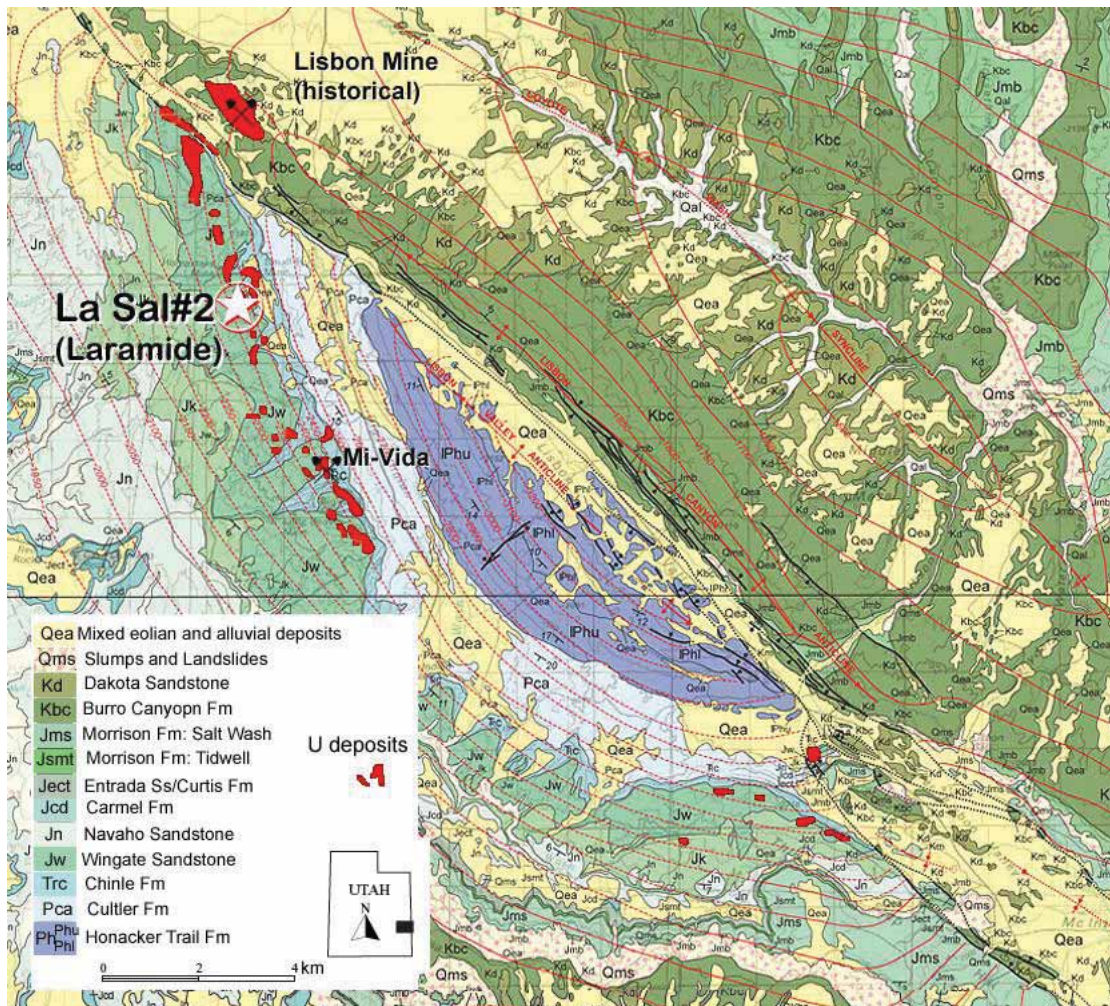


Figure 31: La Sal #2 Regional Geology and Uranium Deposits  
(Source: Utah Geological Survey 2004)

### 6.3.2 Local Geology

The majority of the uranium deposits in the Big Indian mineral belt, Lisbon Valley, Utah, are in the Moss Back Member of the Chinle Formation. In this area the Moss Back is the lowest member of the Chinle. It averages 10 m in thickness and is composed of fine- to coarse-grained sandstone in, part conglomeratic, and lenses of mudstone. Fragments of coalified fossil plants are sparse to abundant in these beds. The member was deposited by rapidly shifting streams that flowed generally westward and north westward. The mineralised bodies are in the lower part of the Moss Back. They are tabular bodies, virtually concordant with bedding, average about a metre in thickness and are as much as 100 m across. The Big Indian belt is about 800 m wide and 24 km long. It is on the southwest flank of the Lisbon Valley anticline.

In developing the newly defined Cutler mineralised body on the Laramide's La Sal property (Figure 32), three geologic formations must be considered: (1) the older Cutler formation of Permian age, which is the principal host formation of the new mineralised body; (2) the overlying Chinle formation of Triassic age, which has produced most of the production in the Big Indian District and (3) the youngest Wingate formation of Triassic age.

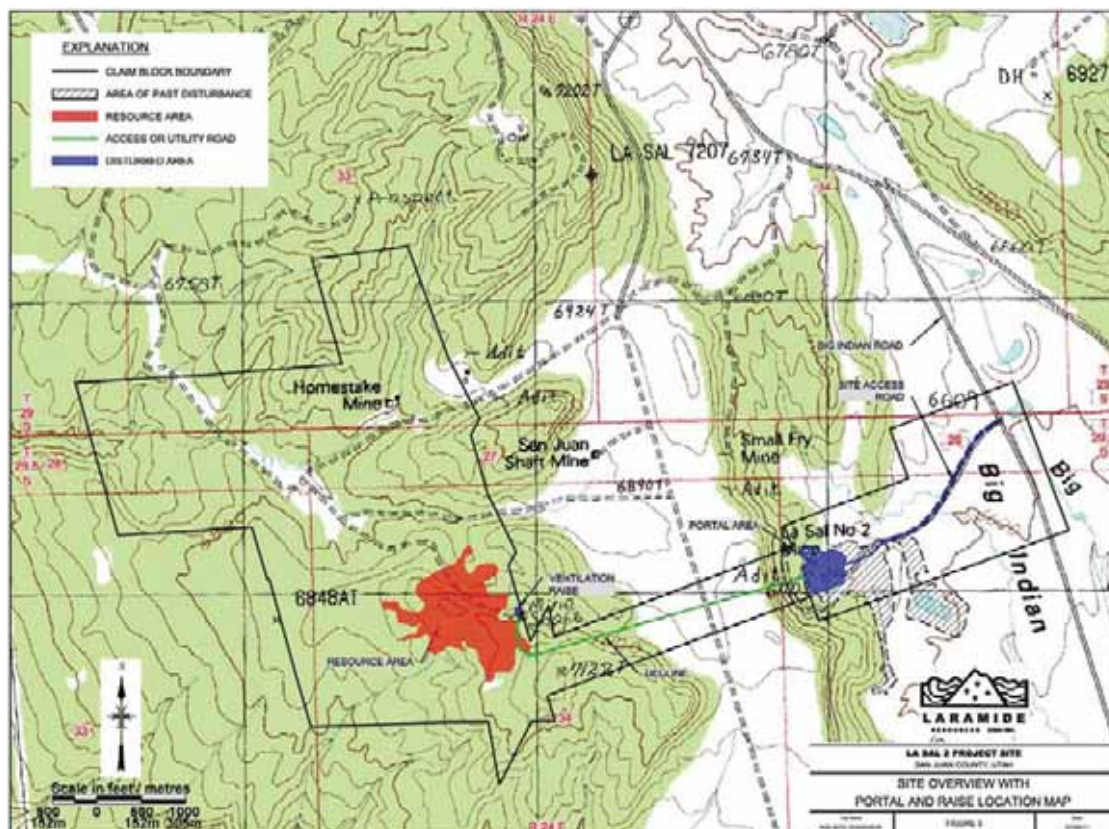


Figure 32: La Sal #2 Historical Resource Area and Site Access and Infrastructure  
(Source: Laramide, 2011)

The sediments of the Cutler formation, derived from the rapid erosional destruction of the Uncompagne uplift to the east, consist of reddish-brown sandstones, mudstones, and siltstones with thin white marls found in the upper part. Coarse grained arkosic sandstone lenses have been mapped in the upper portions of the formation and frequently contained anomalous radioactivity in the outcrop. These arkosic sandstones represent a surface expression of the mineralised body that has been drilled out on the La Sal property. Similar mineralised bodies can be anticipated in the Cutler formation along the western margin of the Lisbon Valley anticline.

The host sands containing the uranium mineralisation were deposited in an oxidizing environment and lacked the pyrite and carbon trash that is frequently seen in fluvial sand deposits. Sand channels were deposited in a braided stream environment, with the individual channels ranging from 10 to 30 feet in thickness and several hundred feet in width. The lithology of the host formation is expected to change throughout the mineralised body. Visual recognition of the mineralised zone is expected to be difficult.

## 6.4 DEPOSIT TYPES

Uranium deposition is favoured by precipitating agents peculiar to certain strata. Hydrogen sulphide, produced by decaying fossil plant detritus, or petroliferous material, appears to have been an effective precipitating agent. Strata often involved are members of the Chinle or Morrison Formations (e.g. Fischer, 1970 & 1974). These units provide an environment with sustained reducing conditions favourable for uranium precipitation.

Uranium deposits in the Lisbon Valley uranium field occur in the following:

1. Triassic Chinle Formation (Moss Back member) hosted deposits which are by far the largest and richest of the three types.
2. Cutler Formation hosted deposits (Permian age), and
3. Morrison hosted deposits (Jurassic age).

The deposits are irregular shaped and are generally longer parallel to the anticlinal axis. It has been noted that the boundaries to the mineralised bodies are abrupt and there is no low grade halo.

## 6.5 MINERALISATION

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The most prevalent uranium mineral in Moss Back hosted deposits is uraninite with small amounts of coffinite. Vanadium minerals montroseite, doloresite and vanadium clay are also present and in several locations the vanadium content is such that it has been extracted economically.

The mineralisation is generally in the Moss Back either at or within a few feet of the unconformity with the underlying Cutler formation.

Mineralisation in the Cutler Formation consists of small pods of carnotite very close to the unconformity with the overlying Moss Back Member. It has been noted that mineralisation may or may not be in contact with mineralisation in the Moss Back Member.

## 7 LOS OCHOS, COLORADO

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### 7.1 PROPERTY DESCRIPTIONS AND LOCATION

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#### 7.1.1 Property Details

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Los Ochos is part of the Homestake purchase described above, and consists of 7 unpatented lode claims known as the Broken Mud Pump, Broken Mud Pump 1 and 2, Sage Hen No 1, 2, 3 and 4. The claims lie in the south half of Section 35, Township 48 North and Range 2 East and in the north half of Section 2, Township 47 North, Range 2 East, New Mexico Base Meridian (Figure 33).

Annual holding costs are \$980 plus recording fees. In addition, fee surface lands consisting of the W1/2, W1/2, Section 3, and fee land consisting of the N1/2, NE 1/4, Section 3. Annual taxes are \$606.00. Laramide Resources owns 100 % of the resource area with no outstanding royalties and no outstanding environmental liabilities.

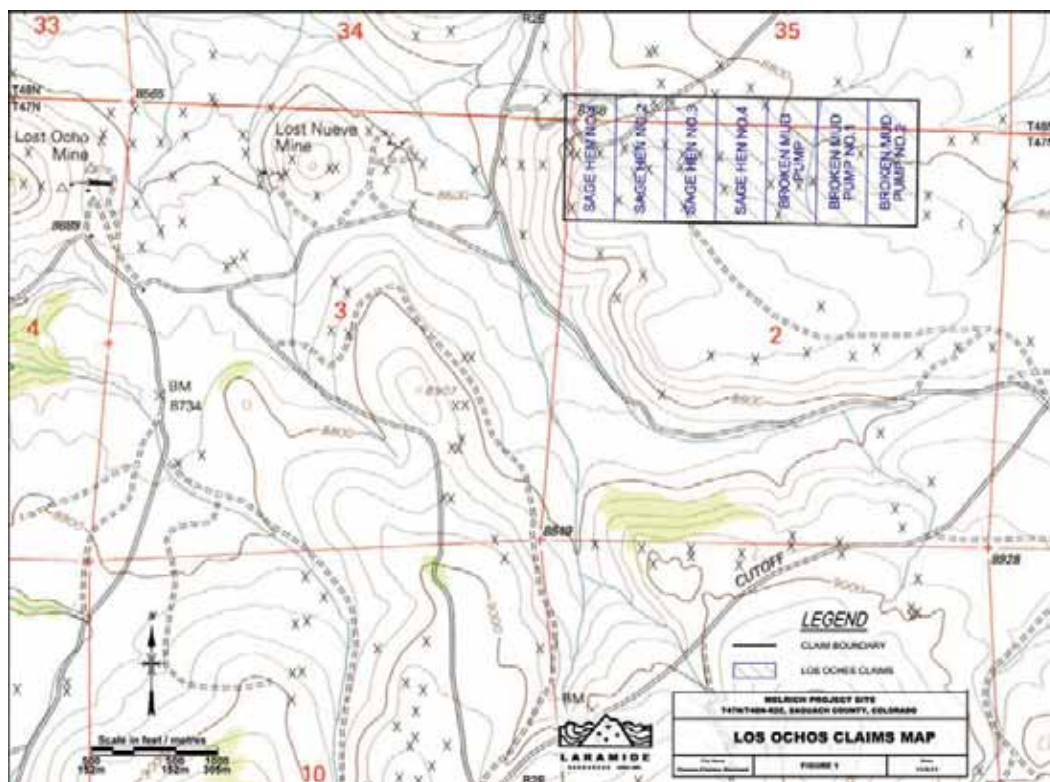


Figure 33: Los Ochos Claim Map  
(Source: Laramide 2011)

### 7.1.2 Access

The Los Ochos property is located in the state of Colorado immediately east of coordinates N38° 22.077; W106°45.543. It is located in the Cochetopa mining district, in Sections 34 & 35, T.48 N., R. 2 E., and Sections 2 & 3, T. 47 N., R. 2 E, Saguache County in south western Colorado, about 32 km southeast of Gunnison. Access is gained by proceeding east from Gunnison on Hwy 50, thence south on Hwy 114, thence east for a short distance on local road UU-13 (Figure 34). There is a County airport at Gunnison.



Figure 34: Los Ochos regional location  
(Source: after Google maps 2011)

### 7.1.3 Physiography

Except for steep, dissected canyon walls along Cochetopa Creek, the region is characterized by rolling terrain interrupted by small mesas and cliffs capped by resistant rocks. Two domes of volcanic material create prominent landscape features. At higher elevations, outcrops of volcanic flows locally form well-exposed rims and caps. Elsewhere, farther from dissecting streams, slopes of volcanic erosional remnants are blanketed by stabilized detritus.

Elevation at Los Ochos is 2,580 m. Average elevation for the Cochetopa area is 2,700 m above sea level; maximum relief is approximately 300 m.

## 7.2 HISTORY

### 7.2.1 Discovery and Ownership

The initial discovery of uranium in the district was at the Los Ochos claims where abnormal radioactivity and visible uranium minerals were noted at outcrops. The uranium deposit was discovered at the surface, from its radioactivity and secondary uranium minerals, by one of a group of eight prospectors (hence the name Los Ochos) in 1954 who later formed the Gunnison Mining Company ("Gunnison"). Core drilling by Gunnison intersected potentially commercial mineralised bodies at depth. An inclined shaft, driven toward the mineralisation located by this core drilling, was commenced in October 1954. Exploration and development work resulted in the blocking out of substantial mineralisation in five bodies along the Los Ochos fault, which became the Los Ochos Mine and produced uranium from October 1954 to 1962.

The Los Ochos mine comprises the main (T-1 or Thornburg), West drift, East (Kathy Jo), and T-2 mine workings (Olson, 1988). The Laramide group of claims are located along strike on the same structure as the Los Ochos mine and encompass the T-2 mine workings. The Los Ochos mine workings lies along strike extending approximately 2km west from the Laramide group of claims (therefore the history of uranium discovery and development of the Los Ochos uranium deposits is considered relevant to the understanding of the uranium mineralisation potential at Los Ochos).

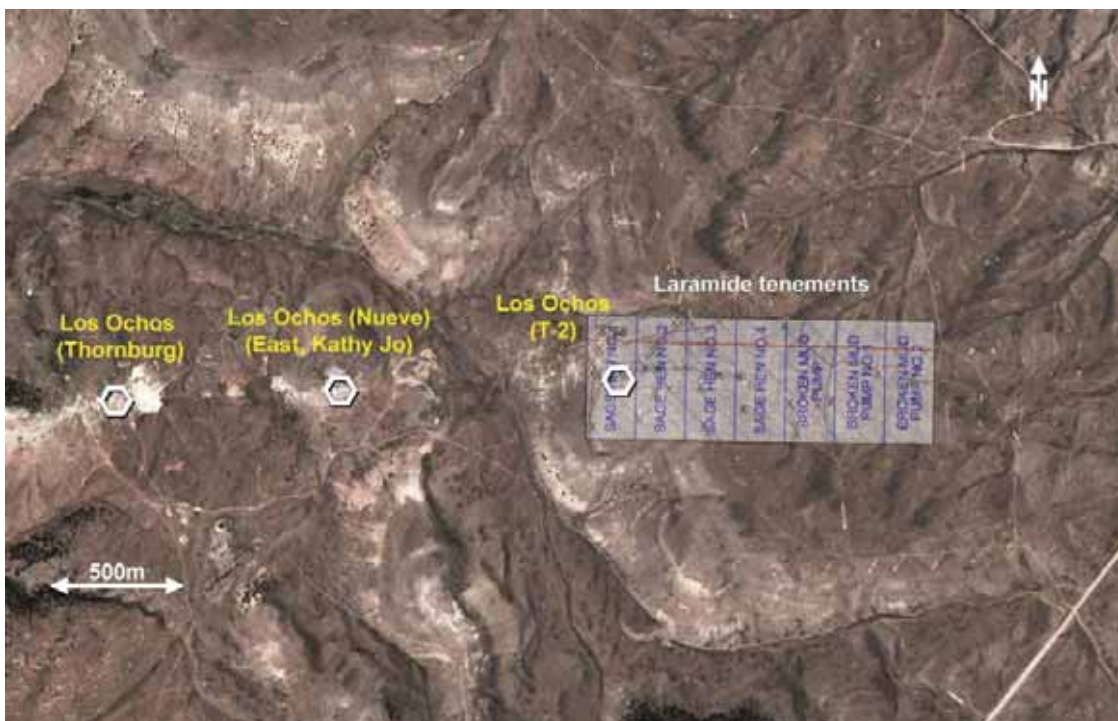


Figure 35: Los Ochos historical workings  
(Source: after Google Earth 2012)

Mining continued at the Thornburg Mine from 1955 to 1962. A series of shafts and adits were made along the east-west-trending zone for about 2km (making up the various named working listed above). Ore was trucked to a mill near Gunnison. The Thornburg Mine produced over 1,253,000 pounds of  $U_3O_8$  at an average grade of 0.14%.

The T-2 mine, along the same line, is located on Laramide's property in the N1/2.NE1/4, Section 3. T-2 mine was operated by the Kerr McGee Corporation during the 1960's. The mine was accessed by a decline. The T-2 mine, which is the easternmost part of the Los Ochos mine, consists of an incline and stopes. Uranium was produced (table 1) from the T-2 workings from 1959 to 1962. In all, a total of more than 2,500 ft of drifting and 6,200 ft of core drilling is reported to have been done in the Los Ochos mine workings prior to 1971 (Olson, 1988).

## 7.2.2 Previous Resource and Reserve Estimates

There is an historical resource estimate (i.e. not conducted in accordance with the requirements of the JORC Code) however there is insufficient data to available to describe the methods used therefore the estimate is not included in this report.

## 7.3 GEOLOGICAL SETTING

### 7.3.1 Regional Geology

The Precambrian complex, comprising gneisses and schists intruded by granite and pegmatite, was bevelled by erosion during pre-Morrison times. Subsequently, the Morrison Formation of Upper Jurassic age and the Dakota sandstone and Mancos shale, both of Upper Cretaceous age, were deposited over this Precambrian surface.

During Tertiary time, a series of volcanic flows blanketed the district. Because of the district's peripheral location relative to the centre of the San Juan volcanic-flow province, the accumulation of volcanics was not great. In the late Miocene, a domal uplift to the southwest slightly tilted the formations of the district, imposing upon them a north-easterly regional dip. Pre-volcanic and post-volcanic faulting was the major control in localizing uranium minerals.

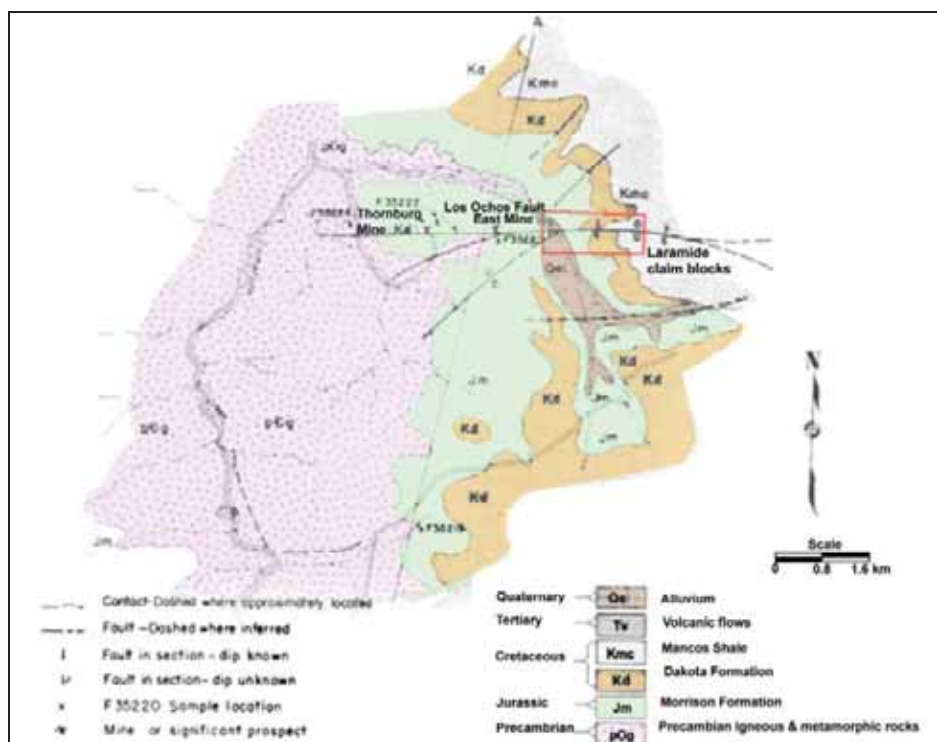


Figure 36: Los Ochos Regional Geology  
(Source: Malan & Ranspot, 1954)

Faults and shears that cut Precambrian, Mesozoic and Tertiary rocks were important in controlling the movement of uranium-bearing solutions and the subsequent localization of uranium minerals.

Fault trends in the district are variously oriented. East and northeast-trending faults and shear zones are more persistent and abundant. The most important east-trending fault in the district, the near-vertical Los Ochos fault, is traceable for 5.6 km. It is younger than the Mancos shale but cannot be dated with reference to the Tertiary volcanic rocks as they have been removed, by erosion, along its trace. The fault contains gouge from 0.3 to 1 m in thickness and has vertically displaced formational contacts about 42 m at the Thornburg mine. Some 1.6 km east of the mine, the displacement is 36 m and 2.4 km farther east, no vertical displacement is evident.

At Laramide's Los Ochos claims, the fault splits into two subparallel components for a distance of 240 m after which the two branches converge into a single fault. One of the mineralised bodies at the Thornburg mine (outside the Laramide claim group) is located within this split.

There are southwest-trending faults that join the Los Ochos fault east of the Thornburg mine. These faults are prominent southward from the Los Ochos fault, but none are known that join on the north side of the fault.

### 7.3.2 Local Geology

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The Los Ochos uraninite deposit occurs along a steeply dipping shear zone which follows an unconformable contact between Morrison Sandstone and Precambrian granite. The shear zone intersects the Los Ochos fault, and the two fractures form a triangular-shaped mineralised body. Intense alteration exists, with silicification and kaolinization of the vein and wall rocks, accompanied by sericite, illite, montmorillonite, and chlorite. On the basis of laboratory and field observations, the sequence of events is: (1) silicification, (2) repeated fracturing and introduction of marcasite, with alunite accompanying sulfide mineralisation, (3) introduction of pitchblende, and (4) formation of kaolinite as fracture fillings.

On Laramide's property, uranium mineralisation occurs in aeolian sands of the Junction Creek sandstone of Jurassic age which lies unconformably on the pre- Cambrian granites. The Junction Creek sandstone commonly overlies Proterozoic basement and crops out in discrete locations around Gunnison, Colorado, forming massive red to tan cliffs and hoodoos. The sandstone locally underlies the Salt Wash Member of the Morrison Formation. Note that the term Junction Creek sandstone is used for various units in the region, however in the upper Gunnison basin, it is designated as an eolian unit within the Tidwell Member of the Morrison Formation (Dick, 2006).

## 7.4 DEPOSIT TYPES

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The deposit was initially considered to be a magmatic hydrothermal deposit (e.g. Malan and Ranspot, 1954), however later work (e.g. Adler, 1963) demonstrated that the faulting, silicification and renewed faulting and brecciation had provided a conduit for uranium rich solutions and that uranium had precipitated both within the fault breccia zone and particularly in organic rich Saltwash sandstone member of the Morrison Formation. Therefore the deposit is a tectonic-lithologic sandstone hosted deposit (i.e. basin related system).

## 7.5 MINERALISATION

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Veins rich in pyrite-marcasite-pitchblende occur along the high-angle Los Ochos fault zone. Sandstones in the Jurassic Morrison Formation are the favoured wallrocks for the veins, and smaller amounts of mineralisation occur in sandstones in the Cretaceous Dakota Formation. Tertiary volcanic rocks formerly covered the area.

The Los Ochos mineralisation mined in the main workings and in the three other workings (West, East and T-2) resembles irregular pipes and is in brecciated, silicified sandstone and mudstone of the Junction Creek and Morrison Formations, except for one that is reported to have extended into altered Precambrian schist. The richest uranium concentrations have been found in and near the fault, where permeability is greatest. They tend to occur where the rocks are highly fractured, mostly in mudstone and sandstone, within 60 m of the fault contact with the Precambrian footwall. Weakly mineralized rock occurs as much as 150 m from the fault, apparently in favorable permeable beds in the sediments. The boundaries of the ore deposits, therefore, are locally sharp against Precambrian rock but may be irregularly gradational in the sedimentary rocks (Adler, 1963).

## 8 INTERPRETATION AND CONCLUSIONS

### 8.1 WESTMORELAND & NORTHERN TERRITORY JVs

Key horizons in the Westmoreland Conglomerate in association with northeast trending dyke-filled structures and current or former proximity to the Seigal Volcanics are the most likely sites of significant uranium mineralisation based on the current understanding of the known deposits in the region. Future exploration efforts and subsequent discoveries are likely to encompass deposits buried beneath Cainozoic cover and Seigal Volcanics using methods cognitive of this style of mineralisation, both in areas near Westmoreland and farther a field in the NT along the regional strike.

Recent diagenesis studies by Polito et al (2005 & 2006) have shown the following:

- Two uranium mineralising events (uraninite) have occurred in the Westmoreland deposits; the first at 1655 Ma associated with hematite and illite and the second at 870 Ma with pyrite and galena. Weathering over the last 600 Ma has resulted in some modification and secondary uranium minerals.
- The mineral assemblage of illite, dickite, chlorite, quartz and pyrite is related to peak diagenesis (with silicate dissolution at ca 1680 Ma).
- Uranium bearing fluids migrated through the most porous zones of the Westmoreland Conglomerate. The Seigal Volcanics provided the chemical trap that reduced the  $U^{6+}$  to precipitate uraninite via  $Fe^{2+}$  in the Fe-rich  $C^1$  chlorite. The impermeable Redtree dyke (and overlying Seigal Volcanics) provided the structural trap that focused the uranium-bearing brine.
- The diagenetic mineral assemblages may be used to identify sandstone horizons that acted as aquifers (for potential uranium-bearing brines) or aquitards (aquifers that lost porosity and permeability and thus the capacity to transmit potential uranium-bearing brines) at the time of the mineralising events.

The drilling undertaken by Laramide since 2009 has confirmed the existing mineralisation model and provided material for metallurgical testing. The project has been advanced so that Laramide can move to a bankable feasibility study and potentially into production subject to changes in State Government policy.

The drilling since 2009 was direct towards expanding the total resource base. This work was undertaken on areas including extensions to Junnagunna, the area between Junnagunna and Huarabagoo and a reassessment of the Sue and Outcamp prospects. Some ongoing work was undertaken to provide infill drilling at Junnagunna to complete the work commenced during 2008.



Figure 37: Westmoreland Exploration Target Areas

## 8.2 LA JARA MESA, MELRICH, LOS OCHOS & LA SAL#2

In the USA, Laramide has acquired existing uranium deposits in a region of historical and current uranium mining, in the "Four Corners" region of the USA.

The existing JORC compliant mineral resources at the La Jara Mesa project require further development drilling in order to allow conversion to mineral reserves subject to a preliminary economic assessment.

Melrich, Los Ochos and La Sal#2 require exploration and validation drilling to outline, validate and convert historical uranium mineral deposits to mineral resource estimates compliant with JORC Code standards.

Melrich and Los Ochos required exploration drilling and radiometric surveys and exploration drilling to outline existing and potential uranium deposits; with further drilling to establish to mineral resource estimates compliant with JORC Code standards.

La Sal#2 requires drilling to validate and convert the historical uranium mineral deposit to mineral resource estimates compliant with JORC Code standards. MA notes that La Sal#2 has the advantage of an existing decline which requires refurbishment prior to underground exploration and development.

## 8.3 PROPOSED BUDGET

Laramide's proposed budget is as follows (Table 15):

| Table 15: Proposed Exploration Budget               |                               |                               |
|-----------------------------------------------------|-------------------------------|-------------------------------|
| Item                                                | Minimum subscription<br>\$AUD | Maximum subscription<br>\$AUD |
| Westmoreland Project                                |                               |                               |
| Permitting                                          | 500,000                       | 500,000                       |
| Scoping Study                                       | 300,000                       | 300,000                       |
| Metallurgical studies                               | -                             | 425,000                       |
| Feasibility Study preparation                       | -                             | 750,000                       |
| Field costs including drilling costs                | 1,575,000                     | 1,575,000                     |
| Total Westmoreland                                  | 2,375,000                     | 3,550,000                     |
| Rio Tinto Joint Venture                             |                               |                               |
| Airborne Geophysics                                 | 200,000                       | 200,000                       |
| Target follow up and drilling                       | 800,000                       | 800,000                       |
| Total Rio Tinto Joint Venture                       | 1,000,000                     | 1,000,000                     |
| La Jara Mesa Project                                |                               |                               |
| Continuation of permitting processes                | 200,000                       | 200,000                       |
| La Sal Project                                      |                               |                               |
| Site access, preparation for bulk sample extraction | 200,000                       | 200,000                       |
| UNC Royalty Reserve                                 | 2,125,000                     | 2,550,000                     |
| TOTAL                                               | 5,900,000                     | 7,500,000                     |

## 8.4 CONCLUSIONS

- Laramide has obtained a strategic position in the uranium exploration market in Australia and in the USA.
- In Australia, Laramide has secured a series of mineral tenements that cover almost all of the known uranium deposits in the Westmoreland region. In addition to those with already defined resources, previous exploration has identified a series of significant potentially economic deposits that require relatively modest investment to advance their status.
- In the USA, Laramide has acquired existing uranium deposits in a region of historical and current uranium mining, in the "Four Corners" region of the USA.
- At Westmoreland, Laramide has defined JORC compliant mineral resources containing 36 Mlb of uranium in Indicated Resource category and a further 15.9 Mlb in Inferred Resource category.
- At La Jara Mesa, Laramide has purchased existing high grade uranium mineral resources from Homestake Mining Company which has defined JORC compliant mineral resources to hold 7.3 Mlb of contained uranium in indicated category and a further 3.2 Mlb in inferred category mineral resources.
- At Melrich and Los Ochos, Laramide has purchased historical uranium mineral deposits. Laramide has also purchased existing historical uranium mineral deposits at La Sal#2, located in an historical uranium mining district of the USA.
- Laramide's exploration projects in the Westmoreland region of Queensland, Australia are prospective for the discovery of additional uranium mineralisation.
- Three of the four US projects require exploration drilling to outline and convert historical uranium mineral deposits to additional mineral resources in compliance with JORC Code standards.
- La Sal#2 has the advantage of an existing decline which only requires refurbishment prior to underground exploration and development.
- The existing JORC compliant mineral resources at the La Jara Mesa project require further development drilling.
- **Mining Associates makes no further recommendations beyond Laramide's proposed exploration budget, which is reasonable for this scale of operations and current stage of development.**

Respectfully Submitted

Brisbane

30 January 2013

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## 10 GLOSSARY OF TECHNICAL TERMS

This glossary comprises a general list of common technical terms that are typically used by geologists. The list has been edited to conform in general to actual usage in the body of this Report. However, the inclusion of a technical term in this glossary does not necessarily mean that it appears in the body of this Report, and no imputation should be drawn. Investors should refer to more comprehensive dictionaries of geology in printed form or available in the internet for a complete glossary.

**AAS** (*Atomic Absorption Spectrophotometry*) – a chemical analysis technique.

**aeromagnetic survey** Systematic measurement and collection, from an aircraft, of the earth's magnetic field at regular intervals.

**alluvial deposit** A mineral deposit consisting of recent surface sediments laid down by water.

**alteration** The change in the mineral composition of a rock, commonly due to hydrothermal activity.

**alteration zone** A zone in which rock-forming minerals have been chemically changed.

**anomaly** A departure from the expected or normal background.

**AusIMM** Australasian Institute of Mining and Metallurgy.

**basalt** A dark-coloured igneous rock.

**breccia** A rock composed of angular rock fragments.

**bulk sample** A large volume of soil or rock obtained for examination or analysis.

**Cainozoic** An era of geological time from the end of the Mesozoic to the present.

**calcrete** Superficial gravels cemented by secondary calcium carbonate.

**Carboniferous** A period of geological time approximately from 295 Ma to 355 Ma.

**chalcopryite** A mineral of copper with the chemical formula  $\text{CuFeS}_2$ .

**clastic** A rock composed principally of fragments derived from pre-existing rocks.

**complex** An assemblage of rocks of various ages and origins intricately mixed together.

**conglomerate** A sedimentary rock formed by the cementing together of water-rounded pebbles, distinct from a breccia.

**costean** A trench excavated in the surface for the purpose of geological investigation.

**craton** A major part of the Earth's crust that has been stable and little deformed for a long time.

**Cretaceous** A period of geological time approximately from 65 Ma to 135 Ma.

**crosscut** A level driven across the main direction of underground mine workings.

**cut-off grade** The lowest or highest assay value that is included in a resource estimate.

**dacite** A fine-grained extrusive rock composed mainly of plagioclase, quartz and pyroxene or hornblende or both. It is the extrusive equivalent of granodiorite.

**Devonian** A period of geological time approximately from 355 Ma to 410 Ma.

**diamond drilling** Rotary drilling technique using diamond set or impregnated bits, to cut a solid, continuous core sample of the rock. The core sample is retrieved to the surface, in a core barrel, by a wire line.

**dilution** The proportion of material which is inadvertently included during mining operations, and which is generally of a significantly lower grade than the ore zone of interest.

**dip** The angle at which any planar feature is inclined from the horizontal.

**dyke** A tabular igneous intrusion that cuts across the bedding or other planar structures in the host rock.

**EM survey** Electromagnetic survey. A method of measuring the alternating magnetic fields associated with electrical currents artificially or naturally maintained in the subsurface. A technique often used to identify massive sulphide deposits.

**Famennian** A stratigraphic name for a stage at the top of the European Upper Devonian (around 355-370 Ma).

**felsic** Light coloured rocks containing an abundance of feldspars and quartz.

**foreland basin** A basin formed within a continental setting, often adjacent to a mountain range.

**Frasnian** A stratigraphic name for a stage at the base of the European Upper Devonian (around 370-375 Ma).

**Ga** Billion years ago.

**gabbro** A coarse-grained intrusive igneous rock composed chiefly of plagioclase feldspar and pyroxene.

**GIS** Geographic Information System. A system devised to present spatial data in a series of compatible and interactive layers.

**Givetian** A stratigraphic name for a stage at the top of the European Middle Devonian (around 375-380 Ma).

**gossan** A ferruginous deposit remaining after the oxidation of the original sulphide minerals in a vein or ore zone.

**graben** An elongate, relatively depressed crustal unit or block that is bounded by faults on its long sides.

**granitoids** A general term to describe coarse-grained, felsic intrusive plutonic rocks, resembling granite.

**granodiorite** A coarse-grained granitic rock containing quartz, feldspar and biotite.

**gravity survey** Systematic measurement and collection of the earth's gravitational field at the surface at regular intervals. Used to discern different rock types based on associated variations with differences in the distribution of densities, and hence rock types.

**ignimbrite** The rock formed by the widespread deposition and consolidation of volcanic ash flows (=welded tuff).

**indicated resource** A mineral resource sampled by drill holes, underground openings or other sampling procedures at locations too widely spaced to ensure continuity but close enough to give a reasonable indication of continuity, and where geoscientific data is known with a reasonable level of reliability.

**inferred resource** A mineral resource inferred from drill holes, geoscientific evidence, underground openings or other sampling procedures where the gaps in the data are such that continuity cannot be predicted with confidence, and where geoscientific data may not be known with a reasonable level of reliability.

**intermediate** Igneous rocks whose composition is intermediate between felsic and mafic rocks.

**intracratonic** Within a large, stable mass of the earth's crust.

**IP survey** Induced Polarization survey - an electrical geophysical survey technique measuring the magnetic field spontaneously induced in a volume of rock by the application of an electric current. This technique is often used to identify disseminated sulphide deposits.

**ironstone** A rock formed by cemented iron oxides.

**I-type granite** A granite that results from igneous magmatic processes.

**JORC** Joint Ore Reserves Committee - The Australasian Institute of Mining and Metallurgy. The guidelines of the JORC Code (1999) are observed in the calculation and reporting of ore resources and ore reserves.

**Jurassic** A period of geological time approximately from 135 Ma to 203 Ma.

**LandSat imagery** Reflective light data of the earth's surface collected by the LandSat satellite and commonly processed to enhance particular features. Includes the visible and invisible light spectrums.

**lithic tuff** A tuff containing fragments of previously formed non-pyroclastic rocks.

**Ma** Million years ago.

**mafic** A dark-coloured rock composed dominantly of magnesium, iron and calcium-rich rock-forming silicates, and for rocks in which these minerals are abundant.

**magma** Naturally occurring molten rock, generated within the earth.

**magnetic anomalies** Zones where the magnitude and orientation of the earth's magnetic field differs from adjacent areas.

**magnetic survey** Systematic collection of readings of the earth's magnetic field. The data are collected on the surface or from aircraft.

**mantle** The zone in the earth between the crust and the core.

**massive sulphides** Rock containing abundant sulphides that constitutes close to 100% of the rock mass.

**mesothermal** Mineral deposits formed (precipitated) at moderate temperatures.

**Mesozoic** An era of geological time approximately from 65 Ma to 248 Ma.

**monzogranite** A granular plutonic rock with a composition between monzonite and granite.

**Namurian** A stratigraphic name for a stage at the base of the European Upper Carboniferous (around 320-325 Ma).

**Neoproterozoic** An era of geological time approximately from 544 Ma to 1000 Ma.

**Ordovician** An era of geological time approximately from 435 Ma to 500 Ma.

**oxide** Pertaining to weathered or oxidised rock.

**percussion** A method of drilling where the rock is broken into small chips by a hammering action.

**Permian** An era of geological time approximately from 248 Ma to 295 Ma.

**pitchblende** A massive brown to black variety of uraninite.

**plunge** The attitude of a line in a plane which is used to define the orientation of fold hinges, mineralised zones and other structures.

**Porphyritic** Descriptive of igneous rocks containing relatively large crystals set in a finer-grained groundmass.

**ppb** Parts per billion, **ppm** parts per million (quantitative equivalent of g/t).

**pyrite** A common iron sulphide mineral with the chemical formula FeS<sub>2</sub>.

**RAB drilling** Rotary Air Blast drilling - a method of rotary drilling in which sample is returned, using compressed air, to the surface in the annulus between drill-rod and the drill-hole. This is a relatively inexpensive but less accurate drilling technique than RC or diamond coring.

**radiometric survey** Systematic collection of radioactivity emitted by rocks at or near the earth's surface; usually collected by helicopter or fixed wing aircraft.

**RC drilling** Reverse Circulation drilling - a method of rotary drilling in which the sample is returned to the surface, using compressed air, inside the inner-tube of the drill-rod. A more accurate drilling technique than simple percussion drilling, the RC technique minimises contamination.

**rhyolite** A volcanic rock composed chiefly of potassium feldspar and quartz.

**rift basin** *A large fault-bound depression, in-filled with volcanic and/or sedimentary material.*

**sericite** *A white, fine-grained mica, usually formed as an alteration product of various silicates in metamorphic rocks and the wall rocks of ore deposits.*

**SHRIMP** *(Sensitive High Resolution Ion Micro Probe) Geologic dating method using U-Pb isotopic ratios in single grains of zircon, baddeleyite, sphene, rutile and monazite.*

**shear zone** *A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.*

**silicified** *The alteration or replacement of primary minerals by silica.*

**Silurian** *An era of geological time approximately from 410 Ma to 435 Ma.*

**skarn** *A thermally metamorphosed impure limestone.*

**soil sampling** *The collection of soil specimens for mineral analysis.*

**stratabound** *Occurring within and parallel to the rock strata, but not necessarily deposited at the same time.*

**stratiform** *Occurring within and parallel to the rock strata, and deposited at the same time.*

**stream sampling** *The collection of stream sediments for mineral analysis.*

**strike** *The direction or bearing of a geological structure on a level surface, perpendicular to the direction of dip.*

**syncline** *A basin-shaped fold.*

**t, tpa** *Metric tonne, tonnes per annum.*

**tholeiitic** *A term applied to mafic or ultramafic rocks composed predominantly of magnesium-rich feldspar and pyroxene minerals.*

**tonalite** *A coarse grained plutonic rock similar to diorite in composition but containing quartz as 5% to 20% of the light colored minerals.*

**ultramafic** *Igneous rocks consisting essentially of ferro-magnesium minerals with trace quartz and feldspar.*

**uraninite** *The main ore of uranium, essentially UO<sub>2</sub>.*

**Viséan** *A stratigraphic name for a stage at the top of the European Carboniferous (around 325-345 Ma).*

**volcanoclastic** *A sedimentary clastic rock containing volcanic material.*



## 9. FINANCIAL INFORMATION



## 9. FINANCIAL INFORMATION

The financial information consists of the statements of financial position of the consolidated entity as at 31 December 2010 (audited) and 31 December 2011 (audited) and 30 September 2012 (unaudited), and pro-forma statements of financial position of the consolidated entity as at 30 September 2012. Also included are Statements of financial performance for the years ended 31 December 2010 (audited) and 31 December 2011 (audited) and the nine months ended 30 September 2012 (unaudited). The financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial reports in accordance with the Corporations Act 2001. The Directors are responsible for the preparation of the Historical Financial Information, including determination of any adjustments.

All of the information presented has been prepared in accordance with International Financial Reporting Standards ("IFRS") and, where applicable, Australian equivalents to International Financial Reporting Standards, or Australian Accounting Standards.

The pro-forma statements of financial position reflects the proposed financial structure of the consolidated entity after completion of the Offer, on the basis of the following significant transactions which have occurred subsequent to 30 September 2012, and those assumptions and transactions contemplated by this Prospectus, having occurred as at 30 September 2012:

### a) MINIMUM SUBSCRIPTION

- Allotment of 10,000,000 CDI's at \$0.85 each, being \$8,500,000; and
- The estimated cash issue expenses associated with the preparation of the Prospectus and capital raising are \$1,022,000 being offset against the share capital raised.

### a) MAXIMUM SUBSCRIPTION

- Allotment of 12,000,000 CDI's at \$0.85 each, being \$10,200,000; and
- The estimated cash issue expenses associated with the preparation of the Prospectus and capital raising are \$1,127,000 being offset against the share capital raised.

