



ASX Release

30 January 2015

BLACK RANGE MINERALS LIMITED

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**Australian Stock Exchange
Symbol: BLR**

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Directors / Officers:

Alan Scott (Non-Exec. Chairman)
Mike Haynes (Managing Director/CEO)
Ben Vallerine (Non-Exec. Director)
Joseph Havlin (Non-Exec. Director)
Ian Cunningham (Company Secretary)
Bev Nichols (CFO)

Issued Capital:

2,995.3 million shares
204.0 million unlisted options

Last closing price of BLR shares on the ASX:

\$0.003

PROPOSED TAKEOVER OFFER

- Western Uranium Corporation has made a conditional takeover offer for 100% of Black Range's shares
- Pursuant to the proposed offer, Black Range shareholders will receive 1 Western share for every 750 Black Range shares
- Offer represents a 106% premium to Black Range's most recent closing price and a 89% premium to the respective companies' 20 day VWAP's for the period to 29 January 2015
- Western owns multiple advanced-stage, near-term development uranium projects in the USA, including the Sunday Mine Complex in Colorado that is fully permitted for mining
- Western's near-term development assets are complementary to Black Range's Hansen/Taylor Ranch Uranium Project and its proprietary Ablation technology
- Recent testwork has successfully demonstrated that ore from the Sunday Mine is amenable to Ablation
- Opportunity to generate near-term cash-flow by Ablating the ~100,000 ton surface ore stockpile at the Sunday Mine
- Well positioned to rapidly build a significant USA-focused conventional uranium mining company
- Offer to be implemented via Scheme of Arrangement
- Western has agreed to provide a \$0.75 million loan facility to ensure Black Range is suitably financed through to completion
- Black Range's Board unanimously recommends the Offer to shareholders in the absence of a superior proposal

Black Range Minerals Limited (ASX:BLR) ("**Black Range**" or "**the Company**") is pleased to advise it has entered into an agreement with Western Uranium Corporation ("**Western**"), pursuant to which Western will offer to acquire all of the issued shares of Black Range ("**the Offer**"). Under the Offer, Black Range shareholders will receive 1 new Western share for every 750 Black Range shares held.

Based on Western's closing share price of C\$4.53 on the CSE on 29 January 2015 and an exchange rate of C\$1=A\$1.02, the Offer values Black Range at \$18.5 million or A\$0.00617 per share, representing a 106% premium to Black Range's last closing price of \$0.003 and a 89% premium to the 20 day volume weighted average price for the period to 29 January 2015. The Offer is subject to further terms and conditions as outlined below under – *Offer Structure and Terms*.

Western Uranium Corporation is a USA-focused, uranium company listed on the Canadian Securities Exchange ("**CSE**"; ticker code "**WUC**"). It owns multiple advanced-stage, near-term development projects in the USA, including the

Sunday Mine Complex in Colorado, which was actively mined between 2007 and 2009 and remains fully permitted in preparation for recommencement of operations, potentially in the near-term.

Significantly, there is a circa 100,000 ton stockpile of uranium-vanadium ore at surface at the Sunday Mine. Recent testwork has successfully demonstrated that this ore is amenable to Ablation. As such it affords an opportunity for the integrated companies to cost effectively generate substantial cash-flow in the near term, even before mining operations recommence at the Sunday Mine. Being fully permitted for mining, it also affords an ideal site to demonstrate the commercial viability of Ablation.

Offer Structure and Terms

It is proposed that Western will acquire all of the issued ordinary shares of Black Range by way of a Scheme of Arrangement (“Scheme”). The Offer is subject to a number of conditions, including:

- (i) satisfactory completion of Western’s due diligence inquiries;
- (ii) Black Range has agreed to provide Western a 30-day exclusivity period (“Exclusivity Period”), during which it can complete due diligence and prepare definitive agreements, such agreements to include customary provisions for a transaction of this nature;
- (iii) in the event Black Range’s board of directors receives, during the Exclusivity Period, a proposal from a third party that it determines is superior to Western’s proposal, Black Range shall be entitled to terminate the agreement, subject to paying Western a break fee of \$500,000. The break fee is payable within 60 days following such termination;
- (iv) Western may terminate the agreement at any time by providing written notice;
- (v) subject to receipt of all requisite regulatory and shareholder approvals;
- (vi) all outstanding Black Range options to be converted to options to acquire shares in Western on a 1 to 750 ratio and at a corresponding exercise price ratio;
- (vii) Black Range’s key personnel to waive any entitlements to redundancy, severance or termination payments that may otherwise be triggered by a change of control event;
- (viii) as soon as reasonably practicable, Black Range to arrange for the transport of an Ablation pilot plant to the Sunday Mine for the purpose of undertaking a field trial. Western will be responsible for meeting all transport and operating costs in relation to the field trial;
- (ix) Western to provide Black Range with a \$0.75 million loan facility, terms of which are summarised below under – *Loan Facility*.

