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Lakeland Resources Inc (TSXv: LK) (FSE:6LL) Update

Athabasca Basin Uranium Exploration | Outlook: Remains Positive

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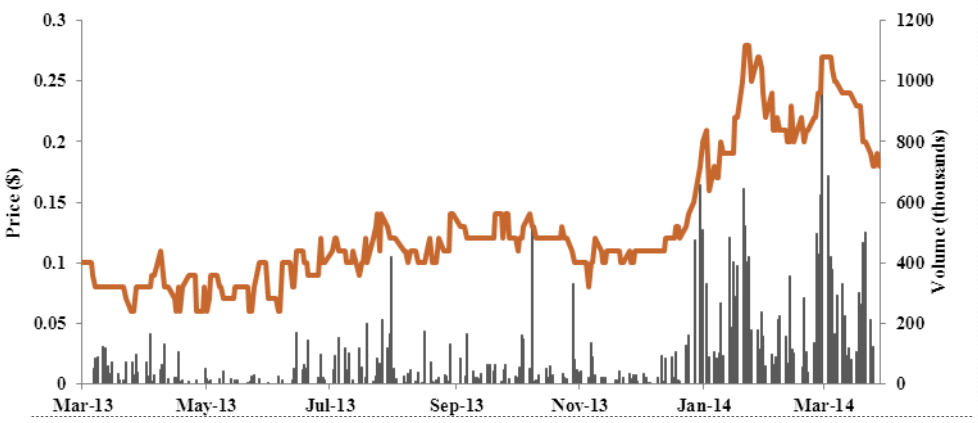
RESEARCH & OPINION

SUMMARY:

1. *We reaffirm our investment belief in the Athabasca Basin, as a low-cost producer, to be uniquely well-positioned to provide significant value despite an uncertain uranium prices environment. Page 6*
2. *Japan's central government has officially announced its desire to restart idled nuclear reactors. Decreasing reliance on fossil fuel imports is crucial for the success of Abenomics. However, politics can, and routinely does, trump economics. Page 2*
3. *The outlook for the US nuclear industry is improving due to potential upcoming shortfalls in gas and coal electricity generation. Page 4*
4. *LK has completed a second round financing, raising gross proceeds of C$2,830,536. The results were impressive, raising more than 2.5 times LK's first round of financing only 5 months ago. Page 8*



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Uranium Market Overview – 2014 Q1

There is renewed optimism for uranium equities following a three year bear market sparked by the infamous Fukushima Daiichi nuclear accident (Chart 1). On Feb 25th the Japanese government, led by Shinzo Abe, reversed the previous governments' decision to phase out nuclear energy. Instead, nuclear is set to regain its former stature as an integral component of Japan's electricity generation; although no timetable for reactor restarts was given (Map 1). The use of Nuclear remains a heated topic with the Japanese public, as recent polls show the majority of respondents continue to oppose reactor restarts and a large majority harbour some degree of concern over reactor safety.[2] Therefore, restarting idled Japanese reactors is likely to be contested, indicating the industry-wide completion of the process will be gradual with reactors restarting in stages. Depending on the enforcement of new safety regulations and the degree of compromise from the Abe led government, a sizable contingent of reactors may never restart (Chart 2).

Japan Reactor Restarts – return of the Jedi

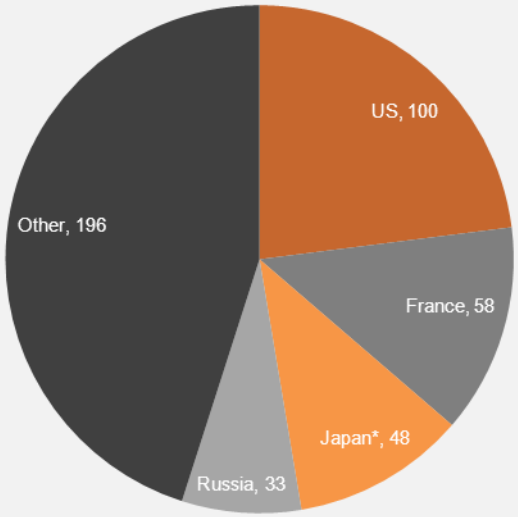
Our model suggests a base case scenario of 28 eventual reactors restarting; though the confidence range is wide reflecting the uncertain political environment. Alternatively, Cameco (TSX: CCO) had predicted 35 to 40 reactors would eventually restart.[3] This seems optimistic as we assume no BWR (boiling water reactor) with Mark 1 containment built in the 70's will restart. This was the model in operation at Fukushima Daiichi. Though utilities operating these reactors had made improvements prior to 2011, the design appears inadequate to deal with Japan's seismic threats (earthquakes, volcanic activity, and tsunamis) post Fukushima.[4] Even BWRs with Mark 2 containment may have a tough time receiving approval to restart without massive capital expenditure (Capex) improvements depending on their geographic location. Japan has three BWRs with Mark 1 containment still listed as operational, and eleven BWRs with Mark 2 containment.[5]

