BLR SECURES RIGHTS TO ABLATION TECHNOLOGY FOR CONCENTRATING ORE FROM ITS HANSEN/TAYLOR RANCH URANIUM PROJECT

ASX Release

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Issued Capital:
840.9 million shares
23.4 million unlisted options

USA-focused uranium development company Black Range Minerals Limited ("BLR" and the "Company") is pleased to announce it has executed a binding Heads of Agreement ("HoA") with Ablation Technologies LLC ("ABT") to establish a joint venture ("JV") to commercialise ABT's ablation mineral technology process ("Ablation").

Ablation is an environmentally sensitive and low cost method of concentrating ore that, based on test work, should enable the Company to produce a high value uranium concentrate from ore at the Company's 90.9 million pound Hansen/Taylor Ranch Uranium Project in Colorado, USA ("Hansen Project").

Through the JV, the Company will also have the potential to realise returns from the application of Ablation to other uranium mining operations, worldwide.

On 24 April 2012 BLR released the results of a scoping study that indicated the best way to develop the Hansen Project was by adopting underground borehole mining (UBHM) and Ablation technologies. The scoping study demonstrated the robust nature of the chosen development scenario, with operating costs forecast to be approximately US$30/lb U_3O_8 (before royalties, taxes & contingency) and capital expenditure, based on off-site uranium milling, forecast to be less than US$80 million.

Having already established a strategic alliance with Kinley Exploration LLC to utilise UBHM, the agreement to utilise Ablation is the second of two significant milestones that together secure the rights to key technologies that will be utilised to develop the Hansen Project.

BLR's Managing Director Tony Simpson stated: "Besides the obvious benefits for our Hansen Project, the Ablation JV opens up a number of opportunities for the Company to actively assess utilising this technology at uranium deposits in other mining-friendly areas in the USA and around the world. There are many projects out there that may not be currently economically viable, but could be with the application of the Ablation technology.

"Should arrangements for the exploitation of these types of deposits be concluded, BLR may be able to benefit from earlier cash flow as we continue to move our Hansen Project though the permitting process, which is scheduled to be complete near the end of 2015.

"The JV brings the project development and operational skills of BLR together with an innovative solution to concentrate uranium ores. This gives us the potential to unlock value not only in the Hansen Project but also in a range of uranium projects."

Agreement Highlights

- BLR and ABT to form a 50/50 JV in respect of the commercialisation and application of Ablation.
- The JV applies worldwide for use in uranium and associated minerals.
- ABT grants BLR a separate licence to use Ablation at its Hansen Project .
- Ablation has been successfully tested on ore from BLR's Hansen Project, with recoveries of ~95% of the contained U_3O_8 in ~10% of the test material.
- Ablation has also been successfully tested on ores from a number of other projects in the USA.
- Next step in development of Ablation is building a commercial-scale unit.
- BLR will initially fund 100% of the operating costs of the JV, with ABT's 50% share recovered from revenues earned.
- The concentration of ore using Ablation, to produce a high-grade, high-value concentrate, has the potential to make some marginal uranium projects economical.
- The JV will seek opportunities to apply Ablation within the USA and throughout the world.

About Ablation

Ablation is a mineral concentrating technology that is low-cost, efficient and robust. It mechanically separates uranium from the host rock without the use of chemicals, producing a high-grade, high-value concentrate.

The development of Ablation has been progressed over the past five years by Ablation Technologies LLC of Casper, Wyoming, from an initial concept to the point that it has been fully developed and tested in a small scale test unit (750/lbs/hr – See Figure 1). The next stage of development is to build a larger scale unit to gather operating data, prior to applying it on a commercial basis.

In the ablation process, ore slurry is ejected from two opposing nozzles to create a high-energy impact zone. Collision of particles within this high-energy impact zone separates the mineralised patina (coating) of uranium from the underlying grain. The uranium bearing particles are recovered in the fine fractions separated in a subsequent screening process.

Ablation allows approximately 90% of barren material to be separated from mineralised material prior to milling, greatly reducing the operating and capital costs required to process the highly concentrated ore. The final product is an "ablated concentrate" which comprises approximately 10% of the original mineralised material, which will be processed with conventional processing techniques.