## STATEMENTS OF FINANCIAL POSITION

|                                                           | NOTE | Audited as at 31<br>December 2010 | C\$ | A\$        | Audited as at 31<br>December 2010 | C\$        | A\$ | Audited as at 31<br>December 2011 | C\$ | A\$        | Reviewed as at<br>30 September<br>2012 | C\$        | A\$ | Reviewed as at<br>30 September<br>2012 | Minimum<br>Subscription<br>Pro-forma Post<br>the offer as at<br>30 September<br>2012 | A\$        | Maximum<br>Subscription<br>Pro-forma Post<br>the offer as at<br>30 September<br>2012 | A\$        |
|-----------------------------------------------------------|------|-----------------------------------|-----|------------|-----------------------------------|------------|-----|-----------------------------------|-----|------------|----------------------------------------|------------|-----|----------------------------------------|--------------------------------------------------------------------------------------|------------|--------------------------------------------------------------------------------------|------------|
| Current Assets                                            |      |                                   |     |            |                                   |            |     |                                   |     |            |                                        |            |     |                                        |                                                                                      |            |                                                                                      |            |
| Cash and cash equivalents                                 | 2    | 2,955,536                         |     | 2,906,989  |                                   | 794,524    |     | 766,619                           |     | 136,053    |                                        | 133,333    |     | 133,333                                |                                                                                      | 7,611,333  |                                                                                      | 9,206,333  |
| Short Term Investments                                    |      | 250,000                           |     | 245,894    |                                   | 1,060,000  |     | 1,022,771                         |     | 2,429,219  |                                        | 2,380,654  |     | 2,380,654                              |                                                                                      | 2,380,654  |                                                                                      | 2,380,654  |
| Accounts receivable                                       |      | 674,359                           |     | 663,282    |                                   | 657,600    |     | 634,504                           |     | 1,141,757  |                                        | 1,118,930  |     | 1,118,930                              |                                                                                      | 1,118,930  |                                                                                      | 1,118,930  |
| Financial assets at fair value<br>through profit and loss | 3.2  | 4,990,623                         |     | 4,908,649  |                                   | 678,199    |     | 654,380                           |     | 278,628    |                                        | 273,058    |     | 273,058                                |                                                                                      | 273,058    |                                                                                      | 273,058    |
| Total Current Assets                                      |      | 8,870,518                         |     | 8,724,814  |                                   | 3,190,323  |     | 3,078,274                         |     | 3,985,657  |                                        | 3,905,975  |     | 3,905,975                              |                                                                                      | 11,383,975 |                                                                                      | 12,978,975 |
| Non-Current Assets                                        |      |                                   |     |            |                                   |            |     |                                   |     |            |                                        |            |     |                                        |                                                                                      |            |                                                                                      |            |
| Available for sale financial<br>assets                    | 3.2  | 13,171,851                        |     | 12,955,494 |                                   | 8,725,810  |     | 8,419,346                         |     | 6,464,469  |                                        | 6,335,230  |     | 6,335,230                              |                                                                                      | 6,335,230  |                                                                                      | 6,335,230  |
| Prepaid Royalty                                           |      | -                                 |     | -          |                                   | -          |     | -                                 |     | 359,524    |                                        | 352,336    |     | 352,336                                |                                                                                      | 352,336    |                                                                                      | 352,336    |
| Plant and equipment                                       |      | 828,964                           |     | 815,348    |                                   | 364,487    |     | 351,686                           |     | 149,228    |                                        | 146,245    |     | 146,245                                |                                                                                      | 146,245    |                                                                                      | 146,245    |
| Exploration expenditure                                   | 3.3  | 66,173,421                        |     | 65,086,477 |                                   | 72,924,250 |     | 70,363,036                        |     | 74,940,384 |                                        | 73,442,164 |     | 73,442,164                             |                                                                                      | 73,442,164 |                                                                                      | 73,442,164 |
| Total Non-Current Assets                                  |      | 80,174,236                        |     | 78,857,319 |                                   | 82,014,547 |     | 79,134,068                        |     | 81,913,605 |                                        | 80,275,975 |     | 80,275,975                             |                                                                                      | 80,275,975 |                                                                                      | 80,275,975 |
| TOTAL ASSETS                                              |      | 89,044,754                        |     | 87,582,133 |                                   | 85,204,870 |     | 82,212,342                        |     | 85,899,262 |                                        | 84,181,950 |     | 84,181,950                             |                                                                                      | 91,659,950 |                                                                                      | 93,254,950 |

## STATEMENTS OF FINANCIAL POSITION (continued)

|                                          |      | Audited as at 31<br>December 2010 | Audited as at 31<br>December 2010 | Audited as at 31<br>December 2011 | Audited as at 31<br>December 2011 | Reviewed as at<br>30 September<br>2012 | Reviewed as at<br>30 September<br>2012 | Minimum<br>Subscription<br>Pro-forma Post<br>the offer as at<br>30 September<br>2012<br>A\$ | Maximum<br>Subscription<br>Pro-forma Post<br>the offer as at<br>30 September<br>2012<br>A\$ |
|------------------------------------------|------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|----------------------------------------|----------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
|                                          | NOTE | C\$                               | A\$                               | C\$                               | A\$                               | C\$                                    | A\$                                    | A\$                                                                                         | A\$                                                                                         |
| <b>Current Liabilities</b>               |      |                                   |                                   |                                   |                                   |                                        |                                        |                                                                                             |                                                                                             |
| Accounts payable and accrued liabilities |      | 1,371,637                         | 1,349,107                         | 2,299,551                         | 2,218,787                         | 2,424,608                              | 2,376,135                              | 2,376,135                                                                                   | 2,376,135                                                                                   |
| <b>Total Current Assets</b>              |      | <b>1,371,637</b>                  | <b>1,349,107</b>                  | <b>2,299,551</b>                  | <b>2,218,787</b>                  | <b>2,424,608</b>                       | <b>2,376,135</b>                       | <b>2,376,135</b>                                                                            | <b>2,376,135</b>                                                                            |
| <b>Non-Current Liabilities</b>           |      |                                   |                                   |                                   |                                   |                                        |                                        |                                                                                             |                                                                                             |
| Long Term Debt                           | 3.4  | -                                 | -                                 | -                                 | -                                 | 4,747,297                              | 4,652,388                              | 4,652,388                                                                                   | 4,652,388                                                                                   |
| Deferred rent recovery                   |      | 352,512                           | 346,722                           | 211,512                           | 204,083                           | 105,762                                | 103,647                                | 103,647                                                                                     | 103,647                                                                                     |
| Deferred tax liability                   |      | 2,822,300                         | 2,775,942                         | 2,745,700                         | 2,649,267                         | 2,745,850                              | 2,690,955                              | 2,690,955                                                                                   | 2,690,955                                                                                   |
| <b>Total Non-Current Liabilities</b>     |      | <b>3,174,812</b>                  | <b>3,122,664</b>                  | <b>2,957,212</b>                  | <b>2,853,350</b>                  | <b>7,598,909</b>                       | <b>7,446,990</b>                       | <b>7,446,990</b>                                                                            | <b>7,446,990</b>                                                                            |
| <b>TOTAL LIABILITIES</b>                 |      | <b>4,546,449</b>                  | <b>4,471,771</b>                  | <b>5,256,763</b>                  | <b>5,072,137</b>                  | <b>10,023,517</b>                      | <b>9,823,125</b>                       | <b>9,823,125</b>                                                                            | <b>9,823,125</b>                                                                            |
| <b>NET ASSETS</b>                        |      | <b>84,498,305</b>                 | <b>83,110,362</b>                 | <b>79,948,107</b>                 | <b>77,140,205</b>                 | <b>75,875,745</b>                      | <b>74,358,825</b>                      | <b>81,836,825</b>                                                                           | <b>83,431,825</b>                                                                           |
| <b>Equity</b>                            |      |                                   |                                   |                                   |                                   |                                        |                                        |                                                                                             |                                                                                             |
| Issued Capital                           | 1    |                                   |                                   |                                   |                                   | 119,766,752                            | 117,372,356                            | 124,850,356                                                                                 | 126,445,356                                                                                 |
| Reserves                                 |      |                                   |                                   |                                   |                                   | 21,744,923                             | 21,310,195                             | 21,310,195                                                                                  | 21,310,195                                                                                  |
| Retained Earnings                        |      |                                   |                                   |                                   |                                   | (65,635,930)                           | (64,323,726)                           | (64,323,726)                                                                                | (64,323,726)                                                                                |
| <b>Total Non-Current Liabilities</b>     |      | <b>Nm</b>                         | <b>Nm</b>                         | <b>Nm</b>                         | <b>Nm</b>                         | <b>75,875,745</b>                      | <b>74,358,825</b>                      | <b>81,836,825</b>                                                                           | <b>83,431,825</b>                                                                           |

Nm = not meaningful.

Note : The conversion of the statements of financial position from Canadian dollars into Australian dollars has been done at the rate of C\$1.0204 = A\$1 at 30 September 2012, C\$1.0364 = A\$1 at 31 December 2011 and C\$1.0167 = A\$1 at 31 December 2010. The full statements of financial position have been translated at these rates for presentation purposes only.

## STATEMENTS OF FINANCIAL PERFORMANCE

|                                                                                        | Audited as at 31<br>December 2010<br>C\$ | Audited as at 31<br>December 2010<br>A\$ | Audited as at 31<br>December 2011<br>C\$ | Audited as at 31<br>December 2011<br>A\$ | Reviewed<br>for nine months<br>ending 30 Sept 2012<br>C\$ | Reviewed<br>for nine months<br>ending 30 Sept 2012<br>A\$ |
|----------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| <b>Revenue</b>                                                                         |                                          |                                          |                                          |                                          |                                                           |                                                           |
| Investment Income                                                                      | 41,419                                   | 42,104                                   | 25,004                                   | 24,507                                   | 7,680                                                     | 7,402                                                     |
| Gain (loss) in value of fair value<br>through profit and loss ("FVTPL")<br>investments | 2,066,224                                | 2,100,376                                | (1,407,924)                              | (1,379,912)                              | (69,921)                                                  | (67,394)                                                  |
| Gain (loss) on sale of investments                                                     | (589,027)                                | (598,763)                                | (608,282)                                | (596,180)                                | (349,586)                                                 | (336,950)                                                 |
| <b>Total Revenue</b>                                                                   | <b>1,518,616</b>                         | <b>1,543,717</b>                         | <b>(1,991,202)</b>                       | <b>(1,951,585)</b>                       | <b>(411,827)</b>                                          | <b>(396,942)</b>                                          |
| <b>Expenses</b>                                                                        |                                          |                                          |                                          |                                          |                                                           |                                                           |
| Administrative and office                                                              | 1,290,766                                | 1,312,101                                | 1,777,120                                | 1,741,762                                | 1,116,898                                                 | 1,076,528                                                 |
| Audit and legal                                                                        | 129,953                                  | 132,101                                  | 153,455                                  | 150,402                                  | 138,032                                                   | 133,043                                                   |
| Consulting                                                                             | 201,152                                  | 204,477                                  | 135,398                                  | 132,705                                  | 137,751                                                   | 132,772                                                   |
| Interest and transaction costs                                                         | -                                        | -                                        | -                                        | -                                        | 58,290                                                    | 56,183                                                    |
| Foreign Exchange loss (gain)                                                           | 19,504                                   | 19,826                                   | 12,460                                   | 12,212                                   | 15,754                                                    | 15,185                                                    |
| Share-based payments                                                                   | 525,334                                  | 534,017                                  | 202,631                                  | 198,599                                  | 256,292                                                   | 247,028                                                   |
| Depreciation of property and<br>equipment                                              | 30,012                                   | 30,508                                   | 15,813                                   | 15,498                                   | 12,985                                                    | 12,516                                                    |
| Writedown - mineral properties                                                         | -                                        | -                                        | 117,716                                  | 115,374                                  | 193,341                                                   | 186,353                                                   |
| <b>Total Expenses</b>                                                                  | <b>2,196,721</b>                         | <b>2,233,030</b>                         | <b>2,414,593</b>                         | <b>2,366,552</b>                         | <b>1,929,343</b>                                          | <b>1,859,608</b>                                          |
| Loss before income taxes                                                               | (678,105)                                | (689,313)                                | (4,405,795)                              | (4,318,137)                              | (2,341,170)                                               | (2,256,550)                                               |
| Deferred income tax benefit/(expense)                                                  | (141,300)                                | (143,636)                                | 59,900                                   | 58,708                                   | -                                                         | -                                                         |
| <b>TOTAL ASSETS</b>                                                                    | <b>(819,405)</b>                         | <b>(832,949)</b>                         | <b>(4,345,895)</b>                       | <b>(4,259,429)</b>                       | <b>(2,341,170)</b>                                        | <b>(2,256,550)</b>                                        |

Note : The conversion of the statement of financial performance from Canadian dollars into Australian dollars has been done at the rate of C\$1.0375 = A\$1 for 30 September 2012, C\$1.0203 for 31 December 2011 and C\$0.9838 for 31 December 2010. These rates represent the average exchange rates for the nine month period ended 30 September 2012 and the years ended 31 December 2011 and 2010 respectively, and have been translated at these rates for presentation purposes only.

## 1 ISSUED CAPITAL

|                                 | Issue Price \$ | MINIMUM SUBSCRIPTION<br>Shares<br>Number | Contributed<br>Equity A\$ | MAXIMUM SUBSCRIPTION<br>Shares<br>Number | Contributed<br>Equity A\$ |
|---------------------------------|----------------|------------------------------------------|---------------------------|------------------------------------------|---------------------------|
| Balance as at 30 September 2012 |                | 70,767,592                               | 17,372,356                | 70,767,592                               | 117,372,356               |
| <b>Offer:</b>                   |                |                                          |                           |                                          |                           |
| Issued under the Prospectus     | 0.85           | 10,000,000                               | 8,500,000                 | 12,000,000                               | 10,200,000                |
| Cost of issue                   |                |                                          | (1,022,000)               |                                          | (1,127,000)               |
|                                 |                | <b>80,767,592</b>                        | <b>124,850,356</b>        | <b>82,767,592</b>                        | <b>126,445,356</b>        |

### SHARE OPTIONS ON ISSUE AS AT 30 SEPTEMBER 2012

Share options outstanding as at 30 September 2012 are as follows:

| Number of options | Exercise price | Expiry Date        |
|-------------------|----------------|--------------------|
| 1,810,000         | C\$1.10        | May 19, 2013       |
| 125,000           | C\$1.90        | January 06, 2013   |
| 2,125,000         | C\$1.20        | September 15, 2014 |
| <b>4,060,000</b>  | <b>C\$1.18</b> |                    |

No further share options have been issued since 30 September 2012. 125,000 share options expired on 6th January 2013

### SHARE WARRANTS ON ISSUE AS AT 30 SEPTEMBER 2012

Share warrants outstanding as at 30 September 2012 are as follows:

| Number of warrants | Exercise price | Expiry Date       |
|--------------------|----------------|-------------------|
| 1,062,500          | C\$1.00        | December 30, 2013 |
| 375,000            | C\$1.00        | January 6, 2014   |
| 650,000            | C\$1.35        | December 31, 2015 |

## 2 RECONCILIATION OF CASH

|                                         | MINIMUM SUBSCRIPTION<br>A\$ | MAXIMUM SUBSCRIPTION<br>A\$ |
|-----------------------------------------|-----------------------------|-----------------------------|
| Cash as at 30 September 2012            | 133,333                     | 133,333                     |
| Issued under the Prospectus             | 8,500,000                   | 10,200,000                  |
| Payment of issue expenses               | (1,022,000)                 | (1,127,000)                 |
|                                         | <b>7,611,333</b>            | <b>9,206,333</b>            |
| <b>Consists of:</b>                     |                             |                             |
| Cash and cash equivalents               | 5,486,333                   | 6,656,333                   |
| Restricted cash (refer Section 14.2(d)) | 2,125,000                   | 2,550,000                   |
|                                         | <b>7,611,333</b>            | <b>9,206,333</b>            |

### 3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The statements of financial position and statements of financial performance and pro-forma statements of financial position and statement of financial performance have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). This financial information also complies with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”). The policies applied are based on IFRS issued and outstanding as of 19 October, 2012, the date the Board of Directors approved the interim financial statements for the period ended, and as at 30 September 2012. Any subsequent changes to IFRS that may be implemented in the annual consolidated financial statements for the year ending 31 December, 2012 could result in restatement of these interim financial statements.

#### HISTORICAL COST CONVENTION

The financial statements are prepared on the historical cost basis except for certain assets and financial instruments which are measured at their fair value, as explained in the accounting policies set out in this note.

Non-current assets are stated at the lower of carrying amount and fair value less costs to sell.

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

#### PRINCIPLES OF CONSOLIDATION

A controlled entity is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern the existence and effect of holdings of actual and potential voting rights are considered.

The consolidated financial information includes the following controlled entities, Cerro Dorado, Inc., Laramide La Sal Inc. and Laramide Resources (USA) Inc., Mineral Lara S.A. de C.V. Lagoon Creek Resources Pty Ltd., Westmoreland Resources Pty Ltd. and Tackle Resources Pty Ltd.

As at the reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial information as well as their results for the period then ended.

The effects of all transactions between entities in the economic entity have been eliminated in full and the consolidated financial information has been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The following specific accounting policies have been adopted in the preparation of the statement of financial position, statement of financial performance and pro-forma statement of financial position, and statement of financial performance.

#### FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At closing date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange rate. All foreign currency adjustments are expensed, apart from adjustments on borrowing in foreign currencies, constituting a hedge for the net investment in a foreign entity. These adjustments are allocated directly to equity until the divestiture of the net investment.

Financial statements of the Australian and U.S. subsidiaries for which the functional currency is not the Canadian dollar are translated into Canadian dollars as follows: all asset and liability accounts are translated at the period-end exchange rate and all income and expense accounts are translated at average exchange rates for the period. The resulting translation gains and losses are recorded in the foreign currency translation revenue in equity.

### 3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### FOREIGN CURRENCY TRANSLATION (continued)

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

The functional currency and presentation currency of the consolidated entity is Canadian dollars (C\$). Information has been translated and shown in Australian dollars (A\$) in these financial statements for the purpose of this prospectus only. The functional and presentation currency of the consolidated entity is expected to be Canadian dollars in future reporting periods.

#### CASH AND CASH EQUIVALENTS

The “cash and cash equivalents” category consists of cash in banks, call deposits and other highly liquid investments with initial maturities of three months or less.

#### SHORT-TERM INVESTMENTS

Short-term investments represent temporary excess of liquidity invested in Guaranteed Investment Contracts with initial maturities of three months or less; their book values approximate their fair values.

#### FINANCIAL INSTRUMENTS

Financial assets classified as fair value through the statement of comprehensive income (“FVTPL”) are measured at fair value, with any resultant gain or loss recognised in the statement of comprehensive income.

Financial instruments classified as being available-for-sale are measured at fair value, with any resultant gain or loss being recognised directly under other comprehensive income, except for impairment losses and, in the case of monetary items such as securities denominated in foreign currency, which are recorded in foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

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

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

Financial liabilities classified as other financial liabilities are measured at amortised cost using the effective interest rate method.

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

- FVTPL financial assets: An impairment loss on a financial asset or financial liability classified as FVTPL is recognised in net income in the period in which it arises.
- Available-for-sale financial assets: When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is transferred to profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

### 3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### PROPERTY AND EQUIPMENT

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

Subsequent to initial recognition, the cost model is applied to property and equipment.

Where parts of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment.

Depreciation is provided at rates calculated to write off the cost of property and equipment less their estimated residual value on either a straight-line or declining balance method, over the estimated useful lives of each part of an item of property and equipment, as follows.

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

#### MINERAL PROPERTIES AND RELATED DEFERRED COSTS

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

#### PROVISIONS

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

#### DEFERRED TAXES

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

### **3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **SHARE-BASED COMPENSATION**

The Company offers a share option plan for its directors, officers, employees and consultants. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured using the Black-Scholes option pricing model. Compensation expense is recognised over the tranche's vesting period by increasing the share based payments reserve based on the number of awards expected to vest. Any consideration paid on exercise of share options is credited to share capital. The share based payment reserve resulting from share-based compensation is transferred to share capital when the options are exercised.

#### **ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of consolidated financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that they consider reasonable and realistic.

Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the consolidated entity's assets, liabilities, equity or earnings. These estimates and assumptions notably relate to the measurement of impairment in assets, share-based compensation, deferred income taxes, provisions and contingencies.

### 3.2 FINANCIAL ASSETS

|                                                                 | Audited as at 31<br>December 2010 | Audited as at 31<br>December 2010 | Audited as at 31<br>December 2011 | Audited as at 31<br>December 2011 | Reviewed as at 30<br>September 2012 | Reviewed as at 30<br>September 2012 |
|-----------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
|                                                                 | C\$                               | A\$                               | C\$                               | A\$                               | C\$                                 | A\$                                 |
| <b>Current FVTPL Investments</b>                                |                                   |                                   |                                   |                                   |                                     |                                     |
| Pan American Silver Corp – shares                               | 4,488,000                         | 4,414,282                         | 554,500                           | 535,026                           | 210,800                             | 206,586                             |
| Pan American Silver Corp – warrants                             | 502,623                           | 494,367                           | 123,699                           | 119,354                           | 67,828                              | 66,472                              |
| <b>Total Current FVTPL Investments</b>                          | <b>4,990,623</b>                  | <b>4,908,649</b>                  | <b>678,199</b>                    | <b>654,380</b>                    | <b>278,628</b>                      | <b>273,058</b>                      |
| <b>Non-Current Available for Sale Investments</b>               |                                   |                                   |                                   |                                   |                                     |                                     |
| Treasury Metals Inc.                                            | 6,536,250                         | 6,428,888                         | 5,810,000                         | 5,605,944                         | 4,144,273                           | 4,061,420                           |
| Corona Gold Corporation                                         | 292,000                           | 287,204                           | 85,500                            | 82,497                            | 19,500                              | 19,110                              |
| Nation River Resources Ltd. (no quoted value)                   | 6,681                             | 6,571                             | 6,681                             | 6,446                             | 6,681                               | 6,547                               |
| Alligator Energy Ltd.                                           | 509,000                           | 500,639                           | 766,163                           | 739,254                           | 602,761                             | 590,711                             |
| Uranium Equities Limited                                        | 1,730,600                         | 1,702,174                         | 407,966                           | 393,638                           | 306,254                             | 300,131                             |
| Khan Resources Inc.                                             | 3,337,000                         | 3,282,187                         | 1,420,000                         | 1,370,127                         | 1,241,000                           | 1,216,190                           |
| Virgina Energy Resources Inc. (formerly Santony Resources Ltd.) | 760,320                           | 747,831                           | 229,500                           | 221,440                           | 144,000                             | 141,121                             |
| <b>Total Non-Current Available for Sale Investments</b>         | <b>13,171,851</b>                 | <b>12,955,494</b>                 | <b>8,725,810</b>                  | <b>8,419,346</b>                  | <b>6,464,469</b>                    | <b>6,335,230</b>                    |

Refer to the 'Statements of Financial Position' for disclosure of the rate used to translate the above information denominated in Canadian dollars, into Australian dollars for presentation purposes only.

### 3.3 NON CURRENT ASSETS - EXPLORATION INTERESTS

|                                                          | Audited as at 31<br>December 2010 | Audited as at 31<br>December 2010 | Audited as at 31<br>December 2011 | Audited as at 31<br>December 2011 | Reviewed as at 30<br>September 2012 | Reviewed as at 30<br>September 2012 |
|----------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
|                                                          | C\$                               | A\$                               | C\$                               | A\$                               | C\$                                 | A\$                                 |
| Westmoreland Project, Queensland Australia               | 48,002,734                        | 47,214,256                        | 53,095,937                        | 51,231,124                        | 54,925,754                          | 53,827,670                          |
| Joint Ventures – Northern Territory Australia            | 8,429,113                         | 8,290,659                         | 8,937,200                         | 8,623,311                         | 8,678,268                           | 8,504,771                           |
| Grants District, New Mexico and Lisbon Valley, Utah, USA | 5,686,280                         | 5,592,879                         | 6,744,488                         | 6,507,611                         | 7,327,550                           | 7,181,056                           |
| Uranium Resources Inc, USA-Mineral Royalty               | 4,055,294                         | 3,988,683                         | 4,146,625                         | 4,000,990                         | 4,008,812                           | 3,928,667                           |
| <b>Total Exploration Expenditure</b>                     | <b>66,173,421</b>                 | <b>65,086,477</b>                 | <b>72,924,250</b>                 | <b>70,363,036</b>                 | <b>74,940,384</b>                   | <b>73,442,164</b>                   |

Refer to the 'Statements of Financial Position' for disclosure of the rate used to translate the above information denominated in Canadian dollars, into Australian dollars for presentation purposes only.

### 3.4 LONG TERM DEBT

On August 9, 2012 the company signed an agreement with Anglo Pacific Group PLC by which the company received a loan facility of C\$5,000,000 and is due on 31 December 2015. The loan bears interest at a rate of 7% per annum payable quarterly in arrears. The facility is secured by a pledge of the shares of Laramide Resources (USA) Inc., a wholly owned subsidiary of the Company.

|                               | C\$              | A\$              |
|-------------------------------|------------------|------------------|
| Loan Facility                 | 5,000,000        | 4,900,039        |
| Unamortised Transaction Costs | (252,703)        | (247,651)        |
|                               | <b>4,747,297</b> | <b>4,652,388</b> |

Refer to section 14.2 for further details concerning the facility.

Refer to the 'Statements of Financial Position' for disclosure of the rate used to translate the above information denominated in Canadian dollars, into Australian dollars for presentation purposes only.

### 3.5 COMMITMENTS

#### EXPLORATION COMMITMENTS

In order to maintain current rights to tenure of various exploration and mining tenements, the consolidated entity will be required to outlay amounts in respect of tenement rent to the relevant governing authorities and to meet certain annual exploration expenditure commitments. These outlays (exploration expenditure and rent) as at 30 September 2012, which arise in relation to granted tenements, inclusive of tenement applications granted subsequent to 30 September 2012 but not recognised as liabilities, are as follows:

|                                                     | C\$              | A\$              |
|-----------------------------------------------------|------------------|------------------|
| Exploration expenditure commitments payable:        |                  |                  |
| - within one year                                   | 7,439,150        | 7,290,425        |
| - later than one year but not later than five years | -                | -                |
| - later than five years                             | -                | -                |
|                                                     | <b>7,439,150</b> | <b>7,290,425</b> |

Translated at the rate of C\$1.0204 = A\$1 as at 30 September 2012.

Outlays may be varied from time to time, subject to approval of the relevant government departments, and may be relieved if a tenement is relinquished.

### 3.6 CONTINGENT LIABILITIES

The Company has several contracts under which future payments are due upon the occurrence of certain events. These contracts are the UNC Royalty and the Homestake Agreement. These contracts are described in Sections 14.1 and 14.3 of this prospectus.

The UNC Royalty relates to a royalty ranging between 5% and 25% (depending on the price of uranium) on all U3O8 produced at specified tenements in the Grants Mineral District of New Mexico, United States (the Churchrock Properties). Under the agreement the following payments will be due:

- (i) US\$3 million on the date the final permit is issued in relation to the first defined block of tenements;
- (ii) US\$1.25 million on the date the final permit is issued in relation to the second defined block of tenements; and
- (iii) US\$1.5 million on the date the final permit is issued in relation to the third defined block of tenements.

The Homestake agreement relates to the purchase of the US properties and mineral interests in Colorado, New Mexico and Utah known as Los Ochos, La Jara Mesa, Melrich and La Sal (collectively, the Homestake Properties). Under the Homestake Agreement, Laramide must also make the following payments to the Seller:

- (i) US\$500,000 in immediately available funds within 30 days of obtaining all permits required to conduct development activities at La Jara Mesa.
- (ii) US\$250,000 in immediately available funds within 30 days of obtaining all permits required to conduct development activities at La Sal.
- (iii) US\$1,000,000 in immediately available funds or in equal amounts of cash and common shares (at Laramide's election) within 30 days of commencing commercial production at La Jara Mesa.
- (iv) US\$500,000 in immediately available funds or in equal amounts of cash and common shares (at Laramide's election) within 30 days of commencing commercial production at La Sal.

### 3.7 SUBSEQUENT EVENTS

On the 22nd October the Queensland Premier Campbell Newman announced the recommencement of uranium mining in Queensland.

As at the date of this report there have been no other material events subsequent to balance date that we are aware of, other than those disclosed in this prospectus.



## 10. INVESTIGATIVE ACCOUNTANT'S REPORT

31 January 2013

The Directors  
Laramide Resources Limited  
The Exchange Tower  
130 King Street West  
Toronto Ontario M5X 1B1

Dear Sirs

## INDEPENDENT ACCOUNTANT'S REPORT

### 1. Introduction

The Directors of Laramide Resources Limited ("**Laramide**" or "**the Company**") have requested Lawler Corporate Finance Pty Limited ("**LCF**") to prepare an Independent Accountant's Report ("**Report**") for inclusion in a prospectus to be issued by the company on or about 31 January 2013 ("**the Prospectus**"). The Prospectus has been prepared in connection with an offer of 10,000,000 CHESS Depositary Interests ("**CDIs**") ("**Minimum Subscription**") and up to 12,000,000 CDIs ("**Full Subscription**"), at an issue price of \$0.85 per CDI, for the purposes of raising \$8.2 million to \$10.2 million respectively ("**the Offer**"). The Offer is not underwritten.

Expressions defined in the Prospectus have the same meaning in our Report.

### 2. Basis of preparation

This Report has been prepared in accordance with the general disclosure requirements of the Corporations Act 2001 for inclusion in the Prospectus. We disclaim any assumption of responsibility for reliance on this Report or on the historical pro forma financial information to which it relates for any purposes other than the purpose for which it was prepared.

The future prospects of Laramide, other than the Historical Financial Information, as outlined below are not addressed in this Report.

### 3. Financial Information

LCF have been engaged by the Directors of Laramide to prepare a Report covering the Financial Information which comprises the Historical and Pro Forma Historical Financial Information as described below and set out in Section 9 of the Prospectus.

#### 3.1. Historical Financial Information

The Historical Financial Information, as set out in Section 9 of the Prospectus, comprises the statements of financial position of Laramide:

- audited information presented in both Canadian dollars and Australian dollars as at 31 December 2010 and 31 December 2011;

Lawler Corporate Finance Pty Ltd  
ABN 65 097 893 957  
AFSL 295 872

Sydney  
Level 9, 1 O'Connell Street  
Sydney NSW 2000 Australia  
GPO Box 5446 Sydney NSW 2001

telephone 02 8346 6000  
facsimile 02 8346 6099

info@lawlercf.com.au

Newcastle  
763 Hunter Street  
Newcastle West NSW 2302 Australia  
PO Box 2368 Dangar NSW 2309

telephone 02 4962 2688  
facsimile 02 4962 3245  
DX 4303

mail@lawlercf.com.au

www.lawlercf.com.au



- reviewed presented in both Canadian dollars and Australian dollars as at 30 September 2012; and
- proforma balance presented in Australian dollars sheet as at 30 September 2012.

The Historical Financial Information also comprises the following statements of financial performance of Laramide:

- audited information presented in both Canadian dollars and Australian dollars for the years ended 31 December 2010 and 31 December 2011; and
- reviewed information presented in both Canadian dollars and Australian dollars for the nine months period ended 30 September 2012.

All of the above information is collectively referred to as the “**Historical Financial Information**”.

The Historical Financial Information as at 31 December 2010 and 31 December 2011 has been extracted from annual financial statements of Laramide. These financial reports have been audited and unqualified audit opinions on those financial reports have been issued. Both the 31 December 2010 and 31 December 2011 annual financial reports were lodged with the Toronto Stock Exchange.

The Historical Financial Information as at 30 September 2012 has been extracted from the 30 September 2012 unaudited quarterly financial statements of Laramide lodged with the Toronto Stock Exchange. These financial statements have been reviewed by the Company’s auditors who issued an unmodified review opinion.

The Historical Financial Information included in the prospectus is presented in an abbreviated form in so far as it does not include all of the disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements in Australia (“**AGAAP**”), applicable to annual financial reports prepared in accordance with the Corporations Act.

The Australian dollar Financial Information has been converted to Australian dollars at the CAD/AUD exchange rates for the relevant periods as outlined in Section 9 of the Prospectus.

### 3.2. Pro forma Historical Financial Information

The Pro Forma Historical Financial Information as set out in Section 9 of the Prospectus includes the Pro Forma Statement of Financial Position as at 30 September 2012.

The pro forma Statement of Financial Position comprises of the Statement of Financial Position as at 30 September 2012 in Australian dollars adjusted to include:

- significant transactions which have occurred subsequent to 30 September 2012 and significant transactions contemplated by the Prospectus; and
- the Offer.

### 3.3. Responsibility for the Financial Information

The Directors of Laramide are responsible for the preparation and presentation of the Financial Information (including the determination of the Pro Forma adjustments, set out in Section 9 of the Prospectus).

The Financial Information has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates, for any purpose other than that for which it was prepared.

This Report does not address the rights attaching to the CDI’s to be issued, the risks associated with the investment, nor form the basis of an independent expert’s opinion with respect to a valuation of the company or a valuation of the Offer Price of \$0.85 per Share.

We have not been requested to consider the prospects for the Company, nor the merits and risks associated with becoming a shareholder and have not done so, nor purport to do so. Accordingly, we take no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for our Report.

This Report should be read in conjunction with the full Prospectus.

#### **4. Scope**

We have reviewed the Financial Information set out in Section 9 of the Prospectus in order to report on whether anything has come to our attention which causes us to believe that the Financial Information is not presented fairly in accordance with the basis of preparation as described in Section 9 of the Prospectus.

Our review was conducted in accordance with Australian Standard on Review Engagements ASRE2405 “Review of Historical Financial Information Other than a Financial Report”. We have made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- analytical procedures;
- review of working papers, accounting records and other documents, including the Company’s auditor’s working papers;
- review of pro forma adjustments and assumptions on which they are based as described in Section 9 of the Prospectus;
- review of the accounting policies adopted by the Company to ensure that are consistent with AGAAP;
- a review of the application of the recognition and measurement principles in Australian Accounting Standards and the accounting policies adopted by the Company as disclosed in Note 3.1 of Section 9 the Prospectus; and
- enquiry of Directors, management and others of the Company.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. For the purposes of this Report, we have not performed an audit and, accordingly, we do not express an audit opinion on the Financial Information.

#### **5. Review Statements**

##### **5.1. Historical Financial Information**

Based on the scope of our review, which is not an audit, nothing has come to our attention which causes us to believe that the Historical Financial Information as set out in Section 9 of the Prospectus is not presented fairly in accordance with the basis of preparation as described in Section 9 the Prospectus.

##### **5.2. Pro Forma Historical Financial Information**

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the Pro Forma Historical Financial Information as set out in Section 9 of the Prospectus, is not presented fairly on the basis of the pro forma transactions and adjustments described in Section 9 of the Prospectus and in accordance with basis of preparation described in Section 9 of the Prospectus.

### Subsequent Events

Apart from the matters dealt with in this report, and having regard to the scope of our report, to the best of our knowledge and belief, nothing has come to our attention that would cause us to believe that matters arising after 30 September 2012, other than matters dealt with in Section 9 of the Prospectus, would require comment on, or adjustment to, the information referred to in our report or that would cause such information to be misleading or deceptive.

### Independence

LCF do not have any interest in the outcome of the Offer, nor any interest in any shares or other securities in the company or any pecuniary interests that could reasonably be regarded as being capable of affecting their ability to give an unbiased statement in relation to the Offer, Prospectus or financial report of the company.

LCF will receive a fee based on its normal hourly rates for the preparation of this Report.

### Other Important Considerations

This Report constitutes general financial product advice only and LCF has not made any recommendation through the issue of this Report as to the merits of an investment in CDIs issued by the company.

Before making any decision to acquire CDIs, a prospective applicant should consider the appropriateness of the investment in light of their own personal circumstances. It is strongly recommended that all prospective applicants seek professional advice in regards to the appropriateness of an investment in CDIs of the company.

### Consent

Consent for the inclusion of this report in the Prospectus in the form and context in which it appears has been given. At the date of this Report consent had not been withdrawn.

### Financial Services Guide

Our Financial Services Guide follows this Report. This guide is designed to assist retail clients in their use of any general financial product advice in our Report.

Yours faithfully

**LAWLER CORPORATE FINANCE PTY LIMITED**



**Shaun Lindemann**  
Authorised Representative



**Vince Fayad**  
Director

## FINANCIAL SERVICES GUIDE

31 January 2013

### What is a Financial Services Guide?

This Financial Services Guide ("FSG") is an important document the purpose of which is to assist you in deciding whether to use any of the general financial product advice provided in the form of an independent expert report by Lawler Corporate Finance Pty Limited (ABN 65 097 893 957) ("Lawler Corporate Finance"). The use of "we", "us" or "our" is a reference to Lawler Corporate Finance as the holder of Australian Financial Services Licence ("AFSL") No. 295872.

The contents of this FSG include:

- who we are and how we can be contacted;
- what services we are authorised to provide under our AFSL;
- how we (and any other relevant parties) are remunerated in relation to any general financial product advice we may provide;
- details of any potential conflicts of interest; and
- details of our internal and external dispute resolution systems and how you can access them.

### Information about us

We have been engaged by the Directors of Laramide Resources Limited ("Laramide" or the "Company") to prepare an investigating accountants report for inclusion in a prospectus ("Prospectus").

The Proposed offer is set out in the Prospectus. You are not the party or parties who engaged us to prepare the Report. We are not acting for any person other than the party or parties who engaged us. We are required by law to give you an FSG because the Report is being provided to you. You may contact us using the details located below.

Lawler Corporate Finance provides services primarily in the area of corporate finance and is partly owned by partners of the Australian partnership of Lawler Partners. Lawler Partners and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services. Our directors may be partners in the partnership of Lawler Partners.

The financial product advice in the Report is provided by Lawler Corporate Finance and not by the partnership of Lawler Partners.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and the partnership of Lawler Partners (and its related bodies corporate) may from time to time provide professional services to financial product issuers in the ordinary course of business.

What financial services are we licensed to provide?

The AFSL we hold authorises us to provide the following financial services to both retail and wholesale clients:

Provide financial product advice for the following classes of financial products:

- deposit and payment products limited to;
- basic deposit products;
- deposit products other than basic deposit products;
- debentures, stocks or bonds issued or proposed to be issued by a government;
- interests in managed investment schemes excluding investor directed portfolio services; and
- securities.

### Information about the general financial product advice we provide

The financial product advice provided in the Report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice

contained in the Report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued by another party, we recommend you obtain and read carefully the relevant offer document provided by the issuer of the financial product. The purpose of the offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

We charge fees for providing Reports. Fees are agreed with the party or parties who actually engage us, and we confirm our remuneration in a written letter of engagement to the party or parties who actually engage us.

Our fees are usually determined on an hourly basis. However they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out-of-pocket expenses incurred in providing the services.

Neither Lawler Corporate Finance, nor its directors and officers, receive any commissions or other benefits arising directly from providing Reports to you. The remuneration paid to our directors and staff reflects their individual contribution to the company and covers all aspects of performance.

We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

The estimated fee for the Report is \$23,000 (exclusive of GST and out-of-pocket expenses).

### Responsibility

The liability of Lawler Corporate Finance is limited to the contents of this FSG and the Report referred to in this FSG.

### What should you do if you have a complaint?

If you have any concerns regarding the Report, you may wish to advise us. Our internal complaint handling process is designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

AFS Compliance Manager  
Lawler Corporate Finance Pty Limited  
GPO Box 5446  
SYDNEY NSW 2001  
Telephone: +61 2 8346 6000 Fax: +61 2 8346 6099

If you are not satisfied with the steps we have taken to resolve your complaint, you may contact the Financial Ombudsman Service ("FOS"). FOS provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry.

Complaints may be submitted to FOS at:

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001  
Telephone: (03) 9613 7366 Fax: (03) 9613 6399  
Internet: <http://www.fos.org.au>

If your complaint relates to the professional conduct of a person who is a Chartered Accountant, you may wish to lodge a complaint in writing with the Institute of Chartered Accountants in Australia ("ICAA"). The ICAA is the professional body responsible for setting and upholding the professional, ethical and technical standards of Chartered Accountants and can be contacted at:

The Institute of Chartered Accountants  
GPO Box 9985  
Sydney NSW 2001  
Telephone: +61 2 9290 1344 Fax: +61 2 9262 1512

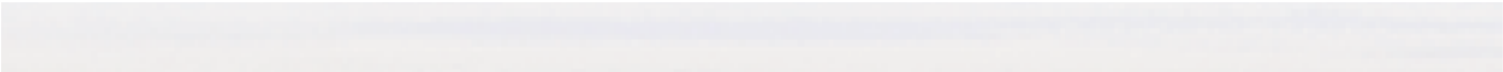
Specific contact details for lodging a complaint with the ICAA can be obtained from their website at <http://www.charteredaccountants.com.au/The-Institute/Member-complaints-and-discipline/How-to-make-a-complaint.aspx>

The Australian Securities and Investments Commission ("**ASIC**") regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit. Their website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info line: 1 300 300 630

Email: [info@asic.gov.au](mailto:info@asic.gov.au)

Internet: <http://www.asic.gov.au/asic/asic.nsf>



## **11. SOLICITOR'S REPORT ON AUSTRALIAN TENEMENTS**

# Solicitor's Tenement Report

## 1. Introduction

### 1.1 Purpose of this Report

Minter Ellison has been engaged by Laramide Resources Limited (**Laramide**) to undertake an independent legal review of the Australian mining tenements in which Laramide and its wholly-owned Australian subsidiaries (being Lagoon Creek Resources Pty Ltd (**Lagoon**), Tackle Resources Pty Ltd (**Tackle**) and Westmoreland Resources Pty Ltd (**Westmoreland**)) (together the **Laramide Group**)) hold an interest.

The Australian mining tenements in which the Laramide Group holds (or is entitled to earn) an interest in (as outlined in this Report) are as follows:

- (a) Queensland – exploration permits for minerals (**EPMs**) 14558, 14672, 14967 and 15061 (together the **Queensland Tenements**); and
  - (b) Northern Territory – mineral exploration licences (**ELs**) 9319, 9414, 10335, 23573, 28721, 28722, 28723 and 28724 (together the **Northern Territory Tenements**),
- (collectively, the **Tenements**).

This Report has been prepared for inclusion in the prospectus for the listing of Laramide on the Australian Securities Exchange (**Prospectus**).

The purpose of this Report is to set out the results of the legal review of the Tenements carried out by Minter Ellison in the period prior to 21 December 2012. This Report is a reflection of legal views based on the material available at that time and the searches described in section 1.4.

### 1.2 Scope of this Report

In accordance with the scope of work agreed between Minter Ellison and Laramide, our investigations have been limited to a consideration of the standing and ownership of the Tenements, the identification of any native title and environmental issues in relation to the Tenements and a summary of the material contracts in relation to the Tenements. This Report also contains an overview of the regulatory regime applying to mining tenements in Queensland and the Northern Territory.

This Report is not concerned with, and Minter Ellison has not conducted any review of, issues relating to business risk, competition, geology, finance, insurance, real property, overlapping tenure (both resources and land), litigation, health/safety or taxation.

### 1.3 Use and Reliance

This Report has been provided solely for the benefit of Laramide and the directors of Laramide in connection with the disclosure obligations associated with the initial listing of Laramide on the Australian Securities Exchange. This Report may not (in whole or in part) be used, referred to or relied upon for any other purpose, without the express written consent of Minter Ellison.

## 1.4 Methodology

In preparing this Report, Minter Ellison has exercised its professional judgement in making such enquiries, and performing such searches, as considered reasonably necessary to verify the standing of the Tenements and identify any native title and environmental issues.

Minter Ellison's review of the Tenements has relied upon information provided to Minter Ellison by Laramide and its agents. In verifying the information so provided to Minter Ellison, the following searches of public registers (which are not necessarily complete or up-to-date) were conducted in relation to the Tenements:

- (a) tenure by holder reports for each member of the Laramide Group were obtained from the Queensland Department of Natural Resources and Mines (**DNRM**) on 25 September 2012;
- (b) searches of the *Environmental Protection Act 1994* (Qld) (**EPA**) databases relating to wild river declarations, Environmentally Sensitive Areas and Strategic Cropping Land trigger areas were conducted on 27 September 2012 and 21 December 2012;
- (c) public enquiry reports were obtained from DNRM on 24 September 2012, 21 October 2012 and 4 December 2012 in relation to the Queensland Tenements;
- (d) searches of the public registers maintained by the Queensland Department of Environment and Heritage Protection (**DEHP**) were conducted on 25 September 2012 and 17 December 2012;
- (e) searches of the title registers maintained by the Northern Territory Department of Mines and Energy (**DMENT**) were conducted on 26 September 2012 and 20 December 2012;
- (f) searches of the registers maintained by the National Native Title Tribunal (**NNTT**) were conducted on 24 September 2012 and 10 December 2012;
- (g) searches of the registers maintained by the Northern Territory Aboriginal Areas Protection Authority (**AAPA**) were conducted on 22 September 2012;
- (h) searches of the Aboriginal Cultural Heritage Register maintained by the Queensland Department of Aboriginal and Torres Strait Islander and Multicultural Affairs (**DATSIMA**) were conducted on 26 September 2012 and 17 December 2012; and
- (i) searches of the records maintained by the Northern Territory Department of Lands, Planning and the Environment (**DLPENT**) pursuant to the *Heritage Conservation Act 1991* (NT) (**Heritage Act**) and the Northern Territory Department of Land Resource Management (**DLRMNT**) pursuant to the *Weeds Management Act 2001* (NT) (**Weeds Act**) were conducted on 22 September 2012.

Minter Ellison also consulted with officers of DNRM and accessed departmental tenement files on 8 and 13 March 2012 and 9 October 2012 to clarify and verify issues where relevant.

## 1.5 Assumptions and Qualifications

Minter Ellison has made the following assumptions in conducting its review of the Tenements and preparing this Report:

- (a) the accuracy, completeness and conformity to originals of all documents made available to Minter Ellison;
- (b) the documents examined by Minter Ellison are within the capacities and powers of the parties to those documents, have been validly authorised, executed and delivered by (and are binding on) the parties to them and continue unamended (other than as noted in the document reviewed) in full force and effect;
- (c) all facts stated in documents, responses to requests for further information (whether provided by the officers, employees and agents of the Laramide Group, or officers of governmental and regulatory authorities), and other material which Minter Ellison has relied upon in providing this Report, are (and continue to be) correct, and no relevant matter has been misstated or withheld from Minter Ellison (whether deliberately or inadvertently);
- (d) there are no other documents material to the areas requiring examination by Minter Ellison, except for the documents disclosed to Minter Ellison;
- (e) the details revealed by searches of public registers maintained by governmental or other regulatory authorities have been properly and accurately recorded in those registers by those authorities. It must be noted that many public and governmental registers do not have adequate recording procedures in place and delays occur between filing and notification on a publicly available register; and
- (f) there are no searches, other than those undertaken by Minter Ellison, which could be undertaken which relate to the matters which Minter Ellison examined.

This Report is also subject to the following qualifications:

- (a) Minter Ellison has, in undertaking its review of the Tenements:
  - (i) acted on Laramide's written and oral instructions as to the manner and extent of the enquiries to be conducted; and
  - (ii) been constrained by considerations of, and instructions regarding:
    - (A) the information and material to be reviewed and the way it was to be reviewed;
    - (B) the availability and source of relevant material;
    - (C) the restrictions on, or exclusions of, access to sources which might have been used to verify information; and
    - (D) reliability of information supplied by the Laramide Group and the officers of government and regulatory authorities;
- (b) in relation to the material contracts reviewed and discussed in section 6 and the Tenements in which no registered legal interest is held (being those tenements in respect of the Debbil Debbil Letter Agreement and the Murphy Farm-In), except for the searches described in section 1.4, Minter Ellison has not investigated the counterparties to these contracts or holders of the tenements, including any dealings by those parties (including in respect of the contracts or the tenements). We are unable to comment on whether any such matters may materially affect the Laramide Group's rights under such material contracts or in relation to the Tenements;

- (c) it is essential to recognise that the accuracy and utility of this Report depends substantially on the quality of the information provided to Minter Ellison. Only to a limited extent can information be verified by searches of public and statutory registers or other independent sources; and
- (d) in providing this Report, Minter Ellison only holds itself out as having legal skills and expertise with respect to the laws of the Commonwealth of Australia and its States and Territories, and the Report is given on the basis that it will be construed in accordance with those laws.

## 1.6 Statement of Independence and Disclosure of Interests

This Report has been prepared on the basis that Minter Ellison has undertaken an impartial assessment of the legal standing of the Tenements. Except for the normal professional fee due for the preparation of this Report, no partner or employee of Minter Ellison engaged in the preparation of this Report has any financial interest in the promotion of Laramide or the Laramide Group.

## 1.7 Consent

Minter Ellison has given, and has not before the lodgement of the Prospectus, withdrawn its consent to the issue of the Prospectus with this Report included in the form and context in which it appears. Minter Ellison takes no responsibility for any matter or omission in the Prospectus, other than responsibility for this Report subject to the qualifications and assumptions outlined above.

**MINTER ELLISON**

25 January 2013



**Simon Scott**

Partner

## 2. Executive Summary

### 2.1 Status of Tenements

The Laramide Group has interests (or the right to earn interests) in 12 mineral exploration tenements across Queensland and the Northern Territory.

#### Queensland

In Queensland, the Laramide Group holds a 100% legal interest in EPMs 14558, 14672, 14967 and 15061. All of the Queensland Tenements are current and not presently subject to renewal. EPMs 14558 and 14672 will both expire within the next 12 months (on 25 July 2013 unless renewed). Laramide intends to apply for the renewal of both EPMs 14558 and 14672 for further terms when required.

We also understand that Laramide has not satisfied the work program and expenditure requirements for the period ending 25 July 2012 in relation to EPMs 14558 and 14672. However, as discussed in section 4.1, an extensive drilling program was announced on 29 August 2012 which Laramide expects will make up any shortfall in order to satisfy these tenement conditions. Laramide also intends to seek the variation of any work program and expenditure commitments for EPMs 14558 and 14672 if required to accommodate this shortfall and subsequent drilling program. Except for the outstanding relinquishment, work program and expenditure requirements discussed above, we have not identified any matters that indicate the Queensland Tenements are not in good standing.

Based on the results of searches of public registers, the Queensland Tenements are currently unencumbered, although any mining lease granted out of EPMs 14558 and 14672 may be subject to mining mortgages pursuant to the Data Licensing Agreement discussed in section 6.6.

None of the Queensland Tenements give production rights to minerals. Mining production in Queensland requires the grant of a mining lease. Following recent announcements by the Queensland Government in relation to overturning a long-standing Government policy against permitting uranium mining in Queensland, applications for mining leases for uranium may be granted in the future (see section 3.2).

Further details relating to each of the Queensland Tenements can be found in Schedule 1.