It should be noted that the unlike its predecessor, Japan's National Regulatory Authority (NRA) has the legal authority to "back-fit" new rules and regulations onto existing nuclear power plants (NPPs). This has left the future of NPPs located at Tsuruga, Ohi, Higashidori, Mihama, and Shika up in the air due to their proximity to potentially active faults. New rules incorporating multi-layered protective measures will also increase one-time costs for NPPs exposed to tsunami risk along Japan's eastern seaboard and NPP's with active

Chart 1. Athabasca Basin Sample Performances for 2014

Source: Yahoo Finance

Chart 2. Operational Reactor. Regional Breakdown



Source: IAEA|PRIS

[2] The ASAHI SHIMBUN, "ASAHI POLL: 59% oppose restart of nuclear reactors", Mar 18, 2014
[3] Cameco Corp Presentation at the Canaccord Resource Conference, Oct 2013
[4] Reuters, Japan reactor design caused GE engineer to quit, Mar 15, 2011
[5] Hitachi-GE Nuclear Energy, "Advanced Boiling Water Reactor", page 4

volcanoes within 160km radius.[6] There are numerous potentially active faults and volcanoes in Japan, such that the definition of what is or should be considered active will have a material impact on utilities that own idled reactors. Regulatory uncertainty – and the subsequent costs – mixed with significant anti-nuclear public support makes predicting reactor restarts difficult and the timing next to impossible.

Due to the large amount of uncertainty we use an ordinal ranking methodology based on an assigned score using the independent variables:

1. Seismic safety
2. Reactor age and model
3. Proximity to major population densities
4. Reputation of the operating utility
5. Exposure to tsunami potential
6. Concentration of reactors
7. Access to consumer base

To determine seismic risk, we used mapping from Japan Seismic Hazard Information Station (j-SHIS) which included information regarding:

- Probability of major seismic hazards within 30 years
- Major active fault zones
- Major subduction-zone earthquakes
- Occurrence region of subduction-zone earthquakes

We believe both reactors currently under construction will be completed as both scored well and are modern third generation advanced reactors. Japan's referenced nuclear output under our best case scenario could approach 32 GW of capacity representing 75% of the Country's currently listed operable net generating capacity.

The results of the model are encouraging as the Sendai-2 and to lesser extent Sendai-1 reactors were estimated to be amongst the first group to restart. The Sendai NPP has been short-listed by the Japanese NRA clearing the way for the first potential NPP restart (Appendix B).

We use the 10-year average load factor for reactors world-wide prior to the Fukushima accident to determine what the expected load is for Japanese reactor restarts (Table 1). Interestingly, it appears in aggregate Japan's NPPs utilization was below the world average in 2010. Economically, Japan's nuclear industry, though not necessarily individual utilities, should be healthier with fewer operating reactors

[6] Japanese NRA, "Enforcement of the New Regulatory Requirements for Commercial Nuclear Power Reactors", Jul 8, 2013

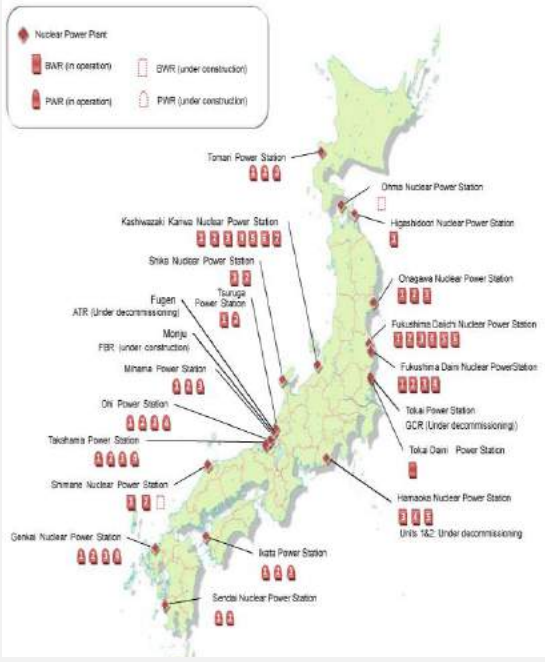
Table 1. Japan 2020 U_3O_8 Requirements Scenario Analysis

Operable Reactors	Number of reactors	Reference Unit Power (MW)	Annual U3O8 Demand (thousands of lbs)
Current as at March 2014	48	42,388	951.52
2020 Bear Case	20	18,450	8,925.25
2020 Base Case	28	25,873	12,516.15
2020 Best Case	34	31,976	15,468.50

Source: IAEA|PRIS, WNA (World Nuclear Association), and ZC estimates

Acknowledgment of Japan's direct and indirect seismic risks, plus broader and stronger enforcement powers for the NRA creates significant uncertainty in forecasting the quantity and timing of reactor restarts.

Map 1. Location of Japanese NPPs



Source: National Report of Japan for the Fifth Review Meeting of the Convention on Nuclear Safety, Sep 2010, Government of Japan

running with increased efficiency once necessary write-downs are taken.

