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26 May 2014

The Company Announcements Office
Australian Securities Exchange

via electronic lodgement

NOTICE OF GENERAL MEETING

Black Range Minerals Limited (ASX:BLR) attaches a copy of the Notice of General Meeting that was mailed to shareholders today.

Yours faithfully

Ian Cunningham
Company Secretary

BLACK RANGE MINERALS LIMITED

ACN 009 079 047

NOTICE OF GENERAL MEETING

TIME: 10:00am (WST)

DATE: 26 June 2014

PLACE: Suite 9
5 Centro Avenue
Subiaco WA 6008

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9481 4920.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10:00am (WST) on 26 June 2014 at:

Suite 9
5 Centro Avenue
Subiaco WA 6008

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00 pm (WST) on 24 June 2014.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's

votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
    - ➢ the proxy is not recorded as attending the meeting; or
    - ➢ the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

AGENDA

1. RESOLUTION 1 – ISSUE OF SECURITIES TO AZARGA RESOURCES LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for:

*(a) the Company to issue to Azarga Resources Limited (**Azarga**) Shares on conversion of the Convertible Loans (**Conversion Shares**); and*

*(b) the acquisition of a relevant interest in the issued voting shares of the Company by Azarga and the Relevant Interest Parties otherwise prohibited by section 606(1) of the Corporations Act by virtue of the issue of the Conversion Shares referred to in paragraph (a) (**Voting Acquisition**),*

on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: No votes may be cast in favour of this Resolution by:

(a) the person proposing to make the acquisition and their associates; or

(b) the persons (if any) from whom the acquisition is to be made and their associates.

Accordingly, the Company will disregard any votes cast on this Resolution by Azarga and any of its associates.

Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared for the purpose of the Shareholder approval required under section 611 (Item 7) of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of this Resolution to the non-associated Shareholders in the Company. The Independent Expert has determined the issue of the Conversion Shares to Azarga and the resulting Voting Acquisition is **not fair but reasonable** to the non-associated Shareholders.

2. RESOLUTION 2 – ISSUE OF SHARES TO STB MINERALS LLC

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue that number of Shares when multiplied by the deemed issue price is equal to US$500,000 on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES TO AZARGA RESOURCES LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 63,800,000 Shares to Azarga Resources Limited on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Azarga Resources Limited and any of its associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – NEW CONSTITUTION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

> *"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chair for identification purposes."*

Dated: 21 May 2014

By order of the Board

Ian Cunningham
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – ISSUE OF SECURITIES TO AZARGA RESOURCES LIMITED

1.1 Background

As announced to ASX on 4 July 2013, 30 October 2013 and 27 February 2014, the Company has entered into three separate convertible loan facilities with Azarga Resources Limited (**Convertible Loan Facilities**).

Under the terms of the Convertible Loan Facilities the Company is required to obtain Shareholder approval for the conversion of the amounts owing under the Convertible Loan Facilities on or before 27 June 2014. In the event Shareholder approval is not obtained by that date the Company is required to redeem the amounts owing in full within 30 days. As at the date of this Notice the amounts that will be owing at the date of the Meeting will be $3,788,000.

Details of the material terms and conditions of the Convertible Loan Facilities are set out in Schedules 1, 2 and 3.

1.2 General

Resolution 1 seeks Shareholder approval for the purpose of section 611 (Item 7) of the Corporations Act to allow the Company to issue the Conversion Shares to Azarga in full satisfaction of the amounts owing under the Convertible Loan Facilities and in the context of the Third Convertible Loan Facility any future amounts owing as a result of further draw downs, as well as the acquisition of a relevant interest in the issued voting shares of the Company by Azarga and the Relevant Interest Parties otherwise prohibited by section 606(1) of the Corporations Act by virtue of the issue of the Conversion Shares (**Voting Acquisition**).

Assuming the maximum number of Conversion Shares are issued to Azarga (being 655,352,381 Shares) and there being no other change to Azarga's relevant interest in Shares or the capital structure of the Company Azarga's voting power in the Company will increase from 20.21% up to 42.07%. However, the Company notes it is not obligated to draw down the full amount available under the Third Convertible Loan Facility. In the event the Company elects to draw down only the minimum amount ($1 million) under the Third Convertible Loan Facility, Azarga's maximum voting power would be 37.79% based on the other assumptions being the same.

Pursuant to ASX Listing Rule 7.2 (Exception 16), shareholder approval pursuant to ASX Listing Rule 7.1 is not required where approval is being obtained pursuant to section 611 (Item 7) of the Corporations Act. Accordingly, if Resolution 1 is passed by the requisite majority, the issue of the Securities will be made without using the Company's 15% annual placement capacity and the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 and, if applicable, the additional 10% annual capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

The Corporations Act and ASIC Regulatory Guide 74 set out a number of regulatory requirements which must be satisfied. These are summarised below.

1.3 Section 611 (Item 7) of the Corporations Act

(a) **Section 606 of the Corporations Act – Statutory Prohibition**

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

(i) from 20% or below to more than 20%; or

(ii) from a starting point that is above 20% and below 90%, (**Prohibition**).

(b) **Voting Power**

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

(c) **Associates**

For the purposes of determining voting power under the Corporations Act, subject to specified exclusions, a person (**second person**) is an "associate" of the other person (**first person**) if:

(i) the first person is a body corporate and the second person is:

(A) a body corporate the first person controls;

(B) a body corporate that controls the first person; or

(C) a body corporate that is controlled by an entity that controls the first person;

(ii) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or

(iii) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.

An entity controls another entity if it has the capacity to determine the outcome of decisions about that other entity's financial and operating policies.

A relevant agreement includes an agreement, arrangement or understanding, whether written or oral, formal or informal and whether or not having legal or equitable force.

There are no persons who are associates of Azarga in accordance with this definition.

(d) **Relevant Interests**

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

(i) are the holder of the securities;

(ii) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or

(iii) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that a person is deemed to have a "relevant interest" in any securities that a body corporate has if their voting power in that body corporate is above 20% or they control that body corporate.

Curtis Church, who is a director of Azarga, is deemed to hold a relevant interest in the securities Azarga holds in the Company, on the basis that his voting power in Azarga is

25.1% as at the date of this Notice. Curtis Church does not have any associates with an existing relevant interest in the Company.

Alexander Molyneux, who is a director of Azarga, is deemed to hold a relevant interest in the securities Azarga holds in the Company, on the basis that his voting power in Azarga is 25.6% as at the date of this Notice. Alexander Molyneux does not have any associates with an existing relevant interest in the Company.

Powerlite Ventures Limited will be deemed to hold a relevant interest in the securities Azarga holds in the Company in the event a convertible bond it holds in Azarga is converted into ordinary shares in Azarga which would increase its voting power in Azarga from 14.7% to 63% (assuming no other shares in Azarga are issued prior to the conversion). Powerlite Ventures Limited, which is a wholly owned subsidiary of Blumont Group Limited, does not have any associates with an existing relevant interest in the Company.

On 26 February 2014, Powertech Uranium Corp. (**Powertech**) and Azarga announced that they had entered into a share purchase agreement pursuant to which Powertech will acquire all of the issued and outstanding common shares of Azarga in exchange for common shares of Powertech (**Powertech Transaction**). Upon completion of the Powertech Transaction:

- Azarga will become a wholly-owned subsidiary of Powertech and the current Azarga shareholders would become Powertech shareholders holding approximately 77% of the total shares on issue in Powertech; and

- Powertech would continue to carry on Azarga's business and change its name to "Azarga Uranium Corp.".

Completion of the Powertech Transaction is expected to occur before 31 July 2014 and is conditional upon, among other things, receipt of approvals, including approvals of the Toronto Stock Exchange, the shareholders of Powertech and the shareholders of Azarga. As the Powertech Transaction will result in the 'downstream acquisition' of more than 20% of the voting shares of the Company by Powertech, the Powertech Transaction will also require approval from the ASIC for a modification of the terms of the Corporations Act to allow the resulting "downstream acquisition" to occur without further Shareholder approval.

1.4 Specific information required by section 611 (Item 7) of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for section 611 (Item 7) of the Corporations Act.

(a) **Identity of the acquirer and its associates**

The acquirer is Azarga and the Relevant Interest Parties.

There are no associates of Azarga for the purposes of determining its voting power under the Corporations Act.

There are no associates of the Relevant Interest Parties for the purposes of determining its voting power under the Corporations Act.

(b) **Changes in voting power**

The maximum extent of the increase in voting power in the Company resulting from the issue of the Conversion Shares as well as the voting power resulting from the Voting Acquisition for Azarga, the Relevant Interest Parties and their respective associates is set out in Schedule 5.

(c) **Reasons for the proposed acquisition**

The reason for the issue of the Conversion Shares and the resulting Voting Acquisition is that it is required in order to comply with the Company's obligations under the Convertible Loan Facilities. In the absence of Shareholder approval of Resolution 1, the Loans will be repayable within 30 days of the Meeting.

(d) **Date of proposed acquisition**

The Conversion Shares will be required to be issued as follows:

(i) First Convertible Loan Facility: within 7 days of the date of Shareholder approval of Resolution 1;

(ii) Second Convertible Loan Facility: within 7 days of the date of Shareholder approval of Resolution 1;

(iii) Third Convertible Loan Facility: within 7 days of the date of Azarga delivering a conversion notice to the Company (which is only permitted following Shareholder approval of Resolution 1) or the maturity date of the facility.

(e) **Material terms of proposed acquisition**

The Conversion Shares that are to be issued to Azarga and which will result in the Voting Acquisition, are the subject of the Convertible Loan Facilities, the material terms and conditions of which are disclosed in Schedules 1, 2 and 3.

(f) **Acquirer's intentions**

Other than as disclosed elsewhere in this Explanatory Statement, as at the date of this Notice the Company understands that Azarga:

(i) has no present intention of making any significant changes to the business of the Company;

(ii) intends to participate in further capital raisings of the Company to maintain its shareholding interest;

(iii) has no present intention of making changes regarding the future employment of the present employees of the Company;

(iv) does not intend to redeploy any fixed assets of the Company;

(v) does not intend to transfer any property between the Company and Azarga; and

(vi) has no intention to change the Company's existing policies in relation to financial matters or dividends.

These intentions are based on information concerning the Company, its business and the business environment which is known to Azarga at the date of this document.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

(g) **Proposed change of directors of the Company**

No changes are proposed to the Board as a result of the issue of the Conversion Shares. However, pursuant to the terms of the Third Convertible Loan Facility, subject to:

(i) Azarga maintaining voting power in at least 35% of the Company calculated on a pro forma, diluted basis including all unconverted loans and where the conversion price of such unconverted loans is not a fixed price then based on the minimum conversion price; and

(ii) Azarga's nominees not representing 50% or more of the members of the board of directors of the Company unless Azarga maintains voting power in more than 50% of the Company,

Azarga will have the right to nominate two persons to be appointed as directors of the Company at any one time. The nominations and any resulting appointments will be subject to the operation of all applicable laws and regulations, including the Company's constitution. As at the date of this Notice, Azarga has one nominee on the Board, Joseph Havlin.

(h) **Other information**

The Directors are not aware of any information other than as set out in this Notice that is material to the decision on how to vote on Resolution 1.

1.5 Advantages of the issue of the Conversion Shares

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

(a) the Third Convertible Loan Facility provides the Company with additional funds of up to $2,000,000, of which $350,000 has been drawn down as at the date of this Notice. The balance of this facility has the potential to provide additional working capital of approximately $1.65 million to the Company. If Shareholder approval is not obtained the amounts owing will be repayable within 30 days and the remainder of the Facility will no longer be available to the Company;

(b) the amount owing under the First Convertible Loan Facility is convertible to Shares at $0.01, being a 43% premium to the closing Share price immediately preceding the date prior to this Notice;

(c) the amount owing under the Second Convertible Loan Facility is convertible to Shares at $0.012, being a 71% premium to the closing Share price immediately preceding the date of this Notice;

(d) in the absence of Shareholder approval the amounts owing under the Convertible Loan Facilities ($3,788,000 at the date of this Notice) is repayable within 30 days

1.6 Disadvantages of the issue of the Conversion Shares

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

(a) the voting power of non-associated Shareholders has the potential to be diluted from 79.79% to a minimum of 57.93%. The Board notes the dilution effect will be reduced where (i) not all of the Third Convertible Loan Facility is drawn down; (ii) the conversion price for the Third Convertible Loan Facility is higher than the base price of $0.007; or (iii) Azarga elects to convert the all or part of the amounts owing under the Third Convertible Loan Facility prior to the 30% redemption premium becoming applicable.

Whilst recognising the significant voting power that Azarga may acquire as a result of the issue of the Conversion Shares, the Directors note that Azarga has been a substantial shareholder since March 2013 and has to date been supportive of the Company's strategies. The Directors expect this support to continue in the future.

1.7 Recommendations of Directors

The Directors (other than Joseph Havlin who is a nominee and director of Azarga) do not have any material personal interests in the outcome of Resolution 1 and unanimously recommend that Shareholders vote in favour of Resolution 1 as they consider the proposed issue of the Conversion Shares to be in the best interests of Shareholders for the following reasons:

(a) after assessment of the advantages and disadvantages referred to in Sections 1.5 and 1.6 the Directors are of the view that the advantages outweigh the disadvantages; and

(b) the Independent Expert has determined the issue of the Conversion Shares to be **not fair but reasonable** to the non-associated Shareholders.

1.8 Independent Expert's Report

The Independent Expert's Report (a copy of which is attached as Annexure 1 to this Explanatory Statement) sets out a detailed examination of the issue of the Conversion Shares to Azarga to enable non-associated Shareholders to assess the merits and decide whether to approve Resolution 1.

The Independent Expert's Report concludes that the transactions contemplated by Resolution 1 are **not fair but reasonable** to the non-associated Shareholders.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

2. RESOLUTION 2 – APPROVAL FOR ISSUE OF SHARES TO STB MINERALS LLC

2.1 Background

On 21 February 2011, the Company announced to ASX that it had executed a definitive agreement with STB Minerals LLC (**STB**) that provided the Company with an exclusive option to acquire a 51% interest in the Hansen Uranium Deposit in Colorado, USA (**STB Agreement**).

The key terms of the STB Agreement are as follows:

(a) The Company has an exclusive, six-year option to acquire STB's 51% mineral interest in the Hansen Uranium Deposit and immediate surrounds (**STB Option**).

(b) Once the conditions precedent contained in the STB Agreement were satisfied, the Company became obliged to pay STB US$1.0 million and issue STB with Shares to the value of US$2.5 million (such value being calculated by using an issue price equal to the five (5) day volume weighted average price of the Shares in the five (5) days immediately prior to the date of issue) (**STB Acquisition Shares**). The Company has already paid STB US$1.0 million and has also issued the STB Acquisition Shares to STB (being 74,556,028 Shares to the value of US$2.5 million).

(c) The Company shall undertake feasibility studies into the development of a commercial scale mining operation at the Hansen Uranium Deposit, evaluating all potential mining methods.

(d) To fully exercise the STB Option, the Company is obliged to pay STB a further US$2.0 million and issue STB Shares to the value of US$7.5 million (such value being calculated by using an issue price equal to the five (5) day volume weighted average price of the Shares in the five (5) days immediately prior to the date of issue). These Shares are to be issued in 2 tranches, with the issue of the second tranche occurring 180 days after the issue of the first tranche.

(e) If the Company has not exercised the STB Option to acquire STB's mineral interest within 3 years of satisfaction of the conditions precedent contained in the STB Agreement, that is on or before 28 July 2014, it shall have the right to extend its exclusive option for a further 3 years by paying STB a further US$1.0 million and issuing STB further Shares to the value of US$1.0 million (such value being calculated by using an issue price equal to the five (5) day volume weighted average price of the Shares in the five (5) days immediately prior to the date of issue) (**STB Option Extension Shares**). The STB Option Extension Shares are to be issued in 2 tranches, with the issue of the second tranche occurring 180 days after the issue of the first tranche.

