Uraniumletter INTERNATIONAL
the international independent information and advice bulletin for uranium resource investments

Special Situation – October 2011 Update

www.laramide.com

Laramide Resources Ltd. (Cdn$ 0.89)

TSX	: LAM
H+L prices (12 months)	: Cdn$ 2.87 – 0.61
Issued shares	: 67.9 million
Fully diluted shares	: 74.7 million
Market capitalization	: Cdn$ 60.4 million

Next price target: Cdn$ 2.50

Company Profile

Laramide Resources Ltd. ("Laramide" or the "Company") is engaged in the exploration and development of high-quality uranium assets. Its wholly owned uranium assets are in **Australia** and the **United States**.
Currently, the Company's uranium assets in development include more than 60 million pounds of U_3O_8 (NI 43-101 compliant) in one Australian and two U.S. based projects.

The Company's flagship project, the **Westmoreland** Property in **Queensland, Australia** is one of the largest uranium deposits in the world not controlled by a major mining company. Its 2009 updated NI 43-101 compliant resource totals 51.9 million pounds of U_3O_8 comprised of 36.0 million pounds Indicated and 15.9 million pounds Inferred resources contained in 18.7 million tonnes grading 0.089% U_3O_8 (Indicated) and 9.0 million tonnes grading 0.83% U_3O_8 (Inferred).

The Project, in its final phase of environmental studies, makes production of Westmoreland possible from 2015.

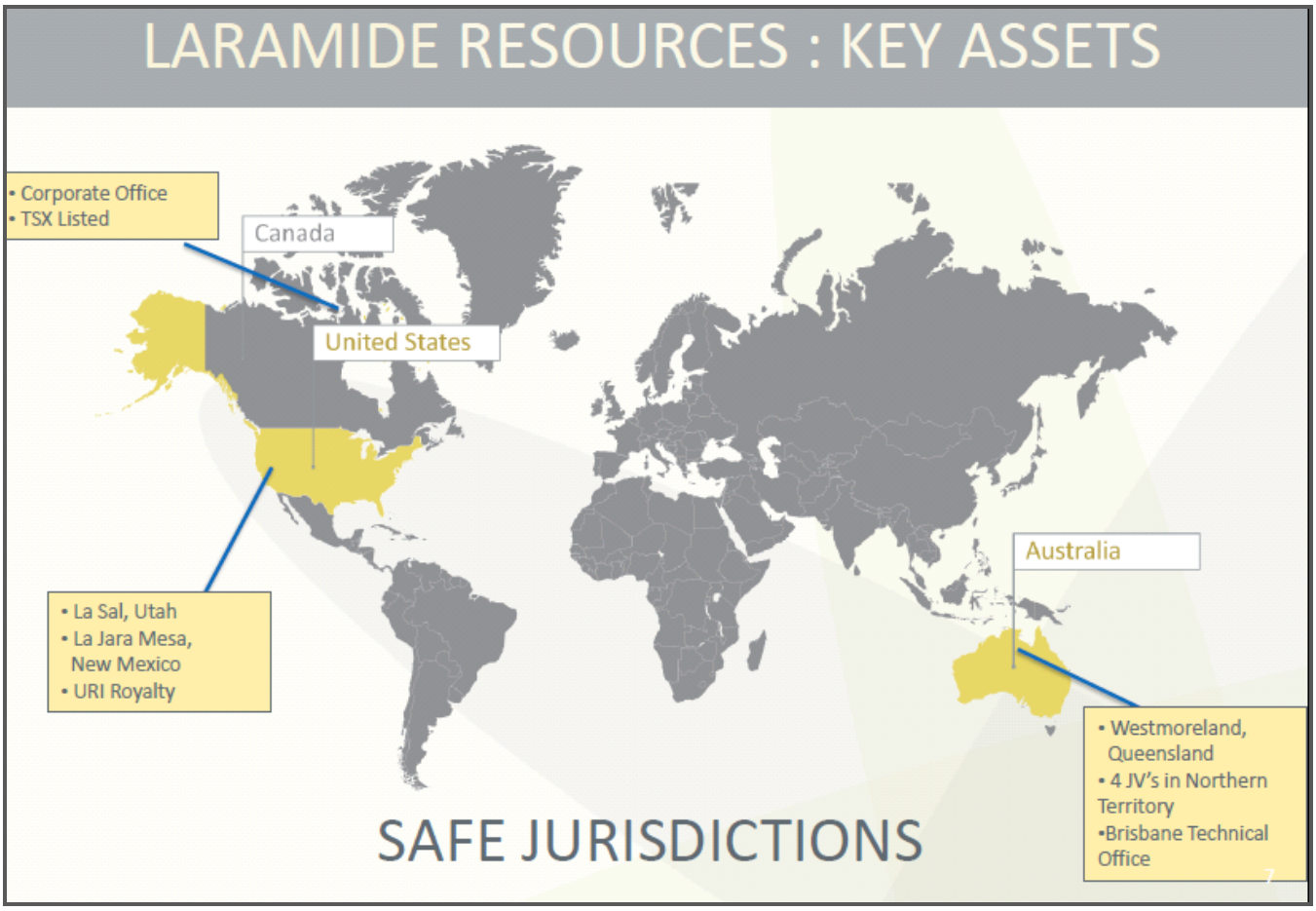
In the **U.S.**, Laramide's uranium assets include the **La Sal Property** in **Utah's, Lisbon Valley District** and **La Jara Mesa in Grants, New Mexico**. La Sal is located 65 miles from Denison Mines' White Mesa Mill, and 36 miles from Energy Fuels' proposed Piñon Ridge Mill site. Laramide has initiated the permitting process for mining 3 million pounds of U_3O_8 while pursuing milling options.
On October 7, 2011, the US Bureau of Land Management made public a final environmental assessment on La Sal. This is an important milestone and initiates the final 30 day public comment period following which a decision with respect to the permit can be expected.
La Sal was previously permitted, developed and operated by Homestake Mining Company, a wholly owned subsidiary of Barrick Gold.

