



Quarterly Activities Report June 2013

ASX ANNOUNCEMENT

31 July 2013

Highlights

- Construction of a semi-commercial scale 5tph Ablation Unit nearing completion
- Agreement executed providing the Company rights to a 70% interest in revenue from the "October" uranium ore stockpile in Colorado, which is expected to be one of the first sources of ore for initial trials with the 5tph Ablation Unit
- Installation of infrastructure at the Ablation JV's manufacturing facility in Wyoming progressing well, so that multiple bulk samples of ore, from different deposits/locations, can readily be transported to Wyoming for advanced Ablation testwork
- Major shareholder provided the Company a convertible loan facility for up to \$2 million to complete the construction of the 5tph Ablation Unit and to continue to advance the development of the 90.9 million pound Hansen/Taylor Ranch Uranium Project
- Continued to collect baseline environmental data and advance mine permitting for the development of the Hansen Uranium Deposit
- Continued to pursue opportunities to acquire additional uranium assets that provide low-cost, near-term production potential
- Cash reserves at 30 June 2013 of ~\$1.1million (in addition to the recently established \$2 million loan facility)

Hansen/Taylor Ranch Uranium Project

Black Range Minerals Limited (ASX:BLR; "Black Range" or the "Company") controls 100% of the Hansen/Taylor Ranch Uranium Project in Colorado, USA ("Project"), which hosts Indicated and Inferred Mineral Resources of 90.9Mlbs of U₃O₈ at a robust grade of 600ppm (0.06%) U₃O₈.

A scoping study, completed in the first half of 2012, indicated that an initial mining operation can potentially be developed at the Project's Hansen Deposit with an estimated capital cost of less than \$80million to produce circa 2 million pounds of U₃O₈ per annum at an operating cost of approximately \$30/lb U₃O₈. The Company is seeking to secure permitting for the Project by 2016 and commence production shortly thereafter.

During the quarter the Company continued its regular collection of baseline environmental data. It also advanced its planning to drill a series of additional water monitoring wells at and around the Hansen Deposit. It is anticipated these wells will be drilled during the second half of 2013.

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Ablation Joint Venture

The Company holds a 50% interest in a joint venture (“JV”) with US company Ablation Technologies LLC. The JV is commercialising the Ablation process - a low cost method of concentrating uranium mineralisation by applying a physical, grain-size separation process, to ore slurries. No chemicals are added in the process, yet very high mineral recoveries can be achieved with considerable mass reduction, separating a high-grade, high-value mineral concentrate from a barren waste product.

Extensive testwork has shown that, when applying Ablation to amenable sandstone-hosted uranium ore types, typically more than 90% of the uranium mineralisation can be recovered into ~10% of the initial sample mass. Recent development work on a secondary upgrade circuit has seen recoveries in test work exceed 99%.

For the past few months the Ablation JV has been constructing a semi-commercial scale Ablation Unit, with nominal capacity of 5tph (the “5tph Unit”). This 5tph Unit will be used to undertake large-scale tests on samples of ore from deposits that are potentially amenable to Ablation, to demonstrate the economic viability of the technology.

The 5tph Unit comprises six modules:

- A feed/slurry-mix tank;
- 3 interconnected Ablation modules;
- A grain size classification (screening) module; and
- A dewatering module

The slurry-mix tank and Ablation units are almost complete. During the quarter initial hydraulic flow tests were successfully undertaken on the three interconnected Ablation modules (see Figure 1). Remaining parts for the screening module are on order from major suppliers and are expected to arrive in the very near term. Trials with a dewatering system were recently very successfully undertaken, and it is anticipated that this system will initially be utilised with the 5tph Unit. The entire system is expected to be operational for commencement of testwork in August.



Figure 1 – Initial hydraulic flow tests being undertaken on the 3 interconnected Ablation modules that will comprise part of the 5tph Ablation Unit that is nearing completion.

Previously the Ablation JV had been contemplating undertaking initial large-scale tests by physically transporting the 5tph Unit to individual test sites across the US. In order to streamline this testwork, and to facilitate undertaking tests on multiple samples from different locations/deposits in a timely and efficient manner, surface infrastructure is now being installed at the Ablation JV’s manufacturing facility in

Casper, Wyoming so that initial tests can be undertaken there, rather than incurring the time and expense of relocating the 5tph Unit to different sites.