If the Company exercises the STB Option to acquire STB's mineral interest, STB will be entitled to a 0.76% royalty on production from the Hansen Uranium Deposit.

2.2 ASX Listing Rule 7.1

Resolution 2 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of the first tranche of the STB Option Extension Shares to STB (being an amount of Shares to the value of US$0.5 million) in part consideration for the extension of the STB Option.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Company to issue the first tranche of the STB Option Extension Shares (being an amount of Shares to the value of US$0.5 million) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

2.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

(a) the maximum number of Shares to be issued is that number of Shares which, when multiplied by the issue price, equals US$500,000. The exchange rate for the issue of the Shares will be determined as follows:

(i) the rate quoted by the WM/Reuters Australian Dollar Fix at 4:00 pm (Sydney) on the American Business Day prior to the date of the issue of the Shares; or

(ii) if the rate established by paragraph (i) above is unavailable, the rate as quoted by, or on behalf of, the Reserve Bank of Australia (or any successor in its obligations) as the purchasing power of AUD1 in USD as last published (but no more than two American Business Days prior to the relevant Share issue date); or

(iii) if the rate established by paragraph (ii) above is unavailable, the average of the rates quoted to STB on the same day (but no more than two American Business Days prior to the relevant Share issue date) by three Australian banks for the conversion into Australian Dollars of the stated number of the United States Dollars.

(b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue will occur on the same date;

(c) the issue price will be the five (5) day volume weighted average price of Shares in the five (5) days immediately prior to the date of issue subject to that price being not less than 80% of the average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;

(d) the Shares will be issued to STB Minerals LLC (and/or its nominee) which is not a related party of the Company;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) no funds will be raised from the issue as the Shares are being issued as part consideration for the extension of the STB Option.

The table below shows the number of Shares that may be issued pursuant to Resolution 2, based on the exchange rate and issue price as determined by Sections 2.3(a)(i) and 2.3(c) respectively as at 21 May 2014. The table also shows the number of Shares that may be issued pursuant to Resolution 2 where there is a 30% increase or decrease to the assumed issue price:

Issue Price	**Number of Shares Issued**
$0.0063 (determined as at 21 May 2014)	85,357,462
$0.0081 (30% increase in assumed issue price)	65,659,586
$0.0044 (30% decrease in assumed issue price)	121,939,231

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES TO AZARGA RESOURCES LIMITED

3.1 General

On 30 October 2013, the Company issued 63,800,000 Shares to Azarga at an issue price of $0.01 per Share following the conversion of $638,000 that had been loaned to the Company by Azarga under the terms and conditions of the Convertible Loan Facility.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Section 2.2.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

(a) 63,800,000 Shares were issued;

(b) the deemed issue price was $0.01 per Share;

(c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(d) the Shares were issued to Azarga who is not a related party of the Company; and

(e) the Shares were issued in relation to the conversion of $638,000 that was owed by the Company to Azarga under the terms of the First Convertible Loan Facility.

4. RESOLUTION 4 – REPLACEMENT OF CONSTITUTION

4.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

The Company's constitution has remained unchanged since 2004. The Board wishes to ensure that the Company's constitution reflects best market practice.

Resolution 4 seeks Shareholder approval by special resolution to repeal its existing Constitution and to adopt a new constitution (**Proposed Constitution**). The Proposed Constitution reflects developments in corporate governance principles and general corporate and commercial practice for ASX companies since 2004.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature and the Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution will be sent to any Shareholder upon request to the Company Secretary (+61 8 9481 4920) and will also be available for inspection at the Company's registered office during normal business hours prior to the Meeting and available for inspection at the Meeting. A copy of the Proposed Constitution will be available for review on the Company's website up to the date of the Meeting.

4.2 Summary of material proposed changes

Minimum Shareholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than $500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of unmarketable parcels to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to as "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Dividends (clause 21)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not a pay a dividend unless:

(a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;

(b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and

(c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 35)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

<u>Information required by section 648G of the Corporations Act</u>

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice, other than as set out in Resolution 1, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company. The matters set out in Resolution 1 have had no influence on the Board's decision to adopt a new constitution.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

(a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;

(b) assisting in preventing Shareholders from being locked in as a minority;

(c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and

(d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

(a) proportional takeover bids may be discouraged;

(b) lost opportunity to sell a portion of their Shares at a premium; and

(c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 4.

GLOSSARY

$ means Australian dollars.

American Business Day means a day other than a Saturday or Sunday or a day on which banks in the State of Colorado are authorized or required by law to close.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the listing rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Black Range Minerals Limited (ACN 009 079 047).

Constitution means the Company's constitution.

Convertible Loan Facilities means the First Convertible Loan Facility, the Second Convertible Loan Facility and the Third Convertible Loan Facility.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

First Convertible Loan Facility means the convertible loan facility between the Company and Azarga Resources Limited announced to ASX on 4 July 2013 and on the material terms and conditions set out in Schedule 1.

General Meeting or **Meeting** means the meeting convened by the Notice.

Independent Expert Report means the Independent Experts Report prepared by BDO Corporate Finance (WA) Pty Ltd which is attached to this Notice as Annexure 1.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Relevant Interest Parties means Curtis Church, Alexander Molyneux and Powerlite Ventures Limited.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Schedule means a schedule to this Notice.

Second Convertible Loan Facility means the convertible loan facility between the Company and Azarga Resources Limited announced to ASX on 30 October 2013 and on the material terms and conditions set out in Schedule 2.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Third Convertible Loan Facility means the convertible loan facility between the Company and Azarga Resources Limited announced to ASX on 27 February 2014 and on the material terms and conditions set out in Schedule 3.

Voting Acquisition means the acquisition of a relevant interest in the issued voting shares of the Company resulting from the issue of the Conversion Shares which, without the approval of Resolution 1, would otherwise be prohibited by Section 606(1) of the Corporations Act.

US$ means US dollars, the official currency of the United States of America.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF FIRST CONVERTIBLE LOAN FACILITY

Principal	$2,000,000
Redemption Amount	(a) 110% of the amount being redeemed or converted as the context requires where the date of the advance was up to but not including 6 months before the redemption date or issue date as the context requires; (b) 115% of the amount being redeemed or converted as the context requires where the date of the advance was not less than 6 months and not more than 12 months before the redemption date or issue date as the context requires; or (c) 130% of the amount being redeemed or converted as the context requires where the date of the advance was more than 12 months before the redemption date or issue date as the context requires. The Redemption Amount as the date of the Meeting will be $1,633,000.
Redemption Event	The first to occur of: (a) Shareholder approval contemplated in the conversion condition is not obtained; or (b) a shareholder meeting seeking the approval contemplated in the conversion condition is not held by 27 June 2014.
Redemption Date	(a) 7 days after the date of delivery of a redemption notice; or (b) within 30 days of the occurrence of the Redemption Event.
Conversion Price	$0.01
Conversion Date	Within 7 days of Shareholder approval.

Principal	$1,500,000
Redemption Amount	(a) 110% of the amount being redeemed or converted as the context requires where the date of the advance was up to but not including 6 months before the redemption date or issue date as the context requires; (b) 115% of the amount being redeemed or converted as the context requires where the date of the advance was not less than 6 months and not more than 12 months before the redemption date or issue date as the context requires; or (c) 130% of the amount being redeemed or converted as the context requires where the date of the advance was more than 12 months before the redemption date or issue date as the context requires. The Redemption Amount as the date of the Meeting will be $1,700,000.
Redemption Event	The first to occur of: (a) Shareholder approval contemplated in the conversion condition is not obtained; or (b) a shareholder meeting seeking the approval contemplated in the conversion condition is not held by 27 June 2014
Redemption Date	(a) 7 days after the date of delivery of a redemption notice; or (b) within 30 days of the occurrence of the Redemption Event.
Conversion Price	$0.012
Conversion Date	Within 7 days of Shareholder approval.

SCHEDULE 3 – TERMS AND CONDITIONS OF THIRD CONVERTIBLE LOAN FACILITY

Principal	Up to $2 million As at the date of this Notice a total of $350,000 has been advanced to the Company under this facility.
Redemption Amount	(a) 115% of the amount being redeemed or converted as the context requires where the date of the advance was up to 6 months before the redemption rate or issue date as the context requires other than where redemption occurs pursuant to a Redemption Event; or (b) 130% of the amount being redeemed or converted as the context requires where the date of the advance was more than 6 months before the redemption date or issue date as the context requires or where redemption occurs pursuant to a Redemption Event despite the date of the advance being 6 months or less before the redemption date. Based on the amount drawn down at the date of this Notice, the Redemption Amount in the event Shareholder approval is not obtained will be $455,000.
Redemption Event	The first to occur of: (a) Shareholder approval contemplated in the conversion condition is not obtained; or (b) a shareholder meeting seeking the approval contemplated in the conversion condition is not held by 27 June 2014
Redemption Date	(a) 7 days after the date of delivery of a redemption notice; or (b) within 30 days of the occurrence of the Redemption Event.
Maturity Date	3 March 2015
Conversion Price	The higher of the volume weighted average price of Shares trade on ASX during the 3 month period ending 3 June 2014 or $0.007.
Conversion Condition	The Company obtaining all necessary regulatory and shareholder approvals pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth) or any other law to allow the Company to issue Shares in satisfaction of the repayment of the outstanding amount under the agreement.

SCHEDULE 4 – PRO-FORMA BALANCE SHEET

An unaudited pro-forma balance sheet of the Company is set out below, which shows the indicative financial impact of the issue of the Conversion Shares, as if those transactions had been implemented on 31 December 2013. Other than as disclosed in the Notes below, there have been no material post balance date events. The actual financial impact will depend on the circumstances prevailing at the time of issue of the Conversion Shares.

		As at 31 December 2013		
	Notes	Audited $'000	Adjustments $'000	Pro Forma $'000
CURRENT ASSETS				
Cash and cash equivalents	1	112	1,800	1,912
Trade and other receivables		55	-	55
TOTAL CURRENT ASSETS		**167**	**1,800**	**1967**
NON-CURRENT ASSETS				
Other receivables		433	-	432
Plant and equipment		16		16
Investment in joint venture entity	2	7,660	100	7,760
Deferred exploration and evaluation expenditure		21,591	400	21,991
TOTAL NON-CURRENT ASSETS		**29,699**	**500**	**30,199**
TOTAL ASSETS		**29,867**	**2,300**	**32,167**
CURRENT LIABILITIES				
Trade & other payables		562	-	562
Other liabilities		500	-	500
Interest bearing liabilities	3	2,539	2,539	-
TOTAL CURRENT LIABILITIES		**3,601**	**2,539**	**1,062**
TOTAL LIABILITIES		**3,601**	**2,539**	**1,062**
NET ASSETS		**26,266**	**4,839**	**31,105**
EQUITY				
Issued capital	4	67,519	5,786	73,305
Reserves		2,772	-	2,772
Accumulated losses	5	(44,025)	(947)	(44,971)
TOTAL EQUITY		**26,266**	**4,839**	**31,105**

Notes to Adjustments:

1. Cash has increased due to the cumulative effect of:
   - drawdown of the remaining balance of the Second Convertible Loan Facility ($0.5 million); and
   - drawdown of the Third Convertible Loan Facility ($2 million);

   less:
   - exploration and development expenditure since 31 December 2013 ($0.4 million);
   - loans to the Ablation joint venture since 31 December 2013 ($0.1 million); and
   - operating expenditure since 31 December 2013 ($0.2 million).

2. Investment in the ablation joint venture entity has increased due to additional loans made subsequent to 31 December 2013 ($0.1 million).

3. Interest bearing liabilities has decreased due to the cumulative effect of:
   - additional drawdowns under the Convertible Loan Facilities (refer Note 1 above);and
   - additional redemption interest on the existing Convertible Loan Facilities balance plus redemption interest applicable to subsequent drawdowns ($0.75 million);

   less:
   - the issue of the Conversion Shares ($5.8 million).

4. Issued capital has increased due to the issue of the Conversion Shares (refer Note 3 above);

5. Accumulated losses have increased due to the cumulative effect of:
   - operating expenditure since 31 December 2013 (refer Note 1 above); and
   - redemption interest charges post 31 December 2013 in relation to the existing balances of the Convertible Loan Facilities plus subsequent draw downs.

Event[1]	Azarga
The date of this Notice (Total Shares in issue = 1,736,431,551)	Total Shares held – 350,906,176 Total Voting Power – 20.21%
Conversion under First Convertible Loan Facility (Total Shares on issue = 1,899,731,551)	New Shares acquired – 163,300,000[2] Total Shares held – 514,206,176 Total Voting Power – 27.07%
Conversion under Second Convertible Loan Facility (Total Shares on issue = 2,041,398,218)	New Shares acquired – 141,666,667 [3] Total Shares held – 655,872,843 Total Voting Power – 32.13%
Conversion under Third Convertible Loan Facility (Total Shares on issue = 2,391,783,932)	New Shares acquired – 350,385,714 [4] Total Shares held – 1,006,258,557 Total Voting Power – 42.07%

1 Assumes no other Shares are issued and no Options are exercised. The Board notes this will not actually occur as the Company is seeking Shareholder approval for the issue of Shares pursuant to Resolution 2 and will also need to conduct further capital raisings to conduct its proposed activities. As the quantum of these raisings and the resulting dilution effect is unknown at this time they have not been included in calculations set out in the above table. However, it is noted that if further capital raisings are undertaken and/or the Shares contemplated by Resolution 2 are issued and Azarga does not participate in such further raisings in proportion to its then shareholding interest then it will dilute its voting power in the Company.

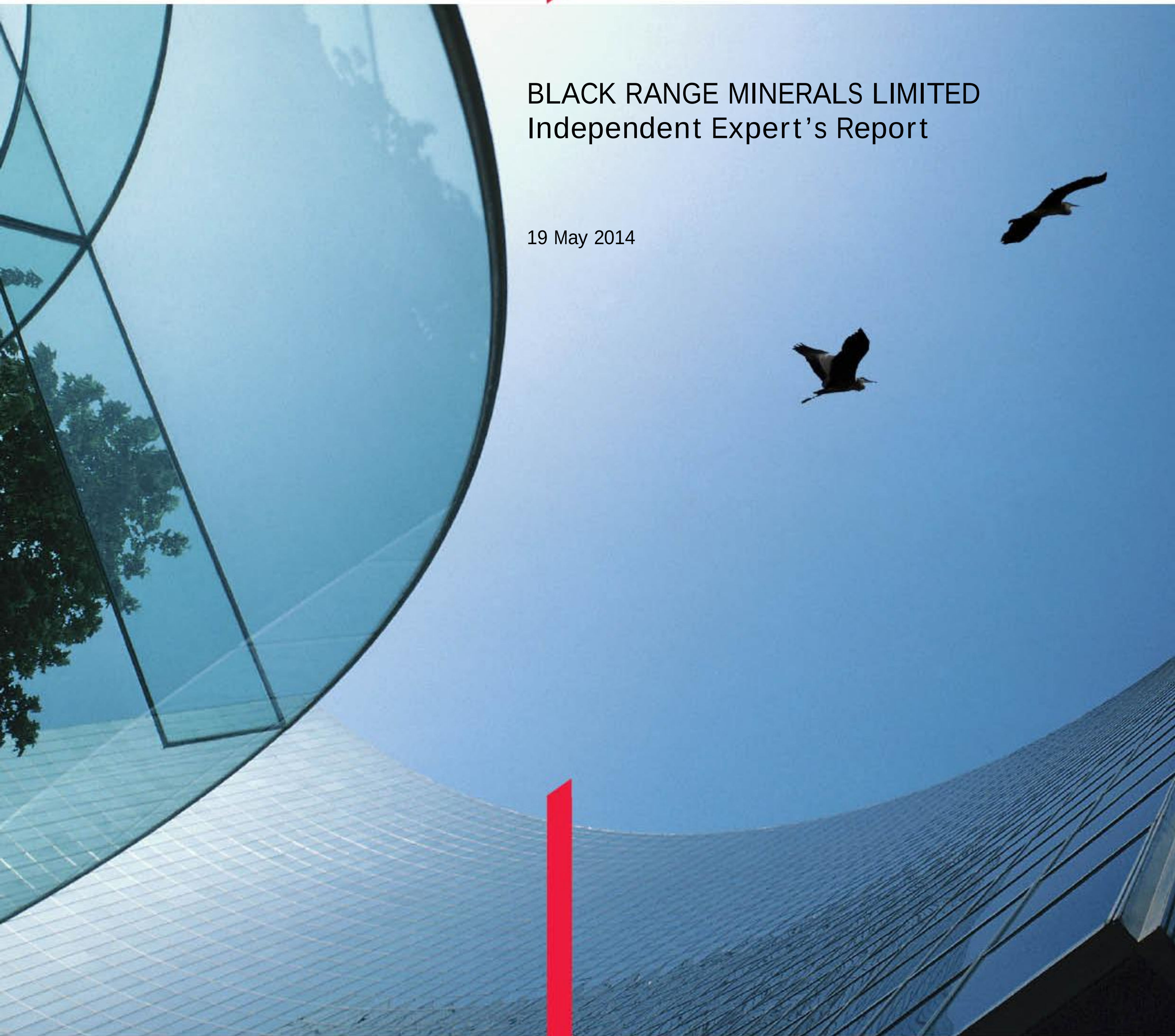
2 Assumes that the outstanding Principal (inclusive of redemption premium) is redeemed on or before the next Business Day following the Meeting ($1,633,000 @ $0.01 per Share = 163,300,000 Shares).