#### Northern Territory

In the Northern Territory, the Laramide Group holds a 50% legal interest in EL 23573 pursuant to the Lagoon Creek Earn-In and Joint Venture Agreement with NuPower Resources Pty Ltd (**NuPower**) (see section 6.1). The Laramide Group holds no legal interest in the remaining Northern Territory Tenements, but has equitable and contractual rights in relation to those remaining tenements as follows:

- (a) EL 10335 is 100% held by Hartz Range Mines Pty Ltd (**HRM**). Laramide may earn a 90% legal interest in any exploration retention licence (**ERL**) or mineral lease granted from the area of EL 10335 pursuant to the Debbil Debbil Letter Agreement. Laramide and HRM are presently in dispute regarding the Debbil Debbil Letter Agreement (see section 6.2); and

- (b) ELs 9319, 9414, 28721, 28722, 28723 and 28724 are 100% held by Rio Tinto Exploration Pty Ltd (**RTX**). Lagoon may earn up to a 49-60% legal interest in these tenements pursuant to the Murphy Tenement Farm-In and Joint Venture Term Sheet (see section 6.3).

All of the Northern Territory Tenements are current, except for EL 10335 which is subject to a pending renewal application, and none of the Northern Territory Tenements are due to expire within the next 12 months.

Based on the results of searches of public registers, we have not identified any matters that indicate the Northern Territory Tenements are not in good standing.

Based on our review of title searches from DMENT, the Northern Territory Tenements are unencumbered, except for EL 10335 which is subject to two registered caveats. One of these caveats is held by Lagoon to secure its interests under the Debbil Debbil Letter Agreement.

The other caveat is held by G E Reveleigh & Co Pty Ltd (ACN 010 121 392) (**Reveleigh**). We understand that the caveat relates to arrangements as between HRM and Reveleigh, but we have been unable to identify the interest claimed by Reveleigh based on searches of the registers maintained by DMENT. Accordingly, there is a risk that the interest claimed is adverse to the interest of the Laramide Group, and any subsequent application for renewal or conversion into a mineral lease of EP 10335 may be adversely affected or that any transfer, mortgage, charge or assignment of an interest in EL 10335 (whether to Laramide or a third party) may be prevented. (see section 5.1).

None of the Northern Territory Tenements give production rights to minerals. Further details relating to each of the Northern Territory Tenements can be found in Schedule 1.

## 2.2 Environmental Issues

### Queensland

The Queensland Tenements are located in a wild rivers preservation area and are subject to restrictions on the types of mining activities that can be carried out on the tenements. Additionally, three of the Queensland Tenements contain some areas designated as high preservation areas which may further restrict the types of mining activities that can be carried out in those areas. We are instructed that no areas covered by the known resources are situated within any high preservation areas.

Each of the Queensland Tenements are subject to a level 2 code compliant environmental authority (**EA**). This means the activities on the mining tenements must be conducted in accordance with the standard conditions set out in the *Code of Environmental Compliance for Exploration and Mineral Development Projects*.

### Northern Territory

The Northern Territory Tenements are subject to the *Mining Management Act 2001* (NT) (**MMA**). Whilst information regarding approved mining management plans is not available by public enquiry, if an authorisation has been issued to the operator in respect of the tenements then the department holds:

- (a) an approved mining management plan in respect of those mining activities; and
- (b) an environmental security, if required, as a condition of the grant.

Should the operator breach its obligations under the MMA or cause environmental harm as a result of the mining activities undertaken then the Minister may call on such security.

We are instructed that the parts of the Northern Territory Tenements in which the Laramide Group holds an interest are unaffected by heritage places and objects. An area of EL 10335 is subject to a conservation order as a declared heritage place (being 'Masterton's Cave and Garden'). We are instructed that this area does not fall within the scope of the Debbil Debbil Letter Agreement.

## 2.3 Native Title, Aboriginal Land and Indigenous Cultural Heritage

### Queensland

The Queensland Tenements were granted following the issue of deeds pursuant to section 31 of the *Native Title Act 1993* (Cth) (**Section 31 Deeds**) and the negotiation of two Native Title and Heritage Protection Agreements (**NTHPAs**) with the Gangalidda and Garawa People #2 registered native title claimant group (**Gangalidda & Garawa People**) (see section 6.4). The Queensland Tenements were therefore validly granted in accordance with the *Native Title Act 1993* (Cth) (**Native Title Act**).

The NTHPAs also contain provisions for the management of Aboriginal cultural heritage in relation to the Queensland Tenements. The NTHPAs (together with the Section 31 Deeds) are therefore 'native title agreements' under the *Aboriginal Cultural Heritage Act 2003* (Qld) (**ACHA**), and the cultural heritage duty of care is taken to be discharged (provided the relevant entity acts in accordance with the provisions under the relevant agreement).

### Northern Territory

ELs 10335 and 23573 are the only Northern Territory Tenements that intersect with registered native title claims. ELs 10335 and 23573 were granted in accordance with the expedited procedure under the Native Title Act, and are therefore valid for native title purposes.

ELs 9319, 9414, 28721, 28722, 28723 and 28724 do not intersect with any registered native title claims. These tenements are subject to grants under the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth) (**ALRA**).

RTX entered into an Exploration Agreement with the Northern Land Council (**NLC**) pursuant to the requirements under the ALRA to enable the grant of ELs 9319 and 9414. Although ELs 28721, 28722, 28723 and 28724 were not expressly part of the Exploration Agreement for ELs 9319 and 9414, as these four tenements were carved out of the original area of EL 9319, and because exploration tenements on Aboriginal land cannot be granted without such an agreement, it is taken that the Exploration Agreement for ELs 9319 and 9414 also incorporates ELs 28721, 28722, 28723 and 28724 (which is supported by the notice of intention to grant these tenements issued to RTX by DMENT). A more detailed summary of terms of the Exploration Agreement can be found in section 6.5.

Authority Certificates have been granted in accordance with the requirements under the *Northern Territory Aboriginal Sacred Sites Act 1989* (NT) (**Sacred Sites Act**) for exploration in ELs 10335 and 23573.

ELs 9319, 9414 and 10335 contain archaeological places and objects protected by conservation order and no work of any sort may be undertaken at the sites of these archaeological places and objects.

## 3. Overview of Regulatory Environment

### 3.1 Mining Legislation

#### Queensland

Mining activities in Queensland are regulated principally by the *Mineral Resources Act 1989* (Qld) (**MRA**).

The MRA is administered by DNRM, who in conjunction with the Minister for Natural Resources and Mines, are responsible for granting the various types of mining tenements, collecting rents and managing the royalty regime (in conjunction with the Queensland Office of State Revenue and the Treasurer and Minister for Trade).

Five different types of mining tenements may be granted under the MRA:

- (a) prospecting permits;
- (b) mining claims;
- (c) exploration permits (for either coal or all other minerals);
- (d) mineral development licences (**MDLs**); and
- (e) mining leases (**MLs**).

The different types of tenements authorise the holder to carry out different types of activities.

In Queensland, the Laramide Group holds a 100% legal interest in four EPMs. Under the provisions of the MRA, an EPM allows the holder to take action to determine the existence, quality and quantity of minerals on, in or under land using permitted methods including prospecting, geophysical surveys, drilling and sampling and testing of materials. An EPM allows the holder to undertake any activity authorised under the permit with any necessary vehicles, vessels, machinery and equipment.

The key conditions of an EPM are set out in the MRA which include compliance with approved work programs and expenditure commitments, reporting requirements and the payment of rent. It is also a condition of an EPM that the holder notifies and compensates landholders for exploration activities in accordance with the land access provisions of the MRA. Failure to comply with any of the conditions of an EPM may lead to the tenement's forfeiture.

The MRA also provides for the area covered by an EPM to be partially relinquished each year so that land is kept available for exploration. For an EPM, 50% of the area of the tenement must be relinquished by the end of the second year and by a further 50% at the end of each subsequent year, subject to any waiver of these requirements in accordance with Ministerial discretion (see section 3.5 below as to recent changes to relinquishment requirements in Queensland).

The holder of the EPM has the exclusive right to have applications for MDLs and MLs considered for grant in respect of the land within the area of the EPM. While there is currently an administrative prohibition on the grant of MLs for the purposes of uranium mining in Queensland, the Queensland Government has announced that uranium mining will recommence in Queensland in the future (see section 3.2 below).

An EPM will be granted for an initial term of not more than five years, but may be renewed for further terms of up to five years upon application to the Minister. Applications for renewal must be lodged at least three months, and not more than six months, prior to the expiration of the current term of the EPM. In considering any application for renewal, the Minister must be satisfied that the applicant has complied with all conditions of the tenement, the proposed work program for the renewed tenement is appropriate and the grant of the tenement would be in the public interest.

### **Northern Territory**

Mining activities in the Northern Territory are governed by the *Mineral Titles Act 2010* (NT) (**MTA**), the MMA, the *Mineral Royalties Act 1982* (NT) and the regulations made under these Acts.

The DMINT along with the Minister for Primary Industry, Fisheries and Resources is responsible for granting the various types of mineral titles and authorising mining activities. The Territory Revenue Office manages the royalty regime.

Seven different types of mineral titles may be granted under the MTA:

- (a) mineral exploration licence
- (b) ERLs;
- (c) mineral lease;
- (d) extractive mineral exploration licence;
- (e) extractive mineral permit;
- (f) extractive mineral lease; and
- (g) mineral authority.

The different types of mineral titles give the title holder the right to conduct certain activities set out in the MTA.

The Laramide Group holds a 50% legal interest in EL 23573. The Laramide Group otherwise holds equitable and contractual rights in relation to a further seven ELs (see section 5.1).

Under the MTA, the holder of an EL has the right to explore for minerals by conducting activities such as digging pits, trenches and holes, sinking bores and tunnelling. The holder of an EL may conduct activities to ascertain the quality, quantity or extent of ore and can extract and remove samples from the area in amounts reasonably necessary to evaluate the potential for mining in the area. The holder of an EL must carry out the work necessary for the discovery and assessment of minerals in the area in accordance with a technical work program and the expenditure requirements specified in the grant of the EL.

The MTA provides that, unless the Minister decides otherwise, the area covered by an EL must be reduced at the end of each period of two operational years, including the last two operational years if the holder applies for renewal of the EL.

In the Northern Territory, rent for ELs is determined annually in accordance with the *Mineral Titles Regulations 2010* (NT) and varies from year to year.

The holder of an EL has the exclusive right to apply for a mineral lease for production over all or part of the area comprised within the EL.

## 3.2 Uranium

### Overview

The exploration and mining of uranium in Australia is subject to unique regulations which apply in addition to those which govern the mining industry at large. While most day-to-day regulation of the Australian uranium industry is the responsibility of the respective state and territory governments, the Commonwealth Government has specific responsibilities relating to the environment, safety oversight and export which implement Australia's obligations under the *Nuclear Non-Proliferation Treaty of 1970 (NNPT)*.

The Commonwealth Government's policy regarding the mining and processing of uranium is to allow uranium to be mined in Australia. However, as the regulation of mineral resources is a matter for the individual state and territory governments, some state and territory governments have prohibited uranium mining, either by legislation or administrative ban.

### Queensland

Uranium mining has been effectively banned in Queensland for more than twenty years due to a prohibition policy, although this policy was not enshrined in legislation. On 22 October 2012 the Queensland Government announced that it will convene a three-member implementation committee to oversee the recommencement of uranium mining in Queensland.

The committee, which has been expanded to six members and is chaired by Central Highland's Councillor Paul Bell AM, is tasked with recommending to the Queensland Government a framework for how a uranium mining and export industry in Queensland can develop and operate with world best-practice environmental and safety standards, whilst creating an attractive environment for investment. The Committee has been asked to report to the Queensland Government by 18 March 2013. The Queensland Government has not set out any timetable for the implementation of regulations to take account of any recommendations and in our view it is unlikely that a mining lease would be granted in the absence of such a regulatory framework.

### Northern Territory

The exploration and mining of uranium is permitted in the Northern Territory. However, under the working arrangements of the *Northern Territory (Self-Government) Act 1978 (Cth)*, it is the Commonwealth Government that is responsible for uranium mining approvals in the Northern Territory in accordance with the *Atomic Energy Act 1953 (Cth)*. Responsibility for the day-to-day operation of uranium mining still rests with the Northern Territory Government and the provisions of the MTA continue to apply to uranium tenements in the Northern Territory, subject to Commonwealth regulation.

The mining of uranium in the Northern Territory also requires a licence to store radioactive material from the Northern Territory Chief Inspector under the *Radioactive Ores and Concentrates (Packaging and Transport) Act 1980 (NT)*.

### Commonwealth Operating Approvals

Commonwealth approvals that will or may be required by Laramide in connection with the operation of any future uranium mine include:

- (a) for possession of uranium, a permit to possess nuclear material under the *Nuclear Non-Proliferation (Safeguards) Act 1987 (Cth) (NNPS Act)*;

- (b) for storage of uranium, approval of a new storage location from the Australian Safeguards and Non-Proliferation Office (**ASNO**);
- (c) for transporting uranium, a permit to transport nuclear material under the NNPS Act; and
- (d) for export, permission from the Federal Resources Minister to export uranium pursuant to the *Customs (Prohibited Exports) Regulations 1958* (Cth).

### 3.3 Native Title, Aboriginal Land and Aboriginal Cultural Heritage Legislation

#### **Native Title (Commonwealth)**

Prior to the grant of each of the Tenements, the requirements under the Native Title Act must be satisfied for the grants to be valid with respect to native title.

Subject to what is said below in relation to particular types of land in the Northern Territory, the grant of each of the Tenements constituted a 'future act' within the meaning of the Native Title Act because the grants were acts done after 1 January 1994 which affected native title. More specifically, the grant of each of the Tenements constituted the creation of a 'right to mine' (in the terms of the Native Title Act).

For the grant of a right to mine (such as EPMS, MDLs and MLs) the future act requirements under the Native Title Act will be triggered where native title has not been extinguished. This means that an appropriate native title procedure will need to be followed before the State or Territory grants the interest in question. The two means of obtaining consent to the grant of such interests are through the 'right to negotiate' procedure or the negotiation of an indigenous land use agreement (**ILUA**).

The right to negotiate procedure entails the relevant State or Territory, the applicant for the tenement and the registered native title claimants negotiating in good faith with a view to the native title parties giving their consent to the grant of the tenement, with or without conditions. A procedure is available whereby any of the parties may apply to the NNTT for a determination if the parties are unable to reach agreement. The 'expedited procedure' is available for applications for low impact tenements (primarily exploration tenements), which provides a faster procedure for obtaining native title compliance than the right to negotiate procedure.

An ILUA will usually contain the terms of an agreement in which the native title parties agree to the doing of the future act which will affect their native title rights and interests (such as the grant of a tenement) in exchange for compensation. Where an ILUA is registered on the Register of ILUAs, the Native Title Act provides that the ILUA will be legally binding on all people who hold native title in the area of the ILUA. An ILUA will only afford future act compliance where it is registered on the Register of ILUAs. As an ILUA is entirely voluntary, if the parties are unable to reach agreement, there is no recourse to a tribunal or other body for a determination.

The definition of 'future act' in the Native Title Act excludes any act that is done over 'Aboriginal/Torres Strait Islander land or waters'. This term is defined as land or waters that is held for the benefit of Aboriginal peoples or Torres Strait Islanders under various statutes, including the ALRA. Accordingly, where a person seeks the grant of a mining right or interest

over such land, the future act requirements set out in this section will not apply (although note that there are extensive requirements under the ALRA – discussed further below).

### **Aboriginal land (Commonwealth and Northern Territory)**

Any person seeking a right to explore for minerals in Aboriginal land (land that has been granted to an Aboriginal land trust under the ALRA) is required to obtain the consent of the relevant Land Council for the area concerned and the consent of the Minister. The requirement to obtain the Land Council's consent involves the prospective explorer negotiating an agreement with the Land Council (which, in turn, is required to consult with and obtain the consent of the traditional Aboriginal owners).

The Governor-General may issue a proclamation that a particular exploration licence is in the national interest, in which case, the Land Council and the applicant are required to negotiate the terms and conditions of the grant. If an agreement cannot be reached within the specified timeframes, the negotiation may be referred to conciliation and arbitration for determination of the terms and conditions of the grant.

Therefore, subject to this national interest test, the Aboriginal people who own Aboriginal land over which an exploration interest is sought have a right of veto to the grant of exploration licences. However, once an exploration agreement has been entered into in which the Aboriginal people consent to the grant of an exploration licence, should the licence holder subsequently seek the grant of a mining lease, the Aboriginal people are required to enter into negotiations for a mining agreement with the licence holder. Where the parties are unable to reach agreement, either party may request that the Minister refer the negotiation to a Mining Commissioner for conciliation and arbitration.

### **Aboriginal cultural heritage (Commonwealth)**

At the Commonwealth level, the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**ATSHP Act**) is the key statute that protects Aboriginal cultural heritage. The *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (**EPBCA**) also makes provision for the protection of places that have 'Indigenous heritage values', which are listed on the National Heritage List or the Commonwealth Heritage List, though this Act is rarely invoked for such protection. The ATSHP Act makes provision for the Commonwealth Minister or delegate to issue declarations in the event that a significant Aboriginal area or object is under threat of injury or desecration.

### **Aboriginal cultural heritage (Queensland)**

In Queensland, the cultural heritage duty of care under the ACHA applies to all land, regardless of the underlying tenure or the existence of native title. The ACHA imposes a statutory duty of care on proponents when undertaking any project: 'A person who carries out an activity must take all reasonable and practicable measures to ensure the activity does not harm Aboriginal cultural heritage'.

Failure to comply with the cultural heritage duty of care under the ACHA, may result in prosecution by the State against a proponent (either an individual or corporation) for breach of the ACHA, a Ministerial stop order to prevent harm to Aboriginal cultural heritage, or an injunction application being made by the relevant Aboriginal parties.

A project proponent will be taken to have discharged their duty of care obligations by a number of means, including:

- (a) negotiating a cultural heritage management plan (**CHMP**) with an Aboriginal party and having the CHMP approved by DATSIMA;
- (b) negotiating a 'native title agreement' (such as an ILUA or an agreement pursuant to the right to negotiate) or 'another agreement' (often called a Cultural Heritage Management Agreement) with an Aboriginal Party that makes provision for managing Aboriginal cultural heritage; or
- (c) following the duty of care guidelines (which are a set of guidelines published by DATSIMA).

### **Aboriginal cultural heritage (Northern Territory)**

In the Northern Territory, the Sacred Sites Act and the Heritage Act are the primary Acts that set out the framework for protection of Aboriginal cultural heritage (the ALRA also has provisions relating to the management of Aboriginal cultural heritage, though they are subsidiary to the Sacred Sites Act).

All sacred sites are protected by the Sacred Sites Act, not only those listed on the Register of Sacred Sites maintained by the AAPA pursuant to the Sacred Sites Act. It is an offence under the Sacred Sites Act to carry out work on or use a sacred site.

Proponents may inspect the Register of Sacred Sites to identify whether the subject land contains any Sacred Sites or Restricted Work Areas. Restricted Work Areas are areas on the land, usually surrounding registered or recorded sacred sites, in which the types of works undertaken are either limited, conditional or prohibited (**Restricted Work Areas**).

It is a defence to conducting works on a sacred site if those works are conducted pursuant to an Authority Certificate issued by the AAPA in respect of the proposed works. An inspection of the Register of Sacred Sites and the issue of Authority Certificates are made by application to the AAPA. The Register of Sacred Sites contains details only of 'registered sites' but not 'recorded sites'. Registered sites are sacred sites that have been comprehensively documented and evaluated by the AAPA, and include information on locations and boundaries. Recorded sites are sacred sites of which AAPA has not been able to assess the accuracy and have not been fully mapped.

Proponents should not rely on Authority Certificates issued to other applicants as there are limits on the circumstances in which an Authority Certificate can apply to persons other than the applicant.

The Heritage Act provides that a prescribed archaeological place or a prescribed archaeological object are, upon discovery, deemed to be the subject of an interim conservation order. Prescribed archaeological places include places containing rock paintings or rock carvings and other sites of significance to Aboriginal people.

Prescribed archaeological objects are objects which are Aboriginal portable cultural objects (including secret and ceremonial objects, log or bark coffins, human remains, portable rock or wood carvings or engravings or stone tools).

The Heritage Act prohibits the carrying out of any work on or damage to a prescribed archaeological place or object, except in accordance with a conservation management plan or the Minister's consent in writing.

## 3.4 Environmental Legislation

### Commonwealth Legislation

The main Commonwealth legislation affecting mining projects in Australia is the EPBCA which is administered by the Commonwealth Department of Sustainability, Environment, Water, Population and Communities (**DSEWPC**). In the usual case, proposed projects, referred to as 'actions' under the EPBCA, that will have or are likely to have a significant impact on a matter of national environmental significance, must be referred to the Minister for Sustainability, Environment, Water, Population and Communities to determine whether assessment and approval of the action is required. If an action has a significant impact on a matter of national environmental significance (e.g. Commonwealth listed threatened species) or Commonwealth land, approval must be obtained under the EPBCA, otherwise, undertaking the action is an offence and the person undertaking the action may be subject to civil and/or criminal penalties. DSEWPC's *Significant Impact Guidelines* provide that in most cases exploration activities will not have a 'significant impact' on matters of national environmental significance (but this needs to be determined on a case-by-case basis).

However, mining or milling uranium ore is a 'nuclear action' under the EPBCA, and is treated somewhat differently. A nuclear action must not be taken if it results or will result in a significant impact to the environment. DSEWPC's *Significant Impact Guidelines* state that all nuclear actions should be referred to the Minister for determination as to whether approval is required under the EPBCA.

If approval is required, the Minister decides the method for assessment of the action under the EPBCA. Following assessment, the Minister must decide whether to grant approval. Approvals will usually be subject to detailed conditions.

### Queensland Legislation

Prior to the grant of a mining tenement, the Mining Registrar must be satisfied that any environmental issues have been adequately managed. DEHP is responsible for the environmental impact assessment of proposed mining activities. Under the EPA, DEHP regulates and authorises mining activities by issuing an EA which imposes environmental conditions on the activities undertaken under the related mining tenement.

There are two levels of EAs which are issued according to the level of environmental risk associated with the project. A level 1 EA with specific, unique conditions will be issued for mining projects which have the potential to cause significant environmental harm. For mining activities with a low risk to the environment, a level 2 EA may be issued which may impose standard conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects*.

Additional conditions may also be imposed on mining and exploration activities under the *Wild Rivers Act 2005* (Qld) (**WRA**). The WRA establishes a framework for preserving the natural value of a declared wild river by regulating the exploration and mining of mineral resources in a declared area. This is achieved by setting specific conditions to mining tenements which are found in the *Settlement Wild River Declaration 2007* (the **Declaration**). These conditions establish 'zones' where types of activities can occur relevant to their lateral distance from a waterway.

Under the Declaration, EPMs are subject to the condition that no activity can occur within 50 lateral metres of the nominated waterway boundary (set out in the Declaration), unless carried out using limited hand sampling techniques. Limited hand sampling techniques are defined in the MRA as samples no larger than 20 kilograms removed using only non-mechanical means or limited digging. EPMs are also subject to the condition that low impact activities must not occur within 100 metres of a watercourse or lake for any part of the tenement in the high preservation area. Under the MRA, low impact activities include:

- (a) aerial surveys;
- (b) geological and surveying field work that does not involve clearing;
- (c) sampling by hand methods;
- (d) ground-based geophysical surveys that do not involve clearing;
- (e) drilling and certain prescribed activities associated with drilling; and
- (f) environmental field work that does not involve clearing.

With the change in government in Queensland, it should be noted that the Liberal National Party has stated that it will repeal some wild river declared areas and instead manage activities in those areas through bioregion management plans and statutory regional plans. At the date of this Report, the bioregion management plans and statutory regional plans have not been implemented and no wild river declared areas have been revoked.

### **Northern Territory Legislation**

The MMA regulates the grant of mineral titles in accordance with environmental standards and consistent with best practice in the mining industry. The MMA sets out the environmental obligations imposed in respect of the site, the operator, the workers and contractors and creates offences for breaching these obligations.

The MMA provides that mining activities must be authorised and monitored by the Minister for Primary Industry, Fisheries and Resources. An application for an authorisation must be accompanied by a mining management plan which, among other things, details the particulars of the management system to address environmental issues.

The MMA provides an exemption for operators carrying out exploration for minerals on a mining site, unless that exploration is to involve substantial disturbance of the surface of the site. The words 'substantial disturbance' are not defined within the MMA, however, the DMNT has released an advisory note detailing the activities which, in the DMNT's view, constitute substantial disturbance of the mining site.

The following activities, either individually or in combination, cause or have the potential to cause substantial disturbance:

- (a) land clearing;
- (b) earthworks: cutting, filling, excavating, trenching etc;
- (c) above-ground works: roadways, buildings, bridges, railways, pipelines, telephone and power lines, conveyors, airstrips etc;
- (d) underground works: tunnels, wells, pipelines, conduits, cables, etc;

- (e) water works: dams, impoundments, canals, drainage works; alternation of river/creek banks, water courses and shore lines;
- (f) extraction of resources: surface, underground, river-bed or under-sea mining/quarrying;
- (g) stockpiling of materials: ore, overburden, waste materials, by-products;
- (h) exploration works: seismic lines, drill pads, drill holes including vacuum, auger, grids, tracks, costeans, camp establishment etc; and
- (i) blasting.

If one or a number of the above actions are to be undertaken then there is the potential for substantial disturbance and a requirement for the operator to seek an Authorisation under the MMA.

If a mining management plan is for mining activities in respect of uranium the Operator must, either as part of the mining management plan or as a separate document, submit a radiation management plan.

The Minister may require a security as a condition of the grant of an authorisation under the MMA. The purpose of this security is to secure any of the following:

- (a) operator's obligation to comply with the MMA;
- (b) payment of costs and expenses in relation to the prevention, minimisation or rectification of environmental harm on a mining site or otherwise caused by mining activity; and
- (c) payment of costs and expenses in relation to rehabilitation of a mining site.

Upon receipt of a mining management plan, the Minister for Primary Industry, Fisheries and Resources will refer the details of the proposed mining activity to the Minister for Natural Resources, Environment and Heritage. After receiving notification, the Minister for Natural Resources, Environment and Heritage may direct the proponent to provide further information to assist in determining whether or not a public environmental report (**PER**) or an environmental impact statement (**EIS**) is required. For proposed actions where a PER or an EIS is required, guidelines for the preparation of the PER or EIS are prepared, advertised for public review, and issued to the proponent.

The management of weeds in the Territory is governed by the Weeds Act. Section 6 provides that the Minister may declare a plant to be a declared weed for the purposes of the Weeds Act and issue statutory management plans in respect of declared weeds. These plans can have implications for the conduct of activities on the land.

Section 9 of the Weeds Act provides that the occupier of land must take all reasonable measures to prevent a declared weed or potential weed on the land spreading to other land. The term occupier is not defined in the Weeds Act and thus the common law definition of occupier may apply. At common law an occupier is:

- (a) a person physically using or taking up a place on land. The word occupation usually encompasses a degree of control; or
- (b) a person in charge of premises by reason of office or position.

Regardless of whether or not the Laramide Group are considered an occupier for the purposes of the Weeds Act (and we are unable to form a view of this at this time as we are not instructed as to the extent of occupation of the land) the Laramide Group may be required to comply with the Weeds Act and statutory management plans (if any). This may require compliance with vehicle and machinery hygiene procedures and wash down facilities which may have some impact on exploration activities.

Identification of heritage places and objects in the Northern Territory is governed by the Heritage Act which provides that a declared heritage place or object is the subject of a conservation order. The Heritage Act prohibits the carrying out of any work on or damage to a heritage place or heritage object, or the removal of a heritage object, except in accordance with a conservation management plan or the Minister's consent in writing. The penalties for breach of these obligations are similar to those set out above for prescribed archaeological places or objects.

## 3.5 Miscellaneous Regulatory Developments

### **Streamlining Amendments (Queensland)**

On 22 August 2012, the *Mines Legislation (Streamlining) Amendment Act 2012* (Qld) (**Streamlining Act**) was passed by the Queensland Parliament. Specific provisions within that Act became effective by proclamation on 19 October 2012, including amendments relating to EPMs and the processes associated with renewals and relinquishment of area. Under the new provisions, 40% of the area of an EPM must be relinquished by the end of the third year of the term of the EPM and 50% of the area by the end of the fifth year of the term. These requirements will apply to any renewed term of an EPM.

Transitional provisions also commenced on 19 October 2012 with the effect that the above changes to relinquishment requirements only apply to EPMs granted after that date. Accordingly, the relinquishment requirements for the Queensland Tenements remain unchanged, however the Queensland Tenements will be subject to the new relinquishment requirements if they are renewed.

Some general provisions for the making and assessment of applications in relation to mining tenements (including powers for the Minister to force the progression of applications) also commenced on 19 October 2012.

Other amendments under the Streamlining Act (which are primarily of an administrative nature) are yet to commence, and will take effect on a date to be set by proclamation. The amendments which have not yet commenced include changes to:

- (a) the way in which permitted dealings are recorded and administered;
- (b) the lodgement and recording of caveats; and
- (c) the recording of associated agreements (e.g. royalty and farm-in agreements).

## 4. Key Findings – Queensland Tenements

### 4.1 Status of Tenements

#### **Status and Ownership of the Queensland Tenements**

The Queensland Tenements consist of four EPMs (14558, 14672, 14967, 15061) which are 100% held by the Laramide Group. EPMs 14558 and 14672 are 100% held by Tackle and EPMs 14967 and 15061 are 100% held by Lagoon. The Queensland Tenements allow for the exploration for all minerals other than coal. None of the Queensland Tenements grant production rights to the minerals.

Based on our review of public enquiry reports, all of the Queensland Tenements are current and not otherwise subject to renewal. The term of EPMs 14558 and 14672 will both expire on 25 July 2013. Laramide is aware of this and intends to lodge renewal applications for a further term in relation to each tenement within the required timeframes under the MRA. EPMs 15061 and 14967 were renewed on 4 September 2012 and 15 October 2012, respectively, and do not expire until 22 August 2017 and 30 July 2017, respectively.

Full details of the status and ownership of the Queensland Tenements are set out in Schedule 1.

#### **Unusual Conditions**

Subject to the comments in section 4.2 relating to wild rivers, none of the Queensland Tenements are subject to unusual conditions.

#### **Excluded Land**

Based on our review of the public enquiry reports, none of the Queensland Tenements contain areas of excluded land.

#### **Relinquishment of Sub-Blocks**

Public enquiry reports indicate that present relinquishment requirements have been met for all of the Queensland Tenements.

Further details of the current sub-block holdings and the next relinquishment dates are set out in Schedule 1.

#### **Payment of Rent**

According to rent ledger reports obtained from DNRM, all rental payments in relation to the Queensland Tenements are up-to-date.

#### **Work Programs and Expenditure Requirements**

According to summaries of expenditure records obtained from DNRM and materials provided by Laramide, the expenditure and work program requirements for EPMs 14967 and 15061 have been met.

In relation to EPM 14558, the expenditure requirement for the year ending 25 July 2011 was \$3,900,000. During this period Tackle reported an expenditure of \$3,565,398. EPM 14558 has since been renewed, and accordingly it appears no material issues arose in relation to this shortfall. Following renewal of the tenement, for the year ending 25 July 2012, the expenditure

requirement for EPM 14558 was \$4,100,000. According to expenditure reports lodged with DNRM, Tackle expended only \$2,787,613 during this period.

In relation to EPM 14672, the expenditure requirement for the year ending 25 July 2012 was \$1,500,000. During this period, Tackle reported an expenditure of only \$134,450 and did not undertake a drilling program as required under the work program commitments for that year.

While the expenditure requirements for both EPMs 14558 and 14672 have not been met for the period ending 25 July 2012, Laramide announced the commencement of an extensive drilling program on 29 August 2012 to be conducted on both EPMs 14558 and 14672. It is expected that the expenditure in completing the drilling program on EPMs 14558 and 14672 will satisfy any shortfall and will contribute to the commitments for the next 12 month period. Laramide intends to seek the variation of any work program and expenditure commitments for EPMs 14558 and 14672 if required by DNRM in order to accommodate any expenditure shortfall and subsequent drilling program. This approach is consistent with DNRM's policy under the *Work Program and Relinquishment Condition Guidelines (5/2012)* which allows for a 'rolling' approach in complying with relevant work program and expenditure commitments. Provided all components and amounts are complied with by 25 July 2013, the relevant requirements will have been satisfied. However, if future work program and expenditure requirements are not complied with, the Minister may cancel or refuse to renew EPMs 14558 and 14672.

Expenditure commitments for the next 12 month period for each of the Queensland Tenements are as follows:

- (a) EPM 14558 – for the 12 month period commencing 26 July 2012 - \$5,000,000;
- (b) EPM 14672 – for the 12 month period commencing 26 July 2012 - \$1,900,000;
- (c) EPM 14967 – for the 12 month period commencing 31 July 2012 - \$70,000; and
- (d) EPM 15061 – for 12 month the period commencing 23 August 2012 - \$70,000.

Details of the current and future work program and expenditure requirements for each of the Queensland Tenements are set out in Schedule 1.

### **Registered Dealings**

Based on our review, the Queensland Tenements are currently free of any registered caveats, charges, mortgages, options, leases or other encumbrances registered under the MRA.

However, it should be noted that pursuant to the Data Licensing Agreement between RTX, Laramide and Westmoreland (the parent entity of Tackle) (see section 6.6), a royalty deed and mining mortgages may encumber any ML which is granted out of the area of EPMs 14558 and 14672 (following the lifting of the prohibition on the grant of MLs for uranium mining discussed in section 3.2).

### **Land Access and Compensation**

In compliance with the land access provisions of the MRA, the Laramide Group has provided notices of entry to all landholders in relation to each of the Queensland Tenements. The notices of entry provided by the Laramide Group are valid only for a period of 12 months up to 2 August 2013, and each notice will need to be renewed if future exploration activities are to be validly conducted outside this period. We are instructed that the Laramide Group is aware

of the requirement to renew these notices and has put in place appropriate processes to ensure future compliance.

In relation to EPMs 14558 and 14672, Tackle also finalised a conduct and compensation agreement with the Turn Off Lagoon Pastoral Holding Company Pty Ltd on 31 August 2011. This agreement is valid for the full term of EPMs 14558 and 14672 and includes a waiver of the ordinary notice of entry requirements under the MRA for a period of 3 years.

## 4.2 Environmental Issues

### Environmental Approvals

Each of the Queensland Tenements are subject to a level 2 code compliant EA. This means the activities on the mining tenements must be conducted in accordance with the standard conditions set out in the *Code of Environmental Compliance for Exploration and Mineral Development Projects*.

Each of the EAs is subject to financial assurance held by DEHP in the amount of \$2,500.

Our search of the DEHP public registers on 17 December 2012 revealed that there are no noted non-compliance issues in relation to any of the EAs for the Queensland Tenements.

The results of our DEHP public register searches are summarised in the table below.

| EPM          | EA #         | EA Holder                      | Level            | Financial assurance |
|--------------|--------------|--------------------------------|------------------|---------------------|
| <b>14558</b> | MIM500243004 | Tackle Resources Pty Ltd       | 2 code compliant | \$2,500.00          |
| <b>14672</b> | MIM500263104 | Tackle Resources Pty Ltd       | 2 code compliant | \$2,500.00          |
| <b>14967</b> | MIC201749910 | Lagoon Creek Resources Pty Ltd | 2 code compliant | \$2,500.00          |
| <b>15061</b> | MIM500335905 | Lagoon Creek Resources Pty Ltd | 2 code compliant | \$2,500.00          |

### Wild Rivers Declarations

The Queensland Tenements are located in a wild rivers preservation zone and are subject to restrictions on the types of mining activities that can be carried out. Additionally, EPMs 14558, 14672 and 14967 contain some areas designated as high preservation areas which may further restrict the types of mining activities that can be carried out in those areas.

As discussed in section 3.4, the Declaration places additional conditions on the EPM which restrict the activities that may be carried out. This includes a condition that only limited hand sampling techniques may be used within 50 lateral metres of a nominated waterway boundary (as set out in the Declaration). For the high preservation area, only limited hand sampling techniques may be used within 100 metres of a watercourse or lake.

It should be noted that these restrictions and conditions may be removed or amended if the Queensland Government repeals the wild river declared areas as discussed in section 3.4.

## 4.3 Native Title and Indigenous Cultural Heritage

### Native Title

The Native Title Register search results disclose that:

- (a) EPM 14558;
- (b) EPM 14672;
- (c) EPM 14967; and
- (d) EPM 15061,

all intersect with the Gangalidda & Garawa People registered native title claim.

The Native Title Register search results also disclose that all objections to the grant of each of these tenements by the registered native title claimants have been finalised.

Each of the Queensland Tenements were validly granted following the entry by the relevant parties into Section 31 Deeds and NTHPAs.

### Aboriginal Cultural Heritage

The following agreements were entered into for the grant of the Queensland Tenements:

- (a) NTHPA between Tackle and the Gangalidda & Garawa People for EPMs 14558 and 14672; and
- (b) NTHPA between Lagoon and the Gangalidda & Garawa People for EPMs 14967 and 15061.

Both of the NTHPAs contain provisions for the management of Aboriginal cultural heritage. Each NTHPA expressly provides that it is intended to be a 'native title agreement' or 'an agreement with an Aboriginal party' for the purposes of the ACHA. There are also provisions in each NTHPA that bind related bodies corporate to comply with the obligations under each agreement. Accordingly, the cultural heritage duty of care will be taken to be discharged by the relevant entity and its related bodies corporate, provided that that entity or related body corporate acts in accordance with the relevant agreement.

## 5. Key Findings – Northern Territory Tenements

### 5.1 Status of Tenements

#### Status and Ownership of the Northern Territory Tenements

We have conducted a review of the Northern Territory Tenements to verify the title and good standing with regulatory authorities in relation to those tenements.

The Northern Territory Tenements consist of:

- (a) EL 23573 which is 50% held by Lagoon and 50% held by NuPower under the Lagoon Creek Earn-In and Joint Venture Agreement and discussed in section 6.1 below;
- (b) EL 10335 which is 100% held by HRM and in which Laramide may earn a 90% legal interest in any ERL or mineral lease granted from the area of EL 10335 pursuant to the Debbil Debbil Letter Agreement discussed in section 6.2 below; and

- (c) ELs 9319, 9414, 28721, 28722, 28723 and 28724 which are 100% held by RTX, and in which Lagoon may earn up to a 60% legal interest pursuant to the Murphy Tenement Farm-In and Joint Venture Term Sheet as discussed in section 6.3 below.

EL 10335 expired on 14 August 2012, but our review of title searches from DMENT indicates that a renewal application was lodged on 1 August 2012. This renewal application has not yet been granted.

It is possible that the Laramide Group also has interests in other tenements, but our searches have not identified any.

Lagoon holds contractual and equitable interests in ELs 9319, 9414, 28721, 28722, 28723 and 28724 pursuant to the Murphy Tenement Farm-In and Joint Venture Term Sheet (see section 6.3). An application has been lodged with the DMENT for this arrangement to be recorded on the Register for each EL.

The Northern Territory licence documents do not indicate the minerals in respect of which the holder of the tenement is authorised to conduct exploration activities. The Registry informed us that this information is not included on the relevant Register.

Full details of the status and ownership of the Northern Territory Tenements are set out in Schedule 1.

### **Unusual Conditions**

Based on our review of title searches from DMENT, none of the Northern Territory Tenements appear to be subject to unusual conditions.

### **Relinquishment of Sub-Blocks**

Title searches from DMENT indicate that relinquishment requirements have been met for the Northern Territory Tenements. Further details of the current sub-block holdings and the next relinquishment dates are set out in Schedule 1.

### **Payment of Rent**

Details as to the status of rent payments for all of the Northern Territory Tenements were not available by public enquiry.

EL 23573 was renewed on 13 March 2012 for a term of two years. Pursuant to section 67 of the MTA, an application for renewal must be accompanied by the rental payment for the first year of renewal.

ELs 9319 and 9414 were granted on 4 November 2011, and ELs 28721, 28722, 28723 and 28724 were granted on 7 December 2011. Pursuant to the MTA, the first year's operating rent is payable prior to the grant of an EL and on this basis the rental requirements should be up-to-date for these tenements.

### **Work Programs and Expenditure Requirements**

Details of work programs and expenditure requirements for all Northern Territory Tenements were not available by public enquiry.

The Laramide Group has provided details of the grant of renewal of EL 23573 which state the exploration expenditure for the first year of the renewal as a minimum of \$300,000.

The Laramide Group has provided details of grant of the following tenements which state the exploration expenditure for the first year:

- (a) EL 28721 – the title holder must expend a minimum of \$10,100;
- (b) EL 28722 – the title holder must expend a minimum of \$20,000;
- (c) EL 28723 – the title holder must expend a minimum of \$12,100; and
- (d) EL 28724 – the title holder must expend a minimum of \$10,600.

Laramide expects to meet these expenditure requirements by the 6 December 2012 compliance date.

### **Registered Dealings**

Based on our review of title searches from DMENT, EL 10335 is subject to two registered caveats:

- (a) D93242 held by Lagoon Creek Resources Pty Ltd on behalf of Laramide Resources Ltd to secure its contractual and equitable interest in the tenement under the Debbil Debbil Letter Agreement (see section 6.2); and
- (b) D93269 held by Reveleigh.

Under the MTA, a registered caveat prevents the transfer, assignment, mortgage or charging of a tenement, and will apply until it is withdrawn by the caveator or is otherwise cancelled following the receipt by the Minister of an application to deal in the tenement which is not responded to by the caveator within a 30 day period.

We understand that the caveat held by Reveleigh relates to arrangements as between HRM and Reveleigh. A caveat may only be registered by a person claiming a legal or equitable interest in a tenement. We have been unable to identify the interest claimed by Reveleigh based on searches of the registers maintained by DMENT and the Laramide Group is unaware of the nature of the interest claimed. Accordingly, there is a risk that the interest claimed is adverse to the interest of the Laramide Group, and any subsequent application for renewal or conversion into a mineral lease of EP 10335 may be adversely affected or that any transfer, mortgage, charge or assignment of an interest in EL 10335 (whether to Laramide or a third party) may be prevented.

All other Northern Territory Tenements are currently free of any registered caveats, charges, mortgages, options, leases or other encumbrances registered under the MTA.

### **Land Access and Compensation**

Information as to compliance with the land access provisions of the MTA was not available by public enquiry.

## **5.2 Environmental Issues**

Information regarding mining management plans was not available by public enquiry.

The heritage search results from DLPENT disclose the following:

- (a) EL 23573 does not contain previously recorded heritage objects or places;

- (b) EL 10335 contains a declared heritage place known as 'Masterton's Cave and Garden' which is a series of natural rock overhangs located in a low range of hills near Redbank Mine, being part of NT Portion 3468 and includes the associated garden and grave. There is no conservation management plan for 'Masterton's Cave and Garden'. We are advised that this area is not the subject of the Debbil Debbil Letter Agreement;
- (c) ELs 9319 and 9414 do not contain previously recorded heritage objects or places; and
- (d) ELs 28721, 28722, 28723 and 28724 were unable to be located on DLPENT's database and therefore returned no results.

The results from DLRMNT in relation to our weeds search confirms ELs 9319, 9414, 28721, 28722, 28723, 28724 and 23573 are clear. However, DLRMNT advised that there was a very serious weed outbreak in 2008-2009 on EL 10355. We are advised there was an outbreak of the very serious weed parthenium (*Parthenium hysterophorus*) (Class A: to be eradicated). The infestation is believed to have been eradicated and the site has since been built over.

We are also advised that records for the Weed of National Significance parkinsonia (*Parkinsonia aculeata*) (Class B: growth and spread to be controlled) exists on EL 10335 and as this weed occurs in the district, it possibly occurs in the other ELs as well.

## 5.3 Native Title, Indigenous Cultural Heritage and Aboriginal Land

### Native Title

The NNTT register search results disclose the following:

- (a) ELs 9319, 9414, 28721, 28722, 28723 and 28724 do not intersect with any registered native title claims (the tenements are subject to Aboriginal land grants under the ALRA);
- (b) EL 10335 intersects with three registered native title claims, namely, the Calvert Hills registered native title claim (NTD6004/01), the Wollogorang registered native title claim (NTD6019/00) and the Wollogorang South registered native title claim (NTD6012/02); and
- (c) EL 23573 intersects with two registered native title claims, namely, the Wollogorang registered native title claim (NTD6019/00) and the Wollogorang South registered native title claim (NTD6012/02).

The search results also disclose that requisite future act notices were issued for the grant of ELs 10335 and 23573. The expedited procedure was applied to the grant of these tenements. Although objections to the application of the expedited procedure were lodged by the native title parties, all such objections were ultimately dismissed by the NNTT. ELs 10335 and 23573 were therefore validly granted in accordance with the requirements under the Native Title Act.

### Aboriginal Cultural Heritage

EL 10335 contains a number of registered and recorded sacred sites, but we have instructed that very few of these sites are within the area the subject of the Debbil Debbil Letter Agreement. An Authority Certificate dated 30 October 2006 was granted to HRM for the purpose of 'mineral exploration involving ground traversing, stream, rock and soil sampling, track clearing and drill pad construction and drilling of test holes'. The Authority Certificate prohibits work in listed sacred sites. Given the limitations on parties other than the applicant

relying on an Authority Certificate to avoid breaches of the Sacred Sites Act, it is doubtful that any entity in the Laramide Group can rely on the Authority Certificate granted to HRM for uranium exploration.

EL 10335 also contains 20 recorded archaeological places and objects which are protected under the Heritage Act. The majority of these recorded archaeological places and objects are Aboriginal rock art paintings and stone artefacts protected by conservation order. We are instructed that very few of these sites are within the area the subject of the Debbil Debbil Letter Agreement.

An Authority Certificate has been granted in relation to EL 23573, dated 14 December 2005. This Authority Certificate was granted to Lagoon and Arafura Resources NL (**Arafura**) for the purpose of 'Exploration works including ground traversing, stream, rock and soil sampling, track clearing and drill pads construction, drilling of test holes.' The certificate prohibits work in listed 'Restricted Works Areas'.

EL 23573 contains no previously recorded archaeological objects or places. Please note that this does not preclude the existence of heritage or archaeological sites or objects being located on the land the subject of the EL and may be the subject of future conservation orders.

ELs 9319, 9414, 28721, 28722, 28723 and 28724 do not contain any registered sacred sites and there are no current Authority Certificates in respect of works on these tenements. This does not mean that there are no sacred sites within the tenement areas, rather it shows that the Aboriginal custodians have not sought protection for any sacred sites under the Sacred Sites Act.

The area the subject of ELs 9319, 9414, 28721, 28722, 28723 and 28724 has never had an Authority Certificate clearance conducted. The AAPA recommends an Authority Certificate be obtained for any proposed exploration works over these tenements.

EL 9319 contains two recorded archaeological sites consisting of Aboriginal rock art paintings and petroglyphs protected by conservation order.

EL 9414 contains two recorded archaeological sites consisting of Aboriginal rock art paintings and petroglyphs protected by conservation order.

### **Aboriginal Land**

ELs 9319, 9414, 28721, 28722, 28723 and 28724 cover areas that are subject to grants of Aboriginal land under the ALRA. ELs 9319 and 9414 are the subject of an Exploration Agreement between RTX and the NLC, pursuant to which NLC on behalf of the traditional Aboriginal owners has consented to the grant of these tenements. ELs 28721, 28722, 28723 and 28724 were not expressly part of the exploration agreement for ELs 9319 and 9414, however these four tenements were part of the original area of ELA 9319. For this reason and because exploration tenements on Aboriginal land cannot be granted without such an agreement, it is taken that the exploration agreement for ELs 9319 and 9414 also incorporates ELs 28721, 28722, 28723 and 28724 (which is supported by the notice of intention to grant these tenements issued to RTX by the DMENT dated 17 November 2011).