USA – the empire strikes back

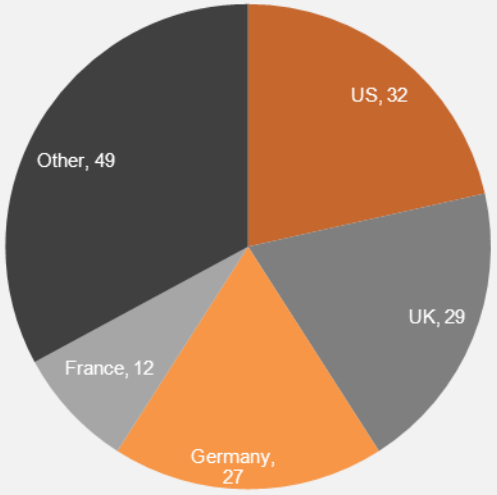
In the US, the commercial nuclear industry may soon be able to arrest the recent declines experienced. Nuclear power consumption peaked in 2010 before declining year-on-year (yoy) in 2011 and 2012. Last year saw four reactors close prior to the expiration of their operating licences and EDF announce its withdrawal from the US nuclear market due to unfavourable economics (Chart 3).[7] Exelon, the largest US utility of NPPs has indicated possible closures of some reactors. And while there are four new reactors under construction in the US – the first to have broken ground in over thirty years – the expected completion dates are anything but certain. Construction of the Watts Bar-1 reactor, which was connected to the power grid in 1996, took over twenty-three years to complete; while construction of Watts Bar-2, expected to be commercially operable in 2016, started in 1972 before being suspended for almost twenty-two years in 1985. Therefore, little faith should be placed behind either project – Summer or Vogtle – reactor construction schedules. Both appear to be facing cost overruns and difficulties honouring their respective timetables.[8]

However, a combination of factors should help the US commercial nuclear industry through 2015 to 2020:

1. Coal – Routinely represents more than 40% of the annual US electricity generation and was relied upon this winter due to consistently frigid temperatures.[9] However, new environmental regulations will have a material impact on US coal consumption. The US Energy Information Administration (US eia) estimates coal consumption to decrease by 3.1% in 2015 ahead of the implementation of the EPA's Mercury and Air Toxics Standards (MATS) in 2016. Further, the US eia reference case projects the retirement of 60 GW of capacity by 2020 which was approximately 20% of the total US electricity generating capacity from coal in 2012.

2. Gas – Represents approx. 27% of US electricity generation. Unlike, NPPs whose cost structure when operating is largely fixed, electricity generation from natural gas has significant variable costs. Any prolonged material increase in the price of natural gas from the mid-U$4/MMBtu range should cause the wholesale price of electricity to rise, improving the

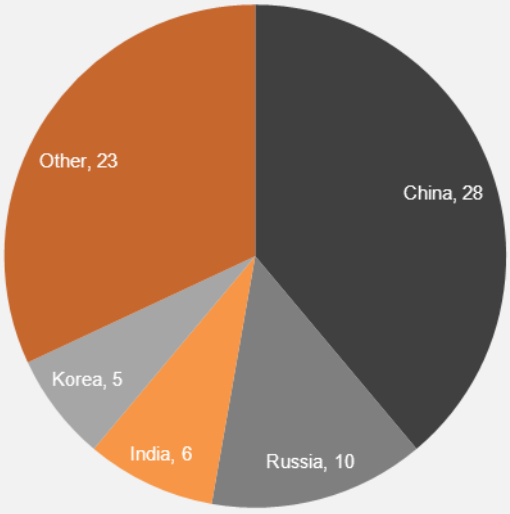
Chart 3. Reactors in Permanent Shutdown Breakdown by Country



Source: IAEA|PRIS

"Let your reason serve to make the truth appear where it seems hid, and hide the false seems true"
-Shakespeare, Measure for Measure

Chart 4. Reactors Under Construction, Regional Breakdown



Source: IAEA|PRIS

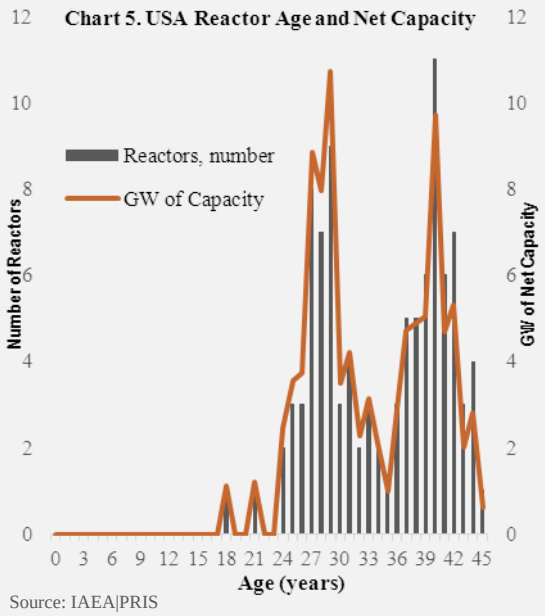
[7] Reuters, "UPDATE 3-EDF exits US nuclear, ups earnings outlook", Jul 30, 2013
[8] Direct Testimony of Steven C. Prenovitz on behalf of Nuclear Watch South | Docket 29849
[9] US eia, "US Coal Consumption", Short-Term Energy Outlook, Mar 11, 2014

competitiveness of nuclear generation. Reasons for natural gas prices to likely rise in the US over the medium term are: (i) increased demand from utilities as coal plants retire, (ii) the adequacy of the natural gas transportation and storage network to handle greater than expected demand.[10] Anecdotally, the Keystone XL application was filed 5.5-years ago, leading to the conclusion that lobbying by special interest groups will stifle necessary infrastructure investment. (iii) Potential relaxation of the rules surrounding the export of liquefied natural gas (LNG), which could lead to increased domestic natural gas prices.