It is expected that Black Range shareholders resident in Australia will generally be eligible for capital gains tax rollover in respect of the Offer, subject to obtaining a class ruling from the Australian Tax Office.

Board Recommendation

Black Range’s Board unanimously recommends the Offer to shareholders in the absence of a superior proposal, on the basis that the Offer is considered to be the most compelling alternative available to Black Range shareholders at the current time, in terms of creating future value for shareholders. In particular:

- the Offer will provide Black Range shareholders with the opportunity to become part of a larger uranium company, which offers short term production opportunities and the potential to accelerate the commercialisation of its interest in the Ablation technology via a field trial;
- a more diversified asset base, including a combined uranium resource base of >95 million pounds of U₃O₈ across 9 projects;
- Western’s management team has considerable experience in the uranium industry, and includes George Glasier who was the founder of Energy Fuels Inc. and served as its CEO from 2006 – 2010; and
- Western’s existing cash resources and access to further financial backing will provide a higher level of funding certainty in the current difficult market environment.

Black Range's two major shareholders, Azarga Resources Limited (which owns 17.3% of Black Range's shares) and Siebel's Hard Asset Fund (which holds 17.1% of Black Range's shares) are both also supportive of the proposed transaction.

Loan Facility

In order to ensure that the Company has sufficient working capital in the period prior to completion of the transaction, Western will provide the Company with a \$750,000 loan facility (the "Facility"), on the following terms:

1. subject to execution of a definitive Facility agreement prior to expiration of the Exclusivity Period;
2. subject to any requisite approvals, the Facility will be secured;
3. interest rate to be in line with prevailing commercial market rates;
4. funds to pay approved Company expenses through to completion of the transaction and to pay 50% (\$299,000) of the outstanding balance due to Azarga Resources Limited, pursuant to the February 2014 convertible loan facility; and
5. in the event that either party terminates the agreement or the transaction is not approved by the Company's shareholders at the Scheme meeting, the Facility will be repayable.

About Black Range Minerals Limited

Black Range is an ASX-listed company focused on the acquisition, exploration and development of uranium projects in the USA. Its primary assets are the Hansen/Taylor Ranch Uranium Project in Colorado, which hosts JORC Code compliant resources of 90.4 million pounds of U₃O₈ at a grade of 600ppm (0.06%) U₃O₈ and its 50% interest in the rapidly emerging proprietary Ablation technology that is being developed to reduce the capital and operating cost of recovering uranium from conventional sandstone hosted uranium deposits, globally.

About Western Uranium Corporation

Western Uranium Corporation is a Canadian-based uranium exploration company focused on resources in the western Colorado Plateau in the United States of America. It is a well-funded company listed on the Canadian Securities Exchange (ticker code "WUC"). It owns multiple advanced-stage, near-term development projects in the USA, including the Sunday Mine Complex in Colorado, which was actively mined between 2007 and 2009 and remains fully permitted in preparation for recommencement of operations, potentially in the near-term. Approximately 146,000 tons of ore were mined from Sunday during this period at grades of approximately 0.19% U₃O₈ and 1.0% V₂O₅. It also holds more than 3.4 million pounds of NI 43-101 compliant indicated U₃O₈ resources at the San Rafael Project in Utah at a grade of 0.225% U₃O₈ together with an additional 1.86 million pounds of inferred U₃O₈ resources at a grade of 0.205% U₃O₈.

For further information please contact:

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Competent Person's Statement

The information in this announcement that relates to Mineral Resources at the Hansen / Taylor Ranch Uranium Project is based on information compiled by Dr Rex C. Bryan who is a member of the American Institute of Professional Geologists. Dr Rex C. Bryan compiled this information in his capacity as a Principal Geologist of Tetra Tech. Dr Rex C. Bryan has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Rex C. Bryan consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

For further details in relation to the Black Range mineral resource estimate, please refer to the ASX announcement of 23 April 2014 ("**Resource Announcement**"). The Company confirms that:

- i) it is not aware of any new information or data that materially affects the information included in the Resource Announcement; and
- ii) all material assumptions and technical parameters underpinning the mineral resource estimate in the Resource Announcement continue to apply and have not materially changed.

Caution Regarding Forward Looking Statements

This announcement contains forward looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. The forward looking statements are made as at the date of this announcement and the Company disclaims any intent or obligation to update publicly such forward looking statements, whether as the result of new information, future events or results or otherwise.

Further information on Black Range can be sourced from www.blackrangeminerals.com