It should be noted that as part of the terms of the Exploration Agreement, the traditional owners will be entitled to acquire a 5% stake in any mining licence that is granted over the area of ELs 9319, 9414, 28721, 28722, 28723 and 28724 (see the discussion in section 6.5).

Further details regarding the contents of the Exploration Agreement are summarised in section 6.5.

## 6. Summary of Material Contracts

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

On 21 May 2005, Laramide and Arafura entered into a letter agreement which provided for the establishment of a joint venture for the exploration and subsequent mining of minerals within the area of EL 23573.

The substantive provisions of this letter agreement were subsequently formalised in the Lagoon Creek Earn-in and Joint Venture Agreement of December 2006 between Laramide, Lagoon and Arafura (**Lagoon Creek JV**). Under the terms of the Lagoon Creek JV, Laramide guarantees the performance of all of Lagoon's obligations. On 26 February 2007, Laramide, Lagoon, Arafura and NuPower entered into a deed of assignment and assumption which provided for the assignment of Arafura's interests in the Lagoon Creek JV to NuPower.

Under the terms of the Lagoon Creek JV, Lagoon was required to contribute to exploration expenditure on EL 23573 to earn a 50% legal interest in the tenement. This earn-in condition has been satisfied and a 50% legal interest in EL 23573 was registered by Lagoon on 10 May 2010.

At or about the same time, the joint venture between Lagoon and NuPower formed with each party holding a participating interest of 50%. From the formation of the joint venture, Lagoon has acted as manager and shall continue as manager provided it retains its 50% participating interest, or until Lagoon relinquishes the position of manager, ceases to be a party to the Lagoon Creek JV or is otherwise removed for default or by decision of the management committee. As manager, Lagoon has the powers and responsibilities set out in the Lagoon Creek JV which include the preparation of proposed work programs and budgets, the management and conduct of operations of the joint venture on behalf of the parties, acting as operator for the purposes of the MMA and maintaining EL 23573 in good standing.

A management committee has also been established following the formation of the joint venture. Each of NuPower and Lagoon has the right under the Lagoon Creek JV to appoint one representative to the management committee, with each member of the management committee having a number of votes equal to its participating interest. Decisions of the management committee are to be passed by majority vote. The management committee is required to always approve work programs and budgets to enable compliance with the minimum requirements to keep EL 23573 in good standing.

Both NuPower and Lagoon are required to contribute to expenditure associated with work programs approved by the management committee in proportion to their participating interests. A failure by either NuPower or Lagoon to contribute to expenditure relating to the joint venture will result in the dilution of that party's participating interest in accordance with the formula set out in the Lagoon Creek JV. Under the terms of the Lagoon Creek JV, if the participating interest of either party reduces *"to 10% or below, then that participating interest shall be deemed to be converted to a 10% free carried interest through to the completion of a bankable feasibility study and a positive decision to proceed with the development of a deposit"*. .

Where a mineral deposit is established within the area of EL 23573 as a result of exploration by the joint venture, the management committee will make a decision about whether mining should proceed. Should a decision to mine be made, NuPower and Lagoon will consult and negotiate in good faith a new joint venture agreement and structure of a proposed entity for the mining development which reflects the participating interests of NuPower and Lagoon at that time (**Mining JV**). The Mining JV is to be based on the same terms and conditions as the Lagoon Creek JV and shall include the right and obligation for each of NuPower and Lagoon to take in kind or otherwise dispose of all product in accordance with their respective participating interests.

The Lagoon Creek JV gives NuPower the option, in circumstances where a decision to mine is made and NuPower has a minority participating interest, to convert its participating interest to either:

- (a) a 10% participating free carried interest to the commencement of production, with NuPower's share of capital expenditure incurred in the interim period repaid from 50% of its share of products; or
- (b) both of a 3% royalty on the value (ex mine gate) of uranium produced, and a 3% net smelter return royalty on all other minerals produced.

## 6.2 Debbil Debbil Creek Uranium Project Letter Agreement

Laramide is party to a letter agreement with HRM dated 11 February 2005 concerning the Debbil Debbil Creek Uranium Project. Lagoon has acted as Laramide's agent in Australia in relation to the agreement.

Laramide considers that the agreement was varied in or about July 2009, as evidenced by correspondence between the parties in August and September 2009. The agreement as amended is referred to as the **Debbil Debbil Letter Agreement**.

The Debbil Debbil Letter Agreement permits Laramide to explore parts of EL 10335 for uranium (being those parts of EL 10335 south of latitude 17 degrees 20 minutes). However, in or about 2010, HRM relinquished part of the area covered by EL 10335, including that part of EL 10335 north of latitude 17 degrees 23 minutes. The Debbil Debbil Letter Agreement also extends to any contiguous ground applied for by either party during the term of the Agreement. EPM 15061 in Queensland shares part of a border with EL 10335 and was applied for on 29 March 2005, after the date of the Debbil Debbil Letter Agreement. However, this permit was applied for and granted to Lagoon Creek, not Laramide, and we are further instructed that the parties (Laramide and HRM) agreed (and that the parties evidenced by correspondence which we have not reviewed) that it would not be included as part of the Debbil Debbil Letter Agreement area.

In accordance with the Debbil Debbil Letter Agreement, Laramide is obliged to make certain option payments to HRM calculated as a percentage of exploration expenditure conducted by or on behalf of Laramide on EL 10335. Laramide has complied with its obligation to make option payments. While there is no express obligation on HRM as the legal owner of EL 10335 to maintain the tenement in good standing, Laramide is responsible for paying all ongoing tenement maintenance costs. Should exploration progress to a uranium project (as defined), Laramide is obliged to pay HRM an amount calculated at three times HRM's exploration costs relating to that project.

HRM remains free to explore the subject area for copper and other base metals and exploration for diamonds is specifically excluded from the Debbil Debbil Letter Agreement.

In consideration of the option payments, HRM agrees to grant Laramide an option to acquire a 90% interest in any ERLs or MLs granted from the area of EL 10335 pursuant to the Debbil Debbil Letter Agreement. Ownership of any tenements acquired pursuant to the option will be held 90% by Laramide and 10% by HRM.

In or about September 2011, HRM and Gulf Mines Limited (HRM's parent company) purported to "terminate the agreement between it and Laramide with immediate effect" and immediately terminate "whatever arrangements either of them has with Lagoon and Laramide".

Laramide does not accept that HRM has validly terminated the Debbil Debbil Letter Agreement and has lodged a caveat against EL 10335 pursuant to the MTA, claiming contractual and equitable interests in EL 10335 pursuant to the Debbil Debbil Letter Agreement.

The parties are currently in without prejudice negotiations to resolve their disagreement on this matter and record the arrangements in relation to the Debbil Debbil Creek Uranium Project in a more formal joint venture agreement.

Laramide intends to act as necessary to protect its interests in EL 10335 while these negotiations are taking place.

## 6.3 Murphy Tenement Farm-In and Joint Venture Term Sheet

On 12 May 2011, Laramide, Lagoon and RTX entered into a binding term sheet under which the parties agreed to enter into a farm-in and joint venture arrangement for the exploration and subsequent mining of minerals (**Murphy Farm-In**). The Murphy Farm-In was expressed to relate to the area of any tenements granted out of ELAs 9319 and 9414. A letter agreement dated 23 March 2012 subsequently amended the Murphy Farm-In to clarify that the agreement would apply to ELs 9319 and 9414 as well as ELs 28721, 28722, 28723 and 28724 (**Murphy Tenements**) which were granted out of the original area of ELA 9319.

Under the terms of the Murphy Farm-In, Lagoon must expend \$1 million in exploration activities by the date which is 12 months from the satisfaction of the relevant conditions precedent (**Minimum Expenditure Requirement**). Lagoon was required to do all things reasonably necessary to achieve the satisfaction of the conditions precedent within 12 months of execution of the Murphy Farm-In (i.e. by 12 May 2012).

By letter agreements dated 3 May 2012 and 10 August 2012, and correspondence dated 5 November 2012, Laramide, Lagoon and RTX extended the date for the satisfaction of the conditions precedent to the end of November 2012. On 13 November 2012, the traditional landowners for the Murphy Tenements approved Lagoon's exploration work program, satisfying the remaining condition precedent. Accordingly, the Murphy Farm-In has entered into force and Lagoon must satisfy the Minimum Expenditure Requirement by 13 November 2013. With the satisfaction of the conditions precedent, the parties are also currently in the process of appointing Lagoon operator of the Murphy Tenements under the MTA and Lagoon will be responsible for maintaining the Murphy Tenements until the Murphy Farm-In is terminated.

After satisfying the Minimum Expenditure Requirement, Lagoon may expend a further \$2 million in the second 12 months and \$3.5 million for each of the third and fourth 12 month periods (for a total of \$10 million over 4 years from the satisfaction of the conditions precedent) to acquire a 51% legal interest in the Murphy Tenements (**Stage 1 Farm-In**).

Assuming Lagoon completes the Stage 1 Farm-In, it may exercise an option to acquire a further 9% legal interest in the Murphy Tenements (for a total 60% legal interest) by completing a technical, financial and economic feasibility study within 36 months of the date upon which the Stage 1 Farm-in interest of 51% is vested in Lagoon (**Stage 2 Farm-In**). However, where Lagoon completes the Stage 2 Farm-In, RTX has a right to 'clawback' an 11% legal interest in the Murphy Tenements (resulting in Lagoon holding only a 49% legal interest in the Murphy Tenements) by paying to Lagoon the costs incurred by Lagoon in meeting its obligations in relation to both the Stage 1 Farm-In and Stage 2 Farm-In.

Following the satisfaction of the conditions precedent, Lagoon will also be required to comply with the obligations of the Exploration Agreement with the traditional owners for the Murphy Tenements (see section 6.5). Any costs incurred in meeting such obligations will constitute expenditure for the purposes of satisfying the Minimum Expenditure Requirement, Stage 1 Farm-In and Stage 2 Farm-In.

An unincorporated joint venture will form between RTX and Lagoon on the completion of either the Stage 1 Farm-In (where no election to undertake the Stage 2 Farm-In is made) or the Stage 2 Farm-In. If Lagoon elects to undertake the Stage 2 Farm-In but does not complete the Stage 2 Farm-In, the joint venture will also form upon notice to RTX of the failure to complete the Stage 2 Farm-In. The parties' participating interests in the joint venture will be equal to their legal interests in the Murphy Tenements and Lagoon will be appointed to act as manager. It is also contemplated that if a decision to mine is made by the parties, a separate mining joint venture will be formed based on the parties' participating interests at that time. The formation of such a joint venture, and the relevant interests in any associated mining licence which may be applied for or granted, may be impacted by the rights of traditional owners to acquire a 5% interest in any mining project within the area of the Murphy Tenements pursuant to the terms of the Exploration Agreement (see section 6.5). The reduction in the participating interests of RTX and Lagoon to account for the allocation of any traditional owner equity is not addressed in the terms of the Murphy Farm-In.

The parties have agreed to use reasonable endeavours to negotiate a formal joint venture agreement based on the terms and conditions set out in the Murphy Farm-In.

Laramide has agreed to act as guarantor under the terms of the Murphy Farm-In and unconditionally and irrevocably guarantees to RTX the performance of Lagoon's obligations.

## 6.4 Deeds Regarding the Grant of Exploration Permits and Licences

### Section 31 Deeds

The following Section 31 Deeds were entered into by the parties indicated for the purpose of the native title parties giving their consent to the grant of the tenement specified:

- (a) EPM 14967, between the State, Lagoon and Gangalidda & Garawa People (dated 20 November 2006);
- (b) EPM 15061, between the State, Lagoon and Gangalidda & Garawa People (dated 20 November 2006); and
- (c) EPMs 14558 and 14672, between the State, Tackle and Gangalidda & Garawa People (dated 27 June 2005).

### Ancillary Agreements

The NTHPA for EPMs 14558 and 14672 (ancillary agreement to the relevant Section 31 Deed), executed 7 June 2005 was entered into by Tackle and the Gangalidda & Garawa People in parallel with the Section 31 Deed for these tenements.

The Section 31 Deed and the NTHPA together set out the conditions which govern the grant of the EPMs 14558 and 14672 to Tackle in accordance with the right to negotiate process under the Native Title Act. These tenements were therefore validly granted for native title purposes.

The NTHPA contemplates future negotiations for the grant of a mining lease over the area of EPMs 14558 and 14672.

Schedule 2 of the NTHPA contains the protocol that must be followed in relation to the management of Aboriginal cultural heritage in the area of EPMs 14558 and 14672. The inclusion of Aboriginal cultural heritage management provisions in the agreement provides for cultural heritage duty of care compliance by Tackle when operating in the area of EPMs 14558 and 14672, as it is a 'native title agreement' under the ACHA (provided that it acts in accordance with those provisions).

A Deed of Variation was entered into by Tackle and the Gangalidda & Garawa People for the purpose of amending the rates of pay applicable for work done by representatives of the Gangalidda & Garawa People under the NTHPA for EPMs 14558 and 14672.

A NTHPA was also entered into by Lagoon and the Gangalidda & Garawa People in relation to the grant of EPMs 14967 and 15061 on similar terms to the NTHPA for EPMs 14558 and 14672. However, a key difference is that there are no provisions relating to the negotiation of Future Mining Benefits in this agreement. The NTHPA for these EPMs constitutes an ancillary agreement to the relevant Section 31 Deeds, and is also a native title agreement under the ACHA.

Both NTHPAs contain provisions that require related bodies corporate to abide by the terms of those agreements.

## 6.5 Exploration Agreement for ELs 9319, 9414, 28721, 28722, 28723 and 28724

RTX entered into an Exploration Agreement with the NLC on 20 April 2011 to enable the grant of ELs 9319, 9414. The Exploration Agreement only specifically lists ELs 9319 and 9414, but the ELs consented to include all ELs granted out of the Consent Land, being the land of the Application (i.e. that originally made on 27 March 2002 for ELs 9319 and 9414) over which the NLC has consented to grant, as per the map in Annexure A of the deed. Although not expressly stated, the Exploration Agreement incorporates ELs 28721, 28722, 28723 and 28724 as these tenements were carved out of the original area of EL 9319.

The Exploration Agreement contains comprehensive provisions for the conduct of exploration operations in the areas subject to ELs 9319, 9414, 28721, 28722, 28723 and 28724, including:

- (a) the provision of annual payments by RTX to the NLC for deprivation of land, land use payments, and road access payments;

- (b) the conduct of the project in relation to sacred sites (and financial penalties for interference with or damage to such sites);
- (c) construction and maintenance of roads (including payment to the NLC of construction materials at commercial rates);
- (d) minimising (and in some specified areas, avoiding) harm to the environment and rehabilitation of the environment in those areas that are impacted by exploration;
- (e) a requirement on RTX to facilitate the provision of Aboriginal cultural heritage awareness training to its personnel;
- (f) employment and business opportunities for 'Traditional Aboriginal Owners' (including preferential treatment of Aboriginal businesses for tendered contracts);
- (g) provision of indemnities in favour of the NLC, the land trust and the Traditional Aboriginal Owners against all liability arising as a result of any acts or omissions by RTX relating to the project or RTX's occupation of the site;
- (h) payment of agreed compensation by one party to the other for damage arising from default of performance of a term of the deed;
- (i) provision of security by RTX in favour of the NLC to guarantee payment of sums payable by RTX to the NLC under the deed; and
- (j) the benefits, administrative payments and other expenses to be paid by RTX to the NLC and the Traditional Aboriginal Owners in exchange for their consent to the grant of the licences.

Under the terms of the Murphy Farm-In, Lagoon will be required to comply with the obligations set out above following the satisfaction of the relevant conditions precedent under the Murphy Farm-In (see section 6.3).

The Exploration Agreement also sets out the terms (**Mining Principles**) that must be negotiated by the parties in the event RTX (and Lagoon, assuming the interests under the Murphy Farm-In are earned) discovers a commercially viable ore deposit and seeks production rights for that deposit. This includes the right by the Traditional Aboriginal Owners to take up 5% equity in the mining project at cost (where 'cost' means 5% of the total costs incurred in conducting exploration activities on the tenements) by way of an unincorporated joint venture as well as monetary payments, including a once-off lump sum payment, annual lump sum payments, a production levy, a net profits share, and administrative costs.

The Mining Principles also set out other terms that are similar to those contained in the Exploration Agreement (e.g. in relation to sacred sites, employment and training opportunities for Traditional Aboriginal Owners, environment protection, management and rehabilitation, etc).

## 6.6 Data Licensing Agreement

Pursuant to the Data Licensing Agreement between RTX, Laramide and Westmoreland dated 27 February 2006 (**DLA**), RTX has granted to Westmoreland a licence to use exploration data which has been compiled by RTX based on previous activities conducted by RTX in the Westmoreland region of Western Queensland (which includes the area of EPMs 14558 and

14672) and provided on an 'as is' basis (i.e. there is no obligation on RTX to continually update the data so provided). All data provided must be kept confidential.

Westmoreland (and Westmoreland's wholly owned subsidiary, Tackle) is restricted to using the data only for the purposes of assisting with exploration and potential development by the Laramide Group of the 'Westmoreland Project' within the area of EPMs 14558 and 14672 (including any renewal, extension, modification or variation of such tenements). RTX retains title to the data and the licence shall persist so long as Westmoreland or its related bodies corporate hold a legal or beneficial interest in EPMs 14558 or 14672.

In consideration of RTX granting the licence to Westmoreland, Laramide has paid to RTX a licence fee and a capitalisation milestone payment.

Upon the grant of a mining lease over the whole or any part of the area of the 'Westmoreland Project', Laramide will be required to make a further milestone payment of \$500,000 (adjusted for CPI). Westmoreland must also pay a net smelter return of 1% on all product sold from the area of the 'Westmoreland Project' up to a maximum amount of \$10,000,000 (adjusted for CPI). Pursuant to a Purchase and Sales Agreement dated 20 December 2007 between RTX and International Royalty Corporation, RTX assigned its interest in the net smelter return to US-based International Royalty Corporation with effect from 16 July 2008. International Royalty Corporation, and the interest in the net smelter return, were subsequently acquired by Royal Gold, Inc in February 2010.

As security for the payment of the net smelter return and further milestone payment, Laramide has agreed to procure that Westmoreland (or Tackle as the current legal holder of the tenements) will enter into mining mortgages in favour of RTX and Royal Gold, Inc upon the grant of any mining lease over the area of EPMs 14558 and 14672.

RTX may terminate the DLA in the event of a breach on the part of Laramide or Westmoreland. Laramide and Westmoreland may terminate the agreement at any time upon notice to RTX, but will not be entitled to so terminate the DLA in circumstances where Westmoreland or a related body corporate retains an interest in EPMs 14558 or 14672. If the DLA is terminated before Westmoreland receives any proceeds from the sale of any product, the net smelter return obligation (and the obligation to grant any mortgages over the future mining leases) will also be terminated.

Westmoreland may not assign or dispose of its rights under the DLA, or its interests in the data or in EPMs 14558 or 14672, and Laramide may not assign its obligations under the DLA, without RTX's consent.

## Schedule 1 – Tenement Summary

### 1. Exploration Permits for Minerals (Old)

| Tenement  | Status  | Holder/s                     | Interest % | Date Lodged | Date Granted | Date Expires | Area           | Next Relinquishment | Date Rent Due | Annual Rent | Purpose                      | Unusual Conditions                                                                                                                                                                                                                                                                                                                                                                        | Registered Dealings | Work Program                                                                                                                                                                                                                                                                                                        | Annual Expenditure                     |
|-----------|---------|------------------------------|------------|-------------|--------------|--------------|----------------|---------------------|---------------|-------------|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| EPM 14358 | Granted | Tackle Resources Pty Limited | 100%       | 11-Mar-04   | 26-Jul-05    | 25-Jul-13    | 100 sub-blocks | 25-Jul-13           | 26-Jul-13     | \$13,140.00 | All minerals other than coal | <ul style="list-style-type: none"> <li>Settlement Wild River Area HPA &amp; PA</li> <li>High Preservation Area:               <ol style="list-style-type: none"> <li>Other than Watercourses and Lakes- only low impact activities apply</li> <li>Watercourses and Lakes or Nominated Waterways- within 100 lateral metres, limited hand sampling techniques apply</li> </ol> </li> </ul> | N/A                 | <ul style="list-style-type: none"> <li>Commencing 26 July 2012</li> <li>Drilling</li> <li>Assaying</li> <li>SEM &amp; petrology analysis</li> <li>Metallurgical testwork</li> <li>Hydrological testwork</li> <li>Environmental studies</li> <li>Resource calculation</li> <li>Prefeasibility preparation</li> </ul> | Commencing 26 July 2012<br>\$5,000,000 |

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| Tenement  | Status  | Holder/s                       | Interest % | Date Lodged | Date Granted | Date Expires | Area           | Next Relinquishment | Date Rent Due | Annual Rent | Purpose                      | Unusual Conditions                                                                                                                                                                                                                                               | Registered Dealings | Work Program                                                                                                                                                                                                                    | Annual Expenditure                                                             |
|-----------|---------|--------------------------------|------------|-------------|--------------|--------------|----------------|---------------------|---------------|-------------|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
|           |         |                                |            |             |              |              |                |                     |               |             |                              | <ul style="list-style-type: none"><li>• Preservation Area:<br/>1. Nominated Waterways- no exploration within 50 lateral metres</li></ul>                                                                                                                         |                     |                                                                                                                                                                                                                                 |                                                                                |
| EPM 14672 | Granted | Tackle Resources Pty Limited   | 100%       | 16-Jun-04   | 26-Jul-05    | 25-Jul-13    | 100 sub-blocks | 25-Jul-13           | 26-Jul-13     | \$13,140.00 | All minerals other than coal | N/A                                                                                                                                                                                                                                                              | N/A                 | Commencing 26 August 2012 <ul style="list-style-type: none"><li>• Drilling</li><li>• Assaying</li><li>• SEM &amp; petrology analysis</li><li>• Hydrological work</li><li>• Environmental studies</li></ul>                      | Commencing 26 July 2012<br>\$1,900,000                                         |
| EPM 14967 | Granted | Lagoon Creek Resources Pty Ltd | 100%       | 20-Jan-05   | 31-Jul-07    | 30-Jul-17    | 49 sub-blocks  | 30-Jul-14           | 31-Jul-13     | \$6,438.60  | All minerals other than coal | <ul style="list-style-type: none"><li>• Settlement Wild River Area HPA &amp; PA</li><li>• High Preservation Area:<br/>1. Other than Watercourses and Lakes- only low impact activities apply</li><li>2. Watercourses and Lakes or Nominated Waterways-</li></ul> | N/A                 | Commencing 31 July 2012 <ul style="list-style-type: none"><li>• EM survey with gravity follow-up</li><li>• Soil, stream and rock chip sampling</li><li>• Compilation &amp; assessment of data</li><li>• Scoping study</li></ul> | Commencing 31 July 2012<br>\$70,000<br><br>Commencing 31 July 2013<br>\$75,000 |

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| Tenement  | Status  | Holder/s                       | Interest % | Date Lodged | Date Granted | Date Expires | Area          | Next Relinquishment | Date Rent Due | Annual Rent | Purpose                      | Unusual Conditions                                                                                                                                                                                                                                                                                      | Registered Dealings | Work Program                                                                                                                                                                                                                                                                                                                                                                                                                             | Annual Expenditure                                                                                                                                                      |
|-----------|---------|--------------------------------|------------|-------------|--------------|--------------|---------------|---------------------|---------------|-------------|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           |         |                                |            |             |              |              |               |                     |               |             |                              | <ul style="list-style-type: none"> <li>within 100 lateral metres, limited hand sampling techniques apply</li> <li>Preservation Area:</li> <li>3. Nominated Waterways- no exploration within 50 lateral metres</li> </ul>                                                                                |                     | <ul style="list-style-type: none"> <li>Commencing 31 July 2013</li> <li>Soil stream &amp; rock chip sampling</li> <li>Spectrometer traverse</li> <li>Detailed geological mapping</li> <li>Compilation &amp; assessment of results/data</li> <li>RC/Diamond drilling, down hole geophysics</li> </ul>                                                                                                                                     |                                                                                                                                                                         |
| EPM 15061 | Granted | Lagoon Creek Resources Pty Ltd | 100%       | 29-Mar-05   | 23-Aug-07    | 22-Aug-17    | 50 sub-blocks | 22-Aug-14           | 23-Aug-13     | \$6,570.00  | All minerals other than coal | <ul style="list-style-type: none"> <li>Settlement Wild River, High Preservation Area:</li> <li>1. Other than Watercourses and Lakes- only low impact activities apply</li> <li>2. Watercourses and Lakes or Nominated Waterways- within 100 lateral metres, limited hand sampling techniques</li> </ul> | N/A                 | <ul style="list-style-type: none"> <li>Commencing 23 August 2012</li> <li>Electronic (En) &amp; gravity survey</li> <li>Soil stream &amp; rock chip sampling with ground spectrometer survey</li> <li>Detailed geological mapping</li> <li>Competition of scoping study</li> <li>Commencing 23 August 2013</li> <li>Soil stream &amp; rock chip sampling with ground spectrometer survey</li> <li>Detailed geological mapping</li> </ul> | <ul style="list-style-type: none"> <li>Commencing 23 August 2012</li> <li>August 2012</li> <li>\$70,000</li> <li>Commencing 23 August 2013</li> <li>\$75,000</li> </ul> |

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| Tenement | Status | Holder/s | Interest % | Date Lodged | Date Granted | Date Expires | Area | Next Relinquishment | Date Rent Due | Annual Rent | Purpose | Unusual Conditions | Registered Dealings | Work Program                                                                                                                             | Annual Expenditure |
|----------|--------|----------|------------|-------------|--------------|--------------|------|---------------------|---------------|-------------|---------|--------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
|          |        |          |            |             |              |              |      |                     |               |             |         | apply              |                     | <ul style="list-style-type: none"> <li>• Compilation &amp; assessment of results/data</li> <li>• Designing a drilling program</li> </ul> |                    |

## 2. Exploration Licences (NT)

| Tenement | Status  | Holder/s                                                   | Interest % | Date Applied  | Date Granted     | Date Expires     | Area          | Next Reduction | Date Rent Due    | Annual Rent                                                                                                              | Purpose                                                                            | Unusual Conditions                                                                                                                                                                               | Registered Dealings                                                                                                     |
|----------|---------|------------------------------------------------------------|------------|---------------|------------------|------------------|---------------|----------------|------------------|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| EL 23573 | Granted | Lagoon Creek Resources Pty Ltd / Nupower Resources Pty Ltd | 50% / 50%  | 19 April 2002 | 23 December 2003 | 22 December 2013 | 65 sub-blocks | N/A            | 22 December 2012 | 175 Revenue Units per sub-block (\$183 per revenue unit)<br>Estimated as \$11,895 (plus Revenue Unit adjustment for CPI) | Exclusive right to conduct exploration for minerals (as defined in s 9 of the MTA) | This tenement contains no registered Sacred Sites. However, 1 recorded Sacred Site is situated on the boundary of the tenement. This Sacred Site has been designated as a Restricted Works Area. | Dealing No 92930: Lodged by Lagoon to secure its interest under Lagoon Creek JV. Caveat was terminated on 20 April 2010 |

| Tenement | Status  | Holder/s                  | Interest % | Date Applied   | Date Granted   | Date Expires                                  | Area           | Next Reduction | Date Rent Due  | Annual Rent                                                                                                              | Purpose                                                                            | Unusual Conditions                                                                                                                                                                                                                                                                                                                      | Registered Dealings                                                                                                                                                                                                                           |
|----------|---------|---------------------------|------------|----------------|----------------|-----------------------------------------------|----------------|----------------|----------------|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EL 10335 | Granted | Hartz Range Mines Pty Ltd | 100%       | 4 January 1999 | 15 August 2002 | 14 August 2012 (Renewal lodged 1 August 2012) | 325 sub-blocks | N/A            | 14 August 2011 | 175 Revenue Units per sub-block (\$183 per revenue unit)<br>Estimated as \$59,475 (plus Revenue Unit adjustment for CPI) | Exclusive right to conduct exploration for minerals (as defined in s 9 of the MTA) | This tenement contains 7 registered Sacred Sites and approximately 38 recorded Sacred Sites. Of these Sacred Sites 14 have been designated as restricted works areas. Pursuant to issued Authority works include:<br>(a) no entry to a number of Sacred Sites; and<br>(b) no interference with cycad trees within certain Sacred Sites. | Dealing No 93242 Caveat: Lodged by Lagoon on behalf of Laramide to secure its interest under Debbil Debbil Letter Agreement dated 11 February 2005.<br><br>Dealing No 93269 Caveat: Lodged by G F Reveleigh & Co Pty Ltd on 22 December 2011. |

| Tenement | Status  | Holder/s                          | Interest % | Date Applied                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Date Granted    | Date Expires    | Area           | Next Reduction                                                     | Date Rent Due   | Annual Rent                                                                                                       | Purpose                                                                            | Unusual Conditions                                                                                                                                                                                                                                                                        | Registered Dealings                                                                                                                                                                          |
|----------|---------|-----------------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|----------------|--------------------------------------------------------------------|-----------------|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EL 9319  | Granted | Rio Tinto Exploration Pty Limited | 100%       | 18 August 1995<br>Variation to of the area subject of the application lodged 17 October 1995. Minor amendments to area, however no impact on number of sub-blocks.<br><br>Variation to of the area subject of the application lodged 15 February 2002. Minor amendments to area, however no impact on number of sub-blocks.<br><br>Variation to of the area subject of the application lodged 19 January 2011. Reduction in the area the subject of the application from 322 sub-blocks to 221 sub-blocks. | 4 November 2011 | 3 November 2017 | 221 sub-blocks | 3 November 2013 (unless deferred or waived in accordance with MTA) | 3 November 2012 | 31 Revenue Units per sub-block (\$32 per revenue unit) Estimated as \$7,072 (plus Revenue Unit adjustment for CP) | Exclusive right to conduct exploration for minerals (as defined in s 9 of the MTA) | There are no registered Sacred Sites and only 1 recorded Works Area partially falls into the tenement area and is subject to Authority Certificate C1992/145. This Authority Certificate is not in respect of the works completed in exploration for minerals under the current tenement. | Currently no registered dealing. However, we are informed that Lagoon intends to make an application for the registration of the Murphy Farm-In Agreement, between Lagoon, Laramide and RTX. |

| Tenement | Status  | Holder/s                          | Interest % | Date Applied                                                                                                                                                                                                                                                                                                                                   | Date Granted    | Date Expires    | Area           | Next Reduction                                                          | Date Rent Due   | Annual Rent                                                                                                        | Purpose                                                                            | Unusual Conditions                                   | Registered Dealings                                                                                                                                                                           |
|----------|---------|-----------------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|----------------|-------------------------------------------------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EL 9414  | Granted | Rio Tinto Exploration Pty Limited | 100%       | 6 November 1995. Variation to of the area subject of the application lodged 14 February 2002. Minor amendments to area, however no impact on number of sub-blocks.<br>Variation to of the area subject of the application lodged 25 February 2011. Reduction in the area the subject of the application from 140 sub-blocks to 138 sub-blocks. | 4 November 2011 | 3 November 2017 | 138 sub-blocks | 3 November 2013                                                         | 3 November 2012 | 31 Revenue Units per sub-block (\$32 per revenue unit) Estimated as \$4,416 (plus Revenue Unit adjustment for CPI) | Exclusive right to conduct exploration for minerals (as defined in s 9 of the MTA) | No unusual conditions identified from public enquiry | Currently no registered dealings. However, we are informed that Lagoon intends to make an application for the registration of the Murphy Farm-In Agreement, between Lagoon, Laramide and RTX. |
| EL 28721 | Granted | Rio Tinto Exploration Pty Limited | 100%       | 19 January 2011                                                                                                                                                                                                                                                                                                                                | 7 December 2011 | 6 December 2013 | 1 sub-block    | No reduction as tenement was only granted for 2 years over 1 sub-block. | 6 December 2012 | 31 Revenue Units per sub-block (\$32 per revenue unit) Estimated as \$32 (plus Revenue Unit adjustment for CPI)    | Exclusive right to conduct exploration for minerals (as defined in s 9 of the MTA) | No unusual conditions identified from public enquiry | Currently no registered dealings. However, we are informed that Lagoon intends to make an application for the registration of the Murphy Farm-In Agreement, between Lagoon, Laramide and RTX. |

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| Tenement | Status  | Holder/s                          | Interest % | Date Applied    | Date Granted    | Date Expires    | Area          | Next Reduction                                                     | Date Rent Due   | Annual Rent                                                                                                           | Purpose                                                                            | Unusual Conditions                                   | Registered Dealings                                                                                                                                                                           |
|----------|---------|-----------------------------------|------------|-----------------|-----------------|-----------------|---------------|--------------------------------------------------------------------|-----------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EL 28722 | Granted | Rio Tinto Exploration Pty Limited | 100%       | 19 January 2011 | 7 December 2011 | 6 December 2017 | 47 sub-blocks | 6 December 2013 (unless deferred or waived in accordance with MTA) | 6 December 2012 | 31 Revenue Units per sub-block (\$32 per revenue unit)<br>Estimated as \$1,504 (plus Revenue Unit adjustment for CP1) | Exclusive right to conduct exploration for minerals (as defined in s 9 of the MTA) | No unusual conditions identified from public enquiry | Currently no registered dealings. However, we are informed that Lagoon intends to make an application for the registration of the Murphy Farm-In Agreement, between Lagoon, Laramide and RTX. |
| EL 28723 | Granted | Rio Tinto Exploration Pty Limited | 100%       | 19 January 2011 | 7 December 2011 | 6 December 2017 | 14 sub-blocks | 6 December 2013 (unless deferred or waived in accordance with MTA) | 6 December 2012 | 31 Revenue Units per sub-block (\$32 per revenue unit)<br>Estimated as \$448 (plus Revenue Unit adjustment for CP1)   | Exclusive right to conduct exploration for minerals (as defined in s 9 of the MTA) | No unusual conditions identified from public enquiry | Currently no registered dealings. However, we are informed that Lagoon intends to make an application for the registration of the Murphy Farm-In Agreement, between Lagoon, Laramide and RTX. |
| EL 28724 | Granted | Rio Tinto Exploration Pty Limited | 100%       | 19 January 2011 | 7 December 2011 | 6 December 2017 | 4 sub-blocks  | 6 December 2013 (unless deferred or waived in accordance with MTA) | 6 December 2012 | 31 Revenue Units per sub-block (\$32 per revenue unit)<br>Estimated as \$128 (plus Revenue Unit adjustment for CP1)   | Exclusive right to conduct exploration for minerals (as defined in s 9 of the MTA) | No unusual conditions identified from public enquiry | Currently no registered dealings. However, we are informed that Lagoon intends to make an application for the registration of the Murphy Farm-In Agreement, between Lagoon, Laramide and RTX. |



## 12. TITLE REPORTS ON US TENEMENTS



## COMEAU, MALDEGEN, TEMPLEMAN & INDALL, LLP

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January 25, 2013

The Directors  
Laramide Resources  
The Exchange Tower  
130 King Street West, Suite 3680  
Box 99  
Toronto, Ontario  
MX5 1B1 Canada

Re: Bolivar et al. Unpatented Mining Claims,  
Cibola County, New Mexico

Dear Sirs:

Laramide Resources together with its wholly-owned subsidiary Laramide Resources USA Inc., (collectively referred to herein as “Laramide”) has requested that this office conduct a Serial Register Page Review (the “Review”) regarding those unpatented lode mining claims (the “Claims”) and unpatented millsites (the “Millsites”) listed in the attached Exhibit 1, a portion of which this office has been informed constitutes the area upon which Laramide is currently seeking a permit to mine from the United States Forest Service in Cibola County, New Mexico. It is our understanding this Review will be included in a prospectus to be issued by Laramide Resources with regard to an initial public offering of the securities of Laramide Resources for the purposes of seeking admission to the ASX in Australia (the “Prospectus”). A map showing the location of these claims is attached as Exhibit 2.

Based solely upon the review of the Bureau of Land Management (“BLM”) Serial Register Pages for the Claims and Millsites (the “Materials Examined”) located in Township 12N, Range 9W, N.M.P.M., Cibola County, New Mexico on which the Claims and Millsites are located, our findings are as follows:

1. Ownership<sup>1</sup>

A. Ownership of the Claims is listed on the BLM Serial Register Pages as being held by Laramide Resources USA, Inc.

B. Ownership of the Millsites is listed on the BLM Serial Register Pages as being held by Laramide Resources USA Inc.

<sup>1</sup> Note that the records of Cibola County, New Mexico County Clerk’s Office, rather than the BLM are controlling as to unpatented mining claims.

1.1 Exceptions and Comments.

a. Resurrection Mining LLC. Resurrection Mining LLC has filed location notices with the Bureau of Land Management that overlay or overstep certain of Laramide's Bolivar Claims. These are identified on Exhibit I as follows:

|                               |                                         |
|-------------------------------|-----------------------------------------|
| Section 1, T. 12 N., R. 9 W.  | Bolivar 51 and 53                       |
| Section 2, T. 12 N., R. 9 W.  | Bolivar 145, 147, 149 and 153           |
| Section 11 T. 12 N., R. 9 W.  | Bolivar 109-112, 138, 140, 142, and 144 |
| Section 12, T. 12 N., R. 9 W. | Bolivar 82, 84-90, 92, 94, 97 and 99    |
| Section 13, T. 12 N., R. 9 W. | Pat 21-30                               |
| Section 14, T. 12 N., R. 9 W. | Pat 21, 23, 25, 27 and 29               |

The claims located by Resurrection Mining on these sections were located in 2010 subsequent to the location of the Bolivar and Pat claims owned by Laramide. The Resurrection Claims that are conflicting to Laramide's claims are junior to Laramide's Bolivar Claims and Pat Claims. (A senior location has priority over and any junior location and any attempted claim upon a senior location is void. *Bixby v. Reynolds Min. Corp.*, 113 NM 372, 826, P.2d 968 (1992) (relying upon 30 U.S.C. § 26 (1988); *Upton v. Santa Rita Mining Co.*, 14 NM 96, 89 P. 275 (1907); 2 American Law of Mining § 36.05. In addition it is our understanding from a conversation with Laramide's landman consultant that Resurrection Mining's claims may not have been located in good faith and may not comply with the 1872 Mining Law. We have been advised that Resurrection did not use or erect its own location marks or posts, but rather used and altered Laramide's existing location posts without Laramide's consent. This is in violation of NMSA 1978, § 69-3-13. No rights can accrue to Resurrection by virtue of such unlawful conduct. Finally, it is our understanding the Resurrection Mining did not locate new claims, but rather, used the exact same boundaries and Laramide's claims. This constitutes additional evidence of Resurrection Mining's lack of good faith in purportedly locating its claims.

b. Robert March. Robert March has filed a location notice with the Bureau of Land Management for the Eric #1 unpatented lode mining claim located in the Northwest Quarter of Section 10, T. 12 N., R. 9 W. Laramide's Pat 210, Simon 1-9 and Charles 12-13 unpatented lode mining claims are located in the Southeast and Southwest Quarters of Section 10, and should not be overstepped by the Eric #1 Claim or conflict with the Eric #1 Claim. Laramide's claims are also senior in location date to the Eric #1 Claim, if the claims should overlap.

2. Claim Maintenance. The BLM Serial Register Pages show all of the Claims and the Millsites to be in active status with federal claim maintenance payments having been made as required to maintain the Claims through the assessment year ending on September 1, 2013.

2.1 Exceptions and Comments. The BLM Serial Register Pages for each of the Claims and the Millsites indicate that claim maintenance fees were timely paid for those Claims and Millsites for each of the 1992-93 through 2012-13 assessment years, but, for those Claims located prior to 1992, do not indicate whether affidavits of annual assessment work were timely filed for the Claims. Failure to timely file an affidavit of annual assessment work would cause those Claims to be void, as discussed below.

### 3. The Mining Claim Location System

3.1 General Discussion of Title to and Validity of Unpatented Mining Claims and Millsites. Possessory title to an unpatented mining claim or millsite arises as a matter of law from the performance of certain acts of mining claim location in accordance with the general mining and land management laws and regulations of the United States (including without limitation the General Mining Law of 1872, 30 U.S.C. § 22 *et seq.*) and the state in which the claim or millsite is located (collectively the "Mining Laws"). Upon proper performance of these acts of location, the locator obtains the equitable title to and a beneficial possessory interest in the lands covered by the mining claim or millsite subject to the paramount title of the United States and subject to the requirement of maintaining the claim or millsite in accordance with the Mining Laws.

Accordingly, any determination of title to an unpatented mining claim (or millsite) involves two distinct inquiries. First, it is necessary to make an examination of the validity of the original location under the Mining Laws and whether the claim or millsite, if validly located, has been properly held and maintained in accordance with the Mining Laws. This inquiry includes such matters as the existence of a discovery of valuable, locatable minerals (as such terms are defined under the Mining Laws); whether or not the ground on which the claims or millsites were located was open to appropriation by mineral location; the segregation of the claim or millsite from the public domain by distinctly marking the claim or millsite on the ground so that its boundaries can be readily traced; the posting of location or discovery notices; the erection of discovery or location monuments; and the performance of annual assessment work or payment of the required federal claim maintenance fees in lieu thereof. This inquiry also involves an examination (discussed in more detail below) of whether certain required documents were timely filed with the BLM and recorded in the county where the claims or millsites are located, both when claims or millsites are located and thereafter on an annual basis.<sup>2</sup> This first examination regarding the location and maintenance of claims and millsites also involves some factual determinations which generally are not ascertainable from federal, state, or county records. Except for a review of the BLM Serial Register Pages for the Claims and the Millsites, which do not constitute all of the records of the BLM, all of the inquiries described above are beyond the scope of this Review.

<sup>2</sup> Note that all the references in this Review to documents being "recorded" are references to county records; all references to documents being "filed" are references to the applicable state office of the BLM.

Second, it is necessary to make an examination of the documented chain of record title from the original locator to the present owner as established by the notice or certificate of location and any conveyances and encumbrances made or created subsequent to the date of location. This second examination can be made and certain title determinations can be reached through a review of the pertinent documents (a) recorded in the office of the county recorder in the county in which the claim or millsite is located and (b) filed with the BLM. Except for a review of the BLM Serial Register Pages for the Claims and the Millsites, which do not constitute all of the records of the BLM, those examinations were not undertaken as part of this Review.

With respect to the first examination, the following additional comments are applicable:

a. Validity of the Claim Locations. The Claims and Millsites, to be valid, must be supported and evidenced by the following acts of location: (i) an actual discovery of a valuable, locatable mineral deposit within the boundaries of each Claim (note that this requirement is not applicable to the Millsites); (ii) proper marking of the surface boundaries of each Claim and Millsite on the ground with substantial monuments and posting of the certificate or notice of location on the Claim or the Millsite (which for the Claims is to be posted at the point of discovery); and (iii) recording and filing of proper evidence of the claim (location certificates and maps) with the proper county and federal offices.

Prior to a discovery, a locator may maintain rights to an unpatented mining claim through actual possession of the ground covered thereby (so-called "pedis possessio right"). Under the Mining Laws, a mining claimant has limited rights of possession prior to discovery of minerals in quantities that can be extracted and marketed at a profit. Without such a discovery, a mining claimant only has those limited pedis possessio rights, which require the mining claimant to maintain the claims by continued actual occupancy by the claimant (or his representative) engaged in persistent and diligent prosecution of work looking to the discovery of a mineral. *Union Oil Co. v. Smith*, 249 U.S. 337 (1919). Pedis possessio rights protect a mining claimant against third parties who might wish to locate claims on the same ground, but do not provide protection against the federal government, if the federal government challenges the claim or withdraws the land from entry.

With respect to the Millsites, to be valid, in addition to the requirements set forth above, each Millsite (i) must not include more land than is reasonable or necessary for mining purposes, (ii) must be located on land that is nonmineral in character and not contiguous to a vein or lode, (iii) must be actually used or occupied for mining or milling purposes, and (iv) depends for its validity on the validity of the unpatented or patented lode claim with which it is associated. Finally, for each Millsite, each 2-½-acre portion thereof must be used or occupied. 43 C.F.R. § 3832.33.

In addition, with respect to the Millsites, in November of 1997, the Secretary of the Interior approved a Solicitor's Opinion which concluded that the Mining Laws imposed a limitation that only one single five-acre millsite could be claimed in connection with each associated unpatented or patented lode mining claim. That opinion instructed the BLM that (i) it should reject those portions of millsite patent applications that exceed the acreage limitation, and (ii) that the BLM should not approve of plans of operation which rely on a greater number of millsites than the number of associated unpatented or patented mining claims being developed,

unless the use of additional lands is obtained through other means.<sup>3</sup>

On August 27, 1999, the BLM issued proposed revisions to its regulations on locating, recording and maintaining unpatented mining claims and millsites (64 Fed. Reg. 47023). Those proposed regulations would have codified the millsite limitation contained in the Solicitor's Opinion. Subsequently, however, on October 7, 2003, the Secretary of the Interior approved an Opinion by the Deputy Solicitor which concluded that the Mining Laws do not impose a limitation that only one single five-acre millsite may be claimed in connection with each associated unpatented or patented lode mining claim. The regulations referred to above were then finalized without the millsite limitation.

More recently, a consortium of environmental groups in October of 2009 filed in the United District Court for the District of Columbia a lawsuit against the Department of the Interior, the Department of Agriculture, the BLM and the U.S. Forest Service ("USFS"), asking the court to order the BLM and USFS to adopt the five-acre millsite limitation discussed above. That lawsuit is currently proceeding, and no decision has been issued.

Matters relating to whether each of the Claims is supported by an actual discovery of a "locatable mineral" of sufficient quality and quantity to establish a "discovery," as those terms are defined by the Mining Laws and interpreted by applicable case law (or whether, in the absence of a discovery, the Claims have been held by actual, physical possession, or pedis possessio rights), whether the location of the mineral deposit discovered was properly initiated by the location of a lode (as opposed to a placer) or a placer (as opposed to a lode) mining claim, whether the surface boundaries of each Claim and Millsite have been properly monumented and match the description in the certificate or notice of location, and whether proper location certificates for the Claims and the Millsites were timely and properly recorded or filed, are beyond the scope of this Review.

Similarly, matters relating to whether all or any of the Millsites cover more area

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<sup>3</sup> To implement this Solicitor's Opinion, the BLM issued Instruction Memorandum 98-154 ("IM 98-154") on August 17, 1998 (expiring on September 30, 1999). IM 98-154 appeared, despite the Solicitor's Opinion, to maintain the BLM's existing practice as to millsites, allowing approval of a plan of operations without any evaluation by the BLM of the millsite acreage-to-mining claim ratio involved in the plan, with two exceptions. The first exception was if the lands to which the plan of operations pertained were withdrawn from the operation of the Mining Laws, in which case IM 98-154 advised that the plan of operations should not be approved if it relied on millsite acreage which was in excess of the five acres per associated claim within the plan area. The second exception arose if the plan of operations unacceptably conflicted with other significant resources in the area covered by the plan of operations. Despite the rather limited circumstances under which IM 98-154 purported to apply the Solicitor's Opinion, and despite the fact that the Solicitor's Opinion addressed only the practices of the BLM and not the Forest Service, the first time that the millsite limitation was applied to deny the approval of a proposed mining plan of operations, it was applied to a project that included both BLM and Forest Service lands, in a situation where neither of the two exceptions referred to in IM 98-154 were present (see March 25, 1999 letter from the Department of the Interior and the Department of Agriculture to Battle Mountain Gold Company, rescinding the Record of Decision approving the Crown Jewel Mine in the State of Washington due to excess millsite acreage).

than allowed by law, whether the Millsites are located on land that is nonmineral in character, whether the Millsites are actually being used or occupied for mining or milling purposes, whether the above-referenced November 1997 Solicitor's Opinion has any impact on the validity of the Millsites, and whether each 2-½ -acre portion of each Millsite is being used or occupied, are beyond the scope of this Review.