3. Wind – The recent expiry of the Production Tax Credit (PTC), which historically has had massive positive impacts on wind infrastructure investment dollars.[11] A recent PwC global survey showed the majority of utilities expect onshore wind to be economic by 2030. However, without the ongoing renewal of the PTC it is difficult to see how the US will achieve the administrations renewable energy targets by 2020.

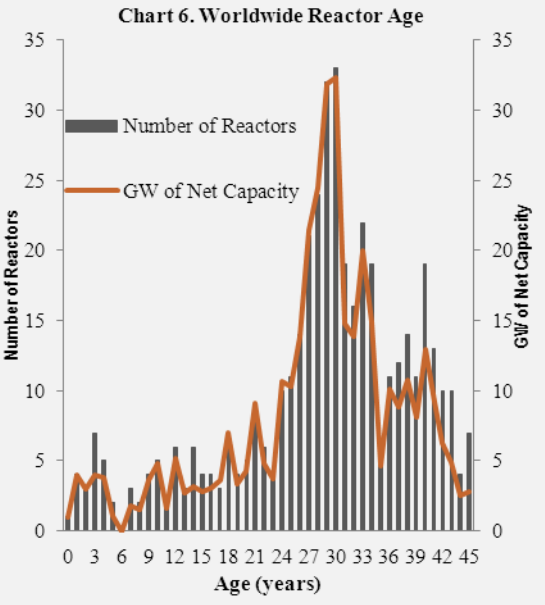
Therefore, a reasonable case can be made for fewer reactor retirements throughout the forecast period than would otherwise be expected. Currently there are no operational reactors older than 45 years in the US. Reactor retirements are likely to occur after the initial operating licence has been extended and before large fixed capital expenditures are incurred (Chart 5). During this stage, Capex requirements are more likely to be greater than the expected net present value (NPV) of future cash flows due to much shorter time horizons. In the base case scenario, we expect five BWRs with Mark 1 containment vessels to be retired along with the three oldest PWR reactors by 2020. The US currently has 23 BWRs with Mark 1 containment. However, none are situated along the pacific coast and the US does not face the same hazardous seismic risks as Japan. We discount the probability of current reactors under construction being commercially operational within the forecast period, anticipating only the Watts Bar-2 reactor to be connected to the grid. Our base case leads to the conclusion of 93 operational reactors by 2020.

It is important to note there are risks to the US commercial nuclear industry. Domestic natural gas prices remaining at current levels over the forecast period due to consistently mild weather and continued economic malaise would keep wholesale electricity prices low,



Source: IAEA|PRIS

The weighted average age for US reactors is 34.4 years. However, a combination of consistently higher gas prices and renewable energy growth that is below lofty expectations will mean fewer reactor retirements than would otherwise be expected.



Source: IAEA|PRIS

[10] North AmericanNaturalGas Midstream Infrastructure Through 2035: A Secure Energy Future
[11] "Global Trends in Renewable Energy Investment 2013" Frankfurt School UNEP Centre & Bloomberg New Energy Finance

hindering the competitiveness of NPPs. As well, increased scrutiny by the Nuclear Regulatory Commission (NRC), though unlikely, of older reactors could potentially increase capital and maintenance costs for utilities. The combination of these risks would lead to a rash of reactor retirements and our bear case assumption of 82 operational reactors by 2020. For reasons listed above we do not believe this scenario will come to fruition (Table 2).

China – a new hope

China is a markedly different and refreshing story. Though the China General Nuclear Corporation (CGN) and China National Nuclear Corporation (CNNC) secured a large minority stake in the recently announced multibillion dollar Hinkley C project in the UK, the real growth market for nuclear is in China (Chart 4). Given China's favourable nuclear power performance since 1996 and continued commitments we anticipate 23.6 GW of capacity additional capacity by 2020 (Table 3). With air quality becoming a serious concern within China and less opposition to the politburo policies, there is no reason to expect growth of nuclear generating capacity in China to slow. Even with more modest growth for Chinese electricity generation, the forecast total net 40.5-44.7 GW of nuclear capacity will likely represent approximately only 4% of total electricity generated in 2020.