La Sal has a historic resource of 440,000 tonnes grading 0.31% U_3O_8 for 2.7 million contained pounds U_3O_8 (non NI 43-101 compliant).

At **La Jara Mesa** in Grants**, New Mexico**, a NI 43-101 compliant resource evaluation completed in October 2006 identified 10.4 million pounds of U_3O_8 (2.4 million tonnes grading 0.22% U_3O_8). La Jara Mesa is presently at the environmental impact and public comment stage. Planned start-up is in 2014. La Jara Mesa also has significant exploration potential to expand the resources.

In addition, to its three advanced uranium projects - Westmoreland, La Sal and La Jara Mesa, the Company has recently joint ventured two uranium tenements with **Rio Tinto** in the Northern Territory. Laramide also holds publicly traded equity investments worth approximately CAD$13 million.

Finally, the Company has a portfolio of uranium royalties on Uranium Resources Inc. projects located in the Grants Mineral District of New Mexico, USA that it purchased from General Electric on few years ago. These are not included in the value of the investments noted above.



Overview of Australian projects

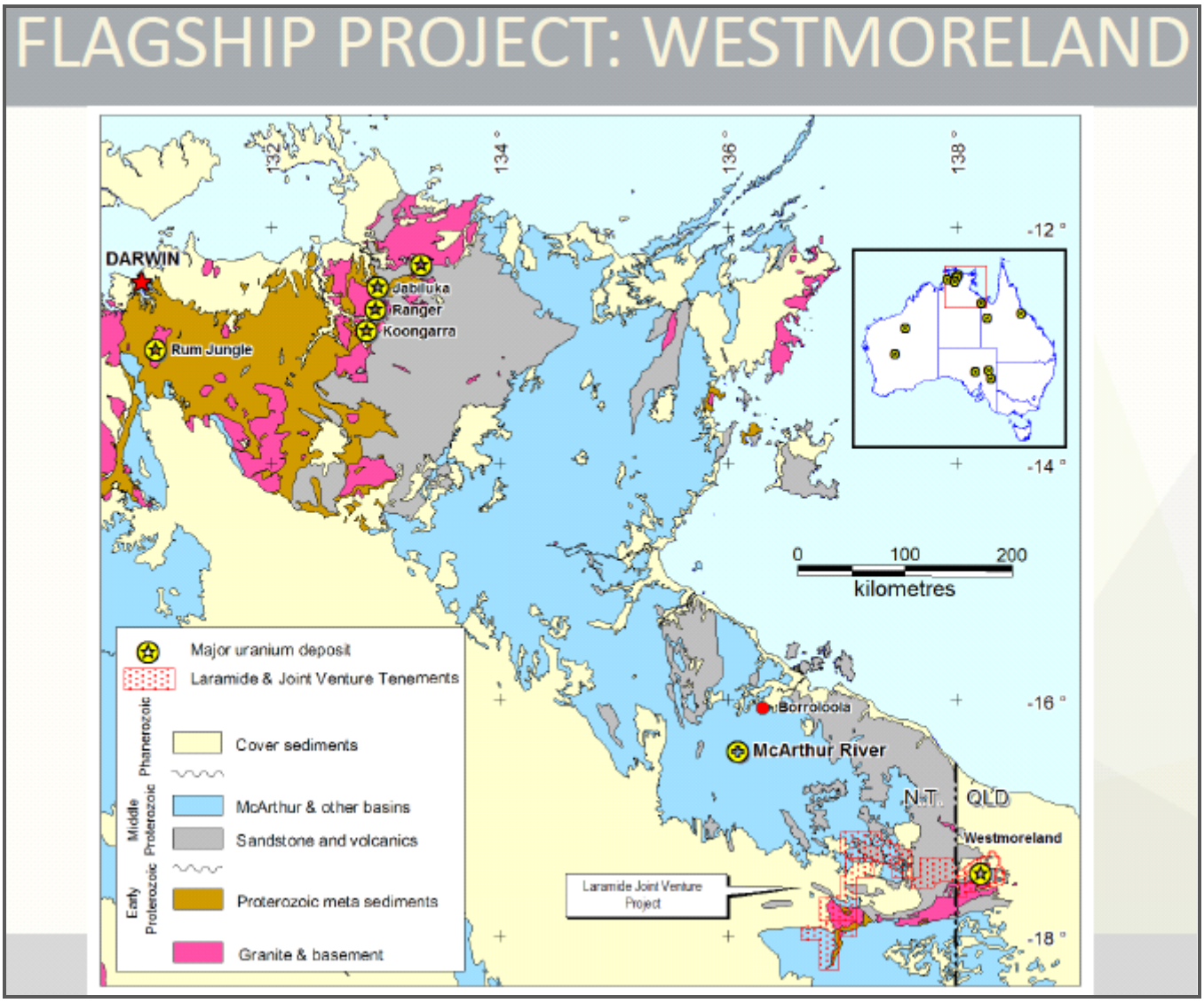
➢ Westmoreland, northwest Queensland, Australia