3.2. State Recording and Federal Filing Requirements/Location Certificates.

State laws generally require the locator of a mining claim or millsite to record a location notice or certificate in the office of the recorder for the county in which the claim or millsite is situated within a specified time frame (in New Mexico, that period is 90 days after posting of the location notice on the ground). In addition, since October 21, 1976 (the date of enactment of the Federal Land Policy and Management Act of 1976, referred to hereinafter as "FLPMA," 43 U.S.C. § 1701 *et seq.*), under FLPMA, a copy of the notice or certificate of location for a mining claim or millsite recorded or to be recorded with the county recorder under state law must be filed with the BLM within 90 days after the date of location of that claim. Location certificates for all unpatented mining claims and millsites existing as of the date of enactment of FLPMA were required to be filed with the BLM not later than October 22, 1979. Failure to timely file the location certificate with the BLM and record it in the county renders the claim null and void. The Mining Laws also require that location certificates include certain specific information. None of those items is covered by this Review.

3.3. Annual Assessment Work or Payment of Claim Maintenance Fees.

a. Assuming an unpatented lode mining claim has been properly located, the Mining Laws, through 1992, required the locator to perform \$100 worth of labor or improvements on or for the benefit of the claim during each assessment year (which commences at noon on September 1 of each calendar year and ends at noon on September 1 of the following calendar year) following the assessment year in which the claim was located. Through the assessment year ending on September 1, 1992, the required amount of qualifying assessment work then had to be completed on a continuing basis during each ensuing assessment year. That requirement did not apply to millsites. This Review does not cover the performance of assessment work. In 1993, federal legislation was enacted that requires payment of a \$100 per claim annual maintenance fee (now increased to \$140) for both the assessment year in which a mining claim or millsite is located and in lieu of the performance of assessment work each year thereafter (except for certain qualified small miners owning fewer than ten unpatented mining claims). That requirement applies to mining claims and millsites.

b. State laws generally require the owner of an unpatented mining claim to record with the office of the county clerk and recorder in the county where the claim is situated an affidavit of the person or persons performing the annual assessment work (or causing that work to be performed) or paying the claim maintenance fees containing certain required information. Such affidavits must be filed with the county clerk and recorder on or before a specified date (in New Mexico, by December 31<sup>st</sup> each year following the calendar year in which such closing was located) on an annual basis. None of those items is covered by this Review.

c. From the enactment of FLPMA, until enactment of the federal

legislation requiring payment of the claim maintenance fee in lieu of the performance of assessment work, copies of the assessment affidavit as recorded in the county records, or of a notice of intention to hold the claim, had to be filed with the BLM on or before December 30 of each year, commencing in the calendar year following the year in which the claim was located. Failure to either (A) timely file with the BLM a copy of the affidavit (or notice of intention to hold) recorded (or to be recorded) in the county records, or (B) timely record an affidavit or notice of intention to hold in the county, was deemed conclusively to constitute an abandonment of a mining claim. Similarly, failure to pay the required claim maintenance fee on or before August 31 of each year under current law would result in forfeiture of a mining claim (or millsite). This Review only covers the last item referred to above.

4. Records Examined. In preparing this Update, our office examined the following on-records on file with the BLM's LR 2000 electronic database as of January 25, 2013.

4.1 The Serial Register Pages (but not any of the underlying documents referred to thereon) maintained by the New Mexico State Office of the BLM for each of the Claims to determine who the BLM lists as the owner of the Claims and the Millsites<sup>4</sup>;

4.2 The Serial Register Pages (but not any of the underlying documents referred to thereon) for the Claims and the Millsites to confirm that the status of each of the Claims and Millsites is listed by the BLM as "Active," indicating that the federal claim maintenance fee payments for the Claims and Millsites have been timely paid through September 1, 2012;

4.3 The latest Notice of Intent to Hold the Claims recorded in Cibola County, as provided to this office by Laramide.

4.4 At Laramide's request, this office has not traveled to the New Mexico State Office of the BLM to review any of the case files for the Claims or the Millsites to ascertain whether the Claims or the Millsites were properly located or maintained, nor has it researched the underlying BLM documents to determine whether the ground was open to appropriation at the date of location, whether there are mineral leases in the area, or whether potentially third-party unpatented claims that may affect the Claims or the Millsites.

4.5 At Laramide's request, this office has not traveled to Cibola County to examine the records of the Cibola County Clerk's Office, or the District Court Clerk to determine record ownership of the Claims and Millsites or whether there are any deeds, liens, leases, royalties, lawsuits or other contracts or encumbrances affecting the Claims or the Millsites.

5. Additional Comments.

5.1 General Comments.

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<sup>4</sup> As indicated above, the Serial Register Pages are not definitive or determinative as to the ownership or validity of unpatented mining claims or millsites, and the BLM is not estopped by errors contained on those Serial Register Pages.

(a) Service Fees. 43 C.F.R. § 3833.1-4 (re-codified in 2004 as 43 C.F.R. § 3830.21) requires that all certificates of location and certificates of relocation be accompanied by a service fee (formerly \$5.00, now \$15.00 per newly located claim), and that all filings of amended location certificates be accompanied by a service fee of \$10.00 per claim. Effective July 15, 1993, the pertinent regulations provided that a filing not accompanied by the proper service fees would not be deemed void so long as the claimant submits the proper service fees either within 30 days or receipt of a deficiency notice, or on or before the 90<sup>th</sup> day after the date of location, relocation or amendment (as appropriate), whichever is later. 43 C.F.R. § 3833.1-3(b)(2) (1997). Those regulations can now be found at 43 C.F.R. § 3830.95. We were unable to determine conclusively from the Materials Examined whether all required service fees required in connection with the filing of original location certificates covering the Claims or the Millsites and any filing made thereafter (with respect to either amended location certificates or annual filings) were timely paid; therefore this Review does not address whether there has been compliance with the service fee requirements of FLPMA with respect to the Claims or the Millsites.

(b) Limitations Affecting Use of the Claims and the Millsites.

(i) Multiple Mineral Development. All federal lands on which the Claims and the Millsites covered by this Review are located are subject to the provisions of the Multiple Mineral Development Act of 1954 (30 U.S.C. §§ 521 *et seq.*) and to the federal regulations issued pursuant thereto (43 C.F.R. Part 3740). That act provides for the simultaneous development by different operators on federal public lands of locatable minerals under the Mining Law of 1872 and leasable minerals under the Mineral Leasing Act of 1920. The act and regulations further require all operations for leasable or locatable minerals to be conducted in such a manner as to avoid damage to other potential mineral development and to avoid material interference with the existing surface or underground improvements, workings or facilities of other operators.

(ii) Multiple Surface Use. The owner of a valid unpatented mining claim has the right of possession and use of the surface of the claim for uses which bear a reasonable relationship to mining purposes. On claims located after passage of the Multiple Surface Use Act of 1955 (30 U.S.C. § 601) the owner's rights to the surface of the claim are also subject to the rights of the United States to manage and dispose of vegetative and other surface resources, and to use the surface or to authorize others to use the surface for purposes that do not unreasonably interfere with the mining operations.

5.2 General Exceptions, Qualifications and Limitations.

(a) Reliance on Materials Examined. This Review is subject to and conditioned upon the accuracy and completeness of the Materials Examined, as to which we have made no independent investigation.

(b) Record Examination. We have conducted only an office examination of the Materials Examined as described above. Consequently, we express no view as to matters that could have an effect on title to or the validity of the Claims or the Millsites that would not be reflected in the Materials Examined (as described in Section 4, but also for

example, but not by way of limitation, whether a corporation was in good standing when it made a conveyance, whether a trustee had the power to convey property under a trust instrument, whether a person executing a document was authorized to do so and whether that person's signature is genuine, whether the locator of a mining claim was or had declared an intention to become a U.S. citizen, as required by the Mining Laws, or whether a conveyance of property was made under an unrecorded instrument), all of which are beyond the scope of this Review. Further, we express no view as to matters not of record or as to rights which would be shown by a physical inspection or by a survey of the Claims and the Millsites (including the location of monuments and the contents of posted location notices); as to adverse right or defects known to us but not reflected in the Materials Examined or unknown to us; as to rights of any parties in actual possession of any portion of the Claims or the Millsites, including in particular easements and rights-of-way and tenancies in common; as to mechanic's and materialmen's liens not yet perfected under state laws; as to the payment of state or local property taxes due or becoming delinquent after the date of this Review; as to federal tax liens not reflected in the Materials Examined; as to the existence of extralateral rights associated with unpatented or patented mining claims adjacent to or in the vicinity of any of the Claims or the Millsites which may extend downward beneath the vertical boundaries of any of the Claims or the Millsites; or as to errors or variations in the boundaries of the Claims and the Millsites which might be disclosed by a current survey.

(c) General Limitations. This Review does not cover any of the following: railroad, utility, roadway or other rights-of-way; discrepancies of survey or location, or discrepancies in the Materials Examined which might be reflected by a physical inspection of the Claims and the Millsites; the impact of federal land use plans, local zoning or other land use controls; voluntary or involuntary proceedings in bankruptcy against the present owners of the Claims and the Millsites or their predecessors in title; water rights or ditch rights and rights-of-way therefor; pending litigation; or judgment liens and statutory liens not reflected by the Materials Examined; matters of fact not disclosed in the Materials Examined which vary from statutorily permitted presumptions of fact or statutorily created prima facie evidence of facts.

6. Confidentiality. This Review has been rendered at the request of and for the benefit of Laramide Resources and may not be used or relied upon by any other party without our prior written consent.

Very truly yours,



Jon J. Indall

Comeau, Maldegen, Templeman & Indall, LLP

JJI/ms

Exhibit 1: Claims

Exhibit 2: Map of Claims

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UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
MINING CLAIM GEOGRAPHIC REPORT  
LIST OF MINING CLAIMS BY SECTION

Run Time: 08:22 AM

1701

112129W

| Serial Num  | Mer_Twr_Rtg_Sec_Quad     | Claim Name/Number | Claimant(s)                | Lead File   | Type   | Status | Loc.Dt     | Last Assmnt |
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| NMCMC119250 | 23 0120N 0090W 001 SE    | BOLIVAR #42       | LARAMIDE RESOURCES USA INC | NMCMC119245 | 384101 | ACTIVE | 04/24/1982 | 2013        |
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| NMCMC119254 | 23 0120N 0090W 001 SW SE | BOLIVAR #46       | LARAMIDE RESOURCES USA INC | NMCMC119245 | 384101 | ACTIVE | 04/24/1982 | 2013        |
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| NMCMC182177 | 23 0120N 0090W 001 NE    | GAP 1             | LARAMIDE RESOURCES USA INC | NMCMC182177 | 384101 | ACTIVE | 04/24/1982 | 2013        |
| NMCMC182178 | 23 0120N 0090W 001 SE    | GAP 2             | LARAMIDE RESOURCES USA INC | NMCMC182177 | 384101 | ACTIVE | 04/24/1982 | 2013        |
| NMCMC182179 | 23 0120N 0090W 001 SE    | GAP 3             | LARAMIDE RESOURCES USA INC | NMCMC182177 | 384101 | ACTIVE | 10/30/2007 | 2013        |
| NMCMC189294 | 23 0120N 0090W 001 SW    | BOLIVAR 51        | RESURRECTION MINING LLC    | NMCMC189294 | 384101 | ACTIVE | 05/26/2010 | 2013        |
| NMCMC189295 | 23 0120N 0090W 001 SW    | BOLIVAR 53        | RESURRECTION MINING LLC    | NMCMC189294 | 384101 | ACTIVE | 05/26/2010 | 2013        |

2000

| Serial Num | Claim Name/Number   | Claimant(s)             | Lead File  | Status | Loc Dt     | Last Assmt |
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| 271212920  | 271212920000 SE     |                         |            |        |            |            |
| 271212921  | BOLIVAR 14.5        | RESUBRECTION MINING LLC | NMMC183294 | 394101 | 05/26/2010 | 2013       |
| 271212922  |                     |                         |            | ACTIVE |            |            |



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UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
MINING CLAIM GEOGRAPHIC REPORT  
LIST OF MINING CLAIMS BY SECTION

Run Date: 01/25/2013  
Page 2 of 8

| Serial Num  | Mer Twin Ring Sec Quad    | Claim Name/Number | Claimant(s)                  | Lead File   | Case Type | Status | Loc Dt     | Last Assmt |
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| NMM/C189318 | 23 0120N 0090W 002 SE     | BOLIVAR 149       | RESURRECTION MINING, LLC     | NMM/C189294 | 384101    | ACTIVE | 05/26/2010 | 2 0 1 3    |
| NMM/C189319 | 23 0120N 0090W 002 SE     | BOLIVAR 151       | RESURRECTION MINING, LLC     | NMM/C189294 | 384101    | ACTIVE | 05/26/2010 | 2 0 1 3    |
| NMM/C4841   | 23 0120N 0090W 002 SE     | BOLIVAR #145      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4842   | 23 0120N 0090W 002 SE     | BOLIVAR #146      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4843   | 23 0120N 0090W 002 SE     | BOLIVAR #147      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4844   | 23 0120N 0090W 002 SE     | BOLIVAR #148      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4845   | 23 0120N 0090W 002 SE     | BOLIVAR #149      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4846   | 23 0120N 0090W 002 SE     | BOLIVAR #150      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4847   | 23 0120N 0090W 002 SE     | BOLIVAR #151      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4848   | 23 0120N 0090W 002 SE     | BOLIVAR #152      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4849   | 23 0120N 0090W 002 SE     | BOLIVAR #153      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4850   | 23 0120N 0090W 002 SW     | BOLIVAR #154      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4851   | 23 0120N 0090W 002 SW     | BOLIVAR #155      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4852   | 23 0120N 0090W 002 SW     | BOLIVAR #156      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4853   | 23 0120N 0090W 002 SW     | BOLIVAR #157      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4854   | 23 0120N 0090W 002 SW     | BOLIVAR #158      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4855   | 23 0120N 0090W 002 SW     | BOLIVAR #159      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4856   | 23 0120N 0090W 002 SW     | BOLIVAR #160      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4857   | 23 0120N 0090W 002 SW     | BOLIVAR #161      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4858   | 23 0120N 0090W 002 SW     | BOLIVAR #162      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4859   | 23 0120N 0090W 002 NW     | BOLIVAR #163      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4860   | 23 0120N 0090W 002 NW     | BOLIVAR #164      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4861   | 23 0120N 0090W 002 NW     | BOLIVAR #165      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4862   | 23 0120N 0090W 002 NW     | BOLIVAR #166      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4863   | 23 0120N 0090W 002 NW     | BOLIVAR #167      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4864   | 23 0120N 0090W 002 NW     | BOLIVAR #168      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4865   | 23 0120N 0090W 002 NW     | BOLIVAR #169      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4866   | 23 0120N 0090W 002 NW     | BOLIVAR #170      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4867   | 23 0120N 0090W 002 NE     | BOLIVAR #171      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4868   | 23 0120N 0090W 002 NE, NW | BOLIVAR #172      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4869   | 23 0120N 0090W 002 NE, NW | BOLIVAR #173      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4870   | 23 0120N 0090W 002 NE     | BOLIVAR #174      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4871   | 23 0120N 0090W 002 NE     | BOLIVAR #175      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4872   | 23 0120N 0090W 002 NE     | BOLIVAR #176      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4873   | 23 0120N 0090W 002 NE     | BOLIVAR #177      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4874   | 23 0120N 0090W 002 NE     | BOLIVAR #178      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4875   | 23 0120N 0090W 002 NE     | BOLIVAR #179      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |
| NMM/C4876   | 23 0120N 0090W 002 NE     | BOLIVAR #180      | LARAMIDE RESOURCES USA, INC. | NMM/C4805   | 384101    | ACTIVE | 03/15/1976 | 2 0 1 3    |

Serial Num Mer Twin Ring Sec Quad  
NMM/C116655 23 0120N 0090W 010 SE  
NMM/C174002 23 0120N 0090W 010 SE

Claim Name/Number  
PAT NO 210  
SIMON 1

Claimant(s)  
LARAMIDE RESOURCES USA, INC.  
LARAMIDE RESOURCES USA, INC.

Lead File Case Type Status Loc Dt Last Assmt  
NMM/C116637 384101 ACTIVE 05/02/2006 2 0 1 3  
NMM/C174002 384101 ACTIVE 2 0 1 3

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UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
MINING CLAIM GEOGRAPHIC REPORT  
LIST OF MINING CLAIMS BY SECTION

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| Serial Num | Mer Twin Ring Sec Quad    | Claim Name/Number | Claimant(s)                | Case      |        |        |
|------------|---------------------------|-------------------|----------------------------|-----------|--------|--------|
|            |                           |                   |                            | Lead File | Type   | Status |
| NMM/C4815  | 23 0120N 0090W 011 SW     | BOLIVAR #119      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4816  | 23 0120N 0090W 011 SW     | BOLIVAR #120      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4817  | 23 0120N 0090W 011 SW     | BOLIVAR #121      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4818  | 23 0120N 0090W 011 SW     | BOLIVAR #122      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4819  | 23 0120N 0090W 011 SW     | BOLIVAR #123      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4820  | 23 0120N 0090W 011 SW     | BOLIVAR #124      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4821  | 23 0120N 0090W 011 SW     | BOLIVAR #125      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4822  | 23 0120N 0090W 011 SW     | BOLIVAR #126      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4823  | 23 0120N 0090W 011 NW     | BOLIVAR #127      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4824  | 23 0120N 0090W 011 NW     | BOLIVAR #128      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4825  | 23 0120N 0090W 011 NW     | BOLIVAR #129      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4826  | 23 0120N 0090W 011 NW     | BOLIVAR #130      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4827  | 23 0120N 0090W 011 NW     | BOLIVAR #131      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4828  | 23 0120N 0090W 011 NW     | BOLIVAR #132      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4829  | 23 0120N 0090W 011 NW     | BOLIVAR #133      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4830  | 23 0120N 0090W 011 NW     | BOLIVAR #134      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4831  | 23 0120N 0090W 011 NE, NW | BOLIVAR #135      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4832  | 23 0120N 0090W 011 NE, NW | BOLIVAR #136      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4833  | 23 0120N 0090W 011 NE     | BOLIVAR #137      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4834  | 23 0120N 0090W 011 NE     | BOLIVAR #138      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4835  | 23 0120N 0090W 011 NE     | BOLIVAR #139      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4836  | 23 0120N 0090W 011 NE     | BOLIVAR #140      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4837  | 23 0120N 0090W 011 NE     | BOLIVAR #141      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4838  | 23 0120N 0090W 011 NE     | BOLIVAR #142      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4839  | 23 0120N 0090W 011 NE     | BOLIVAR #143      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |
| NMM/C4840  | 23 0120N 0090W 011 NE     | BOLIVAR #144      | LARAMIDE RESOURCES USA INC | NMM/C4805 | 384101 | ACTIVE |

| Serial Num  | Mer Twin Ring Sec Quad    | Claim Name/Number | Claimant(s)                | Case        |        |        |
|-------------|---------------------------|-------------------|----------------------------|-------------|--------|--------|
|             |                           |                   |                            | Lead File   | Type   | Status |
| NMM/C119288 | 23 0120N 0090W 012 SE     | BOLIVAR #80       | LARAMIDE RESOURCES USA INC | NMM/C119245 | 384101 | ACTIVE |
| NMM/C119288 | 23 0120N 0090W 012 SW, SE | BOLIVAR #81       | LARAMIDE RESOURCES USA INC | NMM/C119245 | 384101 | ACTIVE |
| NMM/C119290 | 23 0120N 0090W 012 SW, SE | BOLIVAR #82       | LARAMIDE RESOURCES USA INC | NMM/C119245 | 384101 | ACTIVE |
| NMM/C119291 | 23 0120N 0090W 012 SW     | BOLIVAR #83       | LARAMIDE RESOURCES USA INC | NMM/C119245 | 384101 | ACTIVE |
| NMM/C119292 | 23 0120N 0090W 012 SW     | BOLIVAR #84       | LARAMIDE RESOURCES USA INC | NMM/C119245 | 384101 | ACTIVE |
| NMM/C119293 | 23 0120N 0090W 012 SW     | BOLIVAR #85       | LARAMIDE RESOURCES USA INC | NMM/C119245 | 384101 | ACTIVE |
| NMM/C119294 | 23 0120N 0090W 012 SW     | BOLIVAR #86       | LARAMIDE RESOURCES USA INC | NMM/C119245 | 384101 | ACTIVE |
| NMM/C119295 | 23 0120N 0090W 012 SW     | BOLIVAR #87       | LARAMIDE RESOURCES USA INC | NMM/C119245 | 384101 | ACTIVE |
| NMM/C119296 | 23 0120N 0090W 012 SW     | BOLIVAR #88       | LARAMIDE RESOURCES USA INC | NMM/C119245 | 384101 | ACTIVE |
| NMM/C119297 | 23 0120N 0090W 012 SW     | BOLIVAR #89       | LARAMIDE RESOURCES USA INC | NMM/C119245 | 384101 | ACTIVE |
| NMM/C119298 | 23 0120N 0090W 012 SW     | BOLIVAR #90       | LARAMIDE RESOURCES USA INC | NMM/C119245 | 384101 | ACTIVE |
| NMM/C119299 | 23 0120N 0090W 012 NW     | BOLIVAR #91       | LARAMIDE RESOURCES USA INC | NMM/C119245 | 384101 | ACTIVE |
| NMM/C119300 | 23 0120N 0090W 012 NW     | BOLIVAR #92       | LARAMIDE RESOURCES USA INC | NMM/C119245 | 384101 | ACTIVE |
| NMM/C119301 | 23 0120N 0090W 012 NW     | BOLIVAR #93       | LARAMIDE RESOURCES USA INC | NMM/C119245 | 384101 | ACTIVE |

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UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
MINING CLAIM GEOGRAPHIC REPORT  
LIST OF MINING CLAIMS BY SECTION

| Serial Num  | Mer Twn Rng Sec Quad     | Claim Name/Number | Claimant(s)                | Lead File   | Case Type | Status | Loc Dt     | Last Assmt |
|-------------|--------------------------|-------------------|----------------------------|-------------|-----------|--------|------------|------------|
| NMMMC119302 | 23 0120N 0090W 012 NW    | BOLIVAR #94       | LARAMIDE RESOURCES USA INC | NMMMC119245 | 384101    | ACTIVE | 04/24/1982 | 2 0 1 3    |
| NMMMC119303 | 23 0120N 0090W 012 NW    | BOLIVAR #95       | LARAMIDE RESOURCES USA INC | NMMMC119245 | 384101    | ACTIVE | 04/24/1982 | 2 0 1 3    |
| NMMMC119304 | 23 0120N 0090W 012 NW    | BOLIVAR #96       | LARAMIDE RESOURCES USA INC | NMMMC119245 | 384101    | ACTIVE | 04/24/1982 | 2 0 1 3    |
| NMMMC119305 | 23 0120N 0090W 012 NW    | BOLIVAR #97       | LARAMIDE RESOURCES USA INC | NMMMC119245 | 384101    | ACTIVE | 04/24/1982 | 2 0 1 3    |
| NMMMC119306 | 23 0120N 0090W 012 NW    | BOLIVAR #98       | LARAMIDE RESOURCES USA INC | NMMMC119245 | 384101    | ACTIVE | 04/24/1982 | 2 0 1 3    |
| NMMMC119307 | 23 0120N 0090W 012 NE,NW | BOLIVAR #99       | LARAMIDE RESOURCES USA INC | NMMMC119245 | 384101    | ACTIVE | 04/24/1982 | 2 0 1 3    |
| NMMMC119308 | 23 0120N 0090W 012 NE,NW | BOLIVAR #100      | LARAMIDE RESOURCES USA INC | NMMMC119245 | 384101    | ACTIVE | 04/24/1982 | 2 0 1 3    |
| NMMMC119309 | 23 0120N 0090W 012 NE    | BOLIVAR #101      | LARAMIDE RESOURCES USA INC | NMMMC119245 | 384101    | ACTIVE | 04/24/1982 | 2 0 1 3    |
| NMMMC119310 | 23 0120N 0090W 012 NE    | BOLIVAR #102      | LARAMIDE RESOURCES USA INC | NMMMC119245 | 384101    | ACTIVE | 04/24/1982 | 2 0 1 3    |
| NMMMC119312 | 23 0120N 0090W 012 NE    | BOLIVAR #104      | LARAMIDE RESOURCES USA INC | NMMMC119245 | 384101    | ACTIVE | 04/24/1982 | 2 0 1 3    |
| NMMMC182180 | 23 0120N 0090W 012 NE    | GAP 4             | LARAMIDE RESOURCES USA INC | NMMMC182177 | 384101    | ACTIVE | 10/30/2007 | 2 0 1 3    |
| NMMMC182181 | 23 0120N 0090W 012 SE    | GAP 5             | LARAMIDE RESOURCES USA INC | NMMMC182177 | 384101    | ACTIVE | 10/30/2007 | 2 0 1 3    |
| NMMMC182182 | 23 0120N 0090W 012 SE    | GAP 6             | LARAMIDE RESOURCES USA INC | NMMMC182177 | 384101    | ACTIVE | 10/30/2007 | 2 0 1 3    |
| NMMMC182196 | 23 0120N 0090W 012 SW,SE | BOLIVAR 82        | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/26/2010 | 2 0 1 3    |
| NMMMC182197 | 23 0120N 0090W 012 SW    | BOLIVAR 84        | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/26/2010 | 2 0 1 3    |
| NMMMC182198 | 23 0120N 0090W 012 SW    | BOLIVAR 85        | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/26/2010 | 2 0 1 3    |
| NMMMC182199 | 23 0120N 0090W 012 SW    | BOLIVAR 86        | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/26/2010 | 2 0 1 3    |
| NMMMC183000 | 23 0120N 0090W 012 SW    | BOLIVAR 87        | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/26/2010 | 2 0 1 3    |
| NMMMC183001 | 23 0120N 0090W 012 SW    | BOLIVAR 88        | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/26/2010 | 2 0 1 3    |
| NMMMC183002 | 23 0120N 0090W 012 SW    | BOLIVAR 89        | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/26/2010 | 2 0 1 3    |
| NMMMC183003 | 23 0120N 0090W 012 SW    | BOLIVAR 90        | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/26/2010 | 2 0 1 3    |
| NMMMC183004 | 23 0120N 0090W 012 NW    | BOLIVAR 92        | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/26/2010 | 2 0 1 3    |
| NMMMC183005 | 23 0120N 0090W 012 NW    | BOLIVAR 94        | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/26/2010 | 2 0 1 3    |
| NMMMC183006 | 23 0120N 0090W 012 NW    | BOLIVAR 97        | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/26/2010 | 2 0 1 3    |
| NMMMC183007 | 23 0120N 0090W 012 NE,NW | BOLIVAR 99        | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/26/2010 | 2 0 1 3    |

Section 13 T24R20W

| Serial Num  | Mer Twn Rng Sec Quad           | Claim Name/Number | Claimant(s)                | Lead File   | Case Type | Status | Loc Dt     | Last Assmt |
|-------------|--------------------------------|-------------------|----------------------------|-------------|-----------|--------|------------|------------|
| NMMMC105554 | 23 0120N 0090W 013 NW          | PAT NO 21         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105555 | 23 0120N 0090W 013 NE,NW       | PAT NO 22         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105556 | 23 0120N 0090W 013 NW          | PAT NO 23         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105557 | 23 0120N 0090W 013 NE,NW       | PAT NO 24         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105558 | 23 0120N 0090W 013 NW          | PAT NO 25         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105559 | 23 0120N 0090W 013 NE,NW       | PAT NO 26         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105560 | 23 0120N 0090W 013 NW          | PAT NO 27         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105561 | 23 0120N 0090W 013 NE,NW       | PAT NO 28         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105562 | 23 0120N 0090W 013 NW,SW       | PAT NO 29         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105563 | 23 0120N 0090W 013 NE,NW,SW,SE | PAT NO 30         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC182183 | 23 0120N 0090W 013 NE          | GAP 7             | LARAMIDE RESOURCES USA INC | NMMMC182177 | 384101    | ACTIVE | 10/30/2007 | 2 0 1 3    |
| NMMMC182184 | 23 0120N 0090W 013 NE          | GAP 8             | LARAMIDE RESOURCES USA INC | NMMMC182177 | 384101    | ACTIVE | 10/30/2007 | 2 0 1 3    |
| NMMMC182185 | 23 0120N 0090W 013 NE          | GAP 9             | LARAMIDE RESOURCES USA INC | NMMMC182177 | 384101    | ACTIVE | 10/30/2007 | 2 0 1 3    |
| NMMMC182186 | 23 0120N 0090W 013 NE          | GAP 10            | LARAMIDE RESOURCES USA INC | NMMMC182177 | 384101    | ACTIVE | 10/30/2007 | 2 0 1 3    |
| NMMMC182187 | 23 0120N 0090W 013 NW          | GAP 11            | LARAMIDE RESOURCES USA INC | NMMMC182177 | 384101    | ACTIVE | 11/16/2007 | 2 0 1 3    |

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UNITED STATES DEPARTMENT OF THE INTERIOR  
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MINING CLAIM GEOGRAPHIC REPORT  
LIST OF MINING CLAIMS BY SECTION

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| Serial Num  | Mer Twn Rng Sec Quad     | Claim Name/Number | Claimant(s)                | Lead File   | Case Type | Status | Loc Dt     | Last Assmt |
|-------------|--------------------------|-------------------|----------------------------|-------------|-----------|--------|------------|------------|
| NMMMC182188 | 23 0120N 0090W 013 SW    | GAP 12            | LARAMIDE RESOURCES USA INC | NMMMC182177 | 384101    | ACTIVE | 11/16/2007 | 2 0 1 3    |
| NMMMC182189 | 23 0120N 0090W 013 SW    | GAP 13            | LARAMIDE RESOURCES USA INC | NMMMC182177 | 384101    | ACTIVE | 11/16/2007 | 2 0 1 3    |
| NMMMC189320 | 23 0120N 0090W 013 NW    | PAT 21            | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/27/2010 | 2 0 1 3    |
| NMMMC189321 | 23 0120N 0090W 013 NW    | PAT 22            | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/27/2010 | 2 0 1 3    |
| NMMMC189322 | 23 0120N 0090W 013 NW    | PAT 23            | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/27/2010 | 2 0 1 3    |
| NMMMC189323 | 23 0120N 0090W 013 NW    | PAT 24            | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/27/2010 | 2 0 1 3    |
| NMMMC189324 | 23 0120N 0090W 013 SE    | PAT 25            | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/27/2010 | 2 0 1 3    |
| NMMMC189325 | 23 0120N 0090W 013 NW    | PAT 26            | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/27/2010 | 2 0 1 3    |
| NMMMC189326 | 23 0120N 0090W 013 NW    | PAT 27            | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/27/2010 | 2 0 1 3    |
| NMMMC189327 | 23 0120N 0090W 013 NW    | PAT 28            | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/27/2010 | 2 0 1 3    |
| NMMMC189328 | 23 0120N 0090W 013 NW,SW | PAT 29            | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/27/2010 | 2 0 1 3    |
| NMMMC189329 | 23 0120N 0090W 013 NW,SW | PAT 30            | RESURRECTION MINING LLC    | NMMMC189294 | 384101    | ACTIVE | 05/27/2010 | 2 0 1 3    |

Section 14 T2N R34W

| Serial Num  | Mer Twn Rng Sec Quad           | Claim Name/Number | Claimant(s)                | Lead File   | Case Type | Status | Loc Dt     | Last Assmt |
|-------------|--------------------------------|-------------------|----------------------------|-------------|-----------|--------|------------|------------|
| NMMMC105539 | 23 0120N 0090W 014 NW          | PAT NO 2          | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/25/1981 | 2 0 1 3    |
| NMMMC105540 | 23 0120N 0090W 014 NW          | PAT NO 4          | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/25/1981 | 2 0 1 3    |
| NMMMC105541 | 23 0120N 0090W 014 NE,NW       | PAT NO 11         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/25/1981 | 2 0 1 3    |
| NMMMC105545 | 23 0120N 0090W 014 NE          | PAT NO 12         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105546 | 23 0120N 0090W 014 NE,NW       | PAT NO 13         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105547 | 23 0120N 0090W 014 NE          | PAT NO 14         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105548 | 23 0120N 0090W 014 NE,NW       | PAT NO 15         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105549 | 23 0120N 0090W 014 NE          | PAT NO 16         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105550 | 23 0120N 0090W 014 NE,NW       | PAT NO 17         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105551 | 23 0120N 0090W 014 NE          | PAT NO 18         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105552 | 23 0120N 0090W 014 NE,NW,SW,SE | PAT NO 19         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/31/1981 | 2 0 1 3    |
| NMMMC105553 | 23 0120N 0090W 014 NE,SE       | PAT NO 20         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/31/1981 | 2 0 1 3    |
| NMMMC105554 | 23 0120N 0090W 014 NE          | PAT NO 21         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105555 | 23 0120N 0090W 014 NE          | PAT NO 23         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105556 | 23 0120N 0090W 014 NE          | PAT NO 25         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105558 | 23 0120N 0090W 014 NE          | PAT NO 27         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105560 | 23 0120N 0090W 014 NE,SE       | PAT NO 29         | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 03/20/1981 | 2 0 1 3    |
| NMMMC105562 | 23 0120N 0090W 014 NW          | PAT NO 210        | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 02/24/1982 | 2 0 1 3    |
| NMMMC105565 | 23 0120N 0090W 014 NW          | PAT NO 212        | LARAMIDE RESOURCES USA INC | NMMMC105539 | 384101    | ACTIVE | 02/24/1982 | 2 0 1 3    |
| NMMMC105568 | 23 0120N 0090W 014 NW          | CHARLES #3        | LARAMIDE RESOURCES USA INC | NMMMC132307 | 384401    | ACTIVE | 09/01/1984 | 2 0 1 3    |
| NMMMC132309 | 23 0120N 0090W 014 NW          | CHARLES #4        | LARAMIDE RESOURCES USA INC | NMMMC132307 | 384401    | ACTIVE | 09/01/1984 | 2 0 1 3    |
| NMMMC132310 | 23 0120N 0090W 014 NW          | GAP 14            | LARAMIDE RESOURCES USA INC | NMMMC185685 | 384101    | ACTIVE | 04/02/2008 | 2 0 1 3    |
| NMMMC185685 | 23 0120N 0090W 014 NW          | GAP 15            | LARAMIDE RESOURCES USA INC | NMMMC185685 | 384101    | ACTIVE | 04/02/2008 | 2 0 1 3    |
| NMMMC185686 | 23 0120N 0090W 014 NW          | GAP 16            | LARAMIDE RESOURCES USA INC | NMMMC185685 | 384101    | ACTIVE | 04/02/2008 | 2 0 1 3    |
| NMMMC185687 | 23 0120N 0090W 014 NW          | GAP 17            | LARAMIDE RESOURCES USA INC | NMMMC185685 | 384101    | ACTIVE | 04/02/2008 | 2 0 1 3    |
| NMMMC185688 | 23 0120N 0090W 014 NW          | GAP 18            | LARAMIDE RESOURCES USA INC | NMMMC185685 | 384101    | ACTIVE | 04/02/2008 | 2 0 1 3    |
| NMMMC185689 | 23 0120N 0090W 014 NW          | GAP 19            | LARAMIDE RESOURCES USA INC | NMMMC185685 | 384101    | ACTIVE | 04/02/2008 | 2 0 1 3    |
| NMMMC185690 | 23 0120N 0090W 014 NW          | GAP 20            | LARAMIDE RESOURCES USA INC | NMMMC185685 | 384101    | ACTIVE | 04/02/2008 | 2 0 1 3    |

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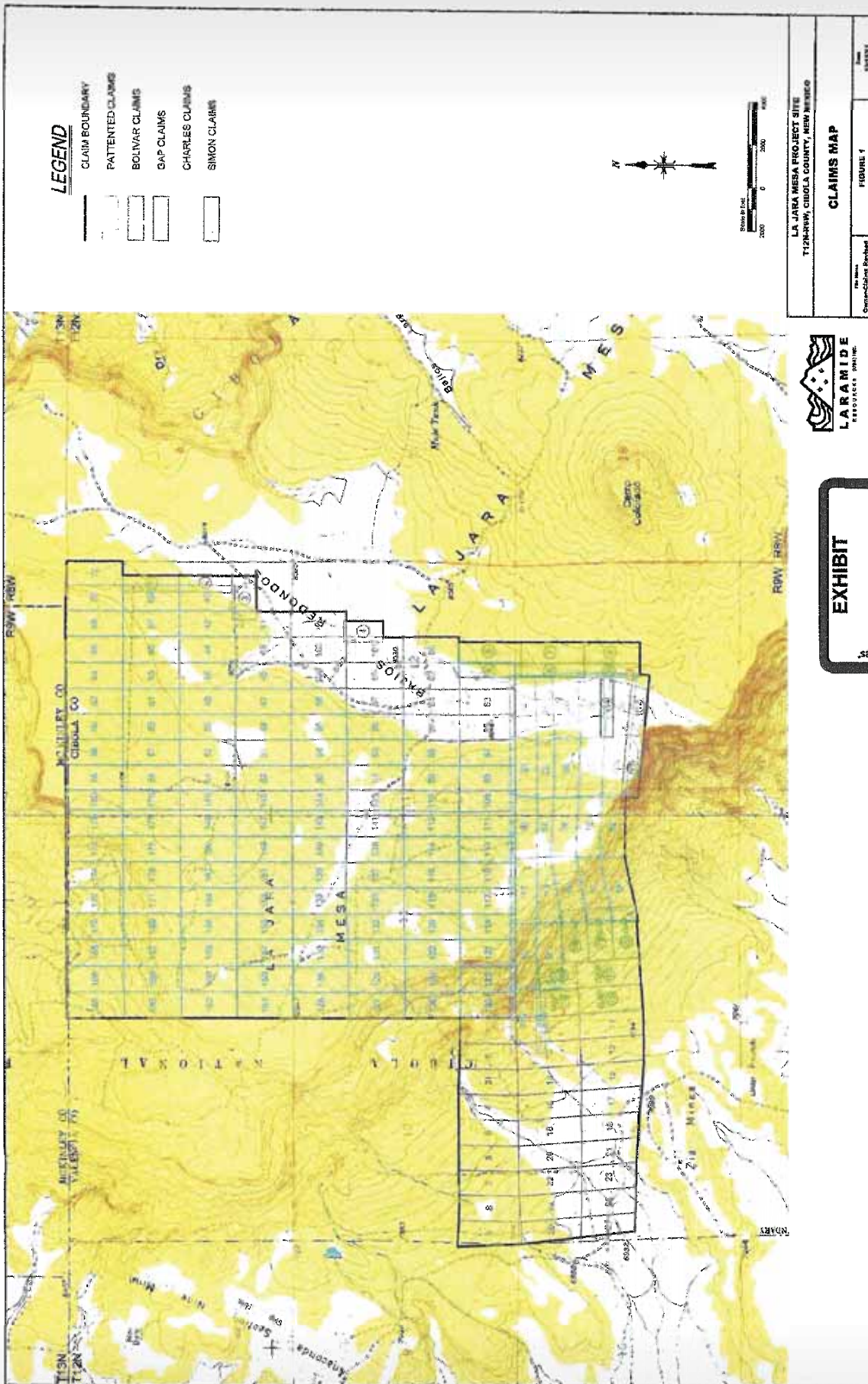
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UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
MINING CLAIM GEOGRAPHIC REPORT  
LIST OF MINING CLAIMS BY SECTION

Run Date: 01/25/2013  
Page 8 of 8

| Serial Num  | Mer Twn Rng Sec Quad  | Claim Name/Number | Claimant(s)                | Case        |        |        | Loc Dt     | Last Assmt |
|-------------|-----------------------|-------------------|----------------------------|-------------|--------|--------|------------|------------|
|             |                       |                   |                            | Lead File   | Type   | Status |            |            |
| NMMMC174024 | 23 0120N 0090W 015 NW | SIMON 23          | WARD J MESCH               | NMMMC174002 | 384101 | ACTIVE | 05/02/2006 | 2 0 1 3    |
| NMMMC174025 | 23 0120N 0090W 015 NW | SIMON 24          | LARAMIDE RESOURCES USA INC | NMMMC174002 | 384101 | ACTIVE | 05/02/2006 | 2 0 1 3    |
| NMMMC174025 | 23 0120N 0090W 015 NW | SIMON 24          | WARD J MESCH               | NMMMC174002 | 384101 | ACTIVE | 05/02/2006 | 2 0 1 3    |
| NMMMC174026 | 23 0120N 0090W 015 NW | SIMON 25          | LARAMIDE RESOURCES USA INC | NMMMC174002 | 384101 | ACTIVE | 05/02/2006 | 2 0 1 3    |
| NMMMC174026 | 23 0120N 0090W 015 NW | SIMON 25          | WARD J MESCH               | NMMMC174002 | 384101 | ACTIVE | 05/02/2006 | 2 0 1 3    |
| NMMMC174027 | 23 0120N 0090W 015 NW | SIMON 26          | LARAMIDE RESOURCES USA INC | NMMMC174002 | 384101 | ACTIVE | 05/02/2006 | 2 0 1 3    |
| NMMMC174027 | 23 0120N 0090W 015 NW | SIMON 26          | WARD J MESCH               | NMMMC174002 | 384101 | ACTIVE | 05/02/2006 | 2 0 1 3    |
| NMMMC174028 | 23 0120N 0090W 015 NW | SIMON 27          | LARAMIDE RESOURCES USA INC | NMMMC174002 | 384101 | ACTIVE | 05/02/2006 | 2 0 1 3    |
| NMMMC174028 | 23 0120N 0090W 015 NW | SIMON 27          | WARD J MESCH               | NMMMC174002 | 384101 | ACTIVE | 05/02/2006 | 2 0 1 3    |
| NMMMC188589 | 23 0120N 0090W 015 NE | CHARLES NO 8      | LARAMIDE RESOURCES USA INC | NMMMC188588 | 384401 | ACTIVE | 04/29/2009 | 2 0 1 3    |
| NMMMC188590 | 23 0120N 0090W 015 NE | CHARLES NO 7      | LARAMIDE RESOURCES USA INC | NMMMC188588 | 384401 | ACTIVE | 04/29/2009 | 2 0 1 3    |
| NMMMC188593 | 23 0120N 0090W 015 NE | CHARLES NO 11     | LARAMIDE RESOURCES USA INC | NMMMC188588 | 384401 | ACTIVE | 04/29/2009 | 2 0 1 3    |
| NMMMC188594 | 23 0120N 0090W 015 NE | CHARLES NO 10     | LARAMIDE RESOURCES USA INC | NMMMC188588 | 384401 | ACTIVE | 04/29/2009 | 2 0 1 3    |
| NMMMC188595 | 23 0120N 0090W 015 NE | CHARLES NO 9      | LARAMIDE RESOURCES USA INC | NMMMC188588 | 384401 | ACTIVE | 04/29/2009 | 2 0 1 3    |

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**EXHIBIT**

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Tables



Davis Graham & Stubbs LLP

January 29, 2013

The Directors  
Laramide Resources Ltd.  
The Exchange Tower  
130 King Street West, Suite 3680  
Box 99  
Toronto, Ontario  
MX5 1B1 Canada

Re: Title Review of Unpatented Mining Claims and Millsites,  
San Juan County, Utah

Dear Sirs:

Laramide Resources Ltd. (together with its wholly-owned subsidiaries, Laramide Resources USA Inc. and Laramide La Sal Inc., collectively referred to hereinafter as "Laramide") has requested that this office conduct a Serial Register Page Review (the "Review") regarding those unpatented lode mining claims (the "Claims") and unpatented millsites (the "Millsites") listed in the attached Exhibit A, for inclusion in a prospectus to be issued by Laramide Resources Ltd. with regard to an initial public offering of the securities of Laramide Resources Ltd. for the purpose of seeking admission to the ASX in Australia (the "Prospectus").

Based solely upon a review of the Bureau of Land Management ("BLM") Serial Register Pages for the Claims and the Millsites (the "Materials Examined"), and subject to the comments, qualifications and limitations set forth below, our findings are as follows:

1. Ownership.<sup>1</sup>

A. The Claims. Ownership of the Claims is listed on the BLM Serial Register Pages as follows:

| <u>Claims</u>                 | <u>Listed Owner</u>         |
|-------------------------------|-----------------------------|
| New Change Nos. 3, 4 and 9-11 | Laramide Resources USA Inc. |
| New Change #6, #7 and #8      | Laramide Resources USA Inc. |
| LS #1, #2 and #3              | Laramide La Sal Inc.        |

<sup>1</sup> Note that the records of the San Juan County, Utah Clerk and Recorder's office, rather than the BLM, are controlling as to ownership of unpatented mining claims and millsites.

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2419650.1

## The Directors

Laramide Resources Ltd.

January 29, 2013

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### Claims

### Listed Owner

Alice, Billie Mike, Chris, Dana, Elohim, Hudson, Jimmie, John David, Opal, Patsie, Richardson, Richard, Star, Robin Roy, Susi, Thirty Three, Thirty Four, Thirty Five, Victory and Star #1

Laramide La Sal Inc.

Big Change #1 and #2

Laramide La Sal Inc.

Dissipation, Dynaflow, Wig

Atlas Corporation c/o Laramide  
R.M. Barrett c/o Laramide  
Dennis E. Byrd c/o Laramide  
Ralph Goodrich c/o Laramide  
Rowena Taylor c/o Laramide  
Laramide La Sal Inc.

B. The Millsites. Ownership of the Millsites is listed on the BLM Serial Register Pages as follows:

### Millsites

### Listed Owner

Pat #1 - #4

Laramide La Sal Inc.

New Pat Nos. 5-8

Laramide Resources USA Inc.

Pat Nos. 9 and 10

Laramide Resources USA Inc.

### C. Exceptions and Comments.

(i) The BLM Serial Register Pages indicate that certain decision notices were issued to Laramide by the BLM (i) on November 7, 2008, with respect to the New Change #6 and #7 Claims, and (ii) on January 20, 2011, with respect to the New Change No. 11 Claim and the Pat Millsites Nos. 9 and 10. It is not clear from the BLM Serial Register Pages what those notices addressed; in each case, however, the claim owner, shortly after receipt of the notice, filed an amended location certificate for the Claim or Millsite in question. If the notices from the BLM required the filing of an amended location certificate, those notices typically require that the amended location certificate be filed within 30 days of receipt of the notice. 43 C.F.R. § 3830.94(b) provides that "if you have filed any defective document other than a defective fee waiver request, you must cure the defects within 30 days of receiving BLM's notification of the defects." The amended location notices for the New Change No. 11 Claim and the Pat Millsite Nos. 9 and 10 were filed with the BLM on March 10, 2011, more than

## The Directors

Laramide Resources Ltd.

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30 days after the date of the relevant notice. The Materials Examined, however, do not indicate when Laramide received the BLM's January 20, 2011 notice letter.