3 Assumes that the outstanding Principal (inclusive of redemption premium) is redeemed on or before the next Business Day following the Meeting ($1,700,000 @ $0.012 per Share = 141,666,667 Shares).

3 Assumes full draw down of $2,000,000 and that the Principal (inclusive of redemption premium) is redeemed on 3 March 2015, being 12 months since the date of the first advance under the facility, at the minimum applicable conversion price, being $0.007 ($2,452,700 @ $0.007 per Share = 350,385,714 Shares).

BLACK RANGE MINERALS LIMITED
Independent Expert's Report

19 May 2014



Financial Services Guide

19 May 2014

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Black Range Minerals Limited ('Black Range') to provide an independent expert's report on the proposal for Black Range to issue shares to Azarga Resources Limited ('Azarga') on conversion of three convertible loan facilities. You are being provided with a copy of our report as a retail client because you are a shareholder of Black Range.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive
We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately $12,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Other Assignments
In January 2014 we were engaged to provide an independent expert's report on the proposals for Black Range to issue shares to Azarga on conversion of convertible notes and participation in an equity raising and for Black Range to grant security to Azarga in the form of a mortgage over the assets comprising Black Range's Hansen/Taylor Ranch Uranium Project. Our fees for this work amounted to approximately $40,000.

Remuneration or other benefits received by our employees
All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Black Range for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals
We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution
Internal complaints resolution process
As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme
A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ("FOS"). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter.

Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact details
You may contact us using the details set out on page 1 of the accompanying report.

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Appendix 1 – Glossary

Appendix 2 – Valuation Methodologies

Appendix 3 - Independent Valuation Report prepared by John Kyle Engineering, LLC

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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

19 May 2014

The Directors
Black Range Minerals Limited
Suite 9, 5 Centro Avenue
Subiaco, WA, 6008

Dear Sirs

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 27 February 2014, Black Range Minerals Limited ('Black Range' or 'the Company') announced that, in order to secure its interim working capital requirements, the Company had agreed to restructure its two existing convertible loan facilities, as announced on 4 July 2013 and 30 October 2013, and entered into a new convertible loan facility (together referred to as the 'Convertible Loan Facilities') with Azarga Resources Limited ('Azarga').

Upon conversion of the above Convertible Loan Facilities (together referred to as the 'Financing Transaction'), Azarga's voting power in the Company will increase from 20.21% to a maximum interest of 42.07%.

Completion of the Financing Transaction requires shareholders' approval pursuant to Section 611 Item 7 of the Corporations Act 2001 (Cth) (the 'Act') because the issue of the shares to Azarga will result in it increasing its voting power in the Company, which is currently greater than 20%.

2. Summary and Opinion

2.1 Purpose of the report

The directors of Black Range have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether or not the Financing Transaction is fair and reasonable to the non-associated shareholders of Black Range ('Shareholders').

Our Report is prepared pursuant to Section 611 Item 7 of the Act as a result of Azarga increasing its voting power in the Company from its current position of 20.21% up to a maximum of 42.07% following the Financing Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 74 ('RG 74'), 'Acquisitions Approved by Members', Regulatory Guide 111 ('RG 111'), 'Content of Expert's Reports' and Regulatory Guide 112 ('RG 112') 'Independence of Experts'.

In arriving at our opinion, we have assessed the terms of the Financing Transaction as outlined in the body of this report. We have considered:

- How the value of a Black Range share prior to the Financing Transaction on a control basis compares to the value of a Black Range share following the Financing Transaction on a minority basis;
- The likelihood of a superior alternative offer being available to Black Range;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Financing Transaction; and
- The position of Shareholders should the Financing Transaction not proceed.

2.3 Opinion

We have considered the terms of the Financing Transaction as outlined in the body of this report and have concluded that, in the absence of a superior offer, the Financing Transaction is not fair but reasonable to Shareholders.

We have determined that the Financing Transaction is not fair as the preferred value of a Black Range share following the Financing Transaction on a minority basis is less than the preferred value of Black Range share prior to the Financing Transaction on a control basis. However, we consider the Financing Transaction to be reasonable due to the significant advantages that the Financing Transaction will bring to the Company.

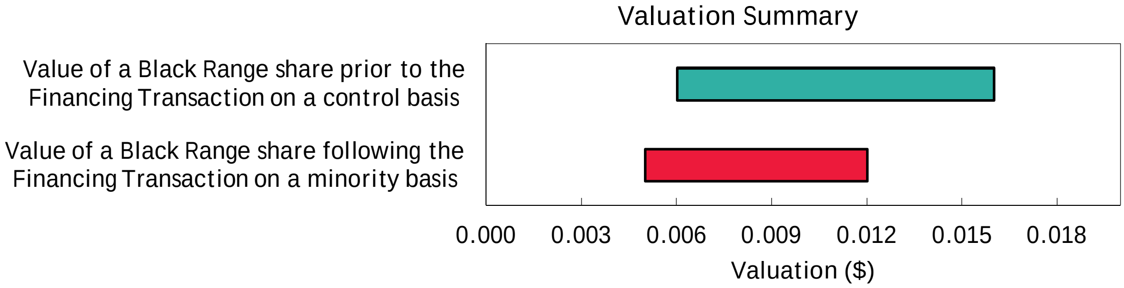
2.4 Fairness

In section 12 we determined how the value of a Black Range share prior to the Financing Transaction on a control basis compares to the value of a Black Range share following the Financing Transaction on a minority basis, as detailed below.

	Ref	Low $	Preferred $	High $
Value of a Black Range share prior to the Financing Transaction on a control basis	10.3	0.006	0.010	0.016
Value of a Black Range share following the Financing Transaction on a minority basis	11	0.005	0.007	0.012

The table above shows that on a like for like basis the low value, preferred value and high value of a Black Range share following the Financing Transaction on a minority basis is less than the low value, preferred value and high value of a Black Range share prior to the Financing Transaction on a control basis.

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, the preferred value of a Black Range share following the Financing Transaction on a minority basis is less than the preferred value of a Black Range share prior to the Financing Transaction on a control basis. Therefore, we consider the Financing Transaction to be not fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 13 of this report, in terms of both

- advantages and disadvantages of the Financing Transaction; and
- other considerations, including the position of Shareholders if the Financing Transaction does not proceed and the consequences of not approving the Financing Transaction.

In our opinion, the position of Shareholders if the Financing Transaction is approved is more advantageous than the position if the Financing Transaction is not approved. Accordingly, in the absence of any other relevant information we believe that the Financing Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.1.1	Minority interest values prior to and following the Financing Transaction are similar	13.2.1	Dilution of existing Shareholders' interests
13.1.2	Approval of the Financing Transaction will provide the Company with a short and medium term funding option	13.2.2	Decreases the likelihood of a takeover offer
13.1.3	Conversion will put the Company under less cash flow strain	13.2.3	Potential lower liquidity of shares
13.1.4	Major shareholder support		
13.1.5	The ability of Black Range to raise additional funds may increase		

Other key matters we have considered include:

Section	Description
13.3.1	Alternative Proposal
13.3.2	Practical level of control
13.3.3	Movement in Black Range's share price following announcement of Financing Transaction
13.3.4	Alternative funding options if Financing Transaction is not approved
13.3.5	Azarga's intentions if Financing Transaction is approved

3. Scope of the Report

3.1 Purpose of the Report

Azarga currently owns 20.21% of the shares in Black Range. Section 606 of the Act expressly prohibits the acquisition of further shares by a party who already holds (with associates) more than 20% of the issued shares of a public company, unless a full takeover offer is made to all shareholders.

Following the Financing Transaction, Azarga will increase its shareholding in Black Range from the current level to hold up to a maximum of 42.07%.

Section 611 permits such an acquisition if the shareholders of that entity have agreed to the issue of such shares. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares. Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

Regulatory Guide 74 issued by ASIC deals with "Acquisitions Approved by Members". It states that the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of Black Range, by either:

- undertaking a detailed examination of the Financing Transaction themselves, if they consider that they have sufficient expertise; or
- by commissioning an independent expert's report.

The directors of Black Range have commissioned this independent expert's report to satisfy this obligation.

3.2 Regulatory guidance

Neither the Listing Rules nor the Act defines the meaning of 'fair and reasonable'. In determining whether the Financing Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

RG 111 suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the Financing Transaction is a control transaction as defined by RG 111 and we have therefore assessed the Financing Transaction as a control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

RG 111.31 stipulates that in a control transaction a comparison should be made between the value of the target entity's securities prior to the transaction on a controlling basis and the value of the target entity's securities following the transaction allowing for a minority discount. This comparison reflects the fact that the acquirer is obtaining or increasing control of the target entity and the security holders in the target entity will no longer hold a controlling interest. As such we have valued a share in Black Range prior to the Financing Transaction on a controlling basis and compared this to the value of a share in Black Range following the Financing Transaction on a minority basis.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison of the value of a Black Range share prior to the Financing Transaction on a control basis and the value of a Black Range share following the Financing Transaction on a minority basis (fairness – see section 12 'Is the Financing Transaction fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness – see section 13 'Is the Financing Transaction reasonable?').

Valuation assignment

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

"an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time."

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Financing Transaction

On 27 February 2014, Black Range announced that it had commenced negotiations in relation to securing an extension to the completion date for its proposed acquisition of Uranium One Inc's conventional uranium assets in the USA and for the financing required to complete the acquisition. The Company also announced a restructure to its two existing convertible loan facilities with Azarga and a new convertible loan facility with Azarga to assist with its interim working capital requirements.

On 17 March 2014, the Company announced that despite the best endeavours of both Black Range and Uranium One Inc, it had not been possible to obtain several requisite regulatory approvals prior to the completion date of the proposed acquisition. The parties were unable to reach an agreement on mutually acceptable commercial terms for an extension and therefore the agreements have expired.

The Company intends continuing to focus on obtaining permits to commence mining at its 100% controlled Hansen/Taylor Ranch Uranium Project ('Hansen Project') as soon as possible while continuing to progress the commercialisation of the Ablation processing technology. A key precursor to the submission of mine permitting applications for the Hansen Project is the collection of base-line water data from the Company's recently installed five water monitoring wells, for five calendar quarters. The Company anticipates lodging mine permitting applications following collection of the fifth quarterly series of samples in late 2014. The amendments to the two existing convertible loan facilities and the new convertible loan facility with Azarga, as announced on 27 February 2014, will allow the Company to implement its plans in the near to medium term.

The terms of the Convertible Loan Facilities with Azarga are as follows:

i. Adjustment to existing convertible loan facility - CL1 Facility

The Company has agreed to restructure its existing $2 million convertible loan facility with Azarga ('CL1 Facility'). The CL1 Facility is unsecured, has a maturity date that is 24 months after the first drawdown and a conversion price of $0.01 per share. The Company has already drawn down the full $2 million and redeemed an amount of $0.58 million. The balance of the principal sum outstanding under the CL1 Facility is approximately $1.63 million which is inclusive of a redemption premium.

The CL1 Facility will be amended such that, subject to receipt of shareholder approval, the Company will be deemed to have elected to convert the applicable redemption amount of the CL1 Facility to shares. The Company will issue approximately 163.3 million shares at a conversion price of $0.01 per share. In the event that Shareholder approval is not obtained on or before 27 June 2014, the Company will be required to pay the redemption amount within 30 days of such redemption event.

ii. Adjustment to existing convertible loan facility – CL2 Facility

The Company has agreed to restructure its existing $1.5 million convertible loan facility with Azarga ('CL2 Facility'). The CL2 Facility is unsecured, has a maturity date that is 24 months after the first drawdown and a conversion price of $0.012 per share The Company has already drawn down the full $1.5 million. The balance of the principal sum outstanding under the CL2 Facility is approximately $1.70 million which is inclusive of a redemption premium.

The CL2 Facility will be amended such that, subject to receipt of shareholder approval, the Company will be deemed to have elected to convert the applicable redemption amount of the CL1 Facility to shares. The Company will issue approximately 141.7 million shares at a conversion price of $0.012 per share. In the event that Shareholder approval is not obtained on or before 27 June 2014, the Company will be required to pay the redemption amount within 30 days of such redemption event.

iii. New convertible loan facility – CL3 Facility

The CL3 Facility will provide new funding of up to $2 million by way of an unsecured convertible loan facility, with a minimum required drawdown of $1 million. The term of the loan is 12 months and the conversion price is the higher of the volume weighted average price ('VWAP') of Black Range shares traded on the Australian Securities Exchange ('ASX') during the three month period immediately following the date of the first drawdown or $0.007. However, the Company is not obliged to draw down the full amount available under the CL3 Facility.

Azarga may convert the application redemption amount to shares at any time up to the maturity date. The Company will be deemed to have elected to convert any outstanding redemption amount to shares on maturity date. In the event that Shareholder approval is not obtained on or before 27 June 2014, the Company will be required to pay the redemption amount within 30 days of such redemption event.

Azarga shareholding

As at the date of this report Azarga holds 350,906,176 shares in Black Range which represents 20.21% of Black Range's issued capital. If Shareholders approve the Financing Transaction, the potential changes in shareholding are summarised in the table below.

	Azarga	Other Shareholders	Total
Issued Shares as at date of this Report	350,906,176	1,385,525,375	1,736,431,551
% holdings as at date of this Report	*20.21%*	*79.79%*	*100.00%*
Shares issued on conversion of existing CL1 Facility	163,300,000	-	163,300,000
Shares issued on conversion of existing CL2 Facility	141,666,667	-	141,666,667
Shares issued on conversion of new CL3 Facility*	350,385,714	-	350,385,714
Issued Shares after the Financing Transaction	1,006,258,557	1,385,525,375	2,391,783,932
% holdings after shares issued under the Financing Transaction	*42.07%*	*57.93%*	*100.00%*

Note: the number of shares issued upon conversion of all the Convertible Loan Facilities incorporates shares to be issued in satisfaction of any redemption premium payable by the Company.

*The conversion of the new CL3 Facility assumes maximum drawdown and a conversion price of $0.007.

If Shareholders approve the Financing Transaction, upon conversion of the Convertible Loan Facilities, Azarga will hold a maximum of 42.07% of Black Range's issued capital.

In addition to the increase in shareholding that Azarga will receive, provided Azarga maintains voting power in at least 35% of the Company calculated on a fully diluted basis, that is assuming all outstanding convertible notes are converted to equity at the minimum applicable conversion prices, then it will be entitled to nominate up to two board members. This right is subject to Azarga's nominees not representing 50% or more of the total board members whilst its voting power in the Company is less than 50%.