Westmoreland, encompassing 506 square miles, is a proterozoic unconformity sandstone hosted deposit with high-grade structural zones, plus lower grade disseminated zones of U_3O_8.

The Deposit was previously owned by Rio Tinto but dropped in 2000 when uranium prices were low and the Australian government opposed advanced uranium mining.

Rio Tinto completed an in-house Prefeasibility Study in 1995 based upon 86,700 metres of exploration drilling (1,300 drill holes), metallurgical studies and resource calculations. The Study concluded that there was potential for open cut and underground production. Metallurgy was good with high recoveries and low acid consumption.

In April 2007, Laramide completed a Scoping Study prepared by GRD Minproc (see details on page 4).



In November 2010, Laramide announced assay results from the drilling completed during August and September 2010. A total of 19 diamond drill holes for 1,377.9 metres were completed. Of the 19 drill holes 7 holes were drilled for 630.40 metres at Huarabagoo, and 12 holes were drilled for 747.50 metres in the Sue-Outcamp areas, which are also known as Long Pocket. Highlights include hole LPDO-10-006 with 4 metres grading 0.29% U_3O_8 and hole WDD-004 with 9 metres grading 0.16% U_3O_8.

The Long Pocket area is located 8 km east of Junnagunna and incorporates the historic Sue-Outcamp and Black Hills prospects. Drilling was undertaken to test the tenor and distribution of mineralization at the historic Sue-Outcamp prospect area and should provide confirmation that mineralization in this area, drilled sporadically by previous owners, has potential to be included in the resource inventory once the Definitive Feasibility Study is initiated.

In the fourth quarter of 2010, a final dry season environmental data survey and monitoring program was completed to capture baseline data, required for the Environmental Impact Study.

In July 2011, Laramide announced that it had received the final report from the Australian Nuclear Science and Technology Organisation ("ANSTO") for comprehensive metallurgical test work carried out on the Westmoreland Project. The ANSTO report, which was commissioned by Laramide in late 2010, is intended to identify definitive process route options for the Project and to provide engineering design data sufficient to support a Pre-Feasibility Study.

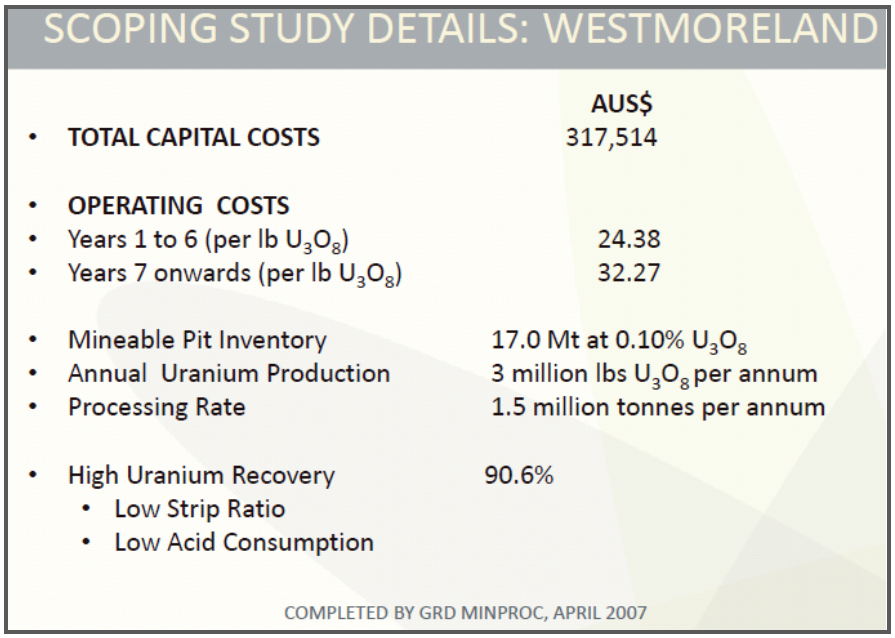
The ANSTO study was completed on four composite lens samples (Junnagunna, Redtree Upper, Redtree Lower and Jacks) of the Westmoreland Deposit. High recoveries were achieved from all areas using a conventional uranium processing route. Encouraging results were received from ion exchange test work. This was a preliminary step for determining the feasibility and benefits of a resin in pulp process route.