Conclusion

Due to continued headwinds for the commercial nuclear industry throughout the OECD (Organisation for Economic Co-operation and Development), representing 79% of total nuclear consumption in 2012, we have revised down our future spot price estimates (Table 4). Prodigious Chinese nuclear growth and Japanese reactor restarts will be partly offset by declining demand out of the US (Chart 6). Therefore, our base case growth forecast for aggregate annual NPP requirements from China, Japan, and the US is an additional 20.7 million pounds of U_3O_8 in 2020 (Table 5). Meanwhile, Cameco expects production from Cigar Lake to be at optimal capacity of close to 18 million pounds of U_3O_8 by 2018.

We believe the current spot price of U$34.70/lbs U_3O_8 continuing to languish under our 2014 bear case annual average price target of U$40.72/lbs is telling (Table 4). The percentage of spot market transactions over the period 2011 to 2013 remains above the long-term trend.[12] This situation is unlikely to reverse, and alleviate downward pressure on the spot price, until Japanese reactors officially begin to restart. We continue to believe the Athabasca Basin (Basin), as a low-

[12] Ux Weekly, "2013 Uranium Spot Market Review", Feb 3, 2014

Table 2. USA 2020 U_3O_8 Requirements Scenario Analysis

Operable Reactors	Number of reactors	Reference Unit Power (MW)	Annual U3O8 Demand (thousands of lbs)
Current as at March 2014	100	98560	48,917.39
2020 Bear Case	82	84219	40,741.24
2020 Base Case	93	94262	45,599.57
2020 Best Case	97	98730	47,760.99

Source: IAEA|PRIS, WNA, ZC estimates

"This wine is too good for toast-drinking, my dear. You don't want to mix emotions up with a wine like that. You lose the taste."
- Ernest Hemmingway, The Sun Also Rises

Table 3. China 2020 Base Case Annual U_3O_8 Demand

Operable Reactors	Number of reactors	Reference Unit Power (MW)	Annual U3O8 Demand (thousands of lbs)
Current as at March 2014	21	16,914	10,978.63
2020 completed constructions	23	23,576	15,206.63
Total	44	40,490	23,440.60

Source: IAEA|PRIS, WNA, ZC estimates

Table 4. ZC U_3O_8 spot price estimates

Annual mean	Current	
	Base Case	Bear Case
2013	39.74	N/A
2014	44.73	40.72
2015	49.33	44.63
2016	53.96	48.07
2017	59.00	52.26
2018	63.48	57.06

Source: ZC estimates

cost producer, provides a certain measure of prolonged downside price risk while offering significant upside potential. Given the uncertainty surrounding global uranium requirement for NPPs and the likely scenario that most utilities have probably accumulated significant of fuel due to the heavy discount between the spot and long-term price, there is tremendous value in being a low cost producer (Chart 7).

The Athabasca Basin – update on our investment thesis

We have and continue to believe that the Athabasca Basin region is the best place to explore for, and mine, uranium. Grade is the number-one reason. Additionally, Saskatchewan is an attractive place to build a mine, ranking 12 out of 112 jurisdictions worldwide in the recent Fraser Institute Global Mining Survey.[13] There is necessary infrastructure (roads, power, mills, etc.) in much of the region, especially in the eastern side of the Basin where CCO's McArthur River and Cigar Lake mines are situated. Infrastructure is a major factor that influences the economics of a potential mine; the less material that you have to physically mine, truck and process, the more lucrative your operation.

The main risk in the Basin continues to be the inherent uncertainty in exploration, which can be compounded as depth increases. However, given uncertainty surrounding the future uranium price environment, the potential rewards for finding premium deposits will continue to further incentivise exploration in the Basin. Many believe that a long-term price of $60/lbs U_3O_8 is needed to properly incentivise investment and maintain production for close to 33% of the world's high cost production; though our own analysis indicates this is closer to 25%. I believe the fact that Paladin Energy Ltd. (TSX: PDN) is placing operations at its Kayelekera mine in Malawi on care and maintenance (after continued operating losses) illustrates the material difference in cost structures that exist for producers outside the Basin and a few pockets in the US. Recent business developments from Denison Mines (TSX: DML) – spinning off its African operations, bolstering the 2014 Basin exploration budget, and planning to acquire Enexco Limited – upholds our investment thesis. Exploration companies focused in the Basin hold a lottery ticket to a massive deposit. Hathor Exploration is an excellent example of a company that in 2006 had a market cap of about $6M, discovered the world-class Roughrider deposit in 2008, and was bought by Rio Tinto in 2012 for $654M. As a low-cost producer, if the uranium price remains under distress, the Basin should attract both domestic and foreign exploration dollars (Appendix A).