On 26 February 2014, Powertech Uranium Corp. ('Powertech') and Azarga announced that they had entered into a share purchase agreement pursuant to which Powertech will acquire all of the issued and outstanding common shares of Azarga in exchange for common shares of Powertech. Upon completion of the transaction Azarga will become a wholly-owned subsidiary of Powertech and the current Azarga shareholders would become Powertech shareholders holding approximately 77% of the total shares on issue in Powertech and Powertech would continue to carry on Azarga's business and change its name to Azarga Uranium Corp.

Completion of the transaction is expected to occur before 31 July 2014 and is conditional upon, among other things, receipt of approvals, including approvals of the Toronto Stock Exchange, the shareholders of Powertech and the shareholders of Azarga. As the transaction will result in the 'downstream acquisition' of more than 20% of the voting shares of the Company by Powertech, the transaction will also require approval from the Australian Securities and Investments Commission for a modification of the terms of the Australian Corporations Act to allow the resulting 'downstream acquisition' to occur without further Shareholder approval.

5. Profile of Black Range Minerals Limited

5.1 History

Black Range was incorporated on 2 November 1983 and listed on the ASX on 18 December 1986. Its Board comprises Alan Scott as Non-Executive Chairman, Michael Haynes as Managing Director, Benjamin Vallerine and Joseph Havlin as Non-Executive Directors, Ian Cunningham as Company Secretary and Beverley Nichols as Chief Financial Officer. Black Range is focused on the development of its existing uranium projects and the application of the Ablation mineral concentration process. Set out below is a short description of Black Range's projects.

5.2 Hansen/Taylor Ranch Uranium Project

Black Range controls 100% of the Hansen Project which encompasses more than 13,500 acres and is located approximately 190 km southwest of Denver in the Tallahassee Creek District of Colorado, USA. The District is an established mining region and hosts the AngloGold-Ashanti Cripple Creek gold mine. During the period from 1954 to 1972, 16 small scale open pit and underground uranium mines operated in the region. The Hansen Project includes the Hansen, Taylor, Boyer, Noah, High Park and Picnic Tree Deposits. Most of these mineral rights have been secured under lease and option agreements with surface landowners, together with several State and Federal leases.

The Hansen Deposit is the largest deposit within the Hansen Project 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 was fully permitted for mining by Cyprus Minerals Corporation in 1981. Cyprus drilled more than 1,000 holes and completed three feasibility studies to evaluate Hansen. Cyprus concluded that the project was economically viable, however it was never brought to production due to a depressed uranium market immediately following completion of its feasibility studies.

Based on the results of a Scoping Study conducted in April 2012, Black Range is pursuing the development of the Hansen Deposit using underground borehole mining with Ablation. Following completion of the Scoping Study, Black Range announced that it intends transporting the Ablation concentrate to an off-site mill for processing.

5.3 Ablation Joint Venture

Black Range holds a 50% interest in Mineral Ablation, LLC, which is a joint venture with Ablation Technologies LLC ('ABT') whereby the two companies are jointly developing the patented Ablation methodology for application to mineral deposits, particularly uranium deposits. Ablation is the process which separates uranium bearing material from gangue material by separating the uranium coating from the underlying grain.

Black Range has agreed to fund Mineral Ablation, LLC's operating expenditure through to commercialisation. Mineral Ablation, LLC is continuing to progress its commercialisation activities, having recently initiated testwork of a 5tph semi-commercial scale Ablation unit.

Black Range anticipates that Ablation will have a very positive effect on the economics of developing not only the Hansen Project but also many other sandstone-hosted uranium deposits around the world.

5.4 Historical Statement of Financial Position

Consolidated Statement of Financial Position	Reviewed as at 31-Dec-13 $	Audited as at 30-Jun-13 $	Audited as at 30-Jun-12 $
CURRENT ASSETS			
Cash and cash equivalents	112,302	469,323	2,413,427
Trade and other receivables	55,205	37,589	50,525
Held for trading financial assets	-	-	60,000
Non-current assets held for sale	-	-	500,000
TOTAL CURRENT ASSETS	167,507	506,912	3,023,952
NON-CURRENT ASSETS			
Other receivables	432,646	349,921	524,488
Plant and equipment	15,784	18,966	11,727
Investment in joint venture entity	7,660,152	5,556,327	-
Exploration and evaluation expenditure	21,590,799	20,047,561	16,583,310
TOTAL NON-CURRENT ASSETS	29,699,381	25,972,775	17,119,525
TOTAL ASSETS	29,866,888	26,479,687	20,143,477
CURRENT LIABILITIES			
Trade and other payables	561,810	193,238	464,271
Other liabilities	500,000	500,000	-
Interest bearing liabilities	2,538,805	-	-
TOTAL CURRENT LIABILITIES	3,600,615	693,238	464,271
TOTAL LIABILITES	3,600,615	693,238	464,271
NET ASSETS	26,266,273	25,786,449	19,679,206
EQUITY			
Contributed equity	67,519,098	66,815,098	61,807,018
Reserves	2,771,706	1,867,530	(1,087,472)
Accumulated losses	(44,024,531)	(42,896,179)	(41,040,340)
TOTAL EQUITY	26,266,273	25,786,449	19,679,206

Source: Reviewed financial statements for the half-year ended 31 December 2013 and audited financial statements for the years ended 30 June 2013 and 30 June 2012

We note that the auditors included an Emphasis of Matter in the audit report for the financial statements for the half-year ended 31 December 2013. The Emphasis of Matter related to the following items:

- As at 31 December 2013, the consolidated entity has cash and cash equivalents of $112,302, a working capital deficiency of $3,433,108 and had incurred a loss from continuing operations of $1,128,352 for the half-year then ended. In the event the consolidated entity is unable to raise additional funding and based on the current commitments and planned expenditure, there is material uncertainty whether the consolidated entity will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report; and
- The recoverability of the consolidated entity's carrying value of its investment in the Joint Venture entity of $7,660,152 and its exploration assets with a carrying value of $21,590,799 as at 31 December 2013 respectively, is dependent on the successful commercialisation of the Ablation Technology, the successful exploitation of its exploration assets or the sale of the Ablation Technology and exploration assets to generate amounts in excess of the book values.

We note the following in relation to Black Range's historical statement of financial position:

- Cash and cash equivalents decreased from $2.41 million at 30 June 2012 to $0.11 million at 31 December 2013 as a result of exploration expenditure and the payment of operating costs during the period.
- Other non-current receivables of $432,646 as at 31 December 2013 relate to environmental bonds.
- The investment in the joint venture entity relates to Black Range's acquisition of a 50% interest in Mineral Ablation LLC. The $7.66 million investment comprises an equity accounted investment of $0.92 million, with the remaining $6.74 million classified as a loan receivable. The loan is unsecured and denominated in US dollars. It is repayable out of the future revenue of Mineral Ablation LLC, once the entity achieves commercial scale application of the ablation process.
- The increase in deferred exploration and evaluation expenditure from $20.05 million at 30 June 2013 to $21.59 million at 31 December 2013 was predominantly caused by (i) exchange differences on translation of $0.59 million; and (ii) an increase in capitalised exploration expenditure during the period of $0.96 million.
- Contributed equity of Black Range increased from $61.81 million as at 30 June 2012 to $66.82 million at 30 June 2013 as a result of a number of capital raisings. The most significant capital raisings were a one for two Rights Issue completed on 20 December 2012 at a price of $0.005 per share to raise approximately $2.10 million and a share placement to Azarga on 9 January 2013 at a price of $0.007 per share to raise approximately $2.30 million. Contributed equity increased to $67.52 million as at 31 December 2013 predominantly as a result of shares issued to Azarga upon partial conversion of the CL1 Facility.

5.5 Historical Statement of Profit or Loss and Other Comprehensive Income

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the period ended 31-Dec-13 $	Audited for the year ended 30-Jun-13 $	Audited for the year ended 30-Jun-12 $
Revenue from operations			
Interest revenue	146,845	38,600	175,895
Revenue	146,845	38,600	175,895
Other income	-	120,844	34,736
Expenses			
Marketing expenses	(9,677)	(32,136)	(67,670)
Public company costs	(47,215)	(99,803)	(137,415)
Consulting and director fees	(363,184)	(936,841)	(628,233)
Legal fees	(145,356)	(115,277)	(166,418)
Staff costs	(111,582)	(164,843)	(282,175)
Serviced office and outgoings	(77,780)	(146,408)	(152,433)
Loss on disposal of asset	-	(1,008)	-
Reversal of impairment of exploration assets		-	-
Travel expenses	(58,285)	(166,548)	(157,247)
Fair value loss on held for trading investment	-	(23,347)	(70,000)
Other expenses	(301,612)	(302,491)	(325,075)
Impairment of exploration expenditure		-	(1,194,683)
Exploration expenditure written off	(30,000)	-	-
Share of loss from joint venture entity	(58,923)	(26,581)	-
Share based payments expense	(71,583)	-	-
Loss from continuing operations before income tax	(1,128,352)	(1,855,839)	(2,970,718)
Income tax expense	-	-	-
Loss from continuing operations after income tax	(1,128,352)	(1,855,839)	(2,970,718)
Other comprehensive income			
Exchange difference on translation of foreign operations	825,261	2,556,751	809,955
Share of foreign currency translation reserve of equity accounted joint venture entity	7,332	2,304	-
Total comprehensive income/(loss) for the period	(295,759)	703,216	(2,160,763)

Source: Reviewed financial statements for the half-year ended 31 December 2013 and audited financial statements for the years ended 30 June 2013 and 30 June 2012

We note the following in relation to Black Range's historical statement of profit or loss and other comprehensive income:

- Other expenses for the half-year ended 31 December 2013 mainly comprise accounting and audit fees of $60,748 and convertible notes redemption interest of $176,805. The remaining other expenses relate predominantly to general administration expenses.
- Black Range's overseas subsidiaries have a functional currency of US Dollars. Therefore, the exchange differences arise from the translation of the accounts of the overseas subsidiaries from US Dollars to Australian Dollars, being the functional currency of the group.
- The Company made a loss from continuing operations of $1.13 million for the half-year ended 31 December 2013.

5.6 Capital Structure

The share structure of Black Range as at 1 May 2014 is outlined below:

	Number
Total ordinary shares on issue	1,736,431,551
Top 20 shareholders	692,277,790
Top 20 shareholders - % of shares on issue	39.87%

Source: Share registry information

The range of shares held in Black Range as at 1 May 2014 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	1,531	749,909	0.04%
1,001 - 5,000	1,098	3,038,234	0.17%
5,001 - 10,000	596	4,918,445	0.28%
10,001 - 100,000	2,023	90,747,113	5.23%
100,001 - and over	1,365	1,636,977,850	94.27%
TOTAL	6,613	1,736,431,551	100.00%

Source: Share registry information

The ordinary shares held by the most significant shareholders as at 1 May 2014 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Azarga Resources Limited	350,906,176	20.21%
Bullseye Geoservices Pty Ltd <Haynes Family A/C>	45,891,080	2.64%
Dr Leon Eugene Pretorius	33,476,954	1.93%
NZ Minerals LLC	28,461,184	1.64%
Subtotal	458,735,394	26.42%
Others	1,277,696,157	73.58%
Total ordinary shares on Issue	1,736,431,551	100.00%

Source: Share registry information

As at the date of our Report the Company has the following options on issue:

Current Options on Issue	Number
Options exercisable at $0.0486 on or before 15 July 2014	1,750,000
Options exercisable at $0.0286 on or before 14 December 2016	20,000,000
Options exercisable at $0.012 on or before 10 January 2018	30,000,000
Options exercisable at $0.02 on or before 12 March 2018	17,500,000

Source: Management of Black Range

The table above does not include the options proposed to be issued under Resolutions 3, 4 and 5 of the attached Notice of meeting.

6. Profile of Azarga Resources Limited

Azarga is Asia's largest private uranium investment and development company. From its base in Hong Kong, the company has invested in approximately 170 million pounds of uranium resources in North America, Central Asia and Europe.

7. Economic analysis

Growth in the global economy was a bit below trend in 2013, but there are reasonable prospects of a pick-up this year. The United States economy continues its expansion and the euro area has begun a recovery from recession, albeit a fragile one. Japan has recorded a significant pick-up in growth. China's growth remains generally in line with policymakers' objectives, though it may have slowed a little in early 2014. Commodity prices have declined from their peaks but in historical terms remain high.

Financial conditions overall remain very accommodative. Long-term interest rates and most risk spreads remain low. Equity and credit markets are well placed to provide adequate funding, though for some emerging market countries conditions are considerably more challenging than they were a year ago.

In Australia, the economy grew at a below trend pace in 2013. Recent information suggests slightly firmer consumer demand over the summer and foreshadows a solid expansion in housing construction. Some indicators of business conditions and confidence have improved from a year ago and exports are rising. But at the same time, resources sector investment spending is set to decline significantly and, at this stage, signs of improvement in investment intentions in other sectors are only tentative, as firms wait for more evidence of improved conditions before committing to expansion plans. Public spending is scheduled to be subdued.

The demand for labour has remained weak and, as a result, the rate of unemployment has continued to edge higher. It will probably rise a little further in the near term. Growth in wages has declined noticeably. If domestic costs remain contained, some moderation in the growth of prices for non-traded goods could be expected over time, which should keep inflation consistent with the target, even with lower levels of the exchange rate.

Monetary policy remains accommodative. Interest rates are very low and savers continue to look for higher returns in response to low rates on safe instruments. Credit growth is slowly picking up. Dwelling prices have increased significantly over the past year. The decline in the exchange rate from its highs a year ago will assist in achieving balanced growth in the economy, but less so than previously as a result of the rise over the past few months. The exchange rate remains high by historical standards.

Looking ahead, continued accommodative monetary policy should provide support to demand, and help growth to strengthen over time. Inflation is expected to be consistent with the 2–3 per cent target over the next two years.

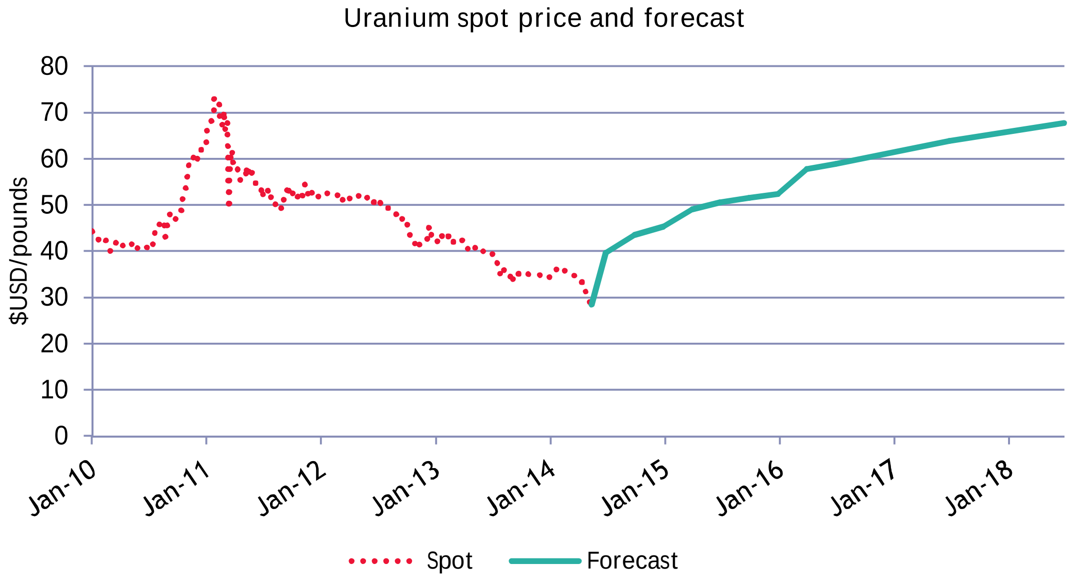
Source: www.rba.gov.au *Statement by Glenn Stevens, Governor: Monetary Policy Decision 1 April 2014*

8. Industry analysis

Uranium is extracted as uranium ore. As uranium deposits are relatively scarce, mining is concentrated in a few countries worldwide. The most common method of extraction is open pit mining due to the volume intense nature of extraction. This is attributable to uranium ore mostly occurring at relatively low concentrations. The state of the world's uranium market is almost wholly dependent on the global fortunes of the nuclear power generation industry. The Fukushima nuclear disaster, which occurred in March 2011, cast an ominous shadow over the industry and rekindled divisive opinions over the use of uranium as an energy source.