The results will merit further study, as they introduce the possibility of a meaningful reduction in capital costs. Whatever process route is ultimately decided, Westmoreland is clearly a very robust, low technical risk project and only requires political change in Queensland to proceed.

In anticipation of such change, Laramide this past July initiated an update of the Scoping Study (Preliminary Economic Assessment Study), which was completed by Minproc in April 2007. The new study, which will incorporate the ANSTO results, as well as the voluminous amount of drill and other data compiled by Laramide in the past three years, will be done by Jacobs Engineering Group, Brisbane office.

In addition to updating costs and other parameters, the new study will benefit from upgrading and expansion of the resource base since the Minproc Study, and Laramide believes this would allow for an increase in the scale of the Westmoreland Project from the 3 million pounds U_3O_8base case presented in 2007.

The Jacobs study is expected to be completed in approximately 4 to 5 months.



►Queensland, political change?

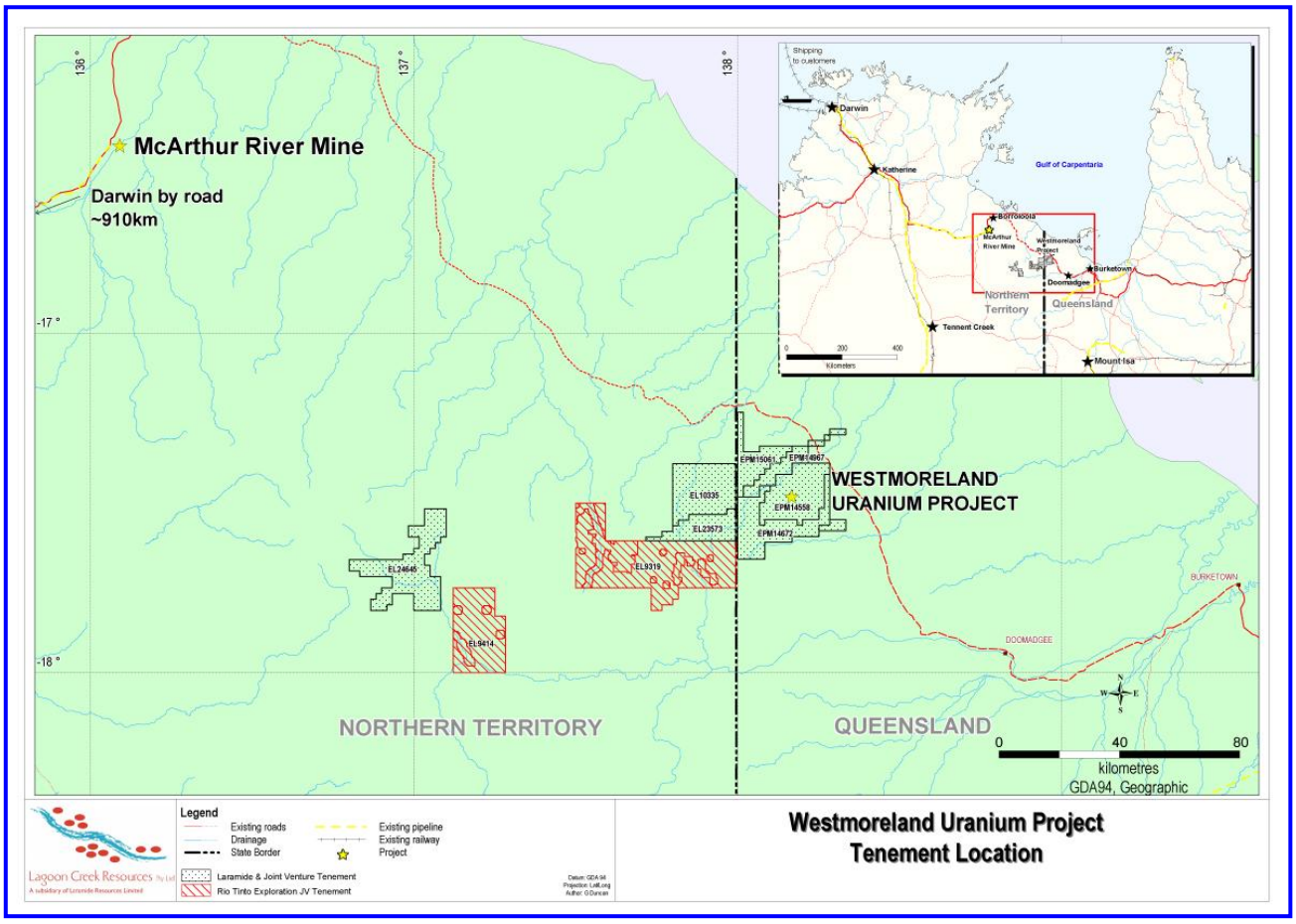
In recent history, mine development permits in Australia for uranium was complicated by a policy platform of the Australian Labor Party (ALP) that restricted uranium mining to existing permitted operations. Although the sentiment at both the provincial and federal level has evolved progressively, permitting is dealt with at the individual state government level.