Within Zimtu Capital's portfolio (TSXv: ZC), two uranium exploration companies focused in the Basin recently were able to raise capital in

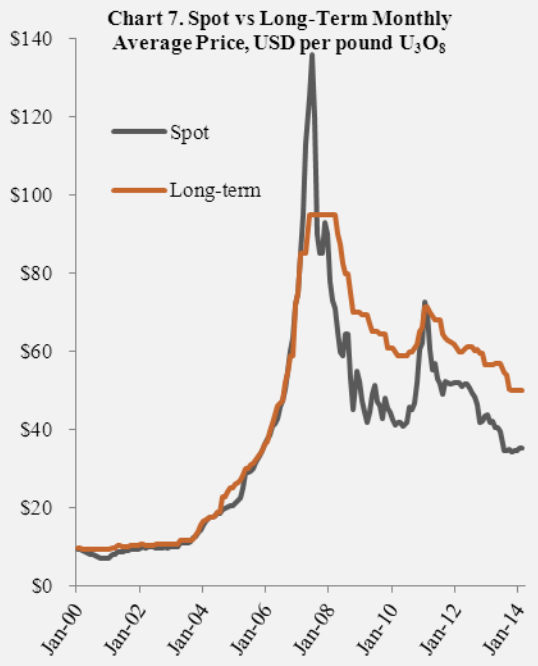
[13] Fraser Institute, " Survey of Mining Companies: 2013", Cervantes, Miguel et al, Mar 3, 2014

Table 5. Summation: 2020 Scenario Analysis

	Annual U3O8 demand (thousands of lbs)				U_3O_8 spot price est. (U$/lbs)
	Japan	China	USA	Added demand	
2014	952	10,979	48,917	-	44.73
Base	12,516	23,441	45,600	20,709	63.99
Bear	8,925	19,074	40,741	7,893	50.63
Best	15,469	26,137	47,761	28,519	69.89

Source: IAEA|PRIS, WNA, ZC estimates

Uranium exploration companies focused in the Athabasca Basin hold a lottery ticket to a massive deposit.



Source: CCO

short order, both exercising the full over allotment option. NexGen Energy (TSXv: NXE) announced a C$10 million bought deal on March 4, which closed on March 26 for gross proceeds of C$11.5 million to advance on-going exploration efforts. Lakeland Resources (TSXv: LK) announced a C$2 million brokered private placement on Feb 24 which closed on March 20 for gross proceeds of C$2.8 million. Using a small sample size to extrapolate over a much larger market is risky, and yet these financings do indicate increased investor risk appetite and optimism in the Basin.

Lakeland Update

Recapping our previous note on Lakeland Resources (TSXv: LK), the Company has a strong technical team with a clearly defined business strategy, and has added professional uranium and nuclear expertise to the advisory board. LK has a large land package with historic data. LK's focus has been to enhance this historical data with modern at-surface geological and geophysical techniques before partnering the individual projects for drilling. In this way, LK is able to diversify some of the exploration risk by working on multiple targets. The large land package also allows LK the freedom to act as a property vendor. Gibbon's Creek is the first target identified by the Company. The target property is in the north of the Basin, totals 12,711 hectares, and is less than 3 km from the closest community (Stoney Rapids).

Significant Corporate Updates - Timeline

Dec. 4 – LK announced a joint venture with Declan Resources (TSXv: LAN) on their Gibbon's Creek target whereby, LAN can earn up to 70% interest in the property given certain obligations are met, including annual cash and share payments, and exploration expenditures (Table 8). The recent appointment of Mr. David Miller, the former head of Strathmore Minerals Corp, to president, director, and CEO brings credibility and Athabasca Basin uranium focus to LAN. We believe LAN will be able to meet annual exploration requirements for Gibbon's Creek.

Jan 8 – Update on recent at-surface exploration work at Gibbons Creek. Both boulder prospecting and DC-Resistivity support historic data (Table 7). Notably, RadonEx results were extremely positive helping to define high priority drill targets.

Mar 18 – JV partners announce of a modern electromagnetic ground survey to confirm historical data. The phase one drill program is expected to include up to 15 holes totalling 2500 meters. Permits have been received to drill up to 52 holes on the property.

Table. 6 Share Information

Symbols:	TSX-V:	LK
	FSE:	6LL
Shares Outstanding:		48.96 M
Options:		3.02 M
Warrants:		18.04 M
Fully Diluted:		70.02 M
Market Cap (as at closing bid on 11/11/13):		C$8.81 M

Source: LK

Within Zimtu Capital's portfolio (TSXv: ZC), two uranium exploration companies focused in the Basin recently were able to raise capital both timely and efficiently – and were oversubscribed.

Table 7. Historic and Current Exploration Efforts for Otherside & Riou Lake Properties

Company	Exploration Activities		Assay (best result)
Eldorado Nuclear	Boulder Prospecting		4.9% U_3O_8
	Soil Geochemical surveys		5-10 ppm U
	Ground Geophysics:	DC resistivity Horizontal loop EM Gravity	identified 3x1 km gravity low
	Drilling		0.18% U_3O_8
UEX Corp	Airborne Geophysics:	MegaTEM Gravity Magnetic RadioMetric	Eldorado and UEX exploration efforts costs upwards of $3M
LK	Boulder Prospecting		4.28% U_3O_8
	RadonEx soil survey		9.93 $pCi/m^2/sec$
	38 line-km DC Resistivity		east-west resistivity low
	Drilling		start expected 2Q14

Source: LK

Mar 20 – LK closed a brokered and non-brokered private placement for gross proceeds of C$2.83 million. The Company issues 5.885 million flow-through (FT) units and approximately 6.47 million ordinary shares (Table 6). The use of proceeds from the FT units will be used to cover qualified Canadian exploration expenses, while the proceeds from ordinary shares issued ("hard dollars") will be used for exploration of the Company's properties in the Basin.