It is envisaged that clients will initially run tests on bulk samples of ore through the 5tph Unit in Casper. This will enable demonstration/confirmation of the performance of Ablation on different ore-types over a sustained period, while also enabling characterisation of both the fine-grained “high-grade ore” product as well as the unmineralised “clean sand” product that can be expected to be recovered from different deposits. Following such initial tests, it is anticipated that clients may elect to mobilise the 5tph Unit to individual deposits to undertake further testwork or enter into agreements to utilise larger-scale units. As such the 5tph Unit has been deliberately designed to be readily transportable; capable of relocation on two semi-trailers.

Agreement Covering the October Uranium Ore Stockpile

In early July 2013 the Company entered into a definitive development agreement covering the “October” uranium surface ore stockpile in the historically prolific Uravan mineral belt in western Colorado, with unlisted company Nuvemco LLC (“Nuvemco”), which holds extensive mineral rights over uranium properties in Colorado, USA (the “October Agreement”).

The October stockpile comprises circa 10,000 tons of uranium ore that was mined prior to 1972 but never transported to a processing facility. Previous production from the October underground mines comprised more than 50,000 tons at average grades of 0.31% U_3O_8 and 0.91% V_2O_5 . Results from a recent systematic sampling program indicate that the average grade of the October stockpile is ~0.10% U_3O_8 and ~0.19% V_2O_5 .

Nuvemco LLC holds approved permits that allow for the removal of the entire October ore stockpile.

Extensive Ablation testwork has been undertaken on samples from the October stockpile during the past few months. Recoveries of >90% of both the uranium and vanadium into a fine-grained “high-grade ore” product were achieved. Equally importantly, virtually all of the uranium was removed leaving a coarse-grained, “clean sand” product after Ablation. Hence it is anticipated that a very benign coarse-grained product will result following remediation of the ore stockpile with Ablation.



Figure 2 – October uranium ore stockpile in western Colorado, USA.

The October Agreement provides the Company the right to Ablate the entire ore stockpile at any time during the next 3 years. The Company intends initially transporting circa 100 tons of the stockpile material to Casper, Wyoming, where it will run initial large-scale Ablation tests to better characterise the results of



Ablation on this particular ore type. Providing satisfactory results are returned, the Company intends Ablating the entire October ore stockpile. Both Nuvemco and Black Range will contribute to the costs involved in Ablating and remediating the stockpile, on agreed terms. Black Range will receive a 70% share of the revenue from sales of fine-grained, high-grade ore recovered during Ablation. As partial consideration for the October Agreement, the Company agreed to issue Nuvemco 2 million shares.

The October Agreement is highly strategic, as it not only provides the Company with potential for near-term revenue, it will also ensure that the Ablation JV can demonstrate the efficacy of the 5tph Unit in a timely and controlled manner.

Numerous other parties have expressed considerable interest in utilising the 5tph Unit, including many that have previously engaged the Ablation JV to undertake testwork with the currently operable 0.5tph pilot unit with considerable success. Discussions with other interested parties continues.

During the quarter the JV continued to undertake testwork on samples from uranium deposits around the world, for parties interested in determining whether the Ablation technology could be applicable to their ore types. Results continue to be very positive, continuing to provide the JV confidence that Ablation will have significant economic benefits to third parties globally.

Acquisition Opportunities

The Company's acquisition focus is on uranium assets that are considered complementary to its growth strategy. During the quarter the Company continued to pursue several acquisition opportunities that provide low-cost, near-term production potential.

Corporate

\$2 Million Funding Facility

In order to ensure the Company has sufficient funds to continue the commercialisation of Ablation while also continuing to advance the development of the Hansen Taylor Ranch/Project, in early July 2013 the Company entered into a convertible loan agreement with its major shareholder and cornerstone investor, Azarga Resources Limited ("Azarga").