The current Queensland government, an ALP government, remains opposed to new uranium mine development and therefore may impact permitting of Westmoreland. North Queensland Aboriginal leader, Murrandoo Yanner, has repeated his call for Premier Anna Bligh to lift a uranium mining ban. The next Queensland election is in March 2012. Currently, the Liberal Party leader is significantly ahead in the polls and supports uranium mining both at the Federal and State level.

➢ Two uranium tenements joint ventured with Rio Tinto, Northern Territory

On May 16, 2011, Laramide announced the signing of a Joint Venture Agreement with **Rio Tinto Exploration** pursuant to which the Company can joint venture two strategically located uranium tenements in the Northern Territory of Australia. The Project comprises tenement applications EL 9319 (724 km²) and EL 9414 (387 km²) that are situated geologically within the highly prospective Murphy Uranium Province and are along strike from Laramide's flagship Westmoreland Project in northern Queensland.

The Murphy Uranium Province produced high-grade uranium during the 1950s and stands out amongst the world's attractive underexplored uranium provinces having not seen any meaningful exploration since the 1970s.



Under the terms of the agreement, Laramide can earn a 51% interest in the Project with the expenditure of A$ 10 million over a 4-year period on exploration and development. The first A$ 1 million of this earn-in is a firm commitment by Laramide and will be dedicated to a large-scale helicopter supported air borne survey that will include magnetics and radiometrics.

RTX is forwarding the Exploration Agreements with traditional landowners necessary for the program to commence, including approval for uranium exploration. Laramide intends to commence an exploration program on the Project during 2011/2012.