Conclusion

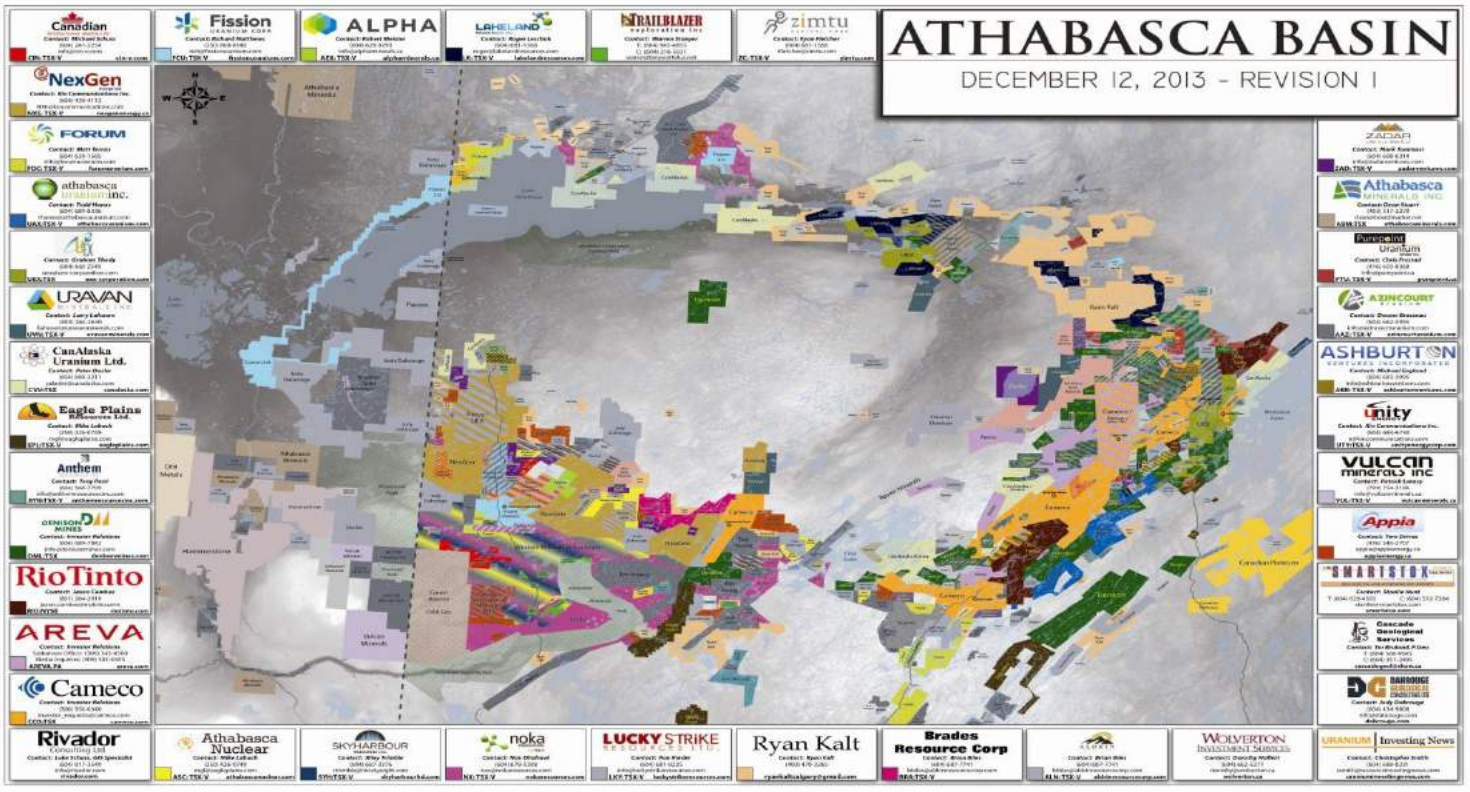
Over the last twelve months LK has successfully transitioned into a junior uranium explorer focused in the Athabasca Basin. The company building process was executed in measured increments including the addition of a diverse group of professionals to the advisory board, changes to the board of directors, acquiring an impressive land package, and completing two successful financings. With the expected exploratory drilling set to begin in the near future on the Gibbons Creek property, LK has shown successful skill at proving up potential uranium targets. If LK can replicate their business model on additional properties they will be well positioned to offer a diverse portfolio of uranium exploration targets and provide shareholders with value.