Prices

The uranium spot price as at 16 May 2014 was US$28.15/lb U_3O_8. The following table shows historical and forecast U_3O_8 weekly spot prices since December 2009:

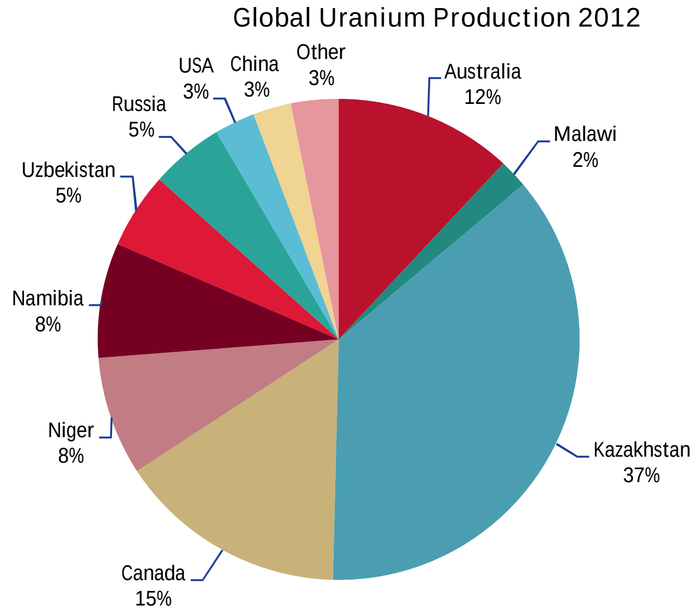


Source: Bloomberg (historical prices), Consensus Economics (Forecast)

Up until the Fukushima nuclear power plant crisis, uranium prices were beginning to gain momentum after a steady decline from project delays caused by the global financial crisis and issues with over supply from production in Kazakhstan. The beginning of January 2011 had seen a significant spike in uranium prices as a result of expansion in Asia. Chinese demand is expected to keep uranium supply in a deficit and place upward pressure on prices in the long term. The long term price projections show a recovery to around US$70.0/lb.

Uranium Production

Africa has considerable mineral deposits, including uranium and, as it becomes more developed will potentially become a leading producer of uranium. The leading producing countries of uranium in Africa are Namibia and Niger. Both Namibia and Niger began commercial uranium mining in the 1970s and have strong government support for expanding uranium mining operations. Collectively the mines in these countries account for approximately 16% of global uranium production in 2012. The chart below shows the world uranium production figures for 2012.



Source: World-nuclear.org (updated at July 2013)

Kazakhstan, Australia and Canada accounted for more than 63% of the world's uranium production in 2012.

Global Outlook

The Japanese nuclear power plant crisis at Fukushima in March 2011 has tarnished the general view of nuclear energy and as such prices have been slow to recover from a seven year low. With China, South Korea and India announcing expansion plans and Japan likely to restart its reactors, future growth in the uranium industry is likely to be heavily reliant on Asia. Nuclear power offers a viable long term source of energy over fossil fuels which are becoming scarcer. Although Kazakhstan, Canada and Australia have historically been the key producers of uranium, Africa has shown enormous potential as being the next uranium superpower with many international uranium miners such as Areva, ARMZ, Uranium One and Paladin establishing operations there.

The catalyst for a price recovery may be the closure of the Megatons to Megawatts programme in 2013. The Megatons to Megawatts program commenced in Russia in 1993 and was responsible for approximately 11% of the world's uranium supply. With this program ceasing, the supply of uranium is likely to decrease which may lead to an increase in the price of uranium and spur growth in the industry. Additional growth may arise as emerging economies look towards uranium as an alternative source of energy. Globally, there are currently 438 nuclear reactors operable and 71 under construction. This equates to nine more reactors under construction than in the period prior to the nuclear power plant crisis at Fukushima. In China, 21 reactors are currently in operation and the construction of 28 reactors continues. Japan is also planning to fast track the restart of some of its nuclear reactors, possible by the middle of 2014, which bodes well for the medium term uranium price outlook. Japan has 48 commercial reactors which have all been offline for safety inspections since Fukushima however the Japanese government has recently drafted policy recommending reactors meeting new safety standards be switched on.

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment such as a Resource Multiple

A summary of each of these methodologies is outlined in Appendix 2. Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

In our assessment of the value of Black Range shares prior to the Financing Transaction we have chosen to employ the following methodologies:

- NAV on a going concern basis as our primary valuation methodology; and
- QMP as our secondary valuation methodology.

We have chosen these methodologies for the following reasons:

- Being an exploration and pre-development company, the core value of Black Range is in the exploration assets it holds. We have instructed John Kyle Engineering, LLC ('JKE') to act as independent specialist and to provide an independent market valuation of the Company's exploration assets in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports 2005 ('the Valmin Code'). JKE's full report may be found in Appendix 3. We have considered this in the context of Black Range's other assets and liabilities on a NAV basis;
- The QMP basis is a relevant methodology to consider because Black Range's shares are listed on the ASX. This means there is a regulated and observable market where Black Range's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the Company's shares should be liquid and the market should be fully informed as to its activities. We have considered these factors in section 10.2 of our Report;
- Black Range does not generate regular trading income. Therefore there are no historic profits that could be used to represent future earnings. This means that the FME valuation approach is not appropriate; and
- Black Range has no foreseeable future net cash inflows and therefore the application of the DCF valuation approach is not appropriate. Under RG111, it is considered that it is only appropriate to use a DCF where Reserves are present. Black Range is yet to delineate Reserves.

In our assessment of the value of Black Range shares following to the Financing Transaction we have chosen to employ the following methodology:

- NAV as our primary valuation methodology.

In assessing the net asset value of a Black Range share following the Financing Transaction.

The net asset value of Black Range shares following the Financing Transaction will involve the following items:

- The value of Black Range prior to the Financing Transaction;
- Incorporate the effects of the Financing Transaction in the context of Black Range's other assets and liabilities on a NAV basis; and
- The number of shares on issue will incorporate the shares to be issued upon conversion of the Convertible Loan Facilities inclusive of any accrued interest amounts.

10. Valuation of Black Range prior to the Financing Transaction

10.1 Net Asset Valuation of Black Range prior to the Financing Transaction

The value of Black Range assets on a going concern basis is reflected in our valuation below:

	Notes	31-Dec-13 $	Low value $	Preferred value $	High value $
CURRENT ASSETS					
Cash and cash equivalents	1	112,302	1,912,302	1,912,302	1,912,302
Trade and other receivables		55,205	55,205	55,205	55,205
TOTAL CURRENT ASSETS		167,507	1,967,507	1,967,507	1,967,507
NON-CURRENT ASSETS					
Other receivables		432,646	432,646	432,646	432,646
Plant and equipment		15,784	15,784	15,784	15,784
Investment in joint venture entity	2	7,660,152	7,760,152	7,760,152	7,760,152
Exploration and evaluation expenditure	3	21,590,799	6,970,000	14,060,000	24,250,000
TOTAL NON-CURRENT ASSETS		29,699,381	15,178,582	22,268,582	32,458,582
TOTAL ASSETS		29,866,888	17,146,089	24,236,089	34,426,089
CURRENT LIABILITIES					
Trade and other payables		561,810	561,810	561,810	561,810
Other liabilities		500,000	500,000	500,000	500,000
Interest bearing liabilities	4	2,538,805	5,785,700	5,785,700	5,785,700
TOTAL CURRENT LIABILITIES		3,600,615	6,847,510	6,847,510	6,847,510
TOTAL LIABILITIES		3,600,615	6,847,510	6,847,510	6,847,510
NET ASSETS		26,266,273	10,298,579	17,388,579	27,578,579
Shares on issue (number)	5		1,736,431,551	1,736,431,551	1,736,431,551
Value per share ($)			$0.006	$0.010	$0.016

We have been advised by management that there were not any material changes in the statement of financial position since 31 December 2013 apart from those discussed below. We have assumed that the fair market value of the assets and liabilities as at 31 December 2013 are equal to the carrying values as set out in the above statement of financial position. The table above indicates the net asset value of a Black Range share prior to the Financing Transaction is between $0.006 and $0.016, with a preferred value of $0.010.

The following adjustments were made to the net assets of Black Range as at 31 December 2013 in arriving at our valuation.

Note 1: Cash and cash equivalents

We have adjusted cash and cash equivalents for the following receipts and payments which have occurred since 1 January 2014.

Cash and cash equivalents	$
Cash and cash equivalents as at 31 December 2013	112,302
Drawdown of balance of the CL2 Facility	500,000
Initial drawdown of CL3 Facility	350,000
Additional drawdown of CL3 Facility	1,650,000
Exploration expenditure incurred post 31 December 2013	(400,000)
Operating expenditure incurred post 31 December 2013	(200,000)
Loan to joint venture entity post 31 December 2013	(100,000)
Cash and cash equivalents	1,912,302

Note 2: Investment in joint venture entity

We have adjusted the investment in the joint venture entity for the following payment which has occurred since 1 January 2014.

Investment in joint venture entity	$
Investment in joint venture entity as at 31 December 2013	7,660,152
Loan to joint venture entity post 1 January 2014	100,000
Investment in joint venture entity	7,760,152

The investment in the joint venture entity relates to Black Range's acquisition of a 50% interest in Mineral Ablation LLC. The $7.66 million investment at 31 December 2013 comprises an equity accounted investment of $0.92 million, with the remaining $6.74 million classified as a loan. The loan receivable is unsecured and denominated in US dollars. It is repayable out of the future revenue of Mineral Ablation LLC, once the entity achieves commercial scale application of the ablation process. Since 1 January 2014 the Company has provided a further $0.1 million loan to the joint venture.

Although the ablation process is not currently at a commercial scale, Mineral Ablation LLC holds the rights to utilise ablation at all mineral deposits (not just uranium deposits) globally. The Company has previously advised that ablation will have a very positive effect on the economics of developing its Hansen Project. The development of the Hansen Project has improved as a result of the Financing Transaction. On 10 December 2013, the Company also announced a further update on its progress with the commercialisation of the ablation technology whereby an independent third party, GoviEx Uranium Inc., issued a letter to its shareholders advising that the preferred development plan for its Madaouela Project includes the use of ablation. Based on the above, we have deemed the current carrying value of the investment in Mineral Ablation LLC to represent its fair market value. However, a risk exists that the amounts Black Range has loaned to Mineral Ablation LLC may not be recoverable if the ablation process does not reach a commercial stage.

Note 3: Valuation of Black Range's mineral assets

We have held discussions with the management of Black Range regarding the exploration assets held by the Company. We have been advised that the Company considers the only exploration asset to have significant value is the Hansen Project and that the value of the other exploration assets (Jonesville Project) is immaterial to the value of the Company. From our review of recent expenditure and works on the Jonesville Project we are satisfied that this project is immaterial to the value of the Company.

Therefore, we have instructed JKE to provide an independent market valuation of the Hansen Project. JKE considered a number of different valuation methods when valuing the Hansen Project. These included the Comparable Sales Approach, which involves the comparison of sales of properties with a similar use, design or utility as the Hansen Project and the Cost Approach, which involves the valuation of the Hansen Project by adding together the indicated site or land value to the estimated cost of reproducing or replacing the improvements, less any loss of value that may have occurred. We consider the methodologies used by JKE to be appropriate given the stage of development of the Hansen Project.

The range of values for Black Range's Hansen Project as calculated by JKE is set out below:

Black Range Minerals Ltd	Low value	Preferred value	High value
Mineral Asset Valuation - JKE	$m	$m	$m
Value of Hansen Project (US$)	6.50	13.10	22.60
Exchange rate (A$1/US$0.932)	0.932	0.932	0.932
Value of Hansen Project (A$)	6.97	14.06	24.25

The table above indicates a range of values for the Hansen Project of between $6.97 million and $24.25 million, with a preferred value of $14.06 million.

Note 4: Interest bearing liabilities

We have adjusted interest bearing liabilities for the following amounts which have occurred since 1 January 2014.

Interest bearing liabilities	$
Interest bearing liabilities as at 31 December 2013	2,538,805
Drawdown of balance of the CL2 Facility	500,000
Initial drawdown of CL3 Facility	350,000
Additional drawdown of CL3 Facility*	1,650,000
Redemption interest on all Convertible Loan Facilities*	746,895
Interest bearing liabilities	5,785,700

*Assumes redemption of CL1 and CL2 on 27 June 2014 and full draw down under CL3 and subsequent redemption on 3 March 2015

Note 5: Number of shares on issue

As at the date of our Report the number of shares on issue is 1,736,431,551.

10.2 Quoted Market Price for Black Range securities prior to the Financing Transaction

To provide a comparison to the valuation of a Black Range share in section 10.1, we have also assessed the quoted market price for a Black Range share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.11 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of Section 611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of a company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

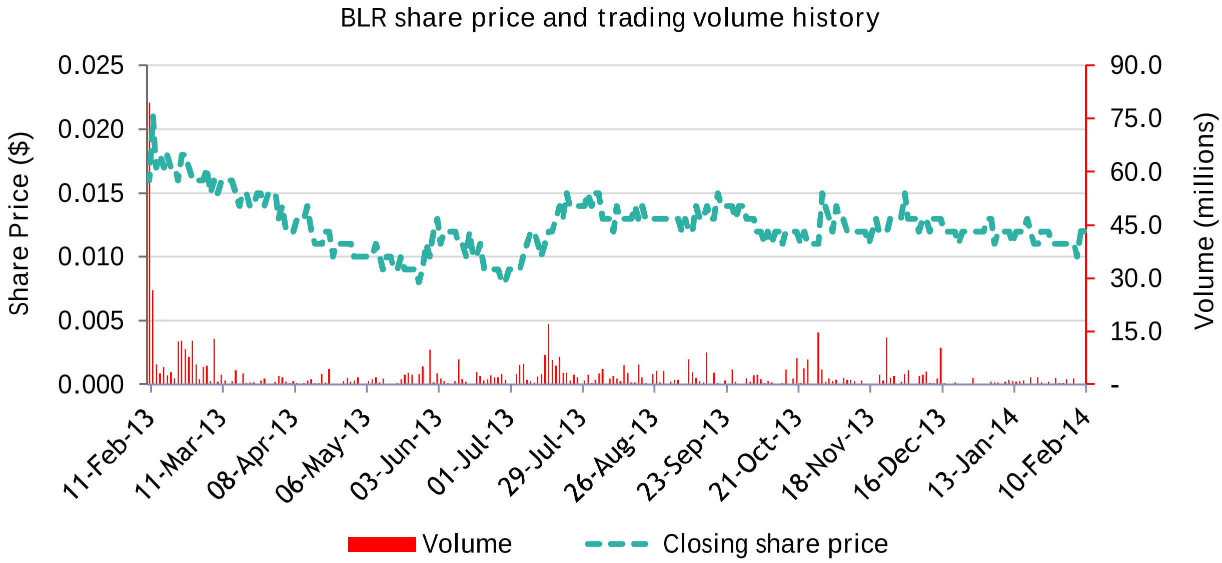
Whilst Azarga will not be obtaining 100% of Black Range, RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. RG 111.13 states that the expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in section 13.

Therefore, our calculation of the quoted market price of a Black Range share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of a Black Range share is based on the pricing prior to the announcement of the Financing Transaction. This is because the value of a Black Range share after the announcement may include the effects of any change in value as a result of the Financing Transaction. However, we have considered the value of a Black Range share following the announcement when we have considered reasonableness in section 13.