Azarga has agreed to provide up to \$2 million of funds by way of an unsecured convertible loan facility (the "Facility"), which will be repayable in cash or in shares at \$0.01 per share. The Company is under no obligation to draw-down any or all of the Facility, but can do so in amounts of up to \$750,000 in the first month and thereafter up to \$500,000 per month. The Company drew-down \$750,000 during July 2013.

The term of the loan is 24 months and it is only convertible to shares at maturity, if not redeemed prior.

This Facility provides the Company surety that it can continue to advance its business in a timely manner, while also providing the Company flexibility to minimise dilution and to take advantage of any future share price appreciation.



At 30 June 2013 the Company held cash reserves of approximately \$1.1 million (in addition to the \$2 million Facility).

For further information please contact:

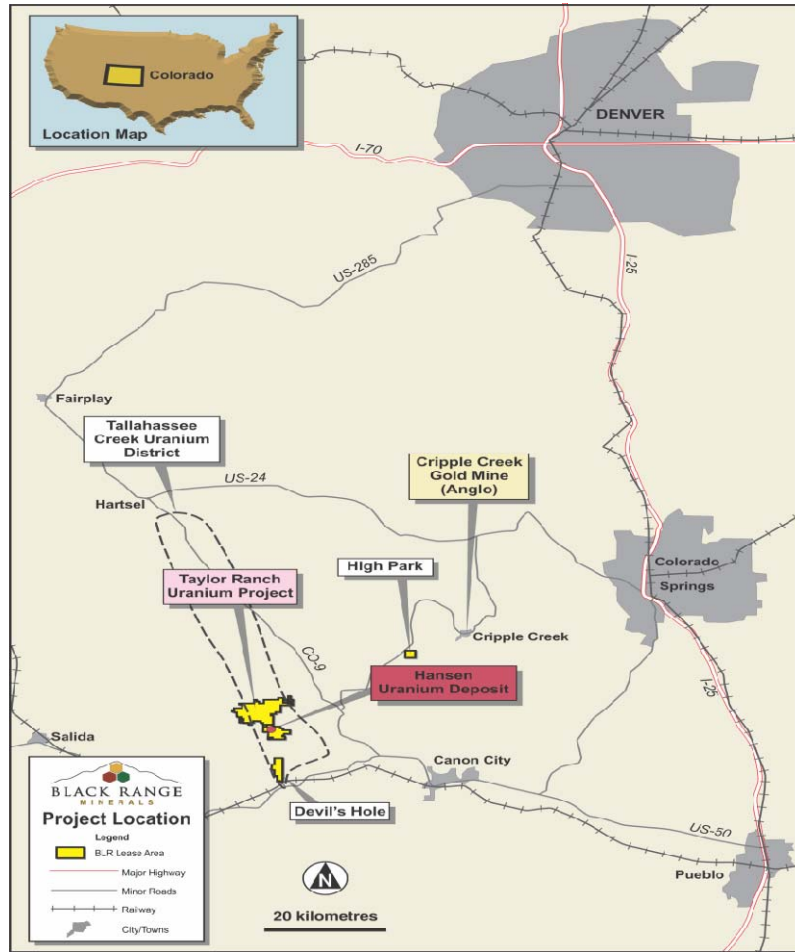
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Competent Person's Statement

The information in this announcement that relates to Mineral Resources at the Hansen/Taylor Ranch Uranium Project is based on information compiled by Mr Rex Bryan who is a member of the American Institute of Professional Geologists. The American Institute of Professional Geologists is a "Recognised Overseas Professional Organisation". 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.

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.



Location of Black Range Minerals Limited's Hansen/Taylor Ranch Uranium Project in Colorado, USA

Black Range's mineral resource estimate at the Hansen/Taylor Ranch Uranium Project comprises:

JORC Classification – Mineral Resources	Million Tonnes	Grade (ppm)	Million Pounds U ₃ O ₈
At 250ppm U₃O₈ (0.025%) cut-off			
Indicated	28.93	620	39.75
Inferred	40.06	580	51.18
Total	68.99	600	90.92
At 750ppm U₃O₈ (0.075%) cut-off			
Indicated	7.71	1210	20.52
Inferred	8.86	1190	23.33
Total	15.58	1200	43.85

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