Table 8. LAN Future Commitments for Gibbon's Creek JV

Term (months)	Interest Earned (%)	Cash Consideration (CAD)	Share Consideration	Exploration Commitment (CAD)
12	50	100,000	2,000,000	1,250,000
24	10	100,000	2,000,000	1,250,000
36	5	300,000	2,000,000	2,000,000
48	5	1,000,000	5,000,000	2,000,000
Total	70	1,500,000	11,000,000	6,500,000

Source: LK

Appendix A



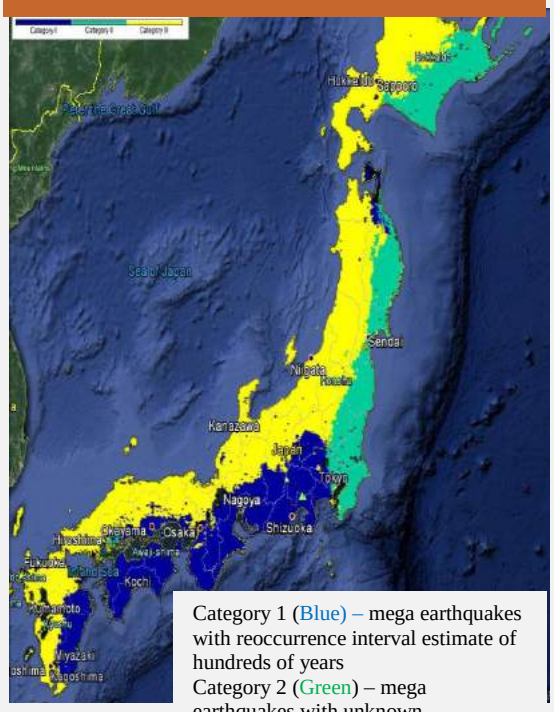
Source: Luke Schuss

Appendix B

Table 9. Scenario Analysis for Japanese Nuclear Reactors by 2020

Tiers (most to least likely)	Reactor units (alphabetical within each tier)	Reference Unit Power (MW)	Expected Load (MW)	2020 annual U_3O_8 Demand (thousands of lbs)
Tier 1	GENKAI-4	1,127	914	545.19
	KASHIWAZAKI KARIWA-6	1,315	1,066	636.14
	KASHIWAZAKI KARIWA-7	1,315	1,066	636.14
	SENDAI-2	846	686	409.26
	TOMARI-3	866	702	418.93
Tier 2	GENKAI-3	1,127	914	545.19
	KASHIWAZAKI KARIWA-4	1,067	865	516.17
	SENDAI-1	846	686	409.26
	SHIMANE-2	789	640	381.68
	TOMARI-1	550	446	266.06
	TOMARI-2	550	446	266.06
Tier 3	GENKAI-2	529	429	255.91
	HIGASHI DORI-1 (TOHOKU)	1,067	865	516.17
	KASHIWAZAKI KARIWA-3	1,067	865	516.17
	KASHIWAZAKI KARIWA-5	1,067	865	516.17
	SHIKA-2	1,108	899	536.00
Tier 4	IKATA-3	846	686	409.26
	KASHIWAZAKI KARIWA-2	1,067	865	516.17
	ONAGAWA-3	796	646	385.07
	SHIKA-1	505	410	244.30
Bear Case	*20 total reactors restarted with annual required U_3O_8 =*			8,925.25
Tier 5	KASHIWAZAKI KARIWA-1	1,067	865	516.17
	OHI-3	1,127	914	545.19
	OHI-4	1,127	914	545.19
	ONAGAWA-2	796	646	385.07
	TAKAHAMA-3	830	673	401.52
	TAKAHAMA-4	830	673	401.52
	TSURUGA-2	1,108	899	536.00
Tier 6	IKATA-2	538	436	260.26
Base Case	*28 total reactors restarted with annual required U_3O_8 =*			12,516.15
Under Construction	OHMA	1,325	1,075	640.97
	SHIMANE-3	1,325	1,075	640.97
Tier 7	HAMAOKA-5	1,325	1,075	640.97
	IKATA-1	538	436	260.26
	ONAGAWA-1	498	404	240.91
Tier 8	HAMAOKA-4	1,092	886	528.26
Best Case	*34 reactors (32 restarts + 2 completed), annual required U_3O_8 =*			15,468.50

Probabilistic Seismic Hazard Map



Source: j-SHIS

Category 1 (Blue) – mega earthquakes with reoccurrence interval estimate of hundreds of years
Category 2 (Green) – mega earthquakes with unknown reoccurrence
Category 3 (Yellow) – shallow earthquakes with reoccurrence interval estimate of thousands of years.

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All statements in this newsletter, other than statements of historical fact should be considered forward-looking statements. These statements relate to future events or future performance. Forward looking statements in this document include that discoveries in the Athabasca Basin should command a premium; that Lakeland can become a low cost producer of uranium; that the Radon Ex results are expected shortly and positive news would bring market awareness to Lakeland's stock; that Lakeland can drill 1700 meters and retain sufficient G&A capital, and that Lakeland will be able to raise additional cash at prices above $0.10. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Risks include misinterpretation of data, inability to attract and retain qualified people, inability to raise sufficient funds to carry out our plans or even to continue operations, among other risks. Risks and uncertainties respecting mineral exploration companies and Lakeland in particular are disclosed in the annual financial or other filing documents of Lakeland and other junior mineral exploration companies as filed with the relevant securities commissions, and should be reviewed by any reader of this article. Despite encouraging results, there may be no commercially viable minerals on Lakeland's property, and even if there were, Lakeland may not be able to commercialize them.

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