Information on the Financing Transaction was announced to the market on 27 February 2014 however the Company had been in a trading halt since 11 February 2014. Therefore, the following chart provides a summary of the share price movement over the 12 months to 10 February 2014, which was the last full trading day prior to the announcement of the Financing Transaction.



Source: Bloomberg and BDO analysis

The daily price of Black Range shares from 11 February 2013 to 10 February 2014 has ranged from a low of $0.008 on 1 July 2013 to a high of $0.021 on 12 February 2013.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement $ (movement)			Closing Share Price Three Days After Announcement $ (movement)		
11/02/2014	Trading Halt	0.012	►	0.0%	0.012	►	0.0%
31/01/2014	Quarterly Cashflow Report	0.011	►	0.0%	0.011	►	0.0%
31/01/2014	Quarterly Activities Report	0.011	►	0.0%	0.011	►	0.0%
10/12/2013	Third Party Plans to Utilise Ablation	0.013	►	0.0%	0.013	►	0.0%
26/11/2014	Ablation Unit First Testwork Exceeds Expectations	0.013	▲	8.3%	0.013	►	0.0%
2/10/2013	Hansen Drilling Commences	0.013	►	0.0%	0.012	▼	7.7%
17/09/2013	Update on Commercialisation of Ablation	0.013	▼	7.1%	0.014	▲	7.7%
31/07/2013	Quarterly Cashflow Report	0.015	▲	7.1%	0.015	►	0.0%
31/07/2013	Quarterly Activities Report	0.015	▲	7.1%	0.015	►	0.0%
4/07/2013	$2 Million Facility and Uranium Ore Stockpile Agreement	0.009	►	0.0%	0.012	▲	33.3%
3/07/2013	Trading Halt	0.009	►	0.0%	0.011	▲	22.2%
30/04/2013	Quarterly Cashflow Report	0.011	►	0.0%	0.010	▼	9.1%
30/04/2013	Quarterly Activities Report	0.011	►	0.0%	0.010	▼	9.1%

Source: Bloomberg and BDO analysis

On 26 November 2013 the Company announced a further update on its progress with the commercialisation of the proprietary Ablation technology. The Ablation joint venture had, for the first time, initiated test work with ore in the semi-commercial scale Ablation Unit it had been constructing in Casper, Wyoming, with the results exceeding expectations. Black Range's rose 8.3% following this announcement.

On 2 October 2013 the Company announced that it had commenced drilling for water monitoring purposes at the Hansen Project. The share price remained unchanged on the day of the announcement and decreased 7.7% in the three days following.

On 17 September 2013 Black Range provided the market with an update on its commercialisation of ablation. Black Range's share price on the day of the announcement fell 7.1% to $0.013, however it increased 7.7% in the following three days to close at $0.014.

On 31 July 2013 the Company announced its June quarterly activities and cash flow reports, with a significant item included in its activities report being the announcement that its semi-commercial scale 5tph Ablation Unit was nearing completion. The market viewed this positively, with the share price of Black Range increasing 7.1% to $0.015 on the day of the announcement.

On 4 July 2013 Black Range announced that its major shareholder, Azarga, had agreed to invest $2 million via an unsecured convertible loan to complete the construction of the 5tph Ablation Unit and to advance the Hansen Project and the execution of an agreement that provided the Company with a 70% interest in revenue from the 'October' uranium stockpile in Colorado. The Company's shares were placed in a trading halt on 3 July 2013, pending this announcement. On being released from the trading halt, the Company's share price increased 33.3% to $0.012.

To provide further analysis of the market prices for a Black Range share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 10 February 2014.

	10-Feb-2014	10 Days	30 Days	60 Days	90 Days
Closing Price	$0.012				
Weighted Average		$0.011	$0.012	$0.013	$0.012

Source: Bloomberg and BDO analysis

The above weighted average prices are prior to the date of the announcement of the Financing Transaction, to avoid the influence of any increase in price of Black Range shares that has occurred since the Financing Transaction was announced.

An analysis of the volume of trading in Black Range shares for the twelve months to 10 February 2014 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	$0.012	$0.012	-	0.00%
10 Days	$0.010	$0.012	7,044,191	0.41%
30 Days	$0.010	$0.013	20,872,466	1.20%
60 Days	$0.010	$0.015	76,323,873	4.40%
90 Days	$0.010	$0.015	137,155,801	7.90%
180 Days	$0.008	$0.016	349,457,126	20.13%
1 Year	$0.008	$0.021	675,082,760	38.88%

Source: Bloomberg and BDO analysis

This table indicates that Black Range's shares display a moderate level of liquidity, with 38.88% of the Company's current issued capital being traded in a twelve month period up until the date of the announcement. For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares. RG 111.69 indicates that a 'deep' market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'deep', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Black Range, we consider the market for the Company's shares to not be deep. This is primarily supported by only 38.88% of the Company's current issued capital being traded in a twelve month period and only 7.90% being traded in the previous 90 trading days. However, we still consider the QMP valuation to be relevant and have therefore used it as a cross check to the NAV value determined in section 10.1.

Our assessment is that a range of values for Black Range's shares based on market pricing, after disregarding post announcement pricing, is between $0.011 and $0.013.

Control Premium

RG 111.25 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of Section 611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

Whilst Azarga will not be obtaining 100% of Black Range, RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. RG 111.27 states that the expert can then consider an acquirer's practical level of control when considering reasonableness. This has been included in section 13.

We have reviewed the control premiums paid by acquirers of mining companies listed on the ASX since 2006. We have summarised our findings below:

Year	Number of Transactions	Average Deal Value (AU$m)	Average Control Premium (%)
2013	13	56.43	55.41
2012	19	135.78	42.67
2011	20	634.68	31.40
2010	23	755.97	45.04
2009	29	86.80	39.23
2008	8	553.76	38.87
2007	25	541.21	28.20
2006	20	70.15	31.11
	Median	338.49	39.05
	Mean	354.35	38.99

Source: Bloomberg and BDO analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction; and
- Level of liquidity in the trade of the acquiree's securities.

The table above indicates that there has been an increasing trend of control premia paid by acquirers of mining companies since 2006. Based on the analysis above we believe that an appropriate control premium is between 20% and 40%.

Quoted market price including control premium

Applying a control premium to Black Range's quoted market share price results in the following quoted market price value including a premium for control:

	Low $	Midpoint $	High $
Quoted market price value	0.011	0.012	0.013
Control premium	20%	30%	40%
Quoted market price valuation including a premium for control	0.013	0.016	0.018

Therefore, our valuation of a Black Range share based on the quoted market price method and including a premium for control is between $0.013 and $0.018, with a midpoint value of $0.016.

10.3 Assessment of Black Range value prior to the Financing Transaction

The results of the valuations performed are summarised in the table below:

	Low $	Preferred $	High $
Net asset value methodology (section 10.1)	0.006	0.010	0.016
QMP methodology (section 10.2)	0.013	0.016	0.018

Our valuation of a Black Range share under the QMP methodology (including a premium for control) is higher than our NAV methodology. The difference between the valuation obtained under the NAV and QMP approaches can be explained by the following:

- Our NAV methodology includes an independent market valuation of Black Range's Hansen Project performed by JKE. The valuation methodologies applied by JKE have taken into account the current market, locality, technical and strategic factors which all have an impact on the development of the project and therefore value. The QMP value may be higher than the NAV due to the market assigning growth potential to the Company's project;
- Our NAV methodology includes the current carrying value of the investment in Mineral Ablation LLC to represent its fair market value. There have been a number of positive announcements regarding the progression to commercialisation of the Ablation technology and the QMP value may be higher that the NAV due to the market assigning growth potential to this process; and
- Our analysis of Black Range shares trading on the ASX indicates that over the 90 trading days up until the announcement of the Financing Transaction only 7.90% of the Company's current issued capital was traded with shares trading between a low of $0.010 and a high of $0.015 over the same period.

We consider the net asset value to be the most appropriate methodology, given that the core value of the Company is in the exploration assets it holds. We have instructed an independent specialist to value the Hansen Project, which we have included in our net asset value. Therefore, we have only relied on the QMP methodology as a cross check to our net asset value.

Based on the results above we consider the value of a Black Range share prior to the Financing Transaction to be between $0.006 and $0.016, with a preferred value of $0.010.

11. Valuation of Black Range following the Financing Transaction

The value of Black Range assets on a going concern basis following the Financing Transaction is reflected in our valuation below:

	Notes	Low value $	Preferred value $	High value $
Net Assets of Black Range prior to the Financing Transaction		10,298,579	17,388,579	27,578,579
Adjustment to interest bearing liabilities	1	5,785,700	5,785,700	5,785,700
Net Assets of Black Range following the Financing Transaction		16,084,279	23,174,279	33,364,279
Discount for minority interest	2	29%	23%	17%
Net Assets of Black Range following the Financing Transaction (minority interest basis)		11,419,838	17,844,195	27,692,352
Shares on issue (number)	3	2,391,783,932	2,391,783,932	2,391,783,932
Value per share ($)		$0.005	$0.007	$0.012

The table above indicates the net asset value of a Black Range share following the Financing Transaction is between $0.005 and $0.012, with a preferred value of $0.007. The following adjustments were made to the net assets of Black Range prior to the Financing Transaction.

Note 1: Interest bearing liabilities

We have adjusted interest bearing liabilities for the conversion of the Convertible Loan Facilities with Azarga (including any associated redemption premium payable in shares), as detailed in the table below:

Interest bearing liabilities	$
Conversion of the CL1 Facility	(1,633,000)
Conversion of the CL2 Facility	(1,700,000)
Conversion of the CL3 Facility	(2,452,700)
Adjustment to interest bearing liabilities	(5,785,700)

Note 2: Minority discount

The net asset value of a Black Range share following the Financing Transaction is reflective of a controlling interest. This suggests that the acquirer obtains an interest in the company which allows them to have an individual influence in the operations and value of that company. Therefore, if the Financing Transaction is approved Shareholders may become minority interest shareholders in Black Range as Azarga could hold a controlling interest, meaning that their individual holding will not be considered significant enough to have an individual influence in the operations and value of the Company.

Therefore, we have adjusted our valuation of a Black Range share following the Financing Transaction, to reflect a minority interest holding. A minority interest discount is the inverse of a premium for control. As discussed in section 10.2, we consider an appropriate control premium for Black Range to be in the range of 20% to 40%, giving rise to a minority interest discount in the range of 17% to 29%.

Note 3: Number of shares on issue

We have adjusted the number of shares on issue for the conversion of the CL1 Facility at a conversion price of $0.010 per share, the CL2 Facility at a conversion price of $0.012 and the CL3 Facility at a conversion price of $0.007 per share. The Convertible Loan Facilities each have redemption premiums payable by Black Range dependent on the redemption date. The number of shares issued in satisfaction of the redemption premiums has been calculated based on the expected redemption dates for each of the facilities. These adjustments to Black Range's shares on issue following the Financing Transaction are set out in the table below:

Number of share on issue	$
Number of shares on issue prior to the Financing Transaction	1,736,431,551
Shares issued upon conversion of the CL1 Facility	163,300,000
Shares issued upon conversion of the CL2 Facility	141,666,667
Shares issued upon conversion of the CL3 Facility	350,385,714
Number of shares on issue following the Financing Transaction	2,391,783,932

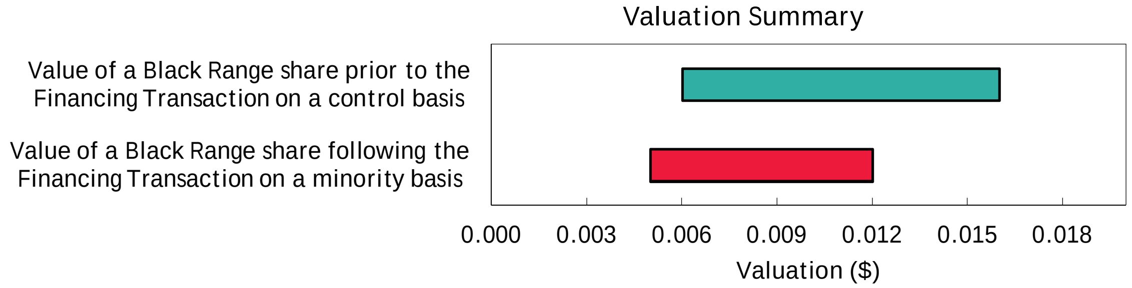
12. Is the Financing Transaction fair?

The value of a Black Range share prior to the Financing Transaction on a control basis compares to the value of a Black Range share following the Financing Transaction on a minority basis, as detailed below.

	Ref	Low $	Preferred $	High $
Value of a Black Range share prior to the Financing Transaction on a control basis	10.3	0.006	0.010	0.016
Value of a Black Range share following the Financing Transaction on a minority basis	11	0.005	0.007	0.012

The table above shows that on a like for like basis the low value, preferred value and high value of a Black Range share following the Financing Transaction on a minority basis is less than the low value, preferred value and high value of a Black Range share prior to the Financing Transaction on a control basis.

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, the preferred value of a Black Range share following the Financing Transaction on a minority basis is less than the preferred value of a Black Range share prior to the Financing Transaction on a control basis. Therefore, we consider the Financing Transaction to be not fair for Shareholders.

13. Is the Financing Transaction reasonable?

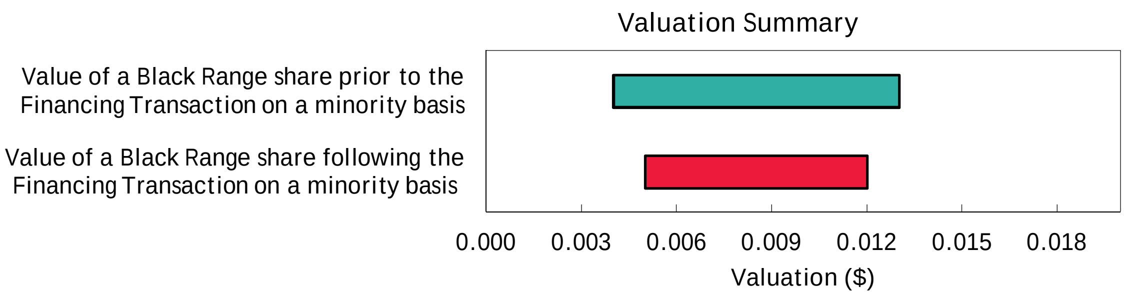
13.1. Advantages of approving the Financing Transaction

13.1.1. Minority interest values prior to and following the Financing Transaction are similar

In assessing the fairness of the Financing Transaction in section 12, RG 111.31 stipulates that in a control transaction a comparison should be made between the value of the target entity's securities prior to the transaction on a controlling basis and the value of the target entity's securities following the transaction allowing for a minority discount. It is relevant for Shareholders to appreciate that as Shareholders hold a minority interest in Black Range prior to the Financing Transaction and they will retain a minority interest following the Financing Transaction. Here, we have also provided a comparison of the value of a Black Range prior to the Financing Transaction and following the Financing Transaction on a minority interest basis. This comparison is outlined in the table below.

	Low $	Preferred $	High $
Value of a Black Range share prior to the Financing Transaction on a minority basis	0.004	0.008	0.013
Value of a Black Range share following the Financing Transaction on a minority basis	0.005	0.007	0.012

The above valuation ranges are graphically presented below:



The tables above indicate that the range of values of a share in Black Range prior to the Transaction on a minority interest basis is similar to the range of minority interest values following the Financing Transaction. So were we able under RG 111 to assess fairness on this basis our opinion would have been that the Financing Transaction was fair.

13.1.2. Approval of the Financing Transaction will provide the Company with a short to medium term funding option

As at 30 April 2014, the Company had approximately $0.10 million cash. The Financing Transaction in total will provide the Company with a total of $5.50 million and as at 30 April 2014 the Company had drawn down approximately $3.85 million, leaving $1.65 million remaining to be drawn down. If the Financing Transaction is approved by Shareholders and Azarga converts the Convertible Loan Facilities, the Company will have additional cash of approximately $1.65 million.