There is a recent IBLA decision with similar facts which implies that in this situation, the BLM has no authority to change the 30-day deadline. In Tim Dann, 181 IBLA 91, GFS (MIN) 9 (2011), a mining claimant filed a notice of location which did not include quarter-section references, and the Nevada State Office of the BLM sent him a letter requiring that he file an amended location notice within 90 days of receipt of the letter. The claimant never submitted an amended location notice, and the BLM ruled that the claim was forfeited. The claimant appealed to the IBLA, and the IBLA upheld the forfeiture decision. In so doing, the IBLA ruled that claimant had 30 days to cure a defective notice of location after receipt of notice from the BLM, and the BLM has no authority to extend that regulatory deadline. Given that decision, if the January 20, 2011 BLM notices required amended location certificates, and if in fact Laramide did not file the amended location notices with the BLM within 30 days after its receipt of the notice letter, there is a possibility that the BLM could declare the New Change No. 11 and the New Pat Nos. 9 and 10 claims forfeited for failure to comply with the regulatory deadline.

(ii) The Materials Examined indicate that the owners of the Dissipation, Dynaflo and Wig Claims include Atlas Corporation, R.M. Barrett, Dennis Byrd, Ralph Goodrich, Rowena Taylor and Laramide. Because the notation on the BLM Serial Register Pages with respect to each of those other owners is "c/o Laramide," we suspect that Laramide or its predecessor filed a notice of change of address with the BLM. Pursuant to 43 C.F.R. § 3833.3(a), however, whenever the owner of an unpatented mining claim or millsite sells, assigns or otherwise conveys all or any part of its interest in the claim, the transferee must file in the proper BLM office within 60 days after the completion of the transfer a notice of transfer of interest, including the serial number assigned to each claim, the name and mailing addresses to whom the interest has been sold, assigned or otherwise transferred, and a copy of the legal instrument or document pursuant to which the conveyance of the claims was made. Failure to timely file a notice of transfer of interest does not affect the validity of title to any of the transferred claims, but, pursuant to 43 C.F.R. § 3833.4(c), failure to file a transfer of interest will result in the BLM refusing to recognize the interest acquired by the transferee or to serve notice of any action, decision or contest on the unrecorded owner. Laramide should prepare and file with the BLM a notice of transfer of interest covering all of those Claims and include in that filing copies of conveyances out of all of the above-named individuals and Atlas Corporation.

(iii) Utah law requires that a notice of location be recorded within 30 days after it is posted on the ground. The Materials Examined indicate that location notices for the Chris and Dana Claims were both recorded more than 30 days after they were dated. Utah courts, however, have ruled that such late recording does not have an impact on the title to or validity of a claim unless a third party without actual notice of the existence of the claim has

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Laramide Resources Ltd.

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established intervening rights between the date of the recording deadline and the date of actual recording. Atherly v. Bullion Monarch Uranium Company, 335 P.2d 71 (Utah 1959). The two location certificates in question appear to have been recorded 62 days after the dates of the locations. Because the Claims were originally located in 1953, it obviously would be difficult to determine today whether any intervening third-party rights might have been established, but given the relatively short period of time between the recording deadline and the actual recording of those location certificates, it seems unlikely that would have happened.

### 2. Claim Maintenance.

A. Status. The BLM Serial Register Pages show all of the Claims and the Millsites to be in active status with federal claim maintenance payments having been made as required to maintain the Claims and Millsites through the assessment year ending on September 1, 2013.

### B. Exceptions and Comments.

(i) The BLM Serial Register Pages for each of the Claims and the Millsites indicate that claim maintenance fees were timely paid for those Claims and Millsites for each of the 1992-93 through 2012-13 assessment years, but, for those Claims located prior to 1992, do not indicate whether affidavits of annual assessment work were timely filed for the Claims. Failure to timely file an affidavit of annual assessment work would cause those Claims to be void, as discussed below.

(ii) The Materials Examined indicate that on December 26, 2012, Laramide filed an “assessment document” with the BLM for each of (a) the LS #1, #2 and #3 Claims, (b) the Alice, Billie Mike, Chris, Dana, Elohim, Hudson, Jimmie, John David, Opal, Patsie, Richardson, Richard, Star, Robin Roy, Susi, Thirty Three, Thirty Four, Victory and Star #1 Claims, (c) the Big Change #1 and #2 Claims, (d) the Dissipation, Dynaflo, and Wig Claims, and (e) the Pat #1 - #4 Millsites.

We have not reviewed those “assessment documents,” but we assume for purposes of this Review that those documents (the “December 2012 Filings”) were filed with the BLM in response to a potential error in the claim maintenance fee statute (30 U.S.C. § 28f) that the U.S. Congress amended at the end of 2011 (Consolidated Appropriations Act of 2012, Public Law 112-74, 125 Stat. 1047). Our understanding is that the purpose of that amendment was to (i) modify the payment requirements for placer claims so that association placer claimants are required to pay the claim maintenance fees for every 20 acres of claim rather than every claim, and (ii) clarify that claim maintenance fees were required to be paid on or before September 1 of each year. In dividing the claim maintenance fee statute into two parts (one part applicable to lode claims, millsites and tunnel sites, and the other applicable to placer claims), however,

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Congress made what was apparently a scrivener's error, and the portion of the statute which applies to lode claims, millsites and tunnel sites (referred to collectively hereinafter as "claims"), which had previously applied to claims located "before, on or after August 10, 1993," now refers only to claims located "on or after August 10, 1993." That change gives rise to the implication that the claim maintenance fee statute, as of December 23, 2011, the date of amendment of that statute, does not apply to lode claims, millsites or tunnel sites located before August 10, 1993.

We do not believe that it was Congress' intention to change the claim maintenance fee statute to apply only to claims located on or after August 10, 1993. If that is in fact the law, however, then the assessment work and filing and recording requirements under the Federal Land Policy and Management Act of 1976 ("FLPMA"), which were superseded by the claim maintenance fee statute, would presumably once again apply to those claims. As discussed in more detail in Section 3.C below, FLPMA requires that mining claimants perform annual assessment work and record in the county and then file with the BLM an affidavit of annual assessment work or a notice of intent to hold (in situations where the performance of annual assessment work has been deferred or suspended by statute) on or before December 30th of each year. 43 U.S.C. § 1744; 43 CFR §§3835.31-3835.33 (2011). The document filed with the BLM must be an exact copy of the document that is recorded in the county. Failure to timely make those annual filings and recordings renders a claim void. If those FLPMA filing and recording requirements are applicable, after amendment of the statute in question, to lode claims, millsites and tunnel sites located prior to August 10, 1993, owners (and lessees and optionees) of those claims would have been required to make FLPMA filings and recordings during calendar year 2012 (not later than December 30th) in order to comply with FLPMA.

We assume that the December 2012 Filings were made in response to the change in the statute discussed above. We express no opinion on the need for or the content of those December 2012 Filings or whether or not they were made in compliance with the Mining Laws, FLPMA, or applicable regulations.

### 3. The Mining Claim Location System.

A. General Discussion of Title to and Validity of Unpatented Mining Claims and Millsites. Possessory title to an unpatented mining claim or millsite arises as a matter of law from the performance of certain acts of mining claim location in accordance with the general mining and land management laws and regulations of the United States (including without limitation the General Mining Law of 1872, 30 U.S.C. §22 *et seq.*) and the state in which the claim or millsite is located (collectively the "Mining Laws"). Upon proper performance of these acts of location, the locator obtains the equitable title to and a beneficial possessory interest in the lands covered by the mining claim or millsite subject to the paramount title of the United States and subject to the requirement of maintaining the claim or millsite in accordance with the Mining Laws.

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Accordingly, any determination of title to an unpatented mining claim (or millsite) involves two distinct inquiries. First, it is necessary to make an examination of the validity of the original location under the Mining Laws and whether the claim or millsite, if validly located, has been properly held and maintained in accordance with the Mining Laws. This inquiry includes such matters as the existence of a discovery of valuable, locatable minerals (as such terms are defined under the Mining Laws); whether or not the ground on which the claims or millsites were located was open to appropriation by mineral location; the segregation of the claim or millsite from the public domain by distinctly marking the claim or millsite on the ground so that its boundaries can be readily traced; the posting of location or discovery notices; the erection of discovery or location monuments; and the performance of annual assessment work or payment of the required federal claim maintenance fees in lieu thereof. This inquiry also involves an examination (discussed in more detail below) of whether certain required documents were timely filed with the BLM and recorded in the county where the claims or millsites are located, both when claims or millsites are located and thereafter on an annual basis.<sup>2</sup> This first examination regarding the location and maintenance of claims and millsites also involves some factual determinations which generally are not ascertainable from federal, state, or county records. Except for a review of the BLM Serial Register Pages for the Claims and the Millsites, which do not constitute all of the records of the BLM, all of the inquiries described above are beyond the scope of this Review.

Second, it is necessary to make an examination of the documented chain of record title from the original locator to the present owner as established by the notice or certificate of location and any conveyances and encumbrances made or created subsequent to the date of location. This second examination can be made and certain title determinations can be reached through a review of the pertinent documents (a) recorded in the office of the county recorder in the county in which the claim or millsite is located and (b) filed with the BLM. Except for a review of the BLM Serial Register Pages for the Claims and the Millsites, which do not constitute all of the records of the BLM, those examinations were not undertaken as part of this Review.

With respect to the first examination, the following additional comments are applicable:

(i) Validity of the Claim Locations. The Claims and Millsites, to be valid, must be supported and evidenced by the following acts of location: (i) an actual discovery of a valuable, locatable mineral deposit within the boundaries of each Claim (note that this requirement is not applicable to the Millsites); (ii) proper marking of the surface boundaries of each Claim and Millsite on the ground with substantial monuments and posting of the certificate or notice of location on the Claim or the Millsite (which for the Claims is to be posted at the

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<sup>2</sup> Note that all references in this Review to documents being “recorded” are references to county records; all references to documents being “filed” are references to the applicable state office of the BLM.

## The Directors

Laramide Resources Ltd.

January 29, 2013

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point of discovery); and (iii) recording and filing of proper evidence of the claim (location certificates and maps) with the proper county and federal offices.

Prior to a discovery, a locator may maintain rights to an unpatented mining claim through actual possession of the ground covered thereby (so-called “pedis possessio rights”). Under the Mining Laws a mining claimant has limited rights of possession prior to discovery of minerals in quantities that can be extracted and marketed at a profit. Without such a discovery, a mining claimant only has those limited pedis possessio rights, which require the mining claimant to maintain the claims by continued actual occupancy by the claimant (or his representative) engaged in persistent and diligent prosecution of work looking to the discovery of a mineral. Union Oil Co. v. Smith, 249 U.S. 337 (1919). Pedis possessio rights protect a mining claimant against third parties who might wish to locate claims on the same ground, but do not provide protection against the federal government, if the federal government challenges the claim or withdraws the land from entry.

With respect to the Millsites, to be valid, in addition to the requirements set forth above, each Millsite (i) must not include more land than is reasonable or necessary for mining purposes, (ii) must be located on land that is nonmineral in character and not contiguous to a vein or lode, (iii) must be actually used or occupied for mining or milling purposes, and (iv) depends for its validity on the validity of the unpatented or patented lode claim with which it is associated. Finally, for each Millsite, each 2½-acre portion thereof must be used or occupied. 43 C.F.R. § 3832.33.

In addition, with respect to the Millsites, in November of 1997, the Secretary of the Interior approved a Solicitor’s Opinion which concluded that the Mining Laws imposed a limitation that only one single five-acre millsite could be claimed in connection with each associated unpatented or patented lode mining claim. That opinion instructed the BLM that (i) it should reject those portions of millsite patent applications that exceed the acreage limitation, and (ii) that the BLM should not approve of plans of operation which rely on a greater number of millsites than the number of associated unpatented or patented mining claims being developed, unless the use of additional lands is obtained through other means.<sup>3</sup>

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<sup>3</sup> To implement this Solicitor’s Opinion, the BLM issued Instruction Memorandum 98-154 (“IM 98-154”) on August 17, 1998 (expiring on September 30, 1999). IM 98-154 appeared, despite the Solicitor’s Opinion, to maintain the BLM’s existing practice as to millsites, allowing approval of a plan of operations without any evaluation by the BLM of the millsite acreage-to-mining claim ratio involved in the plan, with two exceptions. The first exception was if the lands to which the plan of operations pertained were withdrawn from the operation of the Mining Laws, in which case IM 98-154 advised that the plan of operations should not be approved if it relied on millsite acreage which was in excess of the five acres per associated claim within the plan area. The second exception arose if the plan of operations unacceptably conflicted with other significant resources in the area covered by the plan of operations. Despite the rather limited circumstances under which IM 98-154 purported to apply the Solicitor’s Opinion, and despite the fact that the Solicitor’s Opinion addressed only the practices of the BLM and not

## The Directors

Laramide Resources Ltd.

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On August 27, 1999, the BLM issued proposed revisions to its regulations on locating, recording and maintaining unpatented mining claims and millsites (64 Fed. Reg. 47023). Those proposed regulations would have codified the millsite limitation contained in the Solicitor's Opinion. Subsequently, however, on October 7, 2003, the Secretary of the Interior approved an Opinion by the Deputy Solicitor which concluded that the Mining Laws do not impose a limitation that only one single five-acre millsite may be claimed in connection with each associated unpatented or patented lode mining claim. The regulations referred to above were then finalized without the millsite limitation.

More recently, a consortium of environmental groups in October of 2009 filed in the United District Court for the District of Columbia a lawsuit against the Department of the Interior, the Department of Agriculture, the BLM and the U.S. Forest Service ("USFS"), asking the court to order the BLM and USFS to adopt the five-acre millsite limitation discussed above. That lawsuit is currently proceeding, and no decision has been issued.

Matters relating to whether each of the Claims is supported by an actual discovery of a "locatable mineral" of sufficient quality and quantity to establish a "discovery," as those terms are defined by the Mining Laws and interpreted by applicable case law (or whether, in the absence of a discovery, the Claims have been held by actual, physical possession, or pedis possessio rights), whether the location of the mineral deposit discovered was properly initiated by the location of a lode (as opposed to a placer) or a placer (as opposed to a lode) mining claim, whether the surface boundaries of each Claim and Millsite have been properly monumented and match the description in the certificate or notice of location, and whether proper location certificates for the Claims and the Millsites were timely and properly recorded or filed, are beyond the scope of this Review.

Similarly, matters relating to whether all or any of the Millsites cover more area than allowed by law, whether the Millsites are located on land that is nonmineral in character, whether the Millsites are actually being used or occupied for mining or milling purposes, whether the above-referenced November 1997 Solicitor's Opinion has any impact on the validity of the Millsites, and whether each 2½-acre portion of each Millsite is being used or occupied, are beyond the scope of this Review.

### B. State Recording and Federal Filing Requirements/Location Certificates.

State laws generally require the locator of a mining claim or millsite to record a location notice

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the Forest Service, the first time that the millsite limitation was applied to deny the approval of a proposed mining plan of operations, it was applied to a project that included both BLM and Forest Service lands, in a situation where neither of the two exceptions referred to in IM 98-154 were present (see March 25, 1999 letter from the Department of the Interior and the Department of Agriculture to Battle Mountain Gold Company, rescinding the Record of Decision approving the Crown Jewel Mine in the State of Washington due to excess millsite acreage).

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or certificate in the office of the recorder for the county in which the claim or millsite is situated within a specified time frame (in Utah, that period is 30 days after posting of the location notice on the ground). In addition, since October 21, 1976 (the date of enactment of FLPMA under FLPMA, a copy of the notice or certificate of location for a mining claim or millsite recorded or to be recorded with the county recorder under state law must be filed with the BLM within 90 days after the date of location of that claim. Location certificates for all unpatented mining claims and millsites existing as of the date of enactment of FLPMA were required to be filed with the BLM not later than October 22, 1979. Failure to timely file the location certificate with the BLM and record it in the county renders the claim null and void. The Mining Laws also require that location certificates include certain specific information. None of those items is covered by this Review.

### C. Annual Assessment Work or Payment of Claim Maintenance Fees.

(i) Assuming an unpatented lode mining claim has been properly located, the Mining Laws, through 1992, required the locator to perform \$100 worth of labor or improvements on or for the benefit of the claim during each assessment year (which commences at noon on September 1 of each calendar year and ends at noon on September 1 of the following calendar year) following the assessment year in which the claim was located. Through the assessment year ending on September 1, 1992, the required amount of qualifying assessment work then had to be completed on a continuing basis during each ensuing assessment year. That requirement did not apply to millsites. This Review does not cover the performance of assessment work. In 1993, federal legislation was enacted that requires payment of a \$100 per claim annual maintenance fee (now increased to \$140) for both the assessment year in which a mining claim or millsite is located and in lieu of the performance of assessment work each year thereafter (except for certain qualified small miners owning fewer than ten unpatented mining claims). That requirement applies to mining claims and millsites.

(ii) State laws generally require the owner of an unpatented mining claim or millsite to record with the office of the county clerk and recorder in the county where the claim is situated an affidavit of the person or persons performing the annual assessment work (or causing that work to be performed) or paying the claim maintenance fees containing certain required information. Such affidavits must be filed with the county clerk and recorder on or before a specified date (in Utah, within 30 days after the end of the applicable assessment year) on an annual basis. None of those items is covered by this Review.

(iii) From the enactment of FLPMA until enactment of the federal legislation requiring payment of the claim maintenance fee in lieu of the performance of assessment work, copies of the assessment affidavit as recorded in the county records, or of a notice of intention to hold the claim, had to be filed with the BLM on or before December 30 of each year, commencing in the calendar year following the year in which the claim was located.

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Failure to either (A) timely file with the BLM a copy of the affidavit (or notice of intention to hold) recorded (or to be recorded) in the county records, or (B) timely record an affidavit or notice of intention to hold in the county, was deemed conclusively to constitute an abandonment of a mining claim. Similarly, failure to timely pay the required claim maintenance fee each year under current law would result in forfeiture of a mining claim (or millsite). This Review only covers the last item referred to above.

4. Records Examined. In preparing this Review, our office examined the following on-line records from the BLM's LR 2000 electronic database (current as of the morning of January 28, 2013).

A. The Serial Register Pages (but not any of the underlying documents referred to thereon) maintained by the BLM for each of the Claims and the Millsites to determine who the BLM lists as the owner of the Claims and the Millsites.<sup>4</sup>

B. The Serial Register Pages (but not any of the underlying documents referred to thereon) for the Claims and the Millsites to confirm that the status of each of the Claims and the Millsites is listed by the BLM as "Active," indicating that the federal claim maintenance fee payments for the Claims and the Millsites have been timely paid as required to maintain the Claims through the assessment year ending on September 1, 2013.<sup>5</sup>

C. At Laramide's request, this office has not traveled to the Utah State Office of the BLM to review any of the case files for the Claims or the Millsites to ascertain whether the Claims or the Millsites were properly located or maintained, nor has it researched the underlying BLM documents to determine whether the ground was open to appropriation at the date of location, whether there are mineral leases in the area, or whether there are potentially conflicting third-party unpatented mining claims or millsites that may affect the Claims or the Millsites.

D. At Laramide's request, this office has not traveled to San Juan County to examine the records of the San Juan County Clerk's Office, or the District Court Clerk to determine record ownership of the Claims and Millsites or whether there are any deeds, liens, leases, royalties, lawsuits or other contracts or encumbrances affecting the Claims or the Millsites.

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<sup>4</sup> As indicated above, the Serial Register Pages are not definitive or determinative as to the ownership or validity of unpatented mining claims or millsites, and the BLM is not estopped by errors contained on those serial register pages.

<sup>5</sup> Subject to the exceptions and comments set forth in Section 2.B above.

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### 5. Additional Comments.

#### A. General Comments.

(i) Service Fees. 43 C.F.R. § 3833.1-4 (re-codified in 2004 as 43 C.F.R. § 3830.21) requires that all certificates of location and certificates of relocation be accompanied by a service fee (formerly \$5.00, now \$15.00 per newly located claim), and that all filings of amended location certificates be accompanied by a service fee of \$10.00 per claim. Effective July 15, 1993, the pertinent regulations provided that a filing not accompanied by the proper service fees would not be deemed void so long as the claimant submits the proper service fees either within 30 days of receipt of a deficiency notice, or on or before the 90th day after the date of location, relocation or amendment (as appropriate), whichever is later. 43 C.F.R. § 3833.1-3(b)(2) (1997). Those regulations can now be found at 43 C.F.R. § 3830.95. We were unable to determine conclusively from the Materials Examined whether all required service fees required in connection with the filing of original location certificates covering the Claims or the Millsites and any filing made thereafter (with respect to either amended location certificates or annual filings) were timely paid; therefore this Review does not address whether there has been compliance with the service fee requirements of FLPMA with respect to the Claims or the Millsites.

#### (ii) Limitations Affecting Use of the Claims and the Millsites.

(a) Multiple Mineral Development. All federal lands on which the Claims and the Millsites covered by this Review are located are subject to the provisions of the Multiple Mineral Development Act of 1954 (30 U.S.C. §§ 521 *et seq.*) and to the federal regulations issued pursuant thereto (43 C.F.R. Part 3740). That act provides for the simultaneous development by different operators on federal public lands of locatable minerals under the Mining Law of 1872 and leasable minerals under the Mineral Leasing Act of 1920. The act and regulations further require all operations for leasable or locatable minerals to be conducted in such a manner as to avoid damage to other potential mineral development and to avoid material interference with the existing surface or underground improvements, workings or facilities of other operators.

(b) Multiple Surface Use. The owner of a valid unpatented mining claim has the right of possession and use of the surface of the claim for uses which bear a reasonable relationship to mining purposes. On claims located after passage of the Multiple Surface Use Act of 1955 (30 U.S.C. § 601) the owner's rights to the surface of the claim are also subject to the rights of the United States to manage and dispose of vegetative and other surface resources, and to use the surface or to authorize others to use the surface for purposes that do not unreasonably interfere with the mining operations.

B. General Exceptions, Qualifications and Limitations.

(i) Reliance on Materials Examined. This Review is subject to and conditioned upon the accuracy and completeness of the Materials Examined, as to which we have made no independent investigation.

(ii) Record Examination. We have conducted only an office examination of the Materials Examined as described above. Consequently, we express no view as to matters that could have an effect on title to or the validity of the Claims or the Millsites that would not be reflected in the Materials Examined (as described in Section 4, but also, for example, but not by way of limitation, whether a corporation was in good standing when it made a conveyance, whether a trustee had the power to convey property under a trust instrument, whether a person executing a document was authorized to do so and whether that person's signature is genuine, whether the locator of a mining claim was or had declared an intention to become a U.S. citizen, as required by the Mining Laws, or whether a conveyance of property was made under an unrecorded instrument), all of which are beyond the scope of this Review. Further, we express no view as to matters not of record or as to rights which would be shown by a physical inspection or by a survey of the Claims and the Millsites (including the location of monuments and the contents of posted location notices); as to adverse right or defects known to us but not reflected in the Materials Examined or unknown to us; as to rights of any parties in actual possession of any portion of the Claims or the Millsites, including in particular easements and rights-of-way and tenancies in common; as to mechanic's and materialmen's liens not yet perfected under state laws; as to the payment of state or local property taxes due or becoming delinquent after the date of this Review; as to federal tax liens not reflected in the Materials Examined; as to the existence of extralateral rights associated with unpatented or patented mining claims adjacent to or in the vicinity of any of the Claims or the Millsites which may extend downward beneath the vertical boundaries of any of the Claims or the Millsites; or as to errors or variations in the boundaries of the Claims and the Millsites which might be disclosed by a current survey.

(iii) General Limitations. This Review does not cover any of the following: railroad, utility, roadway or other rights-of-way; discrepancies of survey or location, or discrepancies in the Materials Examined which might be reflected by a physical inspection of the Claims and the Millsites; the impact of federal land use plans, local zoning or other land use controls; voluntary or involuntary proceedings in bankruptcy against the present owners of the Claims and the Millsites or their predecessors in title; water rights or ditch rights and rights-of-way therefor; pending litigation; or judgment liens and statutory liens not reflected by the Materials Examined; matters of fact not disclosed in the Materials Examined which vary from statutorily permitted presumptions of fact or statutorily created prima facie evidence of facts.

The Directors

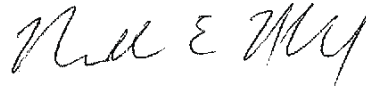
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6. Confidentiality. This Review has been rendered at the request of and for the benefit of Laramide Resources Ltd. for inclusion in the Prospectus and may not be used or relied upon by any other party without our prior written consent.

Very truly yours,

A handwritten signature in black ink, appearing to read "Randall E. Hubbard".

Randall E. Hubbard

for

DAVIS GRAHAM & STUBBS LLP

Exhibit A: Claims



## **EXHIBIT A**

| Serial No | Claim Name/Number | Mc Lead Case Ser Nr |
|-----------|-------------------|---------------------|
| UMC214681 | PAT # 1           | UMC214681           |
| UMC214682 | PAT # 2           | UMC214681           |
| UMC214683 | PAT # 3           | UMC214681           |
| UMC214684 | PAT # 4           | UMC214681           |
| UMC214685 | BIG CHANGE # 1    | UMC214681           |
| UMC214686 | BIG CHANGE # 2    | UMC214681           |
| UMC353978 | LS # 1            | UMC353978           |
| UMC353979 | LS # 2            | UMC353978           |
| UMC353980 | LS # 3            | UMC353978           |
| UMC93093  | DISSIPATION       | UMC93093            |
| UMC93094  | DYNAFLOW          | UMC93093            |
| UMC93095  | WIG               | UMC93093            |
| UMC93096  | ALICE             | UMC93093            |
| UMC93097  | BILLIE MIKE       | UMC93093            |
| UMC93098  | CHRIS             | UMC93093            |
| UMC93099  | DANA              | UMC93093            |
| UMC93100  | ELOHIM            | UMC93093            |
| UMC93101  | HUDSON            | UMC93093            |
| UMC93102  | JIMMIE            | UMC93093            |
| UMC93103  | JOHN DAVID        | UMC93093            |
| UMC93104  | OPAL              | UMC93093            |
| UMC93105  | PATSIE            | UMC93093            |
| UMC93106  | RICHARDSON        | UMC93093            |
| UMC93107  | RICHARD           | UMC93093            |
| UMC93108  | STAR              | UMC93093            |
| UMC93109  | ROBIN ROY         | UMC93093            |
| UMC93110  | SUSI              | UMC93093            |
| UMC93111  | THIRTY THREE      | UMC93093            |
| UMC93112  | THIRTY FOUR       | UMC93093            |
| UMC93113  | THIRTY FIVE       | UMC93093            |
| UMC93114  | VICTORY           | UMC93093            |
| UMC93115  | STAR # 1          | UMC93093            |

| Serial No | Claim Name/Number | Mc Lead Case Ser Nr |
|-----------|-------------------|---------------------|
| UMC406726 | NEW CHANGE # 6    | UMC406726           |
| UMC406727 | NEW CHANGE # 7    | UMC406726           |
| UMC406728 | NEW CHANGE # 8    | UMC406726           |
| UMC410855 | NEW CHANGE NO 3   | UMC410855           |
| UMC410856 | NEW CHANGE NO 4   | UMC410855           |
| UMC410857 | NEW CHANGE NO 9   | UMC410855           |
| UMC410858 | NEW CHANGE NO 10  | UMC410855           |
| UMC410859 | NEW CHANGE NO 11  | UMC410855           |
| UMC410860 | NEW PAT NO 5      | UMC410855           |
| UMC410861 | NEW PAT NO 6      | UMC410855           |
| UMC410862 | NEW PAT NO 7      | UMC410855           |
| UMC410863 | NEW PAT NO 8      | UMC410855           |
| UMC410864 | PAT NO 9          | UMC410855           |
| UMC410865 | PAT NO 10         | UMC410855           |



## 13. RISK FACTORS

# 13. RISK FACTORS

## 13.1 INTRODUCTION

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in this Replacement Prospectus, before deciding whether to apply for CDIs.

There are specific risks which relate directly to the Company's business. In addition, there are general risks, many of which are largely beyond the control of the Company and Directors. The risks identified in this Section, or other risks factors, may have a material impact on the financial performance of the Company and the market price of the CDIs.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

## 13.2 RISKS SPECIFIC TO THE COMPANY

The Company's operations are subject to the normal risks associated with exploration, product development and mining, in particular in relation to uranium exploration and mining, and its profits are subject to numerous factors beyond the Company's control. Certain of these factors are discussed below.

### a) RISKS ASSOCIATED WITH URANIUM MINING IN AUSTRALIA

#### (i) APPROVAL PROCESS

The approval processes for uranium mining are more rigorous than conventional mines, with both Federal and State government legislation to satisfy. There is a risk that, should economic deposits of uranium be discovered, the necessary government approvals may not be granted, or may be significantly delayed.

#### (ii) GOVERNMENT POLICY

Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and the returns to investors. In particular, government policies and regulations vary in different States and with different governing parties in relation to uranium exploration, mining and marketing.

The Company's activities in Australia will require compliance with various laws, both State and Federal, relating to the protection of the environment, Aboriginal culture and heritage and native title, the protection of workers and the public against the dangers of radiation and the export of uranium. Changes in government, government policies and legislation could have a material adverse affect on the Company.

#### (iii) REGULATION AND POLITICS

In Australia, mining in general and uranium mining in particular, is regulated by State and Federal governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and a range of other matters. Compliance with these laws and regulations impacts on the costs of exploring, drilling, developing, constructing, operating and closing mines and other production facilities.

The Federal Government currently permits the mining and exporting of uranium under strict international agreements designed to prevent nuclear proliferation. The export of uranium is tightly controlled by the Federal Government through its licensing process and Australian uranium can only be exported to those countries who undertake to use it for peaceful purposes. The Northern Territory is federally controlled and one of the jurisdictions in Australia that permits uranium mining.

Until recently, uranium mining was not permitted in Queensland, the state in which the Westmoreland Project is located. However, following the election of the Liberal National Party (LNP) in March 2012, the new government announced on 22 October 2012 its intention to convene an implementation committee to oversee the recommencement of uranium mining in the state, including a review of the existing regulatory environment and how it might be adapted to accommodate the specific requirements relating to uranium. While political risk is lower now than it has been at any time in the recent past, there is still a possibility that the ban will not be lifted or that the current government's liberalisation of uranium mining will be reversed at some point in the future.

#### **(iv) EXPORT POLICY**

The Australian Commonwealth Government maintains tight control over the export of uranium through its licensing process.

Currently there are no nuclear power stations operating within Australia and therefore almost all uranium produced from Australian mines is exported. Federal legislation (including the Customs (Prohibited Exports) Regulations and the Nuclear Non-proliferation (Safeguards) Act) currently ensures that Australian uranium is only exported to countries that undertake to use it for peaceful purposes. The physical mining of uranium is also extensively regulated. Complying with these laws and regulations increases the cost of exploring, drilling, developing, constructing, operating and closing mines and other production facilities. The approvals required are more rigorous than those for the mining of other metals. There is a risk that should economic deposits of uranium be discovered, the requisite government approvals may not be granted or may be significantly delayed, thereby rendering the deposits uneconomic.

#### **(v) EXPENDITURE ON TENEMENTS**

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

If Laramide only receives the minimum subscriptions for the Offer, the Company will not have sufficient proceeds from the Offer to fund the current minimum expenditure and work program requirements for the Westmoreland Project tenements. The Company will be reviewing other sources of funding including the sale of its non uranium equity investments that can provide a source of cash when market conditions favour a sale. These sources of funding can assist the company to meet its minimum expenditure commitments across all of the Australian tenements. In this regard, refer to the risks associated with the Company's equity investments and additional requirements for capital in paragraphs (c) and (e) below.

If the Company does not meet its minimum expenditure commitments on the Westmoreland Project tenements, it intends to apply to the Queensland Department of Natural Resources and Mines to vary the work program and expenditure requirements for EPMs 14558 and 14672 to accommodate any future shortfall. There is a risk that applications for variation of conditions may not be granted and that the Minister may refuse to renew or cancel the tenements. See paragraph 2.1 and 4.1 of the Solicitor's Report on Tenements set out in Section 11 of this Replacement Prospectus.

#### **(vi) NATIVE TITLE**

Native title claims, Aboriginal land issues and Aboriginal heritage issues may affect the ability of the Company to pursue exploration, development and mining on the Company's Australian properties. The resolution of native title, Aboriginal land and Aboriginal heritage issues is an integral part of exploration and mining operations and the Company is committed to managing these issues effectively. However, in view of the legal and factual uncertainties, no assurance can be given that material adverse consequences will not arise in connection with them.

**(vii) ALTERNATIVE ENERGY SOURCES**

Uranium is used primarily as a fuel source for electricity generation. Other sources of fuel available for power generation include coal, gas and hydro-electricity. Factors that influence the decision of power producers to choose uranium rather than other fuels include political, technological and environmental considerations (both locally and globally). While these, to date, have impacted negatively on the growth of the uranium industry, recent concerns in relation to carbon-based emissions have strengthened the case for the use of uranium. However, sufficient advances in the technology associated with other carbon-efficient power generation (such as wind, solar or geothermal power generation) could see the demand for uranium as a fuel source decrease, which would be likely to have a negative impact on the Company and the value of the CDIs.

**b) RISKS ASSOCIATED WITH URANIUM MINING IN UNITED STATES**

**(i) MINERAL OPERATIONS ON STATE AND FEDERAL LANDS**

Metalliferous mineral leases are issued by the Schools and Institutional Trust Land Administration of the State of Utah, the New Mexico State Land Office or the Bureau of Land Management, an agency of the federal United States Department of the Interior. These agencies each have exclusive authority over state and federal lands. Under existing law, metalliferous mineral leases in Utah do not provide exclusive access to the area within the lease. Other co-existing leases issued by the same agencies may exist, for example for coal, oil and gas, industrial minerals, bituminous sands and for surface rights. Both the Company and entities with rights to develop other minerals or use the land surface may be limited to the extent their activities interfere with operations of the other parties.

**(ii) REGULATIONS**

Uranium mining operations are subject to comprehensive regulation in the United States, which may cause substantial delays or require capital outlays in excess of those anticipated, causing an adverse effect on the Company. If economic quantities of uranium are found on any permit owned by the Company in sufficient quantities to warrant uranium mining operations, such mining operations are subject to federal, state and local laws relating to the protection of the environment, including laws regulating removal of natural resources from the ground and the discharge of materials into the environment. Uranium mining operations are also subject to federal, state and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of mining methods and equipment. Various permits from government bodies are required for mining operations to be conducted; no assurance can be given that such permits will be received. Environmental standards imposed by federal, state, or local authorities may be changed and any such changes may have material adverse effects on the Company's activities. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus resulting in an adverse effect on the Company. Additionally, the Company may be subject to liability for pollution or other environmental damages which it may elect not to insure against due to prohibitive premium costs and other reasons. To date the Company has not been required to spend material amounts on compliance with environmental regulations. However, it may be required to do so in future and this may affect its ability to expand or maintain its operations.

Permits are required by the states for drilling operations, drilling bonds and the filing of reports concerning operations and they impose other requirements relating to the exploration and production of uranium.

The Company is required to comply with various federal and state regulations regarding rehabilitation and abandonment of uranium exploration and mining works, which impose a substantial rehabilitation obligation on the Company, which may have a material adverse effect on the Company's financial performance.

### **(iii) ENVIRONMENTAL REGULATION OF MINING OPERATIONS IN PARTICULAR**

Uranium minerals exploration and development and mining activities are subject to certain environmental regulations which may prevent or delay the commencement or continuance of the Company's operations.

Uranium minerals exploration and development and future potential uranium mining operations are or will be subject to stringent federal, state, and local laws and regulations relating to improving or maintaining environmental quality. The Company's operations are also subject to many environmental protections laws. Environmental laws often require parties to pay for remedial action or to pay damages regardless of fault. Environmental laws also often impose liability with respect to divested or terminated operations, even if the operations were terminated or divested many years ago. Many of these problems are compounded by the fact that many former mining operations in Utah and New Mexico were not rehabilitated upon mine closure. This has meant that the Federal and State governments were left with the responsibility for the clean-up and rehabilitation of many former mine and processing sites. While the authorities have implemented a rehabilitation program for several sites, there are still many others which remain in a disturbed state. As a result, there are several environmental factions who strongly oppose the recommencement of uranium mining and processing operations in southeastern Utah and New Mexico.

Costs associated with environmental liabilities and compliance are expected to increase with the increasing scale and scope of operations and the Company expects these costs may increase in the future.

Any change to government regulation/administrative practices may have a negative impact on the Company's ability to operate and its profitability. The laws, regulations, policies or current administrative practices of any government body, organisation or regulatory agency in the United States may be changed, applied or interpreted in a manner which will fundamentally alter the Company's ability to carry on business. The actions, policies or regulations, or changes thereto, of any government body or regulatory agency, or other special interest groups, may have a detrimental effect on the Company. Any or all of these situations may have a negative impact on the Company's ability to operate and/or its profitability.

### **(iv) FILING REQUIREMENTS**

Some of the rights acquired by the Company are in unpatented mining claims. The United States of America owns mineral rights in these lands. Under United States federal law maintenance fees must be paid every year and documents must be filed with the United States Bureau of Land Management and in the records of the county where the mining claims are located. Failure to pay the fees or file these documents in a timely fashion results in the claims becoming null and void.

### **(v) POSSESSORY RIGHTS AND EXPLORATION OBLIGATIONS**

Until the Company discovers minerals in commercial quantities, it must diligently search for minerals and exclude rival claimants from the unpatented mining claims. There is no guarantee that the Company will find minerals and be able to retain rights to the unpatented mining claims. In some of the claims held by the Company, other claimants have filed conflicting claims which may preclude the Company from developing these claims. The Company believes that the rights of these claimants are subordinated to the Company's rights, although the competing rights may become superior to the Company's rights if the Company does not maintain possession of its claims, diligently work in search of minerals and exclude rival claimants from the property.

### **(vi) CONTRACTUAL RIGHTS TO ACQUIRE MINING CLAIMS**

The Company currently has contractual rights to acquire title to additional mining claims. There is no guarantee the Company will satisfy all conditions of the contracts necessary for it to acquire title to these claims.

#### **(vii) ACTS OF TERRORISM OR AN OUTBREAK OF INTERNATIONAL HOSTILITIES**

Acts of terrorism or an outbreak of international hostilities may adversely affect the demand for the Company's products. These, or an associated adverse change in sentiment with respect to the share market, could negatively impact on the value of an investment in the Company.

Acts of terrorism may also directly impact the Company's projects in the United States.

#### **c) ADDITIONAL REQUIREMENTS FOR CAPITAL**

The funds raised under the Offer are considered sufficient to meet the current exploration and evaluation objectives of the Company. Additional funding will be required for the Company to effectively implement its business and operations plans in the future, including plans to carry projects into production. Additional funding may also be required in the event exploration costs exceed the Company's estimates, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects will result in delay and may cause indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed. Further, if and when financing does become available, it is possible that the terms of the financing will be unfavourable to the Company or involve substantial dilution to CDI holders.

#### **d) URANIUM PRICES**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of uranium exposes the potential income of the Company to risks associated with fluctuations in uranium prices. In addition, regardless of the success of the Company's exploration and development program and ultimate sales revenue from production, fluctuations in the price of uranium will have a direct impact on the perceived value of the Company and its projects.

Uranium prices have historically been subject to long periods of flat prices with price spikes and declines that can increase or decrease the spot price by a multiple. In the last six years, for example, uranium spot prices have ranged from US\$40/lb to US\$138/lb.

There are multiple factors influencing the spot or term price of uranium, many of which are beyond the Company's control. These include public perception (as detailed in paragraph (g) below), international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, worldwide production levels, speculative activities, technological advances and other macroeconomic factors. Furthermore, as international commodity prices are denominated in US dollars while the income and expenditure of the Company's operations are in Australian dollars, the Company will be exposed to fluctuations and volatility of the rate of exchange between those currencies as determined by international markets. The combined effect of these factors cannot accurately be predicted.

#### **e) INVESTMENTS IN GOLD AND SILVER MINING COMPANIES**

The Company has a number of strategic investments in companies involved in the exploration and mining of minerals. Several of these companies are involved in the exploration and mining of gold and silver. Gold and silver prices are volatile and may fluctuate as a result of numerous factors which are beyond the control of the Company. The possible adverse consequences of future declines in the price of gold and silver could result in a decline in the share price of one or more of the companies in which Laramide has an investment.

## **f) RESOURCE AND RESERVE ESTIMATION RISK**

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. As such, resource and reserve estimates are inherently imprecise and rely to some extent on interpretations made.

Additionally, estimates may change over time as new information becomes available. If the Company encounters mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, any estimates may need to be altered in a way that could adversely affect the Company's operations or proposed operations.

## **g) PUBLIC PERCEPTION**

Debate on the relative dangers and benefits of uranium as an energy source will continue into the foreseeable future. The nuclear industry is currently subject to negative public opinion due to political, technological and environmental factors. This may have an adverse impact on the demand for uranium and increase the regulation of uranium mining, which in turn may adversely affect the Company's operations.

Specifically, the nuclear meltdown at the Fukushima I Nuclear Plant in Japan following the earthquake that occurred 11 March 2011 has had an adverse effect on public perception of the uranium industry and the market for shares in companies involved in the exploration and mining of uranium. Although two idled reactors at the Ohi plant in Japan have re-opened since Fukushima (and additional reactor restarts are expected), it is possible that the incident will continue to negatively affect the Company, particularly if government policy and regulation of the uranium industry is adjusted in a way that adversely affects the Company's operations or the price of the CDIs.

## **h) COUNTERPARTY CONTRACTUAL RISK**

Some of the Company's projects are subject to the risk that changes in the status of any of the company's joint ventures or royalty arrangements (including changes caused by financial failure or default by a participant in the joint venture or royalty arrangement) may adversely affect the operations and performance of the Company. This risk is particularly salient in relation to the Gulf Joint Venture, from which the Company's joint venture partner, Hartz Range Mines Pty Ltd, is attempting to withdraw.

If a counterparty terminates or fundamentally breaches an agreement in relation to one of the Company's joint ventures or royalties, the Company may directly or indirectly lose the benefit of the agreement. It may not be possible to obtain similarly favourable terms upon entry into a replacement agreement, or in some circumstances, replacement agreements may not be a feasible alternative. The losses associated with the termination or breach of such agreements may have an adverse effect on the financial performance of the Company and interfere with the Company's stated objectives.

Conversely, if Laramide terminates or fundamentally breaches an agreement in relation to one of its joint ventures or royalties, the relevant counterparty may be entitled to take action to recover amounts owing or exercise their security interest over certain Company assets. This risk is particularly prevalent in relation to the UNC Royalty Agreement, the Homestake Purchase Agreement and the Anglo Pacific Facility Agreement.

More specifically, failure by parties who participate with Laramide in joint ventures will result in the dilution of that party's participating interest in accordance with the formula set out in that agreement. Similarly, failure by Laramide to make the contributions required under the joint ventures will result in dilution of Laramide's participating interest.

## **i) TENURE AND ACCESS**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements or the renewal of such tenements will be approved.

Tenements are subject to the applicable mining acts and regulations in the jurisdictions in which the Company operates. The renewal of the term of a granted tenement may also be subject to the discretion of the relevant government authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Please refer to the Solicitor's Report on Tenements in Section 11 and the US Titles Reports in Section 12 for further details.

## **j) EXPLORATION AND DEVELOPMENT SUCCESS**

The Tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Tenements, or any other licences that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

There is no assurance that exploration or project studies undertaken by the Company will result in the definition of an economically viable mineral deposit or that the exploration tonnage estimates and conceptual project developments discussed in this Replacement Prospectus are able to be achieved.

The exploration and development costs of the Company described in the Independent Geologist's Report are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

## **k) CHANGES IN GOVERNMENT POLICY**

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Australia and the US may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation. The Company's equity investments in companies operating in the US may also be significantly influenced by government policy and laws.

## **l) OPERATING RISK**

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

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its licence interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

## **m) MINE DEVELOPMENT**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

## **n) ENVIRONMENTAL RISKS**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement, while fines and penalties for non-compliance are more stringent. Environmental assessment of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees.

The presence of protected watercourses, and other matters of environmental significance which may be impacted by the proposed activities of the Company, may also lead to increased environmental compliance requirements. There is a risk that conditions may be imposed which may restrict or prohibit the conduct of the Company's activities in such areas. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in delay to anticipated exploration programs or mining activities.

## **o) REGULATORY RISK**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

## **p) FAILURE TO SATISFY EXPENDITURE COMMITMENTS**

Interests in tenements in the jurisdictions in which the Company operates are governed by the mining acts and regulations that are current in those jurisdictions and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

## **q) LISTING RISK AND TAKEOVER PROTECTION**

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

As a company continued under the laws of Canada, the rights of Shareholders are governed by Canadian laws. The rights of shareholders under Canadian law differ in some respects from the rights of shareholders of companies incorporated in Australia. Refer to Section 16.6 for a comparison of certain Canadian and Australian corporate laws.

For example, the takeover protection provisions in the Corporations Act do not apply to the Company. In Canada, the CBCA regulates takeovers and substantial shareholders. As a result, any takeover offer for the Company or consolidation of control in the Company will not be regulated by the Corporations Act, but the takeovers regime as stipulated in the CBCA. In April 2007, the Company's board of directors approved a shareholders right plan dated 25 April 2007 between the Company and Equity Transfer & Trust Company (the Rights Plan) which was ratified by Shareholders on 28 June 2007. The Rights Plan was designed to encourage the fair and equal treatment of Shareholders in connection with any takeover bid for the outstanding securities of the Company. In accordance with its terms, the Rights Plan was re-approved and confirmed at the Company's annual and special meeting of Shareholders held in 2010.

Under the terms of the Rights Plan, one right is attached to each Share currently outstanding (and will attach to each Share or CDI issued subsequently). Each right will entitle the holder, upon the occurrence of certain specified events and subject to certain limitations, to purchase one Share at an exercise price equal to five times the market price (the Exercise Price), subject to adjustment under certain circumstances. If certain events occur (including when a person or group becomes the beneficial owner of 20% or more of any class of voting shares of the Company without complying with the "permitted bid" provisions of the Rights Plan or without the approval of the Company's board of directors), exercise of the rights would entitle the holders (other than the acquiring person or group) to acquire that number of Shares having an aggregate market price on the date of the event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price.

Accordingly, exercise of the rights may cause substantial dilution to a person who attempts to acquire control of the Company. This may deter potential bidders from making a takeover offer or bid for the Company. Please refer to Section 16.2 of this Replacement Prospectus for a summary of the terms of the Rights Plan.

## **r) JOINT VENTURES, ACQUISITIONS OR OTHER STRATEGIC INVESTMENTS**

The Company may make strategic investments in complementary businesses, or enter into strategic partnerships or alliances with third parties in order to enhance its business. At the date of this Replacement Prospectus, the Company is not aware of the occurrence or likely occurrence of any investments, partnerships or alliances which would have a material adverse effect on the Company or its subsidiaries.

## **13.3 GENERAL RISKS**

The activities of the Company are also subject to the usual commercial risks and factors such as competition and economic conditions may generally affect the Company's ability to generate income or achieve its objectives.

### **a) ECONOMIC RISKS**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations and in particular, fluctuations in the Australian and US dollar. Such fluctuations may materially affect the Company's operations and financial position;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

### **b) TAXATION RISKS**

Any change in the Company's tax status or the tax applicable to holding CDIs or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, affect the Company's ability to provide returns to CDI holders and/or alter the post-tax returns to CDI holders.

### **c) RELIANCE ON KEY PERSONNEL**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. Although the Company believes that it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such success. If the Company is not successful in attracting and training qualified personnel, the efficiency of the Company's operations could be affected, which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

#### **d) INSURANCE RISKS**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive. Risks not insured against include environmental pollution or other hazards against which the Company cannot insure or against which it may not elect to insure. The Company's insurance does not cover losses in the event of a nuclear disaster.

