



## Quarterly Activities Report December 2014

ASX ANNOUNCEMENT

30 January 2015

### Highlights

#### Corporate

- On 30 January 2015 announced that Western Uranium Corporation had made a conditional takeover offer for 100% of Black Range's shares
- Offer represents a 106% premium to Black Range's closing price and a 89% premium to the 20 day VWAP's for the respective companies
- 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
- The integrated company will be well positioned to rapidly build a significant USA-focused conventional uranium mining company
- 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

#### Hansen/Taylor Ranch Uranium Project

- Lodged permit applications to undertake trial borehole mining at the Hansen Deposit
- Continued to advance other mine permitting activities

### Corporate

On 30 January 2015 Black Range Minerals Limited (ASX:BLR) ("**Black Range**" or "**the Company**") announced that it had entered into an agreement with Western Uranium Corporation ("Western"), pursuant to which Western agreed to 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 closing share prices immediately preceding receipt of the Offer, the Offer values Black Range at \$18.5 million or A\$0.00617 per share, representing a 106% premium to Black Range's previous closing price and a 89% premium to the 20 day volume weighted average prices for the respective companies immediately preceding the



Offer. The Offer is subject to certain terms and conditions, as outlined in Black Range's announcement on 30 January 2015.

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. Approximately 146,000 tons of ore were mined from Sunday from 2007-2009 at grades of approximately 0.19%  $U_3O_8$  and 1.0%  $V_2O_5$ . Western also holds more than 3.4 million pounds of NI 43-101 compliant indicated  $U_3O_8$  resources at the San Rafael Project in Utah at a grade of 0.225%  $U_3O_8$  together with an additional 1.86 million pounds of inferred  $U_3O_8$  resources at a grade of 0.205%  $U_3O_8$ . Western's Willhunt, Dunn Mine, Farmer Girl, Sage Mine, Yellow Cat and Van 4 Mine Projects in Utah and Colorado also host additional resources and provide near-term development opportunities.

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.

#### ***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  $U_3O_8$  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 the Company has sufficient working capital in the period prior to completion of the transaction, Western has agreed to provide the Company with a \$750,000 loan facility.

### **Hansen/Taylor Ranch Uranium Project**



### **Mine Permitting Activities**

During the December quarter Black Range completed a fifth water sampling program to establish baseline characteristics of water from five water monitoring wells installed during October/November 2013 immediately adjacent to its Hansen Uranium Deposit in Colorado, USA. Acquisition of baseline data from these wells is essential for streamlining the mine permit application and approval process.

This Company has now acquired the five successive sets of quarterly sampling data required before applications for mine permits can be submitted.

During the quarter the Company determined that it would be advantageous to undertake trial borehole mining at the Hansen Deposit in advance of submitting mine permit applications. Following discussions with mine permitting regulators, the Company became aware that a trial would not only help streamline the mine permitting process (because many potential questions could be answered) but that it would also help the Company refine the economics of developing the Deposit with borehole mining. Accordingly an appropriate application was submitted, with a view to conducting a borehole mining trial in mid-2015.

Additional baseline environmental data monitoring activities continued throughout the quarter, in conjunction with preparatory mine permit application work.

### **Ablation Joint Venture**

During the quarter the Ablation JV (Mineral Ablation, LLC), of which Black Range owns 50%, continued to advance discussions with parties interested in deploying the 5tph Unit to their projects for field trials. One such interested party is Western Uranium Corporation (see "Corporate" above). These discussions continue.

During the quarter the Company has also been engaged in extensive discussions with its joint venture partner regarding the optimal forward strategy and corresponding budgets for Mineral Ablation, LLC. The two parties have diverging opinions on how best to advance the commercialisation of the technology. They continue to seek a resolution.

**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 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.*

*The information in this announcement that relates to Exploration Results at the Project, in particular, Section's 1 and 2 of Table 1 in Appendix 2, is based on information reviewed by Mr Ben Vallerine. Mr Vallerine is a former full time employee and current director of Black Range Minerals Limited who provides ongoing technical support on an as needs basis. Mr Vallerine is a member of The Australasian*



*Institute of Mining and Metallurgy. Mr Vallerine has sufficient experience that is relevant to the style of mineralisation under consideration as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting on Exploration Results, Mineral resources and Ore Reserves". Mr Vallerine consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.*

### **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](http://www.blackrangeminerals.com)**



### Schedule of Mining Tenements

Project	Location	Licence(s)	Ownership Interest
<p>Hansen/Taylor Ranch Uranium Project</p> <p>(includes the Hansen, Boyer, Taylor, North Hansen, High Park and Devils Hole deposits)</p>	Colorado, USA	<p>Taylor Ranch (Private Mineral Lease)</p> <p>Boyer Ranch (Private Mineral Lease)</p> <p>2 State Sections (Sec. 16 UR3324 State Lease) (Sec 36.UR3322 State Lease)</p> <p>197 US Federal Claims</p> <p>Hansen (Private Mineral Interest)</p>	<p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p> <p>BLR owns 24.5% of the Hansen Deposit with two options to acquire the remaining 75.5% of the mineral rights</p>
Jonesville Coal Project	Alaska, USA	2 State Leases (ADL229336 & ADL324600)	100%
Keota Uranium Project	Colorado, USA	Bullen Property (Private Mineral Interest)	100%
Disposed of during quarter	Nil		
Acquired during quarter	Nil		