The Company intends continuing to focus on obtaining permits to commence mining at its 100% controlled Hansen Project as soon as possible while continuing to progress the commercialisation of the Ablation progressing technology. It is anticipated that the Financing Transaction will provide the Company with sufficient working capital to implement its plans in the near term.

13.1.3. Conversion will put the Company under less cash flow strain

The conversion of the Convertible Loan Facilities (and any redemption premiums satisfied through the issue of shares) will result in the issue of up to an additional 655.35 million shares. Upon conversion, the Convertible Loan Facilities will be deemed as having been repaid. Accordingly, the Company will not have to repay these facilities in cash, which puts the Company under less cash flow strain.

If the Financing Transaction is not approved on or before 27 June 2014, the Company will be required to pay the redemption amount within 30 days of such redemption event. In that instance, Black Range may have to re-negotiate or obtain alternative funding.

13.1.4. Major shareholder support

As at the date of our Report, Azarga holds 20.21% of the shares of Black Range. The Financing Transaction may result in Azarga increasing its shareholding up to 42.07%, which accordingly, is likely to increase its support of Black Range in the future.

13.1.5. The ability of Black Range to raise additional funds may increase

If Shareholders approve the Financing Transaction and allow Azarga the ability to convert the Convertible Loan Facilities, upon conversion it will extinguish the level of borrowings. The reduced level of gearing may increase the Company's ability to raise additional funds that may be required to fund the Company's longer term development strategy.

13.2. Disadvantages of approving the Financing Transaction

13.2.1. Dilution of existing Shareholders' interests

If the Financing Transaction is approved, Shareholders' interest will be diluted from approximately 79.79% of the issued capital of Black Range to a minimum of 57.93%. This will dilute Shareholders' interests and their level of collective influence on the operations of the Company.

13.2.2. Decreases the likelihood of a takeover offer

If the Financing Transaction is approved, Azarga will hold up to 42.07% of the issued capital of Black Range. This may discourage any other potential bidder from making a takeover bid in the future as Azarga will have significant control over the Company. This may have an adverse effect on the share price of

Black Range and may reduce the opportunity for Shareholders to receive a takeover premium in the future.

13.2.3. Potential lower liquidity of shares

If the Financing Transaction is approved then trading in Black Range shares may be negatively affected by the presence of a major shareholder with a 42.07% ownership. The existing shares will therefore have a materially lower free float on a proportional basis which may reduce liquidity.

13.3. Other considerations

13.3.1. Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Black Range a premium over the value ascribed to, resulting from the Financing Transaction.

13.3.2. Practical level of control

If the Financing Transaction is approved then Azarga may hold up to 42.07% in Black Range, which is significant when compared to other shareholders.

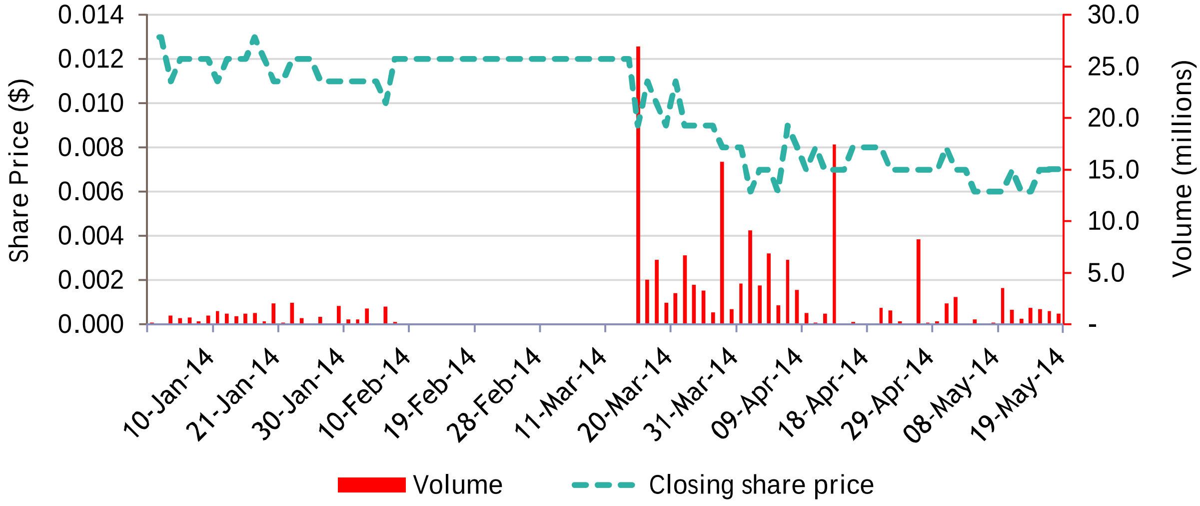
When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution requires 75% of shares on issue to be voted in favour to approve a matter. If the Financing Transaction is approved then Azarga may have the potential to block special resolutions.

In addition to the increase in shareholding that Azarga will receive, provided Azarga maintains voting power in at least 35% of the Company calculated on a fully diluted basis, that is assuming all outstanding convertible notes are converted to equity at the minimum applicable conversion prices, then it will be entitled to nominate up to two board members. This right is subject to Azarga's nominees not representing 50% or more of the total board members whilst its voting power in the Company is less than 50%.

13.3.3. Movement in Black Range's share price following announcement of Financing Transaction

We have analysed movements in Black Range's share price since the Financing Transaction was announced. A graph of Black Range's share price over the previous five months is set out below.

BLR share price and trading volume history



Source: Bloomberg and BDO analysis

The announcement of the Financing Transaction was made to the market on 27 February 2014 however this was during a period where the Company was suspended from trading on the ASX. The Company was reinstated to the ASX on 17 March 2014. On that day approximately 21.57 million shares were traded and Black Range's share price closed at $0.009, a decrease of 25% from the closing share price of $0.012 on the last full trading day prior to the suspension. Black Range's share price has continued to trade between a low of $0.006 and a high of $0.012 since the announcement of the Financing Transaction. On 19 May 2014, the Company's share price closed at $0.007.

13.3.4. Alternative funding options if the Financing Transaction is not approved

If the Financing Transaction is not approved, the Company will be required to source additional funds in order to repay the Convertible Loan Facilities. It is likely that the Company will be in the following financial position:

- Cash on hand as at 30 April 2014 of approximately $0.10 million with both CL1 Facility and CL2 Facility fully drawn down and $1.65 million remaining to be drawn down on the CL3 Facility;
- Borrowings of approximately $3.79 million of which $3.33 million relates to the CL1 Facility and CL2 Facility;
- Current market capitalisation of $12.16 million (based on the closing share price on 19 May 2014).

In the financial statements for the half-year ended 31 December 2013 the auditors of Black Range included an emphasis of matter in their audit report, drawing attention to the significant uncertainty as to whether Black Range will be able to continue as a going concern. The directors believe the use of the going concern basis of accounting is appropriate given the Company's ability to successfully secure required funding to date. If the Company is not able to secure further funding as required there exists significant uncertainty whether the Company will continue as a going concern.

The Financing Transaction represents a source of funding for the Company. If the Financing Transaction is not approved the options available to Black Range to raise funds remain very limited as a result of the low uranium price and the state of current equity capital markets. It is also likely that any capital raising required to be undertaken by the Company would be done at a discount to Black Range's current market price (as at 19 May 2014 the Company's shares closed at $0.007). An additional difficulty also exists as any capital raising required to repay the Convertible Loan Facilities as well as provide the Company with sufficient working capital would need to be of a significant size in comparison to the current market capitalisation of the Company.

13.3.5. Azarga's intention if the Financing Transaction is approved

As at the date of our Report, the Company has been advised that if the Financing Transaction is approved the intentions of Azarga are as follows:

i. It has no present intention of making any significant changes to the business of the Company;

ii. It has no present intention of making changes regarding the future employment of the present employees of the Company;

iii. It does not intend to redeploy any fixed assets of the Company;

iv. It does not intend to transfer any property between the Company and Azarga or any of the Azarga associates; and

v. It has no intention to change the Company's existing policies in relation to financial matters or dividends.

The above intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

14. Conclusion

We have considered the terms of the Financing Transaction as outlined in the body of our Report and have concluded that, in the absence of any other relevant information, the Financing Transaction is not fair but reasonable to Shareholders.

15. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Reviewed financial statements of Black Range for the half-year ended 31 December 2013;
- Audited financial statements of Black Range for the years ended 30 June 2012 and 30 June 2013;
- $2 million Convertible Loan Agreement (CL1) between Black Range and Azarga dated 2 July 2013;
- Deed of Amendment 1 – Convertible Loan Agreement (CL1) between Black Range and Azarga dated 26 October 2013;
- Deed of Amendment 2 – Convertible Loan Agreement (CL1) between Black Range and Azarga dated 25 February 2014;
- $1.5 million Convertible Loan Agreement (CL2) between Black Range and Azarga dated 26 October 2013;
- Deed of Amendment 1 – Convertible Loan Agreement (CL2) between Black Range and Azarga dated 25 February 2014;

- $2 million Convertible Loan Agreement (CL3) between Black Range and Azarga dated 25 February 2014;
- Independent Valuation Report of Hansen/Taylor Ranch Uranium Project dated 30 April 2014 performed by John Kyle Engineering, LLC;
- Share registry information for Black Range;
- Information in the public domain; and
- Discussions with Directors and Management of Black Range.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of $12,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Black Range in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Black Range, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Black Range and Azarga and any of their respective associates with reference to ASIC Regulatory Guide 112 "Independence of Experts". In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Black Range and Azarga and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd have had within the past two years any professional relationship with Black Range, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Black Range and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Adam Myers and Sherif Andrawes of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 15 years in the Audit and Assurance and Corporate Finance areas. Adam has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Member of the Institute of Chartered Accountants in Australia. He has over twenty five years experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 250 public company independent expert's reports under the Corporations Act or ASX Listing Rules. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Chairman of BDO in Western Australia, Corporate Finance Practice Group Leader of BDO in Western Australia and the Natural Resources Leader for BDO in Australia.

18. Disclaimers and consents

This report has been prepared at the request of Black Range for inclusion in the Explanatory Memorandum which will be sent to all Black Range Shareholders. Black Range engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposal for Black Range to issue shares to Azarga on conversion of three convertible loan facilities.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Azarga. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Transactions, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Black Range, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Black Range.

The valuer engaged for the mineral asset valuation, John Kyle Engineering LLC, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation are considered appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

Adam Myers	Sherif Andrawes
Director	Director

Appendix 1 – Glossary of Terms

Reference	Definition
ABT	Ablation Technologies LLC
The Act	Corporations Act 2001 (Cth)
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Azarga	Azarga Resources Limited
BDO	BDO Corporate Finance (WA) Pty Ltd
Black Range	Black Range Minerals Limited
The Company	Black Range Minerals Limited
CL1 Facility	The existing $2 million convertible loan facility with Azarga which has a conversion price of $0.01 per share
CL2 Facility	The existing $1.5 million convertible loan facility with Azarga which has a conversion price of $0.012 per share
CL3 Facility	The new $2 million convertible loan facility with Azarga which has a conversion price which is the higher of the VWAP of Black Range shares traded on the ASX during the three month period immediately following the date of the first drawdown or $0.007
Convertible Loan Facilities	Consists of the CL1 Facility, CL2 Facility and CL3 Facility in place with Azarga
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Financing Transaction	The Proposal for Black Range to issue shares to Azarga on conversion of the Convertible Loan Facilities
FME	Future Maintainable Earnings
Hansen Project	Black Range's Hansen/Taylor Ranch uranium project that encompasses more than

	13,500 acres and is approximately 190 km southwest of Denver in the Tallahassee Creek District of Colorado, USA
JKE	John Kyle Engineering LLC
NAV	Net Asset Value
Our Report	This Independent Expert's Report prepared by BDO
Powertech	Powertech Uranium Corp.
RG 74	Acquisitions approved by Members (December 2011)
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
Shareholders	Shareholders of Black Range not associated with Azarga
Valmin Code	Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports 2005
VWAP	Volume Weighted Average Price
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.

Appendix 2 – Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a 'deep' market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or "earnings multiple" is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows ('DCF')*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 *Market Based Assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 – Independent Valuation

Black Range Minerals, Limited

110 N. Rubey Drive, Suite 201

Golden, Colorado, 80403 USA

Hansen-Taylor Project

Valuation Report

By

John Kyle Engineering, LLC

5950 S. Moline Way

Englewood, Colorado 80111 USA

April 30, 2014

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John Kyle Engineering, LLC

April 30, 2014

Mr. Adam Myers
Director
BDO Corporate Finance (WA) Pty Ltd
38 Station Street
Subiaco, WA 6008
P.O. Box 700 West Perth WA 6872
Australia

RE: Independent Valuation of the Black Range Minerals, Ltd. Hansen-Taylor Mineral Asset

Dear Mr. Myers;

Please find attached John Kyle Engineering, LLC's updated independent report on the valuation of the Hansen-Taylor Project as of April 30, 2014. John Kyle, PE is the expert responsible for the preparation of this report and is the competent person with responsibility for this report. Mr. Kyle is a professional engineer registered in the U.S., is a member of the Society of Mining Engineers, is a member of the Canadian Institute of Mining and Metallurgy, is a Qualified Person by Canadian 43-101 Standards, and has experience working on over 50 uranium projects on a global basis. He brings over 40 years of experience evaluating mineral resource projects and has a Bachelor's degree in Mining Engineering from the Colorado School of Mines and a Master's in Business Administration from Denver University.

As required by the VALMIN Code in items 39 and 41, we have obtained indemnification and confirmations relative to disclosure, access to records, and independence from the commissioning entity, which is described in the report. We therefore submit the following report.

Sincerely,

John I. Kyle, PE

President/CEO

1.0 Introduction

1.1 Background

Black Range Minerals, Limited (BLR or Black Range) requested John Kyle Engineering, LLC (JKE) to prepare a fair-market valuation of the Hansen-Taylor Project controlled by BLR. BLR is an Australian public company listed on the Australian Securities Exchange, with headquarters in Subiaco, Western Australia, a US office in Golden, Colorado, USA, and a field office located in Cañon City, Colorado, USA. JKE is independent of BLR. The report has been updated since it was originally filed in January 2014 as is now valid as of April 30, 2014. The purpose of this report is to provide an estimate of the fair market value of the Hansen-Taylor Project controlled by BLR as of April 30, 2014.

1.2 Terms of Reference

1.2.1 Client-Consultant Relationship

This work is being conducted by JKE as an independent expert, following a set of standard fundamental principles regarding the generation of an independent appraisal. The adherence to these fundamental principles has the purpose of providing an independent expert report that is reliable, thorough, understandable, and includes all material information required by investors and their advisors when making investment decisions. This work has been performed under contract with BLR at a cost of approximately US$35,000 based on a proposal to BLR outlining the terms required in order to comply with VALMIN requirements. The fees are not dependent upon the outcome of the valuation, or the success or failure of any transactions related to this valuation.

JKE, its employees, and related parties do not have any interest whatsoever in the Project, adjacent properties, or BLR.

JKE's expertise and qualification is provided in Appendix A.

1.2.2 Information Reviewed and Relied Upon

JKE relied upon information provided by BLR, opinions of others involved in the uranium mining business within the region, independent reports by attorneys evaluating mineral and surface ownership, historical reports provided by BLR prepared by previous owners, BLR reports by other experts, as well as our experience working with uranium properties. We have included all items that we believe are material in assessing the value of the property. The listing of information we relied upon is provided in Appendix B.

1.3 Requirements and Compliance

At the request of BLR, this report is prepared in order to meet the requirements of the VALMIN Code – 2005 Edition prepared by the VALMIN Committee.

1.4 Limitations

In preparing this report, JKE has relied on information provided by BLR. JKE has no reason to believe that this information is materially misleading, incomplete or contains material errors. BLR has been provided with a draft of this report to enable the correction of any factual errors and notation of any material omissions. The content of this report as expressed by JKE is based on the assumption that all the data provided by BLR is complete and correct to the best of the Company's knowledge.