#### **c) COMPETITION RISK**

The industry in which the Company will be involved is subject to a high level of domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, many of whom possess greater financial resources and technical facilities than the Company. The Company's competitors' activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

#### **f) GENERAL RESOURCE SECTOR RISK**

In common with other entities undertaking business in the natural resources sector, certain risks are substantially outside the control of the Company. These risks include abnormal stoppages in production or delivery due to factors such as industrial disruption, major equipment failure, accident, power failure or supply disruption, unforeseen adverse geological or mining conditions and/or changes to predicted ore or mineral quality, the state of supply and demand for minerals in Australia and overseas markets and the effect of the price, changes in government regulations (including environmental regulations) and government imposts such as royalties, rail freight charges and taxes and risks to land titles, mining titles and the use thereof as a result of native title claim.

#### **g) FORCE MAJEURE**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

#### **h) LITIGATION RISKS**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any material litigation, although as discussed in Section 5.3(b)(ii) of this Replacement Prospectus, litigation has been threatened in the context of the Debbil Debbil agreement.

## 13.4 INVESTMENT SPECULATIVE

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Replacement Prospectus. Therefore, the securities to be issued pursuant to this Replacement Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Replacement Prospectus.



## 14. MATERIAL CONTRACTS



# 14. MATERIAL CONTRACTS

## 14.1 ROYALTY AGREEMENT

On 20 December 2006, Laramide USA entered into an agreement with United Nuclear Corporation (**UNC**) under which it was agreed that Laramide USA would purchase the right to receive a royalty ranging between 5% and 25% (depending on the price of uranium) on all U3O8 produced at specified tenements in the Grants Mineral District of New Mexico, United States (the **Churchrock Properties**) (the **UNC Royalty**). For the purposes of calculating the UNC Royalty, the price of uranium is calculated using the gross sale price per pound of U3O8 sold during that month.

In consideration for the sale of the UNC Royalty, Laramide USA agreed to pay UNC US\$9.25 million as follows:

- a) US\$3.5 million at the closing;
- b) US\$3 million on the date the final permit is issued in relation to the first defined block of tenements;
- c) US\$1.25 million on the date the final permit is issued in relation to the second defined block of tenements; and
- d) US\$1.5 million on the date the final permit is issued in relation to the third defined block of tenements.

In order to secure the above payments, Laramide USA executed three promissory notes (the **UNC Notes**) in favour of UNC and a mortgage and security interest in a portion of the UNC Royalty (the **UNC Mortgage**). The **UNC Mortgage** will be progressively released as the UNC Notes are satisfied and paid in full.

The closing took place on 22 December 2006 and the required US\$3.5 million was paid to UNC on that date. As at the date of this Replacement Prospectus, no other payment has been made as the tenements remain in development stage and extraction permits have not yet been fully granted. Consequently, the UNC Notes and the UNC Mortgage remain in place in relation to payments (b) to (d) above.

## 14.2 FACILITY AGREEMENT

On 9 August 2012, the Company and Laramide USA entered into an agreement with Anglo Pacific Group PLC (**Anglo Pacific**) (acting through its wholly owned Australian subsidiary, Indian Ocean Resources Pty Ltd) in connection with the Company's UNC Royalty (as defined in Section 14.1 above). Key terms of the agreement are as follows:

- a) (**Facility**): Anglo Pacific will make a facility of C\$5 million available to Laramide (the **Anglo Pacific Facility**). The Anglo Pacific Facility bears interest at a rate of 7% per annum payable quarterly in arrears. It must be repaid in full by 31 December 2015 but can be repaid at any time prior with three months notice;
- b) (**Options**): In return for the provision of the Anglo Pacific Facility, Laramide grants to Anglo Pacific:
  - (i) the option to acquire a 5% gross revenue royalty (the **Anglo Pacific Royalty**) on all U3O8 and associated minerals mined, extracted, saved, removed and sold with respect to operations from the Churchrock Properties for an exercise price of US\$15 million any time before 31 December 2015 (the **Basic Option**);
  - (ii) where the Basic Option has been exercised and the UNC Royalty exceeds 10%, the option to acquire (on top of the initial 5% Anglo Pacific Royalty) additional lots of 1% above 10% for an exercise price of \$3 million for each lot of 1% any time before 31 December 2015 (the **Increased Rate Option**); and

(iii) where the UNC Royalty Agreement cannot be renegotiated to facilitate the Basic Option, the option to acquire the first 5% of the UNC Royalty owing to Laramide by UNC at an exercise price of US\$15 million any time prior to the earlier of 31 December 2015, the date on which the UNC Royalty is renegotiated and the date on which the Basic Option is exercised (**Fallback Option**);

- c) (**Set-off of milestone payments**): If Laramide fails to make any outstanding UNC Note payment, Anglo Pacific has the right to make the payment for Laramide and add the amount to the outstanding loan. Additionally, upon the exercise of the Basic Option or Fallback Option by Anglo Pacific, Laramide must deliver clear title of the Anglo Pacific Royalty to Anglo Pacific. Any milestone payments due under the UNC Royalty Agreement at that time should be set off against the exercise price, such that Laramide receives \$15 million less any milestone payments made to UNC;
- d) (**UNC non-payment**): Where UNC is obliged to pay Anglo Pacific a percentage of the Anglo Pacific Royalty and fails to do so, Laramide is obliged to pay the difference between the amount paid by UNC to Anglo Pacific and the amount owed by UNC to Anglo Pacific;
- e) (**Warrants**): Laramide agrees to issue 650,000 warrants, each warrant entitling Anglo Pacific to acquire one Share at an exercise price of \$1.35 per Share on or before 31 December 2015;
- f) (**Escrow of proceeds**): Laramide must deposit 25% of all proceeds received from any asset sales and equity or debt financings completed between 9 August 2012 and 31 December 2015 into an escrow account until the funds in the account can satisfy the outstanding UNC Notes;
- g) (**Escrow of option payments**): Proceeds from the exercise of the Options are to be placed into escrow in the amount of the lower of a) the difference in amount owed on the UNC Notes and the amount already in the escrow account and b) the proceeds received from the option exercise.
- h) (**Escrow of royalty payments**): Any royalty payments received by Laramide before Anglo Pacific exercises the options set out in paragraph (b) above must be placed into an escrow account. If the Options are subsequently exercised, Anglo Pacific is entitled to their proportionate share of these payments. If never exercised, all are to Laramide's account. Laramide's share is to be used firstly to repay any amounts outstanding under the loan.
- i) (**Laramide right to demand exercise/cancellation**): If certain Churchrock Properties have reached commercial production or received specified permits, Laramide can, no earlier than January 1, 2014, demand that the Options either be exercised or terminated.
- j) (**Anglo Pacific right of first opportunity/refusal**): Laramide grants to Anglo Pacific a right of first opportunity to acquire any royalty which it intends to offer or assign to a third party and a right of first refusal to acquire any royalty which it creates, is offered or has assigned to it;
- k) (**Laramide right of first opportunity**): Anglo Pacific grants to Laramide a right of first opportunity to acquire any royalty acquired under the agreement which it proposes to sell or assign;
- l) (**Security**): All obligations of the Company under the agreement will be secured by a share pledge agreement (under which security is provided to Anglo Pacific in the form of the total issued share capital of Laramide USA), the assignment and postponement of inter-corporate obligations from Laramide USA to Laramide and a mortgage on all of Laramide's right, title and interest in the Churchrock Properties, which is to be junior only to the UNC Mortgage described in section 14.1 above (the **Anglo Pacific Security**);

- m) **(Laramide default):** If Laramide suffers an event of default (being failure to remedy non-payment within 60 days, breach of its representations and warranties, or the occurrence of an event of bankruptcy/insolvency in relation to a member of the Laramide Group) then Anglo Pacific may declare all unpaid principal and interest under the Facility immediately due and payable and/or realise on the Anglo Pacific Security; and
- n) **(Governing law):** The agreement is governed by the laws of the Province of Ontario and the federal laws of Canada as applicable.

## 14.3 HOMESTAKE AGREEMENT

On 8 August 2005, Laramide entered into an option, sale and purchase agreement (the **Homestake Agreement**) with Homestake Mining Company and La Jara Mesa Mining Company (collectively, the **Seller**) under which Laramide purchased certain properties and mineral interests in Colorado, New Mexico and Utah known as **Los Ochos, La Jara Mesa, Melrich and La Sal** (collectively, the **Homestake Properties**) for US\$1,500,000.

Under the Homestake Agreement, Laramide must also make the following payments to the Seller:

- a) **(Milestone payments):** As La Jara Mesa and La Sal progress, Laramide must make payments to the Seller as follows:
  - (i) US\$500,000 in immediately available funds within 30 days of obtaining all permits required to conduct development activities at La Jara Mesa;
  - (ii) US\$250,000 in immediately available funds within 30 days of obtaining all permits required to conduct development activities at La Sal;
  - (iii) US\$1,000,000 in immediately available funds or in equal amounts of cash and common shares (at Laramide's election) within 30 days of commencing commercial production at La Jara Mesa; and
  - (iv) US\$500,000 in immediately available funds or in equal amounts of cash and common shares (at Laramide's election) within 30 days of commencing commercial production at La Sal.
- b) **(Royalty payments):** Laramide must pay the Seller a royalty of US\$0.25 for each pound of uranium recovered at La Jara Mesa after an initial recovery of 8 million pounds

## 14.4 LA SAL TOLL MILLING AGREEMENT

On 31 December 2013, Laramide and Laramide La Sal entered into a toll milling agreement with Energy Fuels Inc. (TSX: EFR) (**Energy Fuels**) under which Laramide will transport material produced at La Sal to Energy Fuels' nearby White Mesa Mill for processing. Processing is to begin with 180 of receipt of at least 20,000 tonnes of ore. Ore must (i) have a minimum average grade of 0.10%U<sub>3</sub>O<sub>8</sub>, (ii) be amenable to process and (iii) be delivered in accordance with the agreed schedule. Laramide will pay to Energy Fuels its cost of milling, a capital charge and a toll milling fee per tonne of ore (invoiced on a monthly basis). The toll milling fee will be linked in part to the term price of uranium. The agreement, which commenced on 1 January 2013, is for a two year term with an option to extend for a further three years by mutual written agreement between the parties. Provisions regarding termination, penalties, indemnities, warranties and representations are largely customary for an agreement of this type.

## 14.5 LEAD MANAGER MANDATE AGREEMENT

On 17 September 2012, the Company and Bell Potter Securities Limited (**Bell Potter**) entered into a mandate agreement (**Mandate Agreement**). Under the Mandate Agreement, the Company has appointed Bell Potter on an exclusive basis to act as Lead Manager and provide issue management, selling, distribution and marketing services in relation to the Offer. The Mandate Agreement contains terms and conditions which are customary for this type of Offer, including standard warranties and indemnities in favour of Bell Potter.

In consideration of Bell Potter performing its services under the Mandate Agreement, the Company has agreed to pay to Bell Potter the following:

- a) a lead management retainer fee of \$20,000 per month from the time of engagement, which can be offset by up to 50% against the management fee referred to in paragraph (b) below following completion of the Offer;
- b) an offer management fee equal to 1.0% of the gross amount raised under the Offer; and
- c) a selling fee equivalent to 5% of the gross amount raised under the Offer.

In addition, Bell Potter is entitled to be reimbursed all out-of-pocket expenses (together with any applicable GST) directly related to the performance of its functions under the Mandate Agreement and has the right to terminate the Mandate Agreement on the occurrence of certain circumstances customary for this type of agreement, including if the SAP/ASX 200 Index closes at a level that is 10% or more below the level of the index on 14 September 2012. The Company also agrees to offer Bell Potter a role in any further equity capital raisings undertaken in Australia in connection with the Company within 12 months of completion of the Offer.

## 14.6 EMPLOYMENT AGREEMENT - MARC HENDERSON

On 9 December 2010, the Company entered into an employment agreement (**Henderson Employment Agreement**) with Chief Executive Officer, Mr Marc Henderson on the following material terms and conditions:

- a) (**Base remuneration**): The Company will pay to Mr Henderson an annual base salary of C\$225,000;
- b) (**Term**): Mr Henderson will be employed by the Company until such time as the employment is terminated in accordance with the Henderson Employment Agreement;
- c) (**Termination by Mr Henderson**): Mr Henderson may terminate the Henderson Employment Agreement by giving no less than 90 days' notice in writing to the Company or, in circumstances where there is a change of control of the Company, on the occurrence of a "trigger event", including a change in Mr Henderson's role or a decrease in Mr Henderson's pay; and
- d) (**Termination by the Company**): the Company may terminate the Henderson Employment Agreement:
  - (i) at any time, without notice and without pay in lieu of notice, for causes which are customary for an agreement of this type;
  - (ii) at any time by notice in writing if Mr Henderson becomes permanently disabled;
  - (iii) automatically upon the death of Mr Henderson, or upon Mr Henderson being subject to bankruptcy or insolvency proceedings; or
  - (iv) by lump sum payment to Mr Henderson equivalent to two times Mr Henderson's then base salary (less applicable source deductions).

## 14.7 EMPLOYMENT AGREEMENT - GREG FERRON

On 17 January 2011, the Company entered into an employment agreement (**Ferron Employment Agreement**) with Vice President of Investor Relations and Corporate Development of the Corporation, Mr Greg Ferron, on the following material terms and conditions:

- a) (**Base remuneration**): The Company will pay to Mr Ferron an annual base salary of C\$160,000;
- b) (**Sign-On Payment**): The Company paid to Mr Ferron a one-off payment of C\$20,000 net of tax upon signing the Ferron Employment Agreement;
- c) (**Term**): Mr Ferron will be employed by the Company until such time as the employment is terminated in accordance with the Ferron Employment Agreement;
- d) (**Termination by Mr Ferron**): Mr Ferron may terminate the Ferron Employment Agreement by giving no less than 90 days' notice in writing to the Company or, in circumstances where there is a change of control of the Company, on the occurrence of a "trigger event", including a change in Mr Ferron's role or a decrease in Mr Ferron's pay; and
- e) (**Termination by the Company**): The Company may terminate the Ferron Employment Agreement on the same grounds as described in Section 14.6(d) above except the lump sum payment shall be:
  - (i) during the first year of employment, an amount equal to eight months of Mr Ferron's then base salary; and
  - (ii) after the first year, an amount equal to ten months of Mr Ferron's then base salary plus one month of Mr Ferron's base salary for every year (or partial year) of additional years of service to a maximum amount of 18 months' service.

## 14.8 EMPLOYMENT AGREEMENT - DENNIS GIBSON

On 1 April 2011, the Company entered into an employment agreement (**Gibson Employment Agreement**) with Chief Financial Officer of the Corporation, Mr Dennis Gibson, which replaced the employment agreement made between the parties on 6 April 2006 as amended on 13 September 2011 on the following material terms and conditions:

- a) (**Base remuneration**): The Company will pay to Mr Gibson an annual base salary of C\$175,000. Mr Gibson will devote 100% of his time to the Company;
- b) (**Additional remuneration**): Mr Gibson is entitled to participate in the Company's stock option plan to receive incentive share options as determined by the Board or the Compensation Committee. The Company may provide an annual discretionary bonus to Mr Gibson if performance objectives are met. The amount of the bonus will not exceed 100% of Mr Gibson's base salary during any year;
- c) (**Term**): Mr Gibson will be employed by the Company until such time as the employment is terminated in accordance with the Gibson Employment Agreement;
- d) (**Termination by Executive**): Mr Gibson may terminate the Gibson Employment Agreement by giving no less than 90 days' notice in writing to the Company or, in circumstances where there is a change of control of the Company, on the occurrence of a "trigger event", including a change in Mr Gibson's role or a decrease in Mr Gibson's pay; and

**e) (Termination by the Company):** The Company may terminate the Gibson Employment Agreement on the same grounds as described in Section 14.6(d) above except the lump sum payment shall be:

(i) an amount equal to eight months of Mr Gibson's base salary in the first year of employment; or

(ii) an amount equal to ten months of Mr Gibson's base salary plus an amount equal to one month of Mr Gibson's base salary for every year or partial year of service after the first year to a maximum amount equal to 18 months of service.

## 14.9 EMPLOYMENT AGREEMENT - PETER MULLENS

On 1 May 2012, the Company entered into an employment agreement (**Mullens Employment Agreement**) with Executive, Mr Peter Mullens, on the following material terms and conditions:

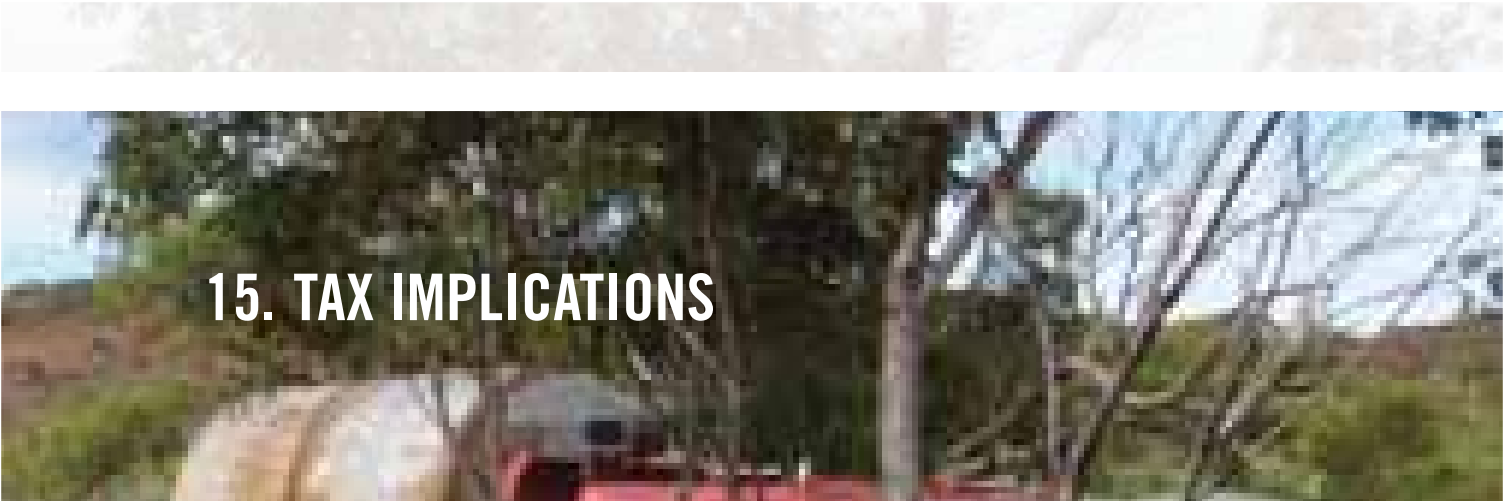
**a) (Base remuneration):** The Company will pay to Mr Mullens an annual base salary of A\$200,000. Mr Mullens will devote 80% of his time to the Company;

**b) (Additional remuneration):** Mr Mullens is entitled to participate in the Company's stock option plan to receive incentive share options as determined by the Board or the Compensation Committee. The Company may provide an annual discretionary bonus to Mr Mullens if performance objectives are met. The amount of the bonus will not exceed 100% of the Mr Mullens base salary during any year;

**c) (Term):** Mr Mullens will be employed by the Company until such time as the employment is terminated in accordance with the Mullens Employment Agreement;

**d) (Termination by Executive):** Mr Mullens may terminate the Mullens Employment Agreement by giving no less than 90 days' notice in writing to the Company or, in circumstances where there is a change of control of the Company, on the occurrence of a "trigger event", including a change in Mr Mullens's role or a decrease in Mr Mullens's pay; and

**e) (Termination by the Company):** The Company may terminate the Mullens Employment Agreement on the same grounds as described in Section 14.6(d) above.



## 15. TAX IMPLICATIONS



# 15. TAX IMPLICATIONS

## 15.1 AUSTRALIAN TAX IMPLICATIONS

Set out below is a summary of the potential Australian tax implications for Australian resident investors who acquire CDIs under this Replacement Prospectus and who hold their CDIs on capital account (i.e. for long-term investment purposes). Non-resident investors and investors holding CDIs on revenue account should seek their own tax advice.

The tax consequences for holders of CDIs will generally be the same as for holders of Shares. In this Section 15.1, references to Shares and Shareholders should also be read as a reference to CDIs in respect of the Shares and holders of CDIs.

The information in this Section 15.1 is a general guide to the Australian tax implications based only on the law in force in Australia as at the date of this Replacement Prospectus. These laws and practices are subject to change periodically, as is their interpretation by the courts. The information is not intended to be, nor should it be construed to be, legal or income tax advice to any particular Shareholder or Applicant. Furthermore, this summary is not exhaustive of all possible Australian income tax considerations applicable to an investment in shares, e.g. it does not describe the income tax considerations relating to the deductibility of interest on money borrowed by a Shareholder to acquire Shares.

All Applicants and Shareholders are urged to consult their own income tax advisers with respect to the tax consequence applicable to them based on their own particular circumstances. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Replacement Prospectus.

### a) DISPOSAL/TRANSFER OF SHARES

The transfer/disposal of Shares by a Shareholder will be a capital gains tax event in respect of the Shares. A capital gain will arise where the capital proceeds (generally, the market value of the consideration) received pursuant to the transfer/disposal of Shares exceeds the cost base of the Shares. The cost base of the Shares in an arm's length transaction is generally the value of the consideration paid to acquire the Shares (plus transaction costs).

Any net capital gain (taking into account all capital gains and losses for the income year) should be included in the Shareholder's assessable income.

Shareholders that are individuals, trusts or complying superannuation funds may be eligible for the capital gains discount concession where they have held their Shares for at least 12 months prior to disposal. If the capital gains discount concession applies, only half (for individuals and trusts) or a third (for complying superannuation funds) of any capital gain arising from the transfer of the Shares is included in the Shareholder's assessable income.

A net capital loss may be carried forward to offset against capital gains derived in future income years. However, a capital loss may not be offset against other income for income tax purposes.

No CGT event should occur on conversion of CDIs into Shares or vice versa, as a holder of a CDI will be taken to hold the underlying Share for capital gains tax purposes.

## **b) RECEIPT OF FUTURE DISTRIBUTIONS**

The Company has not paid dividends in respect of its Shares and does not intend to do so in the foreseeable future. If any dividend is paid in the future, the Company may be required to withhold and remit a percentage of the gross dividend to the Canadian taxation authorities (referred to as withholding tax). Generally the Canada/Australia tax treaty should reduce the withholding tax rate to 15% of the gross amount of the dividends.

Under the Canada/Australia tax treaty, where a Shareholder that is an Australian company controls at least 10% of the voting power in a Canadian company, the withholding tax rate on dividend payments is further reduced to 5%.

Shareholders will receive any dividend net of any Canadian withholding tax (if applicable). However, Shareholders will need to include the gross amount of the dividend in their Australian assessable income (that is, the dividend plus any withholding tax that has been deducted) as foreign sourced dividend income. A foreign income tax offset is available against the Australian tax payable on the dividend in respect of the amount of the withholding tax deducted and remitted in Canada. The amount of the 'foreign income tax offset' cannot exceed the amount of the foreign taxes paid and is calculated as the greater of \$1,000 or the amount of Australian income tax that would otherwise be payable on the dividend and the Shareholder's other foreign sourced income (less certain relevant expenditure). Any excess foreign tax is not refundable and cannot be carried forward.

Any future returns of capital will generally not be taxable (subject to certain anti-avoidance rules), but will reduce the Shareholder's cost base in the relevant Shares (and give rise to a capital gain, where the return exceeds the Shareholder's cost base).

## **c) STAMP DUTY/GST CONSEQUENCES**

Shareholders should not be required to pay any stamp duty on the issue of CDIs received under this Replacement Prospectus or on the future transfer of their CDIs or Shares to prospective Shareholders provided that no Shareholder, either alone or together with associates or related persons/entities becomes entitled to a distribution of 90% or more of the property of the Company. The transfer, cancellation or issue of CDIs or Shares should not be subject to GST. However, Shareholders may incur GST on their costs associated with these events (i.e., brokerage). Shareholders who are registered for GST may be entitled to claim GST credits on these costs. Shareholders should seek independent tax advice in these circumstances.

## **d) APPLICATION OF THE FOREIGN ACCUMULATION FUNDS RULES TO INVESTMENT IN SHARES**

Shareholders should be aware that the Government has proposed the introduction of certain rules affecting foreign investments, known as the Foreign Accumulated Funds (FAF) regime (currently in Exposure Draft form). The FAF rules are generally aimed at preventing taxpayers from accumulating investment moneys outside of Australia at preferential tax rates. The taxation treatment under the draft FAF rules of Shareholder's interest in the Company is unclear at this time and Shareholders should seek specific taxation advice in light of their particular circumstances.

## 15.2 CANADIAN TAX IMPLICATIONS

The following summary describes the principal Canadian federal income tax considerations under the Income Tax Act (Canada) (the “**Canadian Tax Act**”) generally applicable to a holder (a “**Non-Canadian Holder**”) who acquires CDIs pursuant to this Replacement Prospectus, and who, for purposes of the Canadian Tax Act and at all relevant times: (i) has not been and will not be deemed to be resident in Canada at any time while it holds CDIs; (ii) does not use or hold the CDIs in carrying on a business in Canada; and (iii) holds CDIs as capital property and deals at arm's length with and is not affiliated with the Company, the Lead Manager or a subsequent purchaser of such securities. Generally, CDIs will be considered to be capital property to a Non-Canadian Holder provided that the Non-Canadian Holder does not hold the CDIs in the course of carrying on a business of trading or dealing in securities and has not acquired such securities in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Non-Canadian Holder (i) that is a “financial institution” for purposes of the mark-to-market rules, (ii), that is a “specified financial institution”, (iii) an interest in which would be a “tax shelter investment”, or (iv) that has elected to report its “Canadian tax results” in a currency other than the Canadian currency, all within the meaning of the Canadian Tax Act. Special rules, which are not discussed in this summary, may apply to a Non-Canadian Holder that is an insurer carrying on business in Canada and elsewhere. Any such Non-Canadian Holders should consult their own tax advisers.

This summary is based upon the current provisions of the Canadian Tax Act and the regulations thereto and the current published administrative policies and assessing practices of the Canada Revenue Agency (the CRA). This summary takes into account all specific proposals to amend the Canadian Tax Act and the regulations thereto publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the Proposed Amendments) and assumes that all Proposed Amendments will be enacted in the form proposed. However, there can be no assurance that the Proposed Amendments will be enacted in their current form or at all. This summary does not otherwise take into account or anticipate any changes in the law or administrative or assessing practice or policy of the CRA whether by legislative, regulatory, administrative, or judicial action, nor does it take into account tax legislation or considerations of any province, territory, or foreign jurisdiction, which may differ significantly from those discussed herein.

**This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Non-Canadian Holder. This summary is not exhaustive of all federal income tax considerations. Accordingly, prospective Non-Canadian Holders should consult their own tax advisers having regard to their own particular circumstances.**

### a) DIVIDENDS

The Company does not anticipate paying dividends in respect of its Shares in the foreseeable future. In the event that the Company pays a dividend in respect of its Shares, those payments will constitute dividends for Canadian federal income tax purposes to Non-Canadian Holders.

Dividends paid or credited or deemed to be paid or credited to a Non-Canadian Holder by the Company are subject to Canadian withholding tax at the rate of 25% unless the rate is reduced by the terms of an applicable tax treaty. Non-Canadian Holders should consult their tax advisers regarding their entitlement to benefits under a relevant income tax treaty.

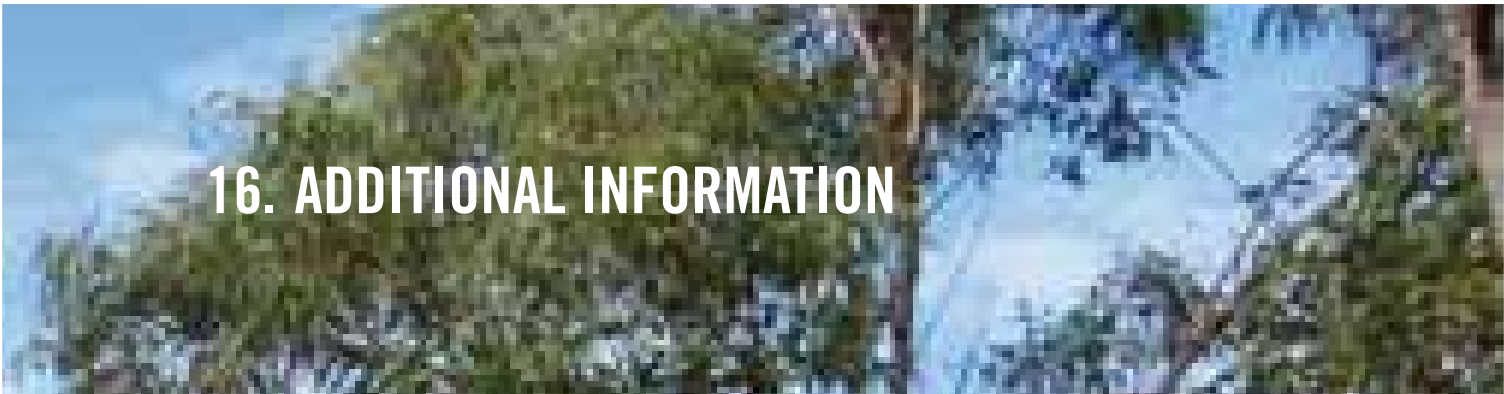
A Non-Canadian Holder may be entitled to obtain a refund of any amounts withheld in excess of the applicable treaty rate by filing an appropriate claim for a refund together with the required information with the CRA within two years of the calendar year in which the amount was paid.

## **b) DISPOSITIONS OF CDIs**

A Non-Canadian Holder generally will not be subject to tax under the Canadian Tax Act in respect of a capital gain realised on the disposition or deemed disposition of a CDI, nor will capital losses arising therefrom be recognised under the Canadian Tax Act, unless the CDI constitutes “taxable Canadian property” to the Non-Canadian Holder thereof for purposes of the Canadian Tax Act, and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty.

Generally, CDIs will not be taxable Canadian property to a Non-Canadian Holder at a particular time provided that either: (i) the Shares are listed on a designated stock exchange (which currently includes the ASX) at that time and at no time during the 60-month period that ends at that time did the Non-Canadian Holder, persons with whom the Non-Canadian Holder did not deal at arm’s length, or such holder together with such persons, own 25% or more of the issued shares of any class or series of shares of the capital stock of the Company, or (ii) at no time during such 60-month period did the Shares derive, directly or indirectly, more than 50% of their fair market value from one or any combination of (a) real or immovable property situated in Canada, (b) “Canadian resource properties” (as defined in the Canadian Tax Act), (c) “timber resource properties” (as defined in the Canadian Tax Act), or (d) options in respect of, or interests in, or for civil law rights in, such property whether or not the property exists.

Non-Canadian Holders whose CDIs are taxable Canadian property should consult their own tax advisers.



## 16. ADDITIONAL INFORMATION



# 16. ADDITIONAL INFORMATION

## 16.1 SHARES

The Company is authorised to issue an unlimited number of Shares and an unlimited number of Special Shares, issuable in series. The rights attaching to Shares and Special Shares in the Company will be governed by the Articles of Continuance of the Company, applicable Canadian statutes regarding companies including the CBCA, certain provisions of the Corporations Act, the Listing Rules, the TSX Listing Rules, the ASX Settlement Operating Rules and general law.

Set out below is a summary of the principal rights of the holders of Shares and Special Shares in the Company. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

Investors should note that they will be issued with CDIs under this Replacement Prospectus. Please refer to section 4.6 for more information about CDIs. CDI holders have the same rights as holders of Shares which are legally registered in their own name. However, as set out in Section 16.3(a) below, the arrangements for voting are different for CDIs.

a) The rights, privileges and restrictions attaching to Shares can be summarised as follows:

**(i) ISSUES OF SHARES AND OTHER SECURITIES**

Subject to the CBCA, TSX and the rights of the holders of issued Shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued Shares, and issued Shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the consideration that the directors may determine.

**(ii) TAKEOVER PROVISIONS**

The CBCA and applicable securities laws govern takeover provisions of Shares and reporting issues.

The Company has adopted the Rights Plan designed to encourage the fair and equal treatment of Shareholders in connection with any takeover bid for the outstanding Shares.

Under the terms of the Rights Plan, one right is attached to each Share currently outstanding (and will attach to each Share issued subsequently). Each right will entitle the holder, upon the occurrence of certain specified events and subject to certain limitations, to purchase one Share at an exercise price equal to five times the market price (the Exercise Price), subject to adjustment under certain circumstances.

If certain events occur (including when a person or group becomes the beneficial owner of 20% or more of any class of voting shares of the Company without complying with the "permitted bid" provisions of the Rights Plan or without the approval of the Company's board of directors), exercise of the rights would entitle the holders (other than the acquiring person or group) to acquire that number of Shares having an aggregate market price on the date of the event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price. Accordingly, exercise of the rights may cause substantial dilution to a person who attempts to acquire control of the Company. A summary of the Rights Plan is set out in Section 16.2 below.

**(iii) VOTING RIGHTS**

Subject to any special rights or restrictions attached to any shares:

- (A) on a vote by show of hands, every person present who is a Shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (B) on a poll, every Shareholder entitled to vote on the matter has one vote in respect of each share held by that Shareholder and may exercise that vote either in person or by proxy.

**(iv) DIVIDENDS**

Subject to the rights, if any, of Shareholders holding shares with special rights as to dividends and subject to the CBCA, the directors may from time to time declare and authorise payment of such dividends as they may deem advisable. The Company has not paid any dividends to date and has no intention of paying any dividends in the foreseeable future.

**(v) WINDING UP**

On winding up all Shares will rank equally.

**(vi) VARIATION OF RIGHTS**

The Company may vary the rights of the Shares by special resolution of the Shareholders who are holding a class or series of Shares subject to the variation.

**(vii) CALLS ON SHARES**

There are no calls on the Shares.

**b) The rights, privileges and restrictions attaching to Special Shares can be summarised as follows:**

**(i) ISSUES OF SHARES AND OTHER SECURITIES**

Subject to the CBCA, TSX and the rights of the holders of issued Shares, the board of directors of the Company may issue the Special Shares at any time and from time to time in one or more series, each series of which shall have the designations, rights, privileges, restrictions and conditions fixed by the directors.

**(ii) TAKEOVER PROVISIONS**

The CBCA governs takeover provisions of shares of a reporting issuer.

The Company has adopted the Rights Plan designed to encourage the fair and equal treatment of Shareholders in connection with any takeover bid for the outstanding Special Shares of the Company, if any. Please refer to Section 16.1(a)(ii) above for further details regarding the Rights Plan.

**(iii) VOTING RIGHTS**

Subject to any special rights or restrictions attached to any Shares:

- (A) on a vote by show of hands, every person present who is a Shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (B) on a poll, every Shareholder entitled to vote on the matter has one vote in respect of each Share held by that Shareholder and may exercise that vote either in person or by proxy.

**(iv) DIVIDENDS**

Subject to the rights, if any, of Shareholders holding Shares with special rights as to dividends and subject to the CBCA, the directors may from time to time declare and authorise payment of such dividends as they may deem advisable. The Company has no intention of paying any dividends at this time.

**(v) WINDING UP**

On winding up, all Special Shares of each series shall rank on parity with the Special Shares of every other series, and shall be entitled to priority over the Shares and any other shares of the Company ranking junior to the Special Shares with respect to priority in the return of capital, distribution of assets and payment of dividends in the event of winding up.

**(vi) VARIATION OF RIGHTS**

The Company may vary the rights of the Special Shares by special resolution of the Shareholders who are holding a class or series of shares subject to the variation.

**(vii) CALLS ON SHARES**

There are no calls on the Special Shares.

The Company does not currently have any Special Shares on issue. Further, the Company intends to provide an undertaking to ASX that it will not issue any preference shares on terms inconsistent with Listing Rule 6.3 (including any Special Shares) while it remains listed on ASX and while it remains forbidden to do so under the Listing Rules. Please refer to Section 16.5 of this Replacement Prospectus for further details.

**c) PURCHASE BY THE COMPANY OF ITS OWN SHARES**

Subject to the CBCA, the TSX Listing Rules, and any special rights or restrictions attaching to a class or series of shares, the Company may, if authorised by resolution of the Directors, purchase, redeem or otherwise acquire any of its Shares or Special Shares at the price and upon the terms specified in such resolution so long as:

- (i) the Company is not insolvent; or
- (ii) making the payment or providing the consideration would not render the Company insolvent.

**d) GENERAL MEETINGS**

The Company is required to hold an annual general meeting of Shareholders not less than fifteen months after them holding the last preceding annual meeting but not later than six months after the end of the Company's preceding financial year.

The directors, whenever they think fit, may call a meeting of Shareholders.

**e) INDEMNITIES**

The Company indemnifies:

- (i) its directors and officers, former directors and officers and alternate Directors and their respective heirs and personal and other legal representatives; and
- (ii) subject to any restrictions in the CBCA, any other person.

## f) ASX LISTING RULES

If the Company is admitted to the Official List of ASX, then it will be required to comply with the ASX Listing Rules except to the extent that it has been granted a waiver in relation to a specific rule. At the date of this Replacement Prospectus, the Company has been granted in-principle approval of a number of waivers of various ASX Listing Rules as set out in Section 16.5.

These waivers will, among other things:

- (i) exempt Laramide from issuing certain disclosure documents (including quarterly, half yearly and annual reports) provided that it lodges the equivalent Canadian documents on ASX at the time they are lodged on TSX;
- (ii) allow the Company to issue:
  - (A) an amount of shares equal to a maximum of 25% of its then current issued capital without seeking shareholder approval, as permitted by the TSX Listing Rules (compared with the 15% cap that applies under Listing Rule 7.1 of the ASX Listing Rules);
  - (B) securities to directors and other related parties in accordance with the TSX Listing Rules, which require security holder approval for issues of shares which (i) affect the control of a company or (ii) provide consideration to an insider equal to 10% or more of the company's market capitalisation on a non-arms length basis during any six month period, regardless of whether or not it complies with the equivalent requirements under the ASX Listing Rules;
- (iii) permit Laramide to maintain its Stock Option Plan and continue to have and issue options under the plan provided that it discloses the plan in full and undertakes to obtain ASX approval for the implementation of any future employee or director option plans; and
- (iv) exempt Laramide from certain ASX Listing Rule requirements relating to share classes, director elections and the imposition of share transfer fees provided that the Company complies with the specified equivalent TSX Listing Rule requirements.

See Section 16.5 for a full summary of the terms of the waivers.

## 16.2 SHAREHOLDERS RIGHTS PLAN

In April 2007, the Company's board of directors approved a shareholders rights plan dated 25 April 2007 between the Company and Equity Transfer & Trust Company (the **Rights Agent** and **Rights Plan** respectively) which was ratified by the Shareholders on 28 June 2007. The purpose of the Rights Plan is to encourage the fair and equal treatment of shareholders in connection with any takeover bid for the outstanding securities of the Company. In accordance with its terms, the Rights Plan was re-approved and confirmed by the Company's annual and special meeting of Shareholders held in 2010, to be ratified at every third annual meeting thereafter.

The Rights Plan is intended to provide the Company's board of directors with adequate time to assess a takeover bid, to consider alternatives to a takeover bid as a means of maximising shareholder value, to allow competing bids to emerge, and to provide Laramide's shareholders with adequate time to properly assess a takeover bid without undue pressure. It should also be noted, however, that while the Rights Plan is designed to ensure fair treatment of Shareholders in the event of a takeover bid being made for Laramide, it may make the Company less appealing to a potential bidder. This could decrease the possibility that Laramide will receive a takeover bid and, in turn, that Shareholders will have the opportunity to participate in the benefits associated with a potential takeover.

For the purposes of the Rights Plan, a **Takeover Bid** is an offer to acquire common shares or any securities in the capital of the Company entitled to vote generally on the election of directors (together, **Voting Shares**) or securities convertible into common shares or Voting Shares where the shares subject to the offer, together with the securities beneficially owned by the person making the Takeover Bid (except certain customarily excluded beneficial owners), constitute 20% or more of the then outstanding Voting Shares of the Company (**Relevant Threshold**).

The Rights Plan is similar to plans adopted by other Canadian companies and ratified by their shareholders. The Rights Plan encourages any potential acquirer (including a competing acquirer) to proceed either with the approval of the Board of the Company or by way of a Takeover Bid circular which satisfies all of the following minimum conditions (a **Permitted Bid**):

- a) the Takeover Bid must be made on materially the same terms for all common shares other than the Offeror;
- b) the Takeover Bid shall contain irrevocable and unqualified conditions that:
  - (i) no common shares shall be taken up or paid for prior to close of business on a date which is not earlier than 60 days following the date of the Takeover Bid, and only if at such date more than 50% of the then outstanding common shares held by independent shareholders have been deposited or tendered and not withdrawn;
  - (ii) any common shares may be:
    - (A) deposited at any time until they are first taken up and paid for unless the Takeover Bid is withdrawn; and
    - (B) withdrawn until taken up and paid for; and
  - (iii) if the deposit requirements in paragraph (b)(i) are met, the Offeror will make a public announcement of that fact and the Takeover Bid will remain open for deposits and tender of common shares for not less than ten days from the date of such public announcement.

The following is a summary of the material terms of the Rights Plan.

### c) ISSUE OF RIGHTS

In order to implement the Rights Plan, the Board of Directors authorised the issue of one right (**Right**) in respect of each outstanding Share at 5:30pm (Toronto time) on 25 April 2007 (**Record Time**), and each Share issued thereafter (subject to the terms of the Rights Plan).

The Rights issued under the Rights Plan become exercisable only if a person (other than certain customarily excluded persons) (**Acquirer**) acquires the Relevant Threshold of Voting Shares (except certain customarily exempt acquisitions) or makes or announces its intention to make a Takeover Bid in each case without making a Permitted Bid (each, a **Non-Permitted Bid**). A Non-Permitted Bid entitles Rights holders (other than the Acquirer or related persons) to purchase Shares at a substantial discount to the prevailing market place at the time the Rights become exercisable.

### d) TRADING OF RIGHTS

For ten business days after the earliest of when the Non-Permitted Bid is made, acquired or announced or a Permitted Bid ceases to be a Permitted Bid, or such other date as the Board determines (the Separation Time), the Rights are transferable only with the Shares. From and after the Separation Time, Rights are transferable separately from the Shares.

### e) FLIP-IN EVENT

A Flip-in Event occurs when any person becomes an Acquirer which is not waived by the Directors. If, prior to the Expiration Time, a Flip-in Event occurs, each Right entitles the holder to subscribe for and be issued with that number of common shares having an aggregate market price on the date of the Flip-in Event equal to twice the exercise price for an amount in cash equal to the exercise price (in other words, at an exercise price which is a discount of 50% to the market price). Rights beneficially held by the relevant Acquirer or persons affiliated, associated, acting jointly or in concert with the relevant Acquirer or transferee of such persons are null and void.

### f) REDEMPTION, WAIVER AND TERMINATION

- (i) *Redemption of Rights.* The Directors acting in good faith may in certain limited circumstances and with prior shareholder approval from holders of common shares or Rights elect to redeem all of the rights at a redemption price of C\$0.0001 per right, appropriately adjusted for anti-dilution (**Redemption Price**).
- (ii) *Waiver of Inadvertent Acquisition.* The Directors acting in good faith will waive the application of the Rights Plan in respect of the occurrence of any Flip-in Event which the Directors determine is inadvertent or temporary.
- (iii) *Permitted Bid and Certain Other Acquisitions.* If a person acquires, through a Permitted Bid or certain other exempt acquisitions, more than 50% of the outstanding common Shares, the Directors shall be deemed to have elected to redeem all of the Rights at the Redemption Price.
- (iv) *Discretionary Waiver with Mandatory Waiver of Concurrent Bids.* The Directors acting in good faith may, upon written notice to the Rights Agent, waive the application of the Rights Plan to a Flip-in Event that may occur by reason of a Takeover Bid made by means of a takeover bid circular to all registered holders of Voting Shares (and all concurrent Take-over Bids are then deemed to be waived).

(v) *Waiver with Shareholder Approval.* The Directors acting in good faith may, with prior shareholder approval, waive the application of the Rights Plan to a Flip-in Event that occurs by an acquisition of Voting Shares other than pursuant to a Takeover Bid made by means of a takeover bid circular to all registered holders of Voting Shares (other than those who have inadvertently acquired shares). Upon this shareholder approval, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the Rights holders may thereafter only be entitled to receive the Redemption Price.

(vi) *Redemption of Rights on Withdrawal or Termination of Bid.* Where a Takeover Bid that is not a Permitted Bid or Competing Permitted Bid is withdrawn or otherwise terminated after the Separation Time and before a Flip-in Event occurs, Directors may elect to redeem all the outstanding Rights at the redemption price.

## **g) ANTI-DILUTION ADJUSTMENTS**

The exercise price of a Right, the number and kind of securities subject to purchase upon exercise of a Right, and/or the number of rights outstanding, will be adjusted in certain customary dilution events.

## **h) SUPPLEMENTS AND AMENDMENTS**

The Rights Plan allows certain minor changes or changes which the Directors consider (acting in good faith) are necessary or desirable to reflect changes in applicable law to be made subject to independent holders of common shares or Rights, as applicable, subsequently ratifying those changes. Any other amendment, variation or deletion of, or from, the Rights Plan and the Rights, made after the meeting approving the Rights Plan, will be subject to the prior approval of the independent holders of common shares or Rights, as applicable (by a resolution passed by a majority of votes cast by such independent holders).

Notice must be provided to the Rights Agent within five days of effecting such amendment, recession or variation.

## **i) EXPIRATION**

The Rights Plan will expire at the earlier of the time at which the Rights terminate in accordance with the Rights Plan and the date of the next annual meeting of the Shareholders of the Company.

The above summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of the Shareholders. These can involve complex questions of law and fact arising from an interaction of the Articles of Continuance with statutory and common law rights and duties. For a Shareholder, or potential acquirer of Shares, to obtain a definitive assessment of the rights and liabilities which attach to shares in any specific circumstances, the Shareholder should seek legal advice.

## 16.3 RIGHTS ATTACHING TO CDIs

Holders of CDIs hold the beneficial ownership in the Shares instead of legal title. However, the ASX Settlement Operating Rules contain provisions designed to ensure that holders of CDIs have all the direct economic benefits of holding Shares. With the exception of voting arrangements, CDI holders have all the same rights as Shareholders whose shares are registered in their name, i.e. those that hold Shares rather than CDIs. Further details regarding the rights of CDI holders are set out below.

### a) VOTING

As holders of CDIs do not appear on the Company's share register, they are not entitled to vote personally at Shareholder meetings. However the ASX Settlement Operating Rules require the Company to send notices of Shareholder meetings to each CDI holder at the address recorded on the CDI register if any Shareholder meeting is convened. This notice must include a form permitting the CDI holder to direct CDN to cast proxy votes according to the wishes of the CDI holder for whom it holds Shares. The Company is obliged to collect and process these directions. CDN is required to vote in accordance with the instructions it receives from CDI holders.

If a CDI holder wishes to vote in person at a meeting of Shareholders (whether on a show of hands or on a poll), he will first need to convert his CDIs into Shares.

### b) DIVIDENDS AND OTHER ENTITLEMENTS

The ASX Settlement Operating Rules ensure that CDI holders have the right to receive dividends, rights issues and bonus issues as Shareholders. Where a dividend or any cash distribution is made in a currency other than Australian dollars, the Company's Australian registry (acting as CDN's agent) will convert the dividend or distribution into Australian dollars. The payment will then be made to CDI holders in Australian dollars in accordance with each CDI holder's entitlement.

