



Quarterly Activities Report March 2015

ASX ANNOUNCEMENT

30 April 2015

Highlights

Corporate

- Executed a definitive Merger Implementation Agreement formalising Western Uranium Corporation's takeover offer for 100% of Black Range's shares
- Pursuant to the Offer, Black Range shareholders will receive 1 Western share for every 750 Black Range shares
- Offer represents a 106% premium to Black Range's share price at the time the Offer was announced and a 104% premium to Black Range's most recent closing price
- Offer to be implemented via Scheme of Arrangement
- Preparation of documentation for the Scheme progressing well, with documents expected to be lodged with ASIC in early May prior to circulation to shareholders in June
- Entered into a loan agreement, whereby Western has agreed to provide \$450,000 to ensure Black Range is suitably financed through to completion

Hansen/Taylor Ranch Uranium Project

- Continued to advance mine permitting activities

Ablation

- Agreed to dissolve the Ablation JV and in exchange for its 50% interest in the JV, Black Range has secured:
 - a 100% interest in a 25-year license under which Black Range can develop, market and utilise Ablation worldwide, for use at both its own projects as well as for projects owned by other parties
 - 100% ownership of all of the existing Ablation equipment, including the pilot-scale plant and the 5th Ablation Unit
 - a 25-year license to all Ablation intellectual property and patented technology, together with copies of all engineering designs and drawings
 - the right to continue to improve and commercialise Ablation and retain ownership of any improvements to the Ablation technology it develops



Corporate

On 29 January 2015 Black Range Minerals Limited (ASX:BLR) (“**Black Range**” or “**the Company**”) 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 immediately preceding the Offer.

During the March quarter Black Range and Western entered into a definitive Merger Implementation Agreement (“**MIA**”) that formalises terms and conditions of the Offer. Western has proposed to acquire all of the issued ordinary shares of Black Range by way of a Scheme of Arrangement (“**Scheme**”) under the Australian Corporations Act 2001. The Offer is subject to a number of conditions, including:

- (i) receipt of all requisite regulatory and shareholder approvals;
- (ii) preparation of an independent expert’s report for Black Range shareholders in which the independent expert opines that the Scheme is in the best interests of Black Range shareholders;
- (iii) all outstanding Black Range options being converted to options to acquire shares in Western on a 1 to 750 ratio and at a corresponding exercise price ratio;
- (iv) Black Range’s key personnel waiving any entitlements to redundancy, severance or termination payments that may otherwise be triggered by a change of control event;
- (v) 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 costs in relation to the field trial;
- (vi) in the event Black Range’s board of directors receives 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;
- (vii) Western may terminate the agreement at any time by providing written notice, in which case Black Range will be reimbursed costs incurred as a result of the Offer up to a maximum of \$100,000.

Preparation of documentation for the Scheme is progressing well, with documents expected to be lodged with ASIC in early May prior to circulation to shareholders in June.

Board Recommendation

Black Range’s Board unanimously recommends that shareholders approve the Offer in the absence of a superior proposal for Black Range and subject to the independent expert opining that the Offer is in the best interests of Black Range shareholders, 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;



- the combined entity would control a more diversified asset base, including a combined uranium resource base of >95 million pounds of U₃O₈ across 7 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.

Each Black Range director and officer will vote the voting rights attached to all their respective Black Range shares over which they have control in favour of any Black Range shareholder resolutions to implement the Offer, in the absence of a superior proposal for Black Range and subject to the independent expert opining that the Offer is in the best interests of Black Range shareholders.

Black Range's two major shareholders, Azarga Resources Limited (which owns 19.1% of Black Range's shares) and Siebel's Hard Asset Fund (which holds 16.5% of Black Range's shares) are both also supportive of the proposed transaction.

Loan Facility

In order to ensure Black Range has sufficient working capital in the period prior to completion of the transaction, the Company has entered into an agreement with Western whereby it will provide a secured loan facility for up to \$450,000, the terms of which include the following:

1. interest will accrue at 8.00% per annum;
2. secured over the Company's assets to the extent permitted by law and subject to any requisite third party consents; and
3. the loan, together with accrued interest, will be repayable to Western on the earlier of (i) 60 days after either party gives notice to terminate the transaction as provided in the letter of intent or the MIA (as applicable), (ii) 60 days after the date of the Black Range Shareholder Meeting (as defined in the MIA); and (iii) 1 October 2015.

Hansen/Taylor Ranch Uranium Project

Mine Permitting Activities

During the March quarter Black Range continued to acquire baseline environmental data that will be required for mine permitting.

Ablation Joint Venture

During the quarter Black Range executed agreements whereby the 50:50 joint venture between Ablation Technologies, LLC and Black Range (Mineral Ablation, LLC; the "**Ablation JV**") is being dissolved. In consideration for the dissolution, including that all outstanding debts owed by the Ablation JV to Black Range shall be fully satisfied, Black Range has been assigned a 100% interest in a 25-year license to Ablation Technologies, LLC's ablation technology and related patents ("**Ablation**") under which Black Range will have the right to develop, market and utilise Ablation worldwide, for use at both its own projects as well as for projects owned by other parties.



Black Range can continue to develop, market and utilise Ablation worldwide. This includes for use at both projects Black Range owns and/or has an interest in, as well as for use, on commercial terms, at projects owned by other parties.

Furthermore, Black Range is now the sole owner of all of the Ablation equipment that has been manufactured to date, including the pilot-scale Ablation plant that has been utilised for the vast majority of testwork undertaken previously, as well as the semi-commercial scale Ablation unit that has nominal capacity of five tons per hour (the “5tph Unit”).

Under the terms of the license Black Range has been granted rights to all Ablation intellectual property and patented technology, together with copies of all engineering design work and drawings.

Black Range has the right to continue to improve and commercialise Ablation and to own any improvements to the Ablation technology it develops.

Ablation Technologies, LLC retains ownership of Ablation and the right independently to develop, market and utilize the technology for its own account and under licenses to third parties.

Benefits to Black Range

Black Range will now be able to control the timing, nature and location of its development and commercialisation activities in relation to Ablation. This offers significant advantages over the previous JV arrangement, in particular, operational autonomy and significant cost savings.

Importantly, in accordance with the recently executed MIA with Western, Black Range intends deploying the 5tph Unit to begin field tests at Western’s fully permitted Sunday Mine Complex in Colorado in the near term, in consideration for Western meeting all transport, development and operating costs. Approximately 100,000 tons of stockpiled uranium-vanadium ore is reportedly present at surface at the Sunday Mine. Recent testwork has successfully demonstrated that this ore is amenable to Ablation.

Going forward Black Range will receive 100% of any revenue it generates from either undertaking testwork for third parties or deploying Ablation units to third parties’ projects. Furthermore, with a 25-year license to independently utilise the technology, Black Range expects to be able to significantly reduce the capital and operating cost of utilising Ablation at its own projects, including the Company’s 90.4 million pound Hansen/Taylor Ranch Uranium Project.

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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.

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



Schedule of Mining Tenements

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