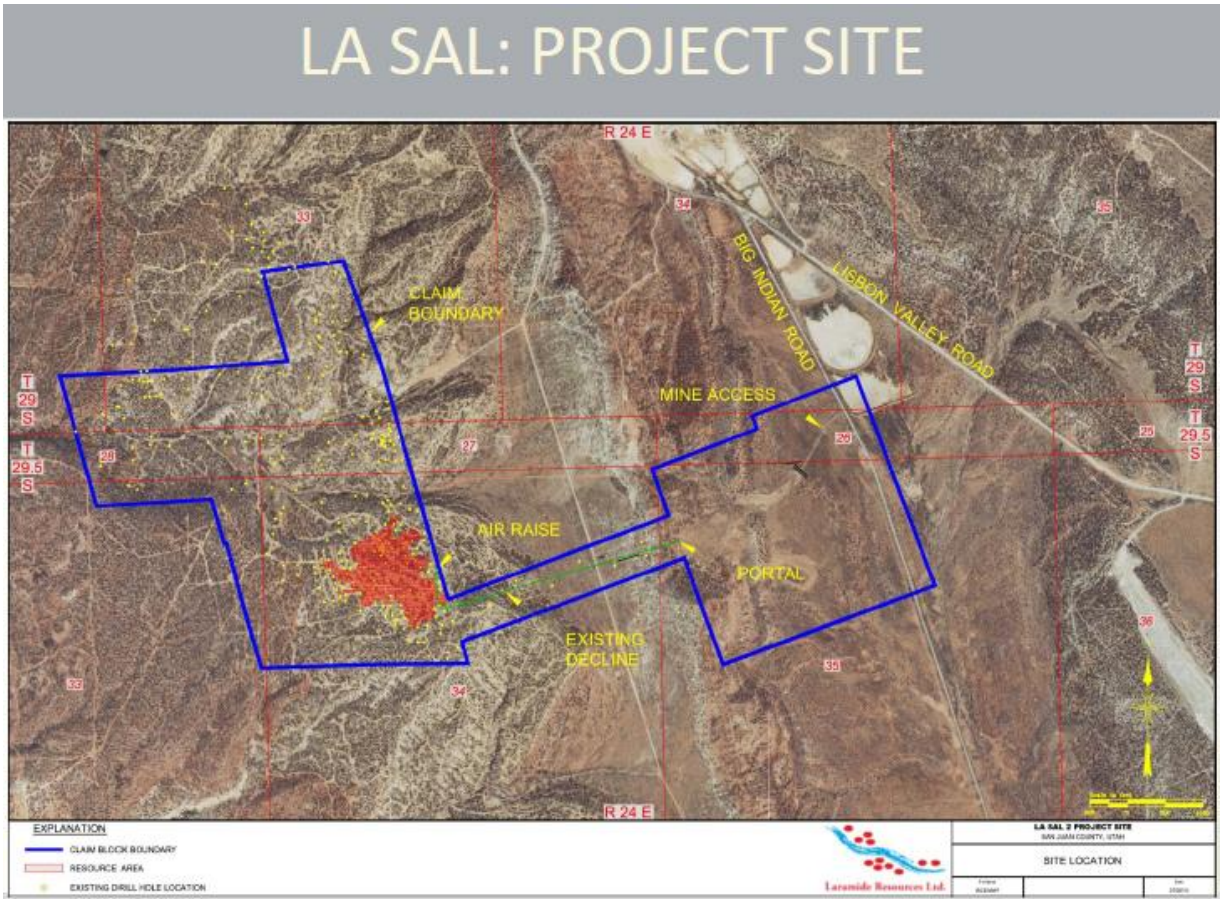
Overview of US projects

➢ La Sal Property, San Juan County, Utah

In September 2010, Laramide finalised the exercise of its option to acquire the La Sal Property in San Juan County, Utah for purchase consideration of US$ 500,000 and relative transfer costs to Homestake Mining a subsidiary of Barrick Gold Corporation. This payment will be followed by a further payment of US$ 250,000 required upon successfully permitting the La Sal Property and a final payment of US$ 500,000 upon the La Sal property commencing commercial production.

The La Sal Property was encumbered from 2005 until recently preventing Laramide from developing the asset despite its advanced status as a previously permitted project with a 1,200 metre access drive constructed and with access to a commercial mill. La Sal contains a historic resource estimated by technical consultants engaged by the previous owner for purposes of mine planning, before the implementation of NI 43-101 requirements.

The historical resource consisted of 440,000 tonnes grading 0.31% U_3O_8, for 2.7 million contained pounds U_3O_8 and was estimated using a minimum undiluted thickness of six feet at a cut-off grade of 0.16% U_3O_8.



In late October 2010, Laramide submitted a Notice of Intent to the United States Bureau of Land Management ("BLM") to reopen the La Sal Mine. Concurrent with the BLM application, the Company also submitted a Notice of Intent to the State of Utah, Division Oil and Gas and Mining, for a Small Mine permit (applicable where the surface disturbance area is less than 5 acres).

A Plan of Operations at La Sal was deemed administrative complete on April 15, 2011, with a public comment period that ended on June 6, 2011. On October 7, 2011 the US Bureau of Land Management made public a final environmental assessment on La Sal. This is an important milestone and initiates the final 30 day public comment period following which a decision with respect to the permit can be expected. The State of Utah will withhold final permitting until the BLM completes the public comment period of the Environmental Assessment.

An existing 1,200 metres access drive should facilitate a rapid start-up scenario once permits are granted. The site lies 40 miles from Denison Mines' White Mesa Mill at Blanding, Utah – one of the only four permitted mills in the United States.

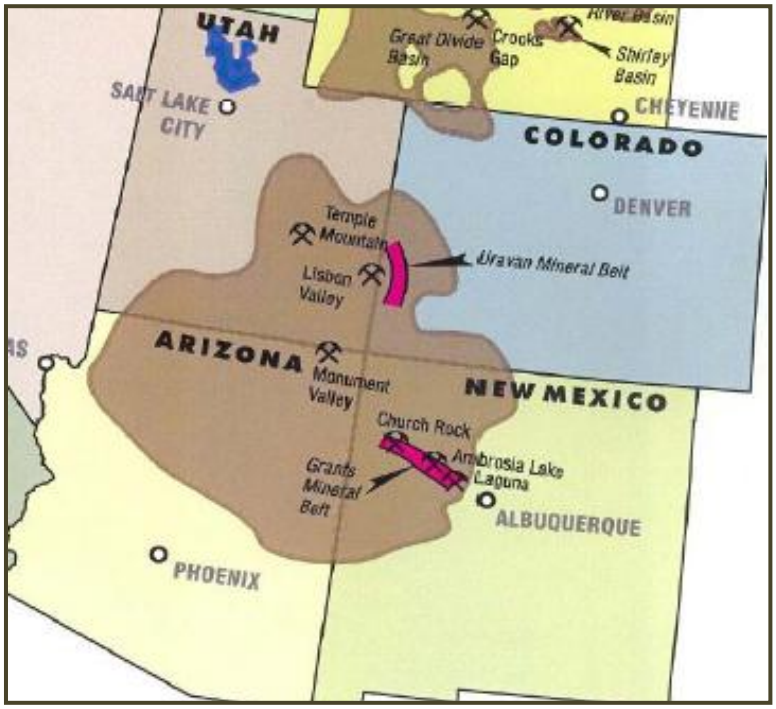
➢ La Jara Mesa Property, Grants District, New Mexico

The La Jara Mesa Project is located in the Grants District in New Mexico, historically the largest district in the United States with over 300 million pounds of U_3O_8 production.

In October 2006, an NI 43-101 compliant resource was completed for La Jara which identified 10.4 million pounds of U_3O_8 (2.4 million tonnes grading 0.22%), Laramide submitted a permit to develop a mine to the USDA Forest Service in late April 2008, which commenced its Environmental Impact Statement ("EIS") and Public Comment Process. Planned publication of the EIS is in 2011.