Ablation and the Hansen Project

A number of independently supervised tests have been conducted on ore from the Hansen Uranium Deposit, which confirm the suitability of Ablation to concentrate this particular ore. Hansen testwork resulted in the recovery of ~95% of contained U_3O_8 in ~10% of the test material, producing a high-grade (circa 1.2% U_3O_8), high-value concentrate for shipment to an off-site mill, or sale.

Ablation has also been tested on ore samples from numerous other projects in the USA and returned similar outstanding results, highlighting further opportunities for the Company to evaluate.

BLR was so impressed with the potential of the Ablation, not only for its Hansen Project but for wider applications in the uranium industry that it entered into negotiations with ABT, which resulted in the parties establishing the JV.

Figure 1 - Small Scale Ablation Unit

Applications for Ablation

Because of the time, cost and complexity involved in permitting and building a uranium mill, a number of projects do not reach the critical mass required to justify the expense. In many such cases these mines are also not located in areas where transport of run of mine ore to an existing mill is viable. In instances such as these, Ablation may be the key to unlocking the potential of these sub-economic resources, as the high-grade, high-value concentrate can be much more economically transported to a mill facility.

Even for projects that have an on-site milling facility, concentration with Ablation before processing into yellow cake may significantly reduce processing costs; in areas such as reagent consumption, which are related to run of mine ore throughput.

Details of the Joint Venture

The binding HoA grants BLR a licence to use Ablation at its Hansen Project, and sets out the key terms for definitive documentation, which will include a Licence Agreement and Operating Agreement for the JV.

ABT and BLR have established a Wyoming Limited Liability Company, Mineral Ablation LLC, in which each member will hold a 50% interest. ABT has agreed to provide the JV with a licence to use Ablation for applications in the production of uranium and associated minerals (such as vanadium), where uranium is the dominant mineral being sought. This licence will apply worldwide and no licence fee is payable.

The business of the JV is to market, sell and promote the use of the Ablation for applications in uranium mining. BLR will be required to provide funding for the JV, until such time as it becomes self-funding.

The JV partners will come to a mutual agreement regarding work programs and budgets. BLR will initially fund 100% of the JV's operating costs, with ABT's 50% share of expenses to be recovered by BLR from future revenues earned.

Licence to Use Ablation at BLR's Hansen Project

The HoA provides that ABT grants BLR a licence (separate to the JV licence) to use Ablation at its Hansen Project. It is envisaged that the JV will provide the Ablation services to BLR on a build, own, operate basis; receiving reimbursement for operating costs, plus a margin and a royalty. BLR has agreed to pay an upfront licence fee to ABT. The exact terms of this licence and royalty arrangement are considered commercially confidential.

Payment to Acquire Prior Existing Rights

Concurrent with entering into the HoA, BLR has entered into a Call Option Agreement (COA) with G & K Glasier (or nominee) whereby BLR will have an option to acquire all of the issued capital of Mineral Ablation Inc., a company that held certain prior rights to Ablation. The terms of the Call Option Agreement are summarised below:

1. Option fee of US$5,000 payable on signing;
2. A first deferred payment of A$250,000 must be made within 90 days of execution of a Heads of Agreement with ABT by issuing 12,500,000 BLR shares at $0.02;
3. A second deferred payment of A$250,000 must be made within 90 days of execution of a Definitive Agreements with ABT by issuing 12,500,000 BLR shares at $0.02; and
4. A third deferred payment of A$500,000 must be made within 60 days of the first commercial scale application of Ablation, either in cash, or (at BLR's discretion) by the issue of such number of BLR shares equivalent to A$500,000 based on the volume weighted average price of BLR Shares for a period of 30 consecutive days prior to commercial scale use of Ablation being achieved.

As a result of the exercise of the Call Option, Mineral Ablation Inc. will become a wholly owned subsidiary of BLR.