### c) TAKEOVERS

If any takeover bid is made in respect of any of the Shares of which CDN is the registered holder, CDN is prohibited from accepting the offer made under the takeover bid except to the extent that acceptance is authorised by the CDI holders in accordance with the ASX Settlement Operating Rules. CDN must accept a takeover offer if a holder of CDIs instructs it to do so in respect of the Shares underlying those CDIs.

## 16.4 WARRANTS AND OPTIONS

### a) WARRANTS

The Company has granted the following warrants:

| WARRANTS                                                      | NUMBER           |
|---------------------------------------------------------------|------------------|
| Warrants exercisable at C\$1.00 on or before 6 January 2014   | 375,000          |
| Warrants exercisable at C\$1.35 on or before 31 December 2015 | 650,000          |
| Warrants exercisable at C\$1.00 on or before 30 December 2013 | 1,062,000        |
| <b>TOTAL</b>                                                  | <b>2,087,000</b> |

The Warrants expiring on 31 December 2015 were issued pursuant to the Anglo Pacific Facility Agreement, as described in Section 14.2 of this Replacement Prospectus. All Warrants may be surrendered for exercise or transfer with the Company.

Each Warrant entitles the holder thereof to purchase one Share at the exercise price and exercise dates per Share, after which time the Warrants will become null and void. The exercise price of the Warrants is payable in Canadian dollars. The Warrants are transferable, subject to compliance with securities laws. The Warrant Indenture provides that no fractional Shares will be issued upon the exercise of Warrants and holders of Warrants will not have any rights as shareholders of the Company. In addition, the Warrant Indenture provides for and contains provisions designed to protect the holders of the Warrants against dilution upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Shares, the amalgamation, merger or other forms of business combination of the Company or a rights offering as part of.

### b) OPTIONS

The Company has granted the following Options:

| OPTIONS                                               | NUMBER           |
|-------------------------------------------------------|------------------|
| Exercisable at C\$1.20 on or before 15 September 2014 | 2,095,000        |
| Exercisable at C\$1.10 on or before 19 May 2013       | 1,810,000        |
| <b>TOTAL</b>                                          | <b>3,905,000</b> |

The Options were granted and are governed by the Company's stock option plan (Stock Option Plan). The Stock Option Plan is designed to encourage Share ownership in the Company by directors, senior officers, employees and consultants of the Company and its affiliates. Under the Stock Option Plan, stock options can be granted from time to time by the board of directors of the Company to directors, senior officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the board of directors.

The number of Shares which can be reserved for issuance was limited to 10% of the issued and outstanding Shares as at the date of the grant of options. The maximum number of Shares which may be reserved for issuance to any one director, senior officer or employee was 5% of the Shares outstanding at the time of the grant (calculated on a non-diluted basis). Options which are exercised, or for any reason are cancelled or terminated prior to exercise would be available for a subsequent grant under the Stock Option Plan.

The option price of any Shares cannot be less than the five day weighted average of the shares of the TSX preceding the day upon which the option is granted. Options granted can only be exercised during a period not exceeding ten years, subject to earlier termination upon the termination of the optionee's employment, upon the employee ceasing to be an employee, senior officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The options are non-transferable.

The Stock Option Plan contains provisions for adjustment in the number of Shares issuable thereunder in the event of subdivision, consolidation, reclassification or change of the Shares, a merger or other relevant changes in the Company's capitalisation. Subject to Shareholder approval in certain circumstances, the board of directors may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of options granted under the Stock Option Plan.

## 16.5 ASX WAIVERS

ASX has confirmed that, upon receipt of an application from the Company for the admission of the Company to the Official List, it would be likely to:

- a) grant a waiver from Listing Rule 1.1 condition 2 to the extent necessary to permit the Company's Articles of Continuance and By-Laws not to comply with the Listing Rules insofar as the Articles of Continuance and By-Laws provide that the Company may do the following:
  - (i) issue non-voting shares;
  - (ii) impose fees for the registration of transfer of securities;
  - (iii) issue preference shares on terms inconsistent with Listing Rule 6.3; and
  - (iv) permit the board to determine the remuneration of the Company's directors and increase directors' fees in a manner inconsistent with Listing Rule 10.17,

on the condition that the Company gives to ASX an undertaking (executed in the form of a deed) that it will not do any of these things while it remains listed on ASX and while it remains forbidden by the Listing Rules;

- b) grant waivers from Listing Rules 6.16, 6.19, 6.21, 6.22 and 6.23.4 to the extent necessary to permit the Company to do the following:
  - (i) maintain the Company's Stock Option Plan that does not comply with Listing Rules 6.16, 6.19, 6.21, 6.22, and 6.23.4; and
  - (ii) have options on issue and issue further options under the Stock Option Plan that do not specifically comply with Listing Rules 6.16, 6.19, 6.21, 6.22, and 6.23.4,

on the condition that the Company releases a copy of the Stock Option Plan to the market as pre-quotation disclosure and undertakes to obtain ASX approval for the implementation of any future employee or director option plans. The undertaking is to be given and executed in the form of a deed;

- c) grant a waiver from Listing Rule 7.1 to the extent necessary to permit the Company to issue securities without securityholder approval, on the following conditions:

- (i) the Company remains subject to, and complies with, the TSX Listing Rules with respect to the issue of new securities;
- (ii) the Company provides ASX with annual certification (on or about 31 March each year) that it remains subject to, and the continued compliance with the requirements of TSX with respect to the issue of new securities;
- (iii) the Company will notify ASX immediately if the TSX Listing Rules with respect to the issue of new securities change or if the Company is no longer in compliance with the TSX with respect to the issue of new securities; and
- (iv) the Company announces the waiver to the market as pre-quotation disclosure,

on the basis that, without limiting ASX's right to vary or revoke its decision under Listing Rule 18.3, ASX reserves the right to revoke the waiver from Listing Rule 7.1 if the Company fails to comply with the above conditions or there are changes to the TSX Listing Rules in respect of the issue of new securities and the issue of securities to related parties such that, in ASX's opinion, the regulation of the issue of new securities and the issue of securities to related parties under those TSX Listing rules ceases to be comparable to the regulation of the issue of new securities and the issue of securities to related parties under the Listing Rules;

- d) grant a waiver from Listing Rule 10.18 to the extent necessary to permit the Company upon a change of control to pay termination benefits to existing Company officers pursuant to the terms of the Company's existing employment contracts with those officers;
- e) grant a waiver from Listing Rule 14.2.1 to the extent necessary to permit the Company not to provide in its proxy form an option for holders of CDIs and Shareholders to vote against a resolution to elect a director or to appoint an auditor, on the following conditions:
- (i) the Company complies with relevant Canadian laws as to the content of proxy forms applicable to resolutions for the election of directors and the appointment of an auditor.
  - (ii) the notice given by the Company to CDI holders and Shareholders under ASX Settlement Operating Rule 13.8.9 makes it clear that holders are only able to vote for the resolutions or abstain from voting, and the reasons why this is the case; and
  - (iii) the Company releases details of the waiver to the market as a pre-quotation disclosure and the terms of the waiver are set out in the management proxy circular provided to all holders of CDIs,

on the basis that without limiting ASX's right to vary or revoke its decision under listing rule 18.3, the waiver from listing rule 14.2.1 only applies for so long as the relevant Canadian laws prevent the Company from permitting shareholders to vote against a resolution to elect a director or appoint an auditor;

- f) grant a waiver from Listing Rule 14.3 to the extent necessary to permit the Company to accept nominations for the election of directors in accordance with the shareholder proposal provisions of s137 of the CBCA, on condition that the Company releases the terms of the waiver to the market as a pre-quotation disclosure, and the terms of the waiver are set out in the management proxy circular provided to all holders of CDIs;
- g) grant a waiver from Listing Rule 15.12 to the extent necessary to permit the Articles of Continuance and By-Laws not to contain the provisions required by Listing Rules 15.12.1 to 15.12.3 inclusive, on condition that the Company undertakes (in the form of a deed) not to acquire any classified assets in circumstances under which the Listing Rules would require the issue of restricted securities, without the written consent of ASX;

- h) grant a waiver from Listing Rules 4.2A and 4.2B to the extent necessary to permit the Company not to lodge a Half Year Report on the following conditions:
- (i) the Company lodges with ASX the Financial Statements and interim MD&A required under Canadian Reporting Requirements when it lodges them with the Canadian securities regulatory authorities;
  - (ii) at the same time that the Company lodges the documents set out above with the Canadian securities regulatory authorities, it must also provide a cover sheet under the heading "Results for announcement to the market" which contains the information required by paragraph 2 of Appendix 4D; and
  - (iii) the Company releases details of this waiver as a pre-quotation disclosure;
- i) grant waivers from Listing Rules 5.2 and 5.3 to the extent necessary to permit the Company not to lodge quarterly activity and expenditure reports, on the following conditions:
- (i) the Company lodges with ASX the interim Financial Statements and interim MD&A required under Canadian Reporting Requirements when it lodges them with the Canadian securities regulatory authorities; and
  - (ii) the Company releases details of this waiver as a pre-quotation disclosure;
- j) grant a waiver from Listing Rule 10.11 to the extent necessary to permit the Company to issue or agree to issue securities to a related party without securityholder approval on the following conditions:
- (i) the Company remains subject to, and complies with, the TSX Listing Rules with respect to the issue of securities to related parties;
  - (ii) where the Company seeks shareholder approval for the issue of security to a related party, the votes of a related party (and its associated) will not be counted and a voting exclusion statement will be included in the notice of meeting;
  - (iii) the Company will provide ASX with annual certification of continued compliance with TSX Listing Rule requirements; and
  - (iv) if the Company becomes aware of any change to the application of the TSX Listing Rules with respect to the issue of securities to related parties, or that the Company is no longer in compliance with the requirements of TSX with respect to the issue of securities to related parties, it must immediately advise ASX,

on the basis that, without limiting ASX's right to vary or revoke its decision under Listing Rule 18.3, ASX reserves the right to revoke the waiver from Listing Rule 10.11 if the Company fails to comply with the above conditions or there are changes to the TSX Listing Rules in respect of the issue of new securities and the issue of securities to related parties such that, in ASX's opinion, the regulation of the issue of new securities and the issue of securities to related parties under those TSX Listing rules ceases to be comparable to the regulation of the issue of new securities and the issue of securities to related parties under the Listing Rules;

k) grant a waiver from Listing Rule 10.14 to the extent necessary to permit the Company to allow directors (and their associates) to acquire securities under an employee incentive scheme without shareholder approval on the following conditions:

- (i) the Company complies with the TSX Listing Rules with respect to the issue of securities to related parties under employee incentive schemes;
- (ii) where the Company seeks shareholder approval for the issue of security to a director, the votes of a director (and its associates) will not be counted and a voting exclusion statement will be included in the notice of meeting;
- (iii) the Company will provide ASX with annual certification of continued compliance with TSX Listing Rule requirements; and
- (iv) if the Company becomes aware of any change to the application of the TSX Listing Rules with respect to the issue of securities to directors under an employee incentive scheme, or that the Company is no longer in compliance with the requirements of TSX with respect to the issue of securities to directors under an employee incentive scheme, it must immediately advise ASX,

on the basis that, without limiting ASX's right to vary or revoke its decision under Listing Rule 18.3, ASX reserves the right to revoke the waiver from Listing Rule 10.14 if the Company fails to comply with the above conditions or there are changes to the TSX Listing Rules in respect of the issue of new securities and the issue of securities to related parties such that, in ASX's opinion, the regulation of the issue of new securities and the issue of securities to related parties under those TSX Listing rules ceases to be comparable to the regulation of the issue of new securities and the issue of securities to related parties under the Listing Rules;

- l) subject to the Company not entering into any transactions for the acquisition of classified assets before the Company's admission to the official list, not apply the restrictions in Appendix 9B of the ASX Listing Rules to the Company's securities already on issue as at the date of the Company's admission to the official list;
- m) grant a waiver from Listing Rule 4.10.9 to the extent necessary that the company not be required to include in its annual report the names of the 20 largest holders of its quoted securities, the number of equity securities each holds, and the percentage of capital each holds; and
- n) grant a waiver from Listing Rule 5.2 and 5.3 to the extent necessary to permit the Company not to lodge quarterly activity and expenditure reports as required by those listing rules, on the following conditions:
  - (i) the Company lodges with ASX the quarterly Financial Statements and interim MD&A that the Company is required to lodge with the Canadian securities regulatory authorities in accordance with Canadian Reporting Requirements at the same time that the Company lodges those documents with those Canadian securities regulatory authorities; and
  - (ii) the Company releases details of this waiver as a pre-quotation disclosure.

The decision of ASX outlined in this section applies until 15 February 2013 and is subject to any amendments to the Listing Rules or changes in the interpretation or administration of the Listing Rules and policies of ASX.

In making its decision ASX has considered listing rules 1.1, conditions 2, 4.2A, 4.2B, 4.10.9, 5.2, 5.3, 6.16, 6.19, 6.21, 6.22, 6.23.4, 7.1, 10.11, 10.14, 10.18, 14.2.1, 14.3 and 15.12 only, and makes no statement as to the Company's compliance with other Listing Rules.

## 16.6 INVESTING IN A CANADIAN COMPANY LISTED ON TSX

The Company was continued under the laws of the Dominion of Canada and is subject to the relevant provisions of the Canada Business Corporations Act (the CBCA). This section contains a summary of certain Canadian and Australian laws to assist in understanding the regulatory regime which the Company is currently, and will be, subject to. The comparison below is only an overview and should not be viewed as an exhaustive statement of either the relevant Canadian or Australian laws

| CANADIAN POSITION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | AUSTRALIAN POSITION                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Share Issues</b><br>The Company must comply with both the Canadian and Australian positions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| The CBCA permits the Directors to issue equity securities without shareholder approval at such times and to such persons and for such consideration as the directors may determine.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | The Corporations Act permits Directors to issue equity securities without shareholder approval at such times and to such persons and for such consideration as the directors may determine.                                                                                                                                                                                                                                                                                   |
| The CBCA does not require an offer of new shares to be made to existing shareholders (of that same class) prior to making an offer to persons who are not currently shareholders of the Company unless such a right is provided for in the articles of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                         | The Listing Rules permit the Directors to issue equity securities without shareholder approval up to a maximum number in any 12 month period equivalent to 15% of the issued capital of the Company prior to the date of issue subject to certain exceptions. Note however that Laramide has obtained in-principle approval of a waiver of this restriction under ASX Listing Rule 7.1, and therefore will not have to comply with this requirement if the waiver is granted. |
| The TSX Listing Rules permit, and will generally accept on an expedited basis, the issuance of equity securities that are offered above market price or the issuance of equity securities that are for an aggregate number of issuable securities equivalent to 25% or less of the number of outstanding securities prior to the date of closing of the transaction where the price per security is less than the market price but within the applicable prescribed discounts, if the issuance does not materially affect control of the Company or provide consideration to insiders greater than 10% of the market capitalisation of the Company.                                         | The Listing Rules do not contain any requirement for an offer of new shares to be made to existing shareholders prior to making an offer to persons who are not currently shareholders of the Company.                                                                                                                                                                                                                                                                        |
| The TSX Listing Rules states that the Company must notify the TSX in writing of any transaction involving the issuance or potential issuance of any of its securities other than unlisted, non-voting, or non-participating securities. In some cases the TSX may exempt the Company from security holder approval requirements; such as if the Company is in serious financial difficulty or if the issuance is designed to improve the Company's financial situation. Further, security holder approval will not be required where at least 90% of the Company's equity and outstanding voting securities are held by one person or company, together with its associates and affiliates. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

## CANADIAN POSITION

## AUSTRALIAN POSITION

### Substantial shareholders

Shareholders need only comply with the Canadian position.

In certain circumstances the TSX Listing Rules provides that certain listing rules are governed by the CBCA and/or the Securities Act (Ontario) (the Act).

The Act requires that a shareholder who acquires “beneficial ownership of or the power to exercise control over” 10% or more of the voting shares in a listed company to promptly file with the TSX and disseminate a press release and file a report within two days from the date of acquisition. In the case of a takeover bid the threshold for similar notification requirements is 5%.

Similar notification requirements apply in the event that a shareholder who is required to provide disclosure as mentioned above acquires “beneficial ownership of or the power to exercise control or direction over” every additional 2% or more of securities that are convertible into an additional 2% or more of the outstanding securities in the company.

The Corporations Act provides that a shareholder has a ‘substantial holding’ if that person’s (and that person’s associates) have a relevant interest in 5% or more of the voting shares in the company. The Corporations Act requires a shareholder who is a substantial shareholder in a listed company to give written notice in the prescribed form to the company and ASX within two business days or, if there is a takeover bid for the company, by 9.30am on the next trading day of the ASX, after the person becomes aware that they have become a substantial shareholder.

Similar notification requirements apply in the event that a shareholder’s substantial holding increases or decreases by more than 1% of the total votes in a company or where a person ceases to have a substantial holding.

## CANADIAN POSITION

### Takeovers

Bidders need only comply with the Canadian position.

The Act and the CBCA governs a takeover of certain listed companies registered in Canada. The Act sets out certain rules and exemptions that apply to takeover bids and bids commenced by the issuer.

The Act provides generally that a takeover bid occurs when there is an offer to acquire outstanding voting securities or equity securities of a class, where the securities subject to the offer to acquire together with the offeror's securities would constitute 20% or more of the outstanding securities of that class.

The Act sets out certain exceptions which apply to these rules, such as acquisitions where the offer is for not more than 5% of the outstanding securities, where the offer for securities is from not more than five persons or companies in the aggregate or an exemption which is generally available if security holders in Canada hold less than 10% of the outstanding securities.

Takeover bids must treat all shareholders of the class of securities subject to the bid alike and must not involve collateral benefits, unless such collateral benefits are employment benefit arrangements as specified under the Act.

Takeover bids are commenced by publishing an advertisement containing a brief summary of the bid in at least one major daily newspaper of general and regular paid circulation in Ontario or by sending the takeover bid to the security holders that are subject to the bid.

If a takeover bid has been made, the Directors of the Company will prepare and send, not later than 15 days after the date of the bid, a directors' circular to every person or company to whom the bid was required to be sent. The Directors will evaluate the terms of the takeover bid and, in the directors' circular, will either recommend to security holders that they accept or reject the bid, advise security holders that the board is unable to make or is not making a recommendation, or advise security holders that they are considering whether to make a recommendation to accept or reject the bid, and the Directors will give applicable reasons for which recommendation they make.

The CBCA also permits compulsory acquisition of outstanding securities by 90% holders.

## AUSTRALIAN POSITION

The Corporations Act governs a takeover of certain listed and unlisted companies registered in Australia. The Corporations Act provides generally that a person must not acquire a 'relevant interest' in voting shares in a company, if because of the transaction a person's voting power in the company:

- increases from 20% or below to above 20%; or
- increases from a starting point which is above 20% but less than 90%.

The Corporations Act sets out certain exceptions which apply to these rules, such as acquisitions of relevant interests in shares where that acquisition is a creeping acquisition of not more than 3% in any six month period.

Takeover bids must treat all shareholders alike and must not involve collateral benefits. Various restrictions on conditional offers apply and there are also substantial restrictions on the ability of an offeror to withdraw or suspend a takeover offer.

The Corporations Act also permits compulsory acquisition of outstanding securities by 90% holders.

## 16.7 FEES AND BENEFITS

Other than as set out below or elsewhere in this Replacement Prospectus, no:

- a) Director or proposed Director;
- b) person named in this Replacement Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Replacement Prospectus;
- c) promoter of the Company; or
- d) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Replacement Prospectus as a financial services licensee involved in the issue,

has, or had within two years before lodgement of this Replacement Prospectus with the ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the offer of CDIs under this Replacement Prospectus; or
- (iii) the offer of CDIs under this Replacement Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a Director of the Company or for services rendered in connection with the formation or promotion of the Company or the offer of CDIs under this Replacement Prospectus.

Mining Associates Pty Ltd has acted as Independent Geologist and has prepared an Independent Geologist's Report which is included in Section 8 of this Replacement Prospectus. The Company estimates it will pay Mining Associates Pty Ltd a total of \$40,000 (excluding GST) for these services in relation to the Offer. During the 24 months preceding lodgement of this Replacement Prospectus with the ASIC, Mining Associates Pty Ltd has received \$97,000 from the Company for professional services unrelated to the preparation of this Replacement Prospectus.

Lawler Corporate Finance Pty Ltd has acted as Investigative Accountant in this Replacement Prospectus and has prepared an Investigative Accountant's Report which is included in Section 10 of this Replacement Prospectus. The Company estimates it will pay Lawler Corporate Finance Pty Ltd \$20,000 (excluding GST) for these services in relation to the Offer. During the 24 months preceding lodgement of this Replacement Prospectus with the ASIC, Lawler Corporate Finance Pty Ltd has not received any other fees from the Company.

Collins Barrow Toronto LLP has acted as the Company's Canadian auditor in relation to the Offer. The Company estimates it will pay Collins Barrow Toronto LLP \$20,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Replacement Prospectus with the ASIC, Collins Barrow Toronto LLP has received \$191,125.26 from the Company for professional services unrelated to the preparation of this Replacement Prospectus.

Allen & Overy has acted as the Australian solicitors to the Company in relation to the Offer. The Company estimates it will pay Allen & Overy \$250,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Replacement Prospectus with the ASIC, Allen & Overy has received \$100,000 from the Company for professional services unrelated to the preparation of this Replacement Prospectus.

Comeau Maldegan Templeman & Indall LLP has acted as the US solicitors to the Company in relation to the Offer and has prepared the Title Report on US Tenements in relation to the Company's New Mexico Tenements set out in Part A of Section 12 of this Replacement Prospectus. The Company estimates it will pay Comeau Maldegan Templeman & Indall LLP \$10,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Replacement Prospectus with the ASIC, Comeau Maldegan Templeman & Indall LLP has received \$244,062.91 from the Company for professional services unrelated to the preparation of this Replacement Prospectus.

Davis Graham & Stubbs LLP has acted as U.S solicitors to the Company in relation to the Offer and has prepared the Title Reports on US Tenements in relation to the Company's Utah Tenements set out in Part B of Section 12 of this Replacement Prospectus. The Company estimates it will pay Davis Graham & Stubbs LLP \$10,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Replacement Prospectus with the ASIC, Davis Graham & Stubbs LLP has received \$10,938.55 from the Company for professional services unrelated to the preparation of this Replacement Prospectus.

Minter Ellison prepared the Solicitor's Report on Australian Tenements set out in Section 11 of this Replacement Prospectus. The Company estimates it will pay Minter Ellison \$40,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Replacement Prospectus with the ASIC, Minter Ellison has received \$189,274 from the Company for professional services unrelated to the preparation of this Replacement Prospectus.

Irwin Lowy LLP has acted as the Canadian solicitors to the Company in relation to the Offer. The Company estimates it will pay Irwin Lowy LLP \$10,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Replacement Prospectus with the ASIC, Irwin Lowy LLP has received C\$77,297 from the Company for professional services unrelated to the preparation of this Replacement Prospectus. Chris Irwin, an officer of the Company, is a partner of Irwin Lowy LLP. Irwin Professional Corporation, a company controlled by Chris Irwin, holds 15,200 Shares and 155,000 Options.

Bell Potter Securities Limited has acted as Lead Manager to the Offer. In respect of this work, Bell Potter will be paid such amounts as detailed in Section 14.5 of this Replacement Prospectus. During the 24 months preceding lodgement of this Replacement Prospectus with the ASIC, Bell Potter has not received any other fees from the Company.

## 16.8 CONSENTS

Each of the parties referred to in this Section.

- a) does not make, or purport to make, any statement in this Replacement Prospectus other than those referred to in this Section 16.8; and
- b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Replacement Prospectus other than a reference to its name and a statement included in this Replacement Prospectus with the consent of that party as specified in this Section 16.8.

Each of Andrew Vigar, Douglas Peters and David Jones has given his written consent to be named as a Competent Person in this Replacement Prospectus in the form and context in which each appears and to the inclusion in Sections 1, 2, 5 and 8 of his technical information (as described on page 2 of this Replacement Prospectus) and any references to, and matters based on such information in the form and context in which they appear.

Mining Associates Pty Ltd has given its written consent to being named as Independent Geologist in this Replacement Prospectus and to the inclusion of the Independent Geologist's Report in Section 8 of this Replacement Prospectus, to all statements in the Replacement Prospectus referring to that report and to all information in the Replacement Prospectus derived from that report, in the form and context in which they appear in the form and context in which the report is included. Mining Associates Pty Ltd has not withdrawn its consent prior to lodgement of this Replacement Prospectus with the ASIC.

Lawler Corporate Finance Pty Ltd has given its written consent to being named as Investigative Accountant in this Replacement Prospectus and to the inclusion of the Investigative Accountant's Report in Section 10 of this Replacement Prospectus in the form and context in which the report is included, to all statements in the Replacement Prospectus referring to that report and to all information in the Replacement Prospectus derived from that report, in the form and context in which they appear. Lawler Corporate Finance Pty Ltd has not withdrawn its consent prior to lodgement of this Replacement Prospectus with the ASIC.

Collins Barrow Toronto LLP has given its written consent to being named as the Company's Canadian auditors in this Replacement Prospectus. Collins Barrow Toronto LLP has not withdrawn its consent prior to lodgement of this Replacement Prospectus with the ASIC.

Allen & Overy has given its written consent to being named as the Australian solicitors to the Company in this Replacement Prospectus in the form and context in which the report is included. Allen & Overy has not withdrawn its consent prior to lodgement of this Replacement Prospectus with the ASIC.

Comeau Maldegan Templeman & Indall LLP has given its written consent to being named as the US solicitors to the Company in this Replacement Prospectus, to the inclusion of the Title Report on New Mexico Tenements set out in Part A of Section 12 of this Replacement Prospectus in the form and context in which the report is included and to all statements in the Replacement Prospectus referring to that report and to all information in the Replacement Prospectus derived from that report in the form and context in which they appear. Comeau Maldegan Templeman & Indall LLP has not withdrawn its consent prior to lodgement of this Replacement Prospectus with the ASIC.

Minter Ellison has given its written consent to be named in this Replacement Prospectus in the form and context in which it is named, to the inclusion of the Solicitor's Report on Australian Tenements set out in section 11 of this Replacement Prospectus in the form and context in which the report is included and to all statements in the Replacement Prospectus referring to that report and to all information in the Replacement Prospectus derived from that report in the form and context in which they appear. Minter Ellison has not withdrawn its consent prior to lodgement of this Replacement Prospectus with the ASIC.

Davis Graham & Stubbs LLP has given its written consent to being named as the US solicitors to the Company in this Replacement Prospectus and to the inclusion of the Title Report on Utah Tenements set out in Part B of Section 12 of this Replacement Prospectus in the form and context in which the report is included. Davis Graham & Stubbs LLP has not withdrawn its consent prior to lodgement of this Replacement Prospectus with the ASIC.

Irwin Lowy LLP has given its written consent to being named as the Canadian solicitors to the Company in this Replacement Prospectus. Irwin Lowy LLP has not withdrawn its consent prior to lodgement of this Replacement Prospectus with the ASIC.

Bell Potter has given its written consent to being named as the Lead Manager to the Offer in this Replacement Prospectus. Bell Potter has not withdrawn its consent prior to lodgement of this Replacement Prospectus with the ASIC.

Computershare Investor Services Inc. has given its written consent to being named as the Company's Canadian share registry in this Replacement Prospectus. Computershare Investor Services Inc. has not withdrawn its consent prior to lodgement of this Replacement Prospectus with the ASIC.

Computershare Investor Services Pty Ltd has given its written consent to being named as the Company's Australian share registry in this Replacement Prospectus. Computershare Investor Services Pty Ltd has not withdrawn its consent prior to lodgement of this Replacement Prospectus with the ASIC.

## **16.9 LITIGATION**

As at the date of this Replacement Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company, other than as disclosed in section 5.3(b)(ii) in the context of the Debbil Debbil Agreement.

## **16.10 ELECTRONIC REPLACEMENT PROSPECTUS**

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Replacement Prospectus as an electronic Replacement Prospectus, please ensure that you have received the entire Replacement Prospectus accompanied by the Application Form. If you have not, you may obtain a copy of this Replacement Prospectus from the Company's website at [www.laramide.com](http://www.laramide.com).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Replacement Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

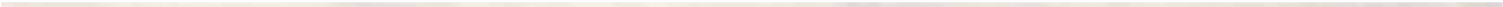
## **16.11 TAXATION**

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. A summary of the Australian and Canadian tax implications of the Offer is set out in section 15 of this Replacement Prospectus.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Replacement Prospectus.

## **16.12 FORECASTS**

Given the speculative nature of mineral exploration, prospecting and development and the fact that the Company is in an early stage of operation the Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.



## 17. DIRECTORS' AUTHORISATION



## 17. DIRECTORS' AUTHORISATION

This Replacement Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Replacement Prospectus with the ASIC.



---

Peter Mullens

**Director**

For and on behalf of

**LARAMIDE RESOURCES LTD**



## 18. DEFINITIONS

## 18. DEFINITIONS

Technical terms in this Replacement Prospectus are defined in the Independent Geologist's Report in Section 8.

Otherwise, where the following terms are used in this Replacement Prospectus they have the meanings set out below.

**A\$ or \$** means Australian dollars (unless otherwise indicated).

**Acquirer**, in relation to the Rights Plan, has the meaning described in Section 16.2(c) of this Replacement Prospectus.

**Anglo Pacific** means Anglo Pacific Group PLC.

**Anglo Pacific Facility** means the facility of C\$5 million available to Laramide described in Sections 5.3(e) and 14.2 of this Replacement Prospectus.

**Anglo Pacific Royalty** means the royalty described in Section 14.2 of this Replacement Prospectus.

**Anglo Pacific Security** has the meaning described in Section 14.2 of this Replacement Prospectus.

**Application Form** means the application form attached to or accompanying this Replacement Prospectus relating to the Offer.

**Aquiline** means Aquiline Resources Inc.

**Articles of Continuance** means the Company's articles of association dated 26 May 1980 as amended by articles of amendment dated 4 June 2002.

**ASIC** means Australian Securities & Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange (as the context requires).

**ASX Settlement** means ASX Settlement Pty Ltd.

**ASX Settlement Operating Rules** means the operating rules of ASX Settlement.

**Basic Option** has the meaning described in Section 14.2 of this Replacement Prospectus.

**BCCA** means British Columbia Corporations Act.

**Bell Potter** means Bell Potter Securities Limited.

**BLM** means Bureau of Land Management.

**Board** means the board of Directors as constituted from time to time.

**By-Laws** means the Company's by-laws dated 26 June 1996.

**CAD or C\$** means Canadian dollars.

**CBCA** means the Canada Business Corporations Act.

**CDI** means a CHESS Depositary Interest representing a unit of beneficial ownership in one Share.

**CDN** means CHESS Depositary Nominees Pty Ltd.

**CFO** means Chief Financial Officer.

**CHESS** means Clearing House Electronic Sub-registry System, as operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, in accordance with the Listing Rules and the ASX Settlement Operating Rules.

**Churchrock Properties** means the tenements described in Sections 5.3(e) and 14.1 of this Replacement Prospectus.

**Closing Date** means the closing date of the Offer as set out in the Investment Overview clause of this Replacement Prospectus (subject to the Closing Date being extended or the Offer being closed early).

**Company** means Laramide Resources Ltd (ARBN 154 146 755).

**Compensation Committee** means the committee established to review and make recommendations on remuneration packages of executives as described in Section 7.4.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Computershare (Australia)** means Computershare Investor Services Pty Ltd.

**Computershare (Canada)** means Computershare Investor Services Inc.

**DEIS** means Draft Environmental Impact Statement.

**Directors** means the directors of the Company at the date of this Replacement Prospectus.

**Exercise Price** means, in relation to an Option, the price at which the Options may be exercised as outlined in the terms and conditions of the relevant Options.

**Expiry Date** means, in relation to an Option, the date of expiry of those Options as outlined in the terms and conditions of the relevant Options.

**Expiry Date** means, in relation to the Replacement Prospectus, 5.00 pm WST on that date which is 13 months after the date this Replacement Prospectus was lodged with the ASIC.

**Exposure Period** means the period of seven days after the date of lodgement of a prospectus, which period may be extended by the ASIC by not more than seven days pursuant to section 727(3) of the Corporations Act.

**Ferron Employment Agreement** means the employment agreement described in Section 14.7 of this Replacement Prospectus.

**General Public Offer** means an offer of CDIs to Australian resident Retail Investors only, as described in Section 4.2.

**Gibson Employment Agreement** means the employment agreement described in Section 14.8 of this Replacement Prospectus.

**Henderson Employment Agreement** means the employment agreement described in Section 14.6 of this Replacement Prospectus.

**Homestake** means the Homestake Mining Company and the La Jara Mesa Mining Company (each a subsidiary of Barrick Gold Corp) as described in Section 5.3(c) of this Replacement Prospectus.

**Homestake Agreement** means the option, sale and purchase agreement described in Section 14.3 of this Replacement Prospectus.

**Homestake Properties** means certain properties and mineral interests in Colorado, New Mexico and Utah known as Los Ochos, La Jara Mesa, Melrich and La Sal as described in Section 14.3 of this Replacement Prospectus.

**Increased Rate Option** has the meaning described in Section 14.2 of this Replacement Prospectus.

**Independent Geologist's Report** means the report in Section 8 of this Replacement Prospectus.

**Indicated Mineral Resource** has the meaning given to that term in the JORC Code.

**Inferred Mineral Resource** has the meaning given to that term in the JORC Code.

**Institutional Investor** means an investor to whom offers or invitations in respect of CDIs can be made without the need for a disclosure document (or any other formality, other than a formality with which the Company is willing to comply), including in Australia persons to whom offers or invitations in respect of CDIs can be made without the need for a disclosure document under section 708 of the Corporations Act.

**Institutional Offer** means the invitation to Institutional Investors to apply for CDIs under this Replacement Prospectus, as described in section 4.2.

**ISR** means in-situ recovery.

**JORC Code** means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and references to JORC should be interpreted accordingly.

**La Jara Mesa** means La Jara Mesa in Grants, New Mexico.

**La Sal** means La Sal in the Lisbon Valley district of Utah.

**Laramide** means Laramide Resources Ltd (ARBN 154 146 755).

**Lead Manager** means Bell Potter Securities Limited (ACN 006 390 772).

**Listing Rules** means the official listing rules of ASX.

**Mandate Agreement** means the lead manager mandate agreement described in Section 14.5 of this Replacement Prospectus.

**Mullens Employment Agreement** means the employment agreement described in Section 14.9 of this Replacement Prospectus.

**NEPA** means National Environmental Policy Act.

**Non-Permitted Bid**, in relation to the Rights Plan, has the meaning described in Section 16.2(c) of this Replacement Prospectus.

**NRC** means Nuclear Regulatory Commission.

**Offer** means the offer to apply for CDIs set out in Section 4 of this Replacement Prospectus, comprising the Institutional Offer and the General Public Offer.

**Official List** means the official list of ASX.

**Official Quotation** means official quotation by ASX in accordance with the Listing Rules.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of Options.

**Permitted Bid**, in relation to the Rights Plan, has the meaning described in Section 16.2 of this Replacement Prospectus.

**Replacement Prospectus** means this replacement prospectus.

**Record Time**, in relation to the Rights Plan, has the meaning described in Section 16.2(c) of this Replacement Prospectus.

**Redemption Price**, in relation to the Rights Plan, has the meaning described in Section 16.2(f) of this Replacement Prospectus.

**Relevant Threshold**, in relation to the Rights Plan, has the meaning described in Section 16.2 of this Replacement Prospectus.

**Retail Investor** means an investor under the General Public Offer.

**Right**, in relation to the Rights Plan, has the meaning described in Section 16.2(c) of this Replacement Prospectus.

**Rights Agent** means Equity Transfer & Trust Company.

**Rights Plan** means the shareholders' right plan described in Section 16.2 of this Replacement Prospectus.

**Rio Tinto JV** means the Farm-In and Joint Venture between the Company and Rio Tinto Exploration Pty Limited described in Section 5.1 of this Replacement Prospectus.

**Securities** means Shares, Warrants and Options.

**SEDAR** means the System for Electronic Document Analysis and Retrieval, the website for which can be accessed at [www.sedar.com](http://www.sedar.com).

**Separation Time**, in relation to the Rights Plan, has the meaning described in Section 16.2(d) of this Replacement Prospectus.

**Share** means a fully paid common share in the capital of the Company and, where the context requires, a CDI. The rights, privileges and restrictions attaching to Shares are summarised in Section 16.1(a) of this Replacement Prospectus.

**Shareholder** means a holder of Shares.

**Special Share** means securities in the Company with the rights, privileges and restrictions as summarised in Section 16.1(b) of this Replacement Prospectus.

**Stock Option Plan** means the Company's stock option plan described in Section 16.4(b) of this Replacement Prospectus.

**Takeover Bid**, in relation to the Rights Plan, has the meaning described in Section 16.2 of this Replacement Prospectus.

**Tenement** means a tenement in which the Company has an interest as set out in the Solicitor's Report on Tenements in Section 11 of this Replacement Prospectus.

**TSX** means the Toronto Stock Exchange.

**TSX Listing Rules** means the listing rules of TSX.

**UNC** means United Nuclear Corporation.

**UNC Notes** means the promissory notes in favour of UNC described in Section 14.1 of this Replacement Prospectus.

**UNC Mortgage** means the mortgage and security interest described in 14.1 of this Replacement Prospectus.

**UNC Royalty** means the royalty described in Sections 5.3(d) and 14.1 of this Replacement Prospectus.

**Unitholders** means the legacy royalty holders described in Section 5.3(c)(i) of this Replacement Prospectus.

**URI** means Uranium Resources Inc.

**US Securities Act** means the Securities Act of 1933 (US).

**USD** or **US\$** means United States dollars.

**United States** or **US** means the United States of America.

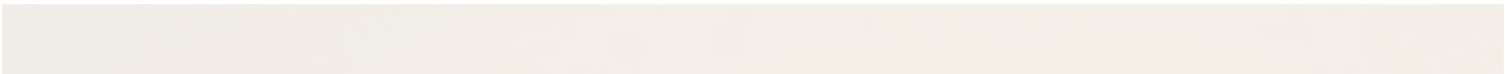
**Voting Shares**, in relation to the Rights Plan, has the meaning described in Section 16.2 of this Replacement Prospectus.

**Warrant** means a warrant to acquire Shares on the terms and conditions summarised in Section 16.4(a) of this Replacement Prospectus.

**Warrant Indenture** means the warrant indenture dated 5 March 2009 between the Company and Equity Transfer & Trust Company described in Section 16.4(a) of this Replacement Prospectus.

**WNA** means World Nuclear Association.

**WST** means Australian Western Standard Time observed in Perth, Western Australia.



## 19. CORPORATE DIRECTORY



# 19. CORPORATE DIRECTORY

## DIRECTORS / EXECUTIVES

### John Booth

*Non-Executive Chairman*

### Marc Henderson

*President and Chief Executive Officer*

### Peter Mullens

*Vice President of Exploration and Executive Director*

### Scott Patterson

*Non-Executive Director*

### Paul Wilkens

*Non-Executive Director*

## COMPANY SECRETARY

Chris Irwin

## REGISTERED OFFICE

### CANADA

The Exchange Tower  
130 King Street West, Suite 3680  
Toronto ON M5X 1B1  
Telephone: (416) 599 7363  
Facsimile: (416) 599 4959

### AUSTRALIA

c/o Lagoon Creek Resources Pty Ltd  
Level 4  
67 St Pauls Terrace  
SPRING HILL QLD 4000  
Telephone: (07) 3831 3407  
Facsimile: (07) 3831 3409  
Website: [www.laramide.com](http://www.laramide.com)  
Email: [info@laramide.com](mailto:info@laramide.com)

ASX/TSX code: LAM

## SHARE REGISTRY<sup>1</sup>

### CANADA

Computershare Investor Services Inc.  
100 University Avenue, 8th Floor  
Toronto, ON M5J 2Y1 Canada

### AUSTRALIA

Computershare Investor Services Pty Ltd  
Level 2  
45 St Georges Terrace  
Perth WA 6000

## LEAD MANAGER TO THE OFFER

Bell Potter Securities Limited  
Level 38 Aurora Place  
88 Phillip Street  
Sydney NSW 2000  
Australia

## SOLICITORS

### Australian

Allen & Overy  
Level 27  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

### Canadian

Irwin Lowy LLP  
130 Adelaide Street West, Suite 1010  
Toronto ON M5H 3P5

### U.S Titles Report on New Mexico Tenements

Comeau Maldegan Templeman & Indall LLP  
141 East Palace Ave  
Santa Fe NM 87501

### US Titles Report on Utah Tenements

Davis Graham & Stubbs LLP  
Suite 500  
1550 Seventeenth Street  
Denver Colorado 80202

### Solicitor's Report on Australian Tenements

Minter Ellison  
Waterfront Place, 1 Eagle Street  
Brisbane QLD 4001

## **CANADIAN AUDITORS**

Collins Barrow Toronto LLP  
Collins Barrow Place  
11 King Street West, Suite 700  
Toronto ON M5H 4C7

## **INDEPENDENT GEOLOGIST**

Mining Associates Pty Ltd  
Level 4, 67 St Paul's Terrace  
SPRING HILL QLD 4004

## **INVESTIGATING ACCOUNTANT**

Lawler Corporate Finance Pty Ltd  
Level 3  
549 Queen Street  
BRISBANE QLD 4000

Note 1: These entities are included for information purposes only and have not been involved in the preparation of this Replacement Prospectus.



# Laramide Resources Ltd.



**Laramide Resources Ltd**  
ARBN 154 146 755

Registry Use Only

## Application Form

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional adviser without delay. You should read the entire replacement prospectus carefully before completing this form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the replacement prospectus.

Broker Code

Adviser Code

**A** I/we apply for

Number of CDI in Laramide Resources Ltd at A\$0.85 per CDI or such lesser number of CDI's which may be allocated to me/us

**B** I/we lodge full Application Money

A\$

**C** Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)

| Title or Company Name | Given Name(s) | Surname |
|-----------------------|---------------|---------|
|                       |               |         |

| Joint Applicant 2 or Account Designation |
|------------------------------------------|
|                                          |

| Joint Applicant 3 or Account Designation |
|------------------------------------------|
|                                          |

**D** Enter your postal address - Include State and Postcode

| Unit | Street Number | Street Name or PO Box /Other Information |
|------|---------------|------------------------------------------|
|      |               |                                          |

| City / Suburb / Town | State | Postcode |
|----------------------|-------|----------|
|                      |       |          |

**E** Enter your contact details

| Contact Name | Telephone Number - Business Hours / After Hours |
|--------------|-------------------------------------------------|
|              | ( )                                             |

**F** CHESS Participant

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any securities issued as a result of the IPO will be held on the Issuer Sponsored subregister.

**Payment details – Please note that funds are unable to be directly debited from your bank account**

| Drawer | Cheque Number | BSB Number | Account Number | Amount of cheque |
|--------|---------------|------------|----------------|------------------|
|        |               |            |                | A\$              |

**Make your cheque or bank draft payable to Laramide Resources Ltd.**

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Replacement Prospectus and the declarations/statements on the reverse of this Application form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate. I/we agree to be bound by the Constitution of the Company.

L A M A

I P O

See back of form for completion guidelines

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# How to complete this form

## A Shares Applied for

Enter the number of CDI's you wish to apply for. The application must be for a minimum of 3,000 CDI's. Applications for greater than 3,000 CDI's must be in multiples of 1,000 CDI's.

## B Application Monies

Enter the amount of Application Monies. To calculate the amount, multiply the number of CDI's by the price per CDI.

## C Applicant Name(s)

Enter the full name you wish to appear on the statement of share holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.

## D Postal Address

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

## E Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

## F CHES

Laramide Resources Ltd (the Company) will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Securities Exchange Limited. In CHES, the company will operate an electronic CHES Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of CDI's allotted. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold CDI's allotted to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

## G Payment

Make your cheque or bank draft payable to Laramide Resources Ltd in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B. **Please note that funds are unable to be directly debited from your bank account.**

**Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.**

The CDIs to which this Application Form relates are Laramide Resources Ltd CDIs. Further details about the CDIs are located in the Replacement Prospectus dated 14 February 2013. The Replacement Prospectus will expire 13 months after the date of the Replacement Prospectus. While the Replacement Prospectus is current, Laramide Resources Ltd will send paper copies of the Replacement Prospectus, any supplementary document and the Application Form, free of charge on request.

Before completing the Application Form the applicant(s) should read this Replacement Prospectus. By lodging the Application Form, the applicant agrees that this application for CDI's in Laramide Resources Ltd is upon and subject to the terms of the Replacement Prospectus and the Constitution of Laramide Resources Ltd, agrees to take any number of CDI's that may be allotted to the Applicant(s) pursuant to the Replacement Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus to which the application form relates. Both the Prospectus and this Application Form are available on the Laramide Resources Ltd website at [www.laramide.com](http://www.laramide.com).

## Lodgement of Application

Application Forms must be received by Computershare Investor Services Pty Limited Perth by no later than 5.00pm (WST) on 25 February 2013. You should allow sufficient time for this to occur. Return the Application Form with cheque(s) attached to:

Computershare Investor Services Pty Limited  
GPO Box D182, PERTH WA 6840

**Neither CIS nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means.**

## Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS"), as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

**If you have any enquiries concerning your application, please contact the Computershare Investor Services Pty Limited on 1300 850 505.**

## Correct forms of registrable title(s)

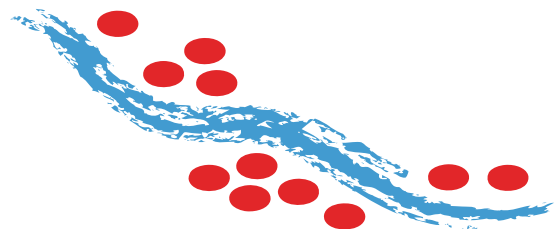
Note that ONLY legal entities are allowed to hold CDI's. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

| Type of Investor                                                                                                               | Correct Form of Registration                                  | Incorrect Form of Registration         |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------|
| Individual<br>- Use given name(s) in full, not initials                                                                        | Mr John Alfred Smith                                          | J.A Smith                              |
| Joint<br>- Use given name(s) in full, not initials                                                                             | Mr John Alfred Smith &<br>Mrs Janet Marie Smith               | John Alfred &<br>Janet Marie Smith     |
| Company<br>- Use company title, not abbreviations                                                                              | ABC Pty Ltd                                                   | ABC P/L<br>ABC Co                      |
| Trusts<br>- Use trustee(s) personal name(s)<br>- Do not use the name of the trust                                              | Ms Penny Smith<br><Penny Smith Family A/C>                    | Penny Smith Family Trust               |
| Deceased Estates<br>- Use executor(s) personal name(s)<br>- Do not use the name of the deceased                                | Mr Michael Smith<br><Est John Smith A/C>                      | Estate of Late John Smith              |
| Minor (a person under the age of 18)<br>- Use the name of a responsible adult with an appropriate designation                  | Mr John Alfred Smith<br><Peter Smith A/C>                     | Peter Smith                            |
| Partnerships<br>- Use partners personal name(s)<br>- Do not use the name of the partnership                                    | Mr John Smith &<br>Mr Michael Smith<br><John Smith & Son A/C> | John Smith & Son                       |
| Clubs/Unincorporated Bodies/Business Names<br>- Use office bearer(s) personal name(s)<br>- Do not use the name of the club etc | Mrs Janet Smith<br><ABC Tennis Association A/C>               | ABC Tennis Association                 |
| Superannuation Funds<br>- Use the name of trustee of the fund<br>- Do not use the name of the fund                             | John Smith Pty Ltd<br><Super Fund A/C>                        | John Smith Pty Ltd Superannuation Fund |

I P O

L A M A

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**Laramide Resources Ltd.**