Planned start-up of La Jara Mesa is in 2014.

➢ Uranium Resources Royalty, Grants District, New Mexico



In December 2006, Laramide acquired a portfolio of uranium royalties in the Grants Mineral Belt of New Mexico from United Nuclear Corp., a wholly-owned subsidiary of General Electric since 1997.

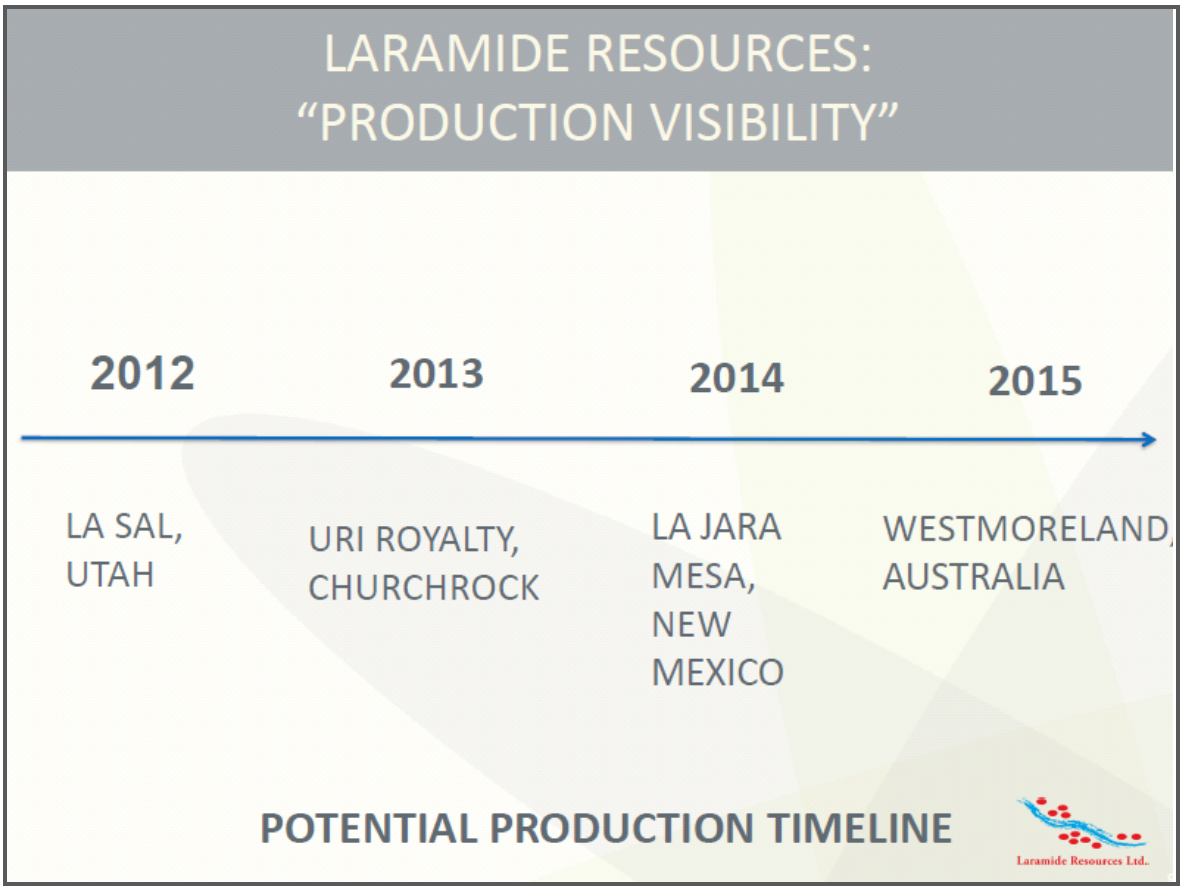
The royalty portfolio covers four separate parcels of mineral leases in the Church Rock area of McKinley County, which is located 20 miles northeast of Gallup, New Mexico.
The properties are presently owned by a subsidiary of Uranium Resources Inc. (URRE – NASDAQ), a former uranium producer, which acquired them from United Nuclear in a series of transactions between 1986 and 1991.

Laramide's royalty is structured on the basis of a sliding scale, indexed to inflation based on the producer price index - All Commodities ("PPI") index. At the last calculation date, and using the May 2010 PPI value, the royalty will be based on gross scale prices of U_3O_8 with a royalty of 13% on a gross sales price of US$ 50 per pound, with a maximum royalty of 25% when sales prices reach US$ 79.88 per pound or higher.

Terms of the acquisition call Laramide to pay United Nuclear US$ 9.25 million in cash, of which US$ 3.5 million has already been paid at closing, with the remaining payments subject to permitting milestones.

The main focus of Uranium Resources in Church Rock has been the section 8 mineral lease, one of the key permits having been permitted to extract uranium via in-situ recovery ("ISR") by the State of New Mexico Environmental Department. This had never operated, however, because of a court challenge that arose from the Navajo Nation, while other final permits were still pending.