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Competent Person's Statement

The information in this announcement that relates to Mineral Resources at BLR's Hansen Project is based on information compiled by Mr Rex Bryan who is a member of the American Institute of Professional Geologists. Mr Rex Bryan compiled this information in his capacity as a Principal Geologist of Tetra Tech. Mr Rex 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rex Bryan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

About Black Range Minerals Limited

Black Range Minerals Limited ("BLR") is listed on the Australian Securities Exchange (ASX: BLR) and is focused on growth through acquisition, exploration and development of uranium projects. BLR is currently advancing the high-grade Hansen Project, located northwest of Cañon City, Colorado, USA, toward production (refer figure 2).

BLR controls 100% of the Hansen Project, which encompasses more than 13,500 acres (55 sq. km). The vast majority of these mineral rights have been secured under four lease and option agreements with surface landowners, together with several State and Federal leases. The Project contains JORC Code-compliant Indicated and Inferred resources of approximately 90.9 million pounds U_3O_8 at a very robust grade of 600 ppm U_3O_8, making it one of the largest uranium projects within the USA. Details of BLR's Mineral Resources are shown in the table below:

JORC Classification – Mineral Resources	Million Tonnes	Grade (PPM)	Million Pounds U_3O_8
At 250ppm U_3O_8 (0.025%) Cut off			
Indicated	28.93	620	39.75
Inferred	40.06	580	51.18
Total	68.99	600	90.92
At 750ppm U_3O_8 (0.075%) Cut off			
Indicated	7.71	1210	20.52
Inferred	8.86	1190	23.33
Total	15.58	1200	43.85

Resources in this table are based on an August 2010 estimate by Tetra Tech Inc.

BLR has assembled a highly reputable team of US-based experts to guide the Hansen Project through the mine permitting process. These team members have a solid track record in preparing high-quality permitting documents and in conducting comprehensive and successful public outreach. BLR is targeting completion of permitting activities and commencement of production in 2016.

Wherever practical, BLR seeks to utilise mining technologies that are both environmentally sensitive and economically viable by identifying and evaluating new technologies, and by embracing innovation in existing technologies.

Hansen is part of the larger Hansen Project, which also comprises Taylor Ranch, Picnic Tree, High Park and Devils Hole, and has been selected for initial production as the more technically advanced of the deposits in terms of historical permitting and drilling. Hansen was discovered in 1977 and fully permitted for mining by Cyprus Mines Corporation (Cyprus) in 1981.

More than 1,000 holes were drilled and three feasibility studies completed to evaluate Hansen. Cyprus concluded that the Project was economically viable; however, the Project was never brought to production due to the subsequent collapse of the uranium price. BLR's work to date has confirmed the historical work completed by Cyprus.

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

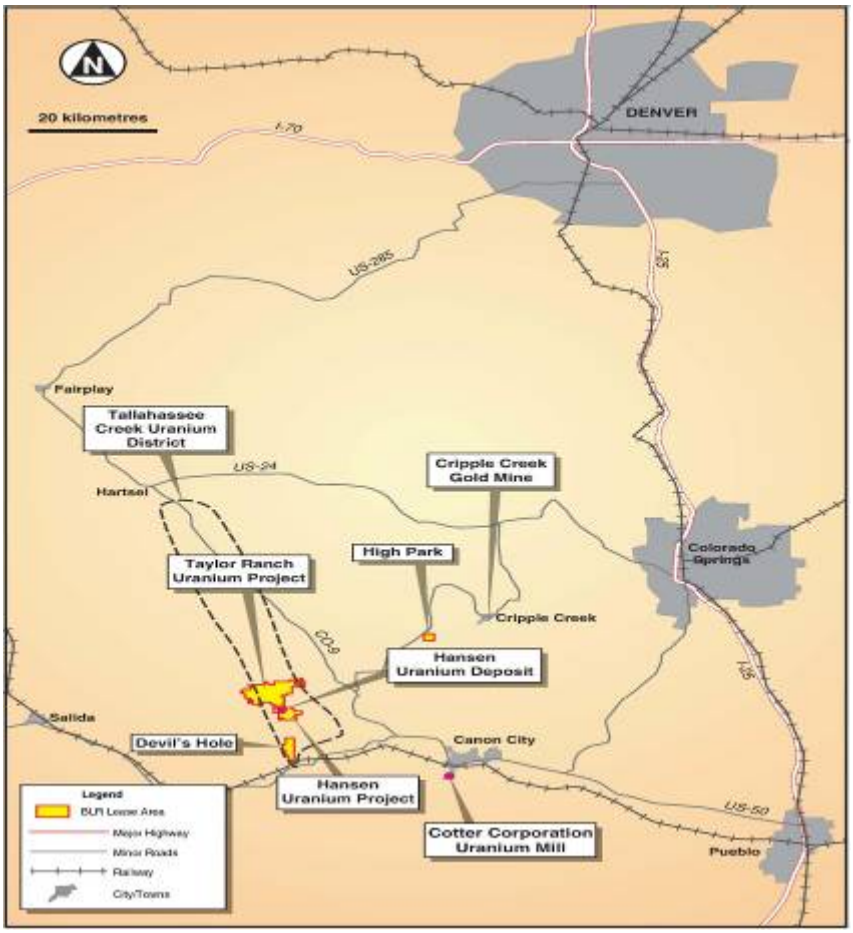

Figure 2 - Location of Black Range Minerals' Hansen / Taylor Ranch Uranium Project in Colorado, USA

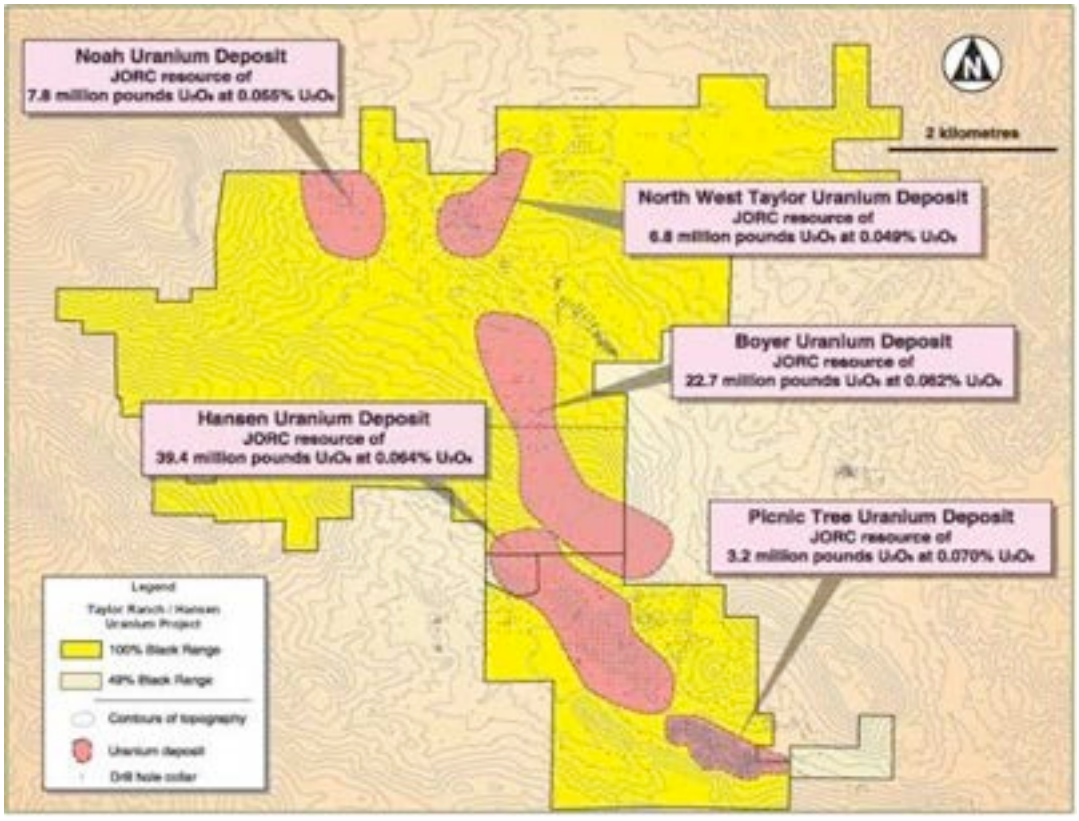

Figure 3 - Location of uranium deposits within Hansen / Taylor Ranch Uranium Project