URI's legal position eventually prevailed and with the elimination of the final potential court challenges in the third quarter of 2010, URI was finally able to turn its attention to the development of Church Rock and to the strengthening of its financial and market position. Following a significant market rally and two equity finances in the latter half of 2010, URI is now providing market guidance that Church Rock should see feasibility in 2011, construction in 2012, and initial production in 2013 at a rate of one million pounds per annum. Should URI be able to attain this schedule and with no material deterioration in the uranium price, this outcome has the potential to be materially favorable to Laramide.



Management

John Booth, Director and Chairman of the Board, is a partner with Conservation Financial International; an FSA authorized, UK based alternative asset manager that he joined in 2004. He is also the Chairman of Buy FX, an online Foreign Exchange matching service, based in Bermuda, which he co-founded in 1998. A qualified lawyer in Ontario, New York and DC, Mr. Booth articled 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 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. He also serves on the board of directors and audit committees of both H2O Innovation and Maya Gold and Silver.

Marc Henderson, President, CEO & Director, has an economics degree from the University of Colorado. He has more than 20 years experience in running junior mining companies. Mr. Henderson has been President of a number of public companies, including MineFinders and Aquiline Resources. While at MineFinders, he was responsible for acquiring the Dolores property, which contains in excess of 2.0 million ounces of gold and 160 million ounces of silver. Marc was President and CEO of Aquiline a company focused on Gold and Silver assets in the Americas which was sold to Pan American for $700 million.

Dennis Gibson, Chief Financial Officer, holds a Bachelor of Commerce degree from Concordia University and is a Certified General Account. Throughout his 25 year career, he has held various senior financial positions. From 1996 to 2004, Mr. Gibson served as the Vice President, CFO and Corporate Secretary of Vector Intermediaries, a company listed on the TSX Venture Exchange and Aquiline Resources a TSX listed company.

Peter Mullens, Vice President of Exploration & Director, 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 20 years in a number of different roles. Mr. Mullens' experience includes 6 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 from 1994 to 1997. He followed this with a 6 month consultancy in China. He spent 5 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.

Greg Ferron, Vice President of Corporate Development and Investor Relations, holds an Honours Bachelor of Commerce degree and has over 10 years of capital markets experience as well as advising public mining companies. He has held various positions at the Toronto Stock Exchange and the TSX Venture Exchange. His last position at the Exchange was Global Head of Business Development for the mining sector. Prior to that, Mr. Ferron was a Financial Analyst at Scotiabank. He is also Vice President of Treasury Metals, a gold exploration and development stage company.

Chris Irwin, Corporate Secretary, has a Bachelor of Arts from Bishop's University in Lennoxville, Quebec in 1990 and a Bachelor of Laws from the University of New Brunswick. He has been a member of the Law Society of Upper Canada since 1996. Mr. Irwin is the principle of Irwin Professional Corporation. Between 2004 and 2006 he was associated with Wildeboer Dellelce LLP, prior to which he was associated initially with Boyle & Company and subsequently with Power Budd LLP. Presently Mr. Irwin is a Director and/or Officer of several public companies.

Scott Patterson, Director, joined First Service 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, he was an investment banker at Loewen, Ondaatje, McCutheon, 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.

Paul Wilkens, Director, holds an MBA from the University of Rochester and a Master of Science in Nuclear Engineering. He 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 company's electric generation, including the RE Ginna and Nine Mile 2 nuclear power plants. While under his leadership, Ginna received commendations from the Nuclear Regulatory Commission for its engineering organization and from the Institute of Nuclear Power Operations for top performance.

Investment recommendation:

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Being in its final phase of environmental studies production of Westmoreland is possible from 2015.

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In addition to its two advanced uranium projects, the La Sal Property, and two uranium tenements recently joint ventured with Rio Tinto in the Northern Territory, Laramide holds cash and short-term marketable investments worth approximately Cdn $ 14 million.

Based on results of a Scoping Study completed in April 2007, Laramide expects Westmoreland can produce three million pounds of U_3O_8 per annum at operating costs of US$ 19.02 per pound in the first 6 years. A more extensive drilling program is planned for 2011 to provide sufficient data to undertake an upgraded resource estimate which can support higher production rates of up to four million pounds of U_3O_8 per annum.

With **Westmoreland, La Sal** and **La Jara Mesa** having identified resources of 62.3 million pounds of U_3O_8, representing a market value of less than US$ 2.00 per pound U_3O_8 (fully diluted) and estimated production of 2 million pounds of U_3O_8 providing a gross revenue of at least US$ 90 million per year, in our view, at today's overreacted depressed price level due to the Fukushima nuclear disaster, the shares of Laramide, as one of Australia's next uranium producers, at a current market valuation of just Cdn$ 60.4 million, including approximately cash and short-term marketable investments of Cdn$ 14 million, are strongly undervalued.

First price objective Cdn$ 2.50.

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