Further, JKE has not audited data relating to the assets, but has rather attempted to verify that the information has been prepared in accordance with industry norms and as such, is of acceptable quality and reliability. Where this is not the case, JKE has provided comment and has made an appropriate adjustment to the valuation to reflect this occurrence.

JKE has also not conducted any legal due diligence on the property ownership, lease, claim or surface ownership and the valuation here assumes the ownership and control as conveyed by BLR. We have reviewed a Mineral Title Opinion dated June 26, 2012 from Dufford & Brown, attorneys at law, Denver, Colorado, addressed to BLR, covering the certain lands described in that opinion (the "Dufford Opinion"), as that opinion has been supplemented by a Supplemental Title Report dated August 15, 2012, from Frank Erisman, special legal counsel to BLR, which pertains to uranium mineral interests described in the Dufford Opinion and other lands covering the Hansen deposit. We have also made enquiries to BLR as to tenement changes since these reports were filed, and am satisfied and believe the legal counsel reports can be relied upon. John Kyle, PE is the professional expert fully responsible for the preparation and content of this valuation. Mr. Kyle has not provided BLR with prior technical services for the Hansen-Taylor Project, but has provided mineral processing consulting services in the past year.

1.4.1 Disclaimer

JKE has conducted an independent valuation of BLR's Hansen-Taylor Project. A site visit was made on November 22, 2013 and we have reviewed technical data, reports, and studies provided by BLR as well as other information. Our review has been conducted on a reasonableness basis and JKE has noted herein where such provided information has been questioned. Except for the items that were questioned, JKE has relied upon the information provided as being accurate and suitable for use in this valuation. JKE assumes no liability for the accuracy of the information provided. We retain the right to change or modify our valuation if new or undisclosed information is provided, which might change our opinion of the value.

1.5 Glossary of Terms

The following terms and abbreviations are used in this report.

Advanced Exploration Areas and Pre-development Projects: Mineral Properties where Mineral Resources have been identified and their extent estimated (possibly incompletely) but where a positive development decision has not been made. Mineral Properties at the early assessment stage, those for which a development decision has been negative, those on care and maintenance and those held on retention titles are all included in this category if Mineral Resources have been identified. This is even if no further valuation or technical assessment work, delineation or advanced exploration is being undertaken.

***Comparable Sales Method*:** This valuation approach involves the comparison of sales of properties with a similar use, design, or utility as the subject property. Adjustments, when required, are made to the comparables for any differences, in order to indicate a value for the property being appraised.

Competence: Means having relevant expertise, qualifications and experience (technical or commercial), as well as, by implication, the professional reputation so as to give authority to statements made in relation to particular matters.

Cost Method: This valuation approach involves adding together the indicated site or land value to the estimated cost of reproducing or replacing the improvements, less any loss of value (depreciation) that may have occurred.

Development Projects: Mineral properties which have been committed to production, but which are not yet commissioned or not operating at design levels.

Expert: Means a Competent (and Independent, where relevant) natural person who prepares and has overall responsibility for the Valuation Report. He/she must have at least 10 years of relevant Minerals Industry experience, using a relevant Specialist for specific tasks in which he/she is not competent. An Expert must be a corporate member of an appropriate, recognized professional association having an enforceable Code of Ethics.

Fair Market Value: Fair Market Value (Market Value or Value) is the object and result of the Valuation. It is the estimated amount of money (or the cash equivalent of some other consideration) for which the 'Mineral Asset' should change hands on the 'Valuation Date'. It must be between a willing buyer and a willing seller in an 'arm's length' transaction in which each party has acted knowledgeably, prudently and without compulsion.

Income Method: This valuation approach measures the present value of the future benefits of property ownership. It is a process of converting the future monetary benefits estimated to be derived from a property into an indication of value, generally through application of an appropriate discount rate. In modern terminology it would more properly be termed a cash flow approach in view of the acceptance over the past 40 years of cash flow analysis as a determinant of value.

Independent/Independence: Means that the person(s) making the Valuation have no Material pecuniary or beneficial (present or contingent) interest in any of the 'Mineral Assets' being assessed or valued, other than professional fees and reimbursement of disbursements paid in connection with the assessment or Valuation concerned; or any association with the commissioning entity, or with the owners or promoters (or parties associated with them) likely to create an apprehension of bias. Hence, they must have no beneficial interest in the outcome of the transaction or purpose of the technical assessment/Valuation of the Mineral Asset.

Indicated Resources: An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.

Inferred Resources: An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

Material/Materiality: With respect to the contents and conclusions of a relevant Report, it means data and information of such importance that the inclusion or omission of the data or information concerned might result in a reader of the Report reaching a different conclusion than might otherwise be the case. Material data (or information) is that which would reasonably be required in order to make an informed assessment of the subject of the Report.

Measured Resources: A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.

Mineral Asset(s) (Resource Assets or Mineral Properties): Means all property including, but not limited to Real Property, intellectual property, mining and exploration tenements held or acquired in connection with the exploration, the development of and the production from those tenements; together with all plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with those tenements. Most can be classified as Exploration Areas, Advanced Exploration Areas, Pre-Development Projects, Development Projects or Operating Mines.

Operating Mines: Mineral Properties, particularly mines and processing plants, which have been fully commissioned and are in production.

Price: The amount paid for a good or service and it is a historical fact. It has no real relationship with Value, because of the financial motives, capabilities or special interests of the purchaser; and the state of the market at the time.

Specialist: Means a Competent (and Independent, where relevant) natural person who is retained by the Expert to provide subsidiary reports (or sections of the Valuation Report) on matters on which the Expert is not personally expert. He/she must have at least 5 years of suitable and preferably recent Minerals Industry experience relevant to the subject matter on which he/she contributes. A Specialist must be corporate member of appropriate, recognized professional association having an enforceable Code of Ethics.

Transparent/Transparency: As applied to a valuation it means, as in the Concise Oxford Dictionary, "easily seen through, of motive, quality, etc". It applies to the factual information used, the assumptions made and the methodologies applied, all of which must be made plain in the Report.

Abbreviations Employed

e	equivalent
Ft^3	cubic feet
M	Million
lbs.	Pounds
t	Short Tons (2,000 lbs.)
$	U.S. Dollars (unless specified)
tpd	Tons per day
tph	Tons per hour
°F	Degrees Fahrenheit
S	Section
st	Short tons (2,000 lbs.)
T	Township
R	Range
P.M.	Principal Meridian
N.M.P.M.	New Mexico Principal Meridian
No.	Number
ft.	feet
gpd	gallons per day
gpm	gallons per minute
sh.	Share

M&I	Measured and Indicated (Resources)
LLC	Limited Liability Company
BLR	Black Range Minerals Ltd
JKE	John Kyle Engineering, LLC

2.0 Valuation Summary

Typically, three valuation methods, the Comparable Sales Method, the Cost Method, and the Income Method would be employed to estimate a value for the Hansen-Taylor Project. Because reserves are yet to be delineated at the Project, regulatory guidance stipulates that the Income Method is, in this case, inappropriate. Hence two of these methods, the Comparable Sales and Cost methods, are used in this analysis as discussed in Section 4 of the report. The estimated values derived from these two methods are summarized below:

Method	Estimated Value	Range of Values
Comparable Sales Method	US$8.1M	US$6.5M - US$9.7M
Cost Method	US$18.1M	US$13.6M - US$22.6M

These results represent the technical methods of estimation of value that are classically employed by appraisers evaluating mineral resource properties.

In order to estimate the Fair Market Value of the Hansen-Taylor Project, because of the characteristics and limitations of each method, JKE averaged the technical estimates derived utilizing the two methods, as it cannot be determined which method better estimates the current value. As such, we have concluded that the Fair Market Value for the Hansen-Taylor Project is US$13.1M, with a sensitivity range of US$6.5M to US$22.6M as of April 30, 2014.

3.0 Overview of Assets

3.1 Summary of Assets

The Hansen-Taylor Project encompasses a series of uranium deposits in south central Colorado, USA. The Project is located in an area wherein mining has been a central feature of the regional economy since the late 1890s. Currently, Cotter Corp. is in the process of reclaiming the Cañon City Uranium Mill, a 1200 ton per day (tpd) facility that first operated in 1958. Cotter Corp.'s shutdown of the mill has had an impact on the regional economy as most of the jobs in the region are now tied to the many prisons located in the area, which typically provide low-paying jobs. The mill is located 1.3 miles south of Cañon City, while the Hansen-Taylor Project is located 16.5 miles northwest of Cañon City in the Tallahassee Creek Mining District of Fremont County. See the location map in Figure 3-1.

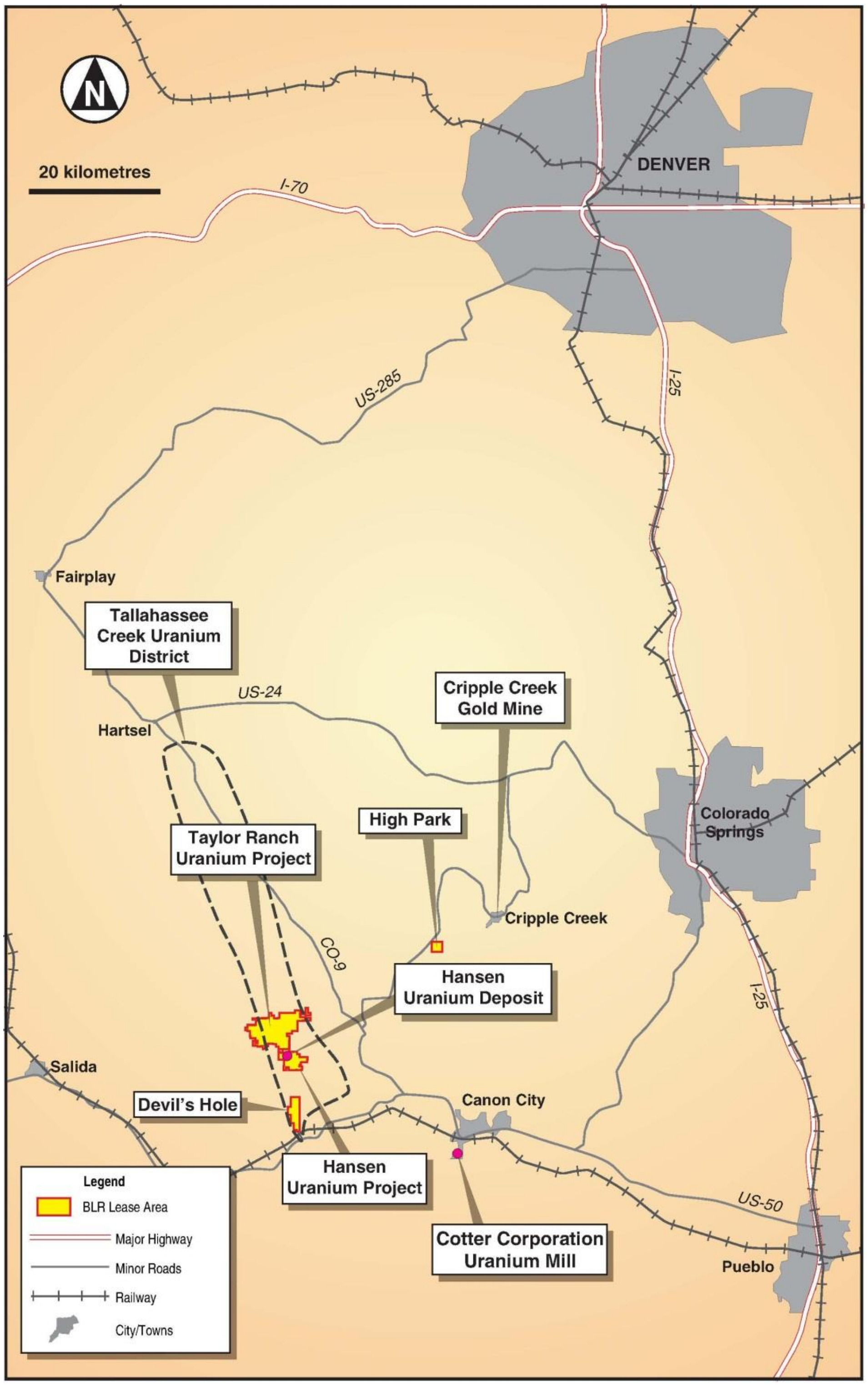

Figure 3-1 Location Map

The Hansen Deposit was discovered in 1977 and has been intensely evaluated by others. It was considered to be economic in the early 1980s. However, JKE considers the Project to be a pre-development project at this point in time as it is being re-evaluated to determine how to best mine and process the uranium given new techniques, technologies, and environmental management capabilities.

The terrain can be characterized as high mountain valleys and ridges wherein the uranium typically lies within the sediments beneath the valley floors. The elevation is about 8,300 feet and snow is a common occurrence during the winter months. Average low temperatures range from -2°F to 46°F with high temperatures averaging 31°F to 75°F. The extreme temperatures range from a low of -50°F to 88°F. Rainfall ranges from 0.31 inches in January to 2.5 inches in August, with an overall average rainfall of 12.60 inches per annum. This is a reasonable climate within which to conduct mining operations although cautionary measures will have to be taken during the winter months and especially during extreme cold weather conditions. Mining operations can normally be conducted year round. Working during the winter is typically not a problem in this portion of Colorado. The Cripple Creek and Victor Gold Mining Company, a subsidiary of AngloGold Ashanti, Ltd., for example, operates the Cripple Creek and Victor gold mine 25 miles to the northeast of the Hansen-Taylor Project at an elevation of 9,300 feet throughout the year.

The Hansen-Taylor Project is located about 45 miles southwest of Colorado's second largest city, Colorado Springs and about 120 miles south-southwest of Denver, a major international mining hub. Hence, there is plenty of mining related talent in the region and within the locale. Moreover, the state regulatory agencies have in-depth experience with the permitting and regulation of mining operations, especially uranium, given Colorado's extensive historical experience producing uranium.

3.2 Project History

Uranium occurrences in the area had been identified and worked in limited fashion since the 1950s. The Project area was explored more intensively as early as 1976 by Rampart Exploration Company, who was acting as Cyprus Minerals Corporation's ("Cyprus") exploration division. This work resulted in the definition of a uranium resource and the assemblage of a land position around known uranium showings in the Oligocene Tallahassee Creek Conglomerate. Deeper drilling led to the discovery of the Hansen deposit in the Echo Park Formation at depths less than 850 feet. In April of 1978, Westinghouse Electric's uranium mining entity Wyoming Minerals Corporation agreed to pay Cyprus US$68.1 million for a 49% interest in a joint venture to develop the Hansen deposit. They planned to begin production by 1983 from a mine-mill complex to develop uranium from the 13,600 acres controlled by Cyprus at the time. Estimated reserves totaled about 30 million lbs. of uranium. A 3,000 tpd processing facility was planned.

Accordingly, much work was undertaken on the Project to develop it to production status. By late 1979, the Project was in the intermediate design stage for mine development, mill construction, and tailing pond construction, when Cyprus was acquired by Standard Oil Company of Indiana. By 1980, however, the price of uranium, which had been US$43/lb. in mid-1979 dropped to US$30/lb. and was still falling due to excessive over-supply in the market. Standard Oil decided to delay development of the Project, which had a US$225M projected capital cost, until more favorable market conditions existed. Improved uranium prices failed to materialize and New Mexico and Arizona Land Company purchased the Hansen orebody in the fall of 1996. In December of 2006, BLR obtained control of the Taylor Ranch property, just north of the Hansen deposit and thereafter continued to gain control of the Boyer Ranch Property and the Hansen, Picnic Tree, and High Park deposits.

3.3 Control of Assets

The assets under BLR's control are primarily the rights to mine and extract uranium. They also have leased offices in Golden and Cañon City, Colorado, and minor equipment at the Project. Within the Hansen-Taylor Project area, BLR has mining agreements, owns fee minerals, options to purchase fee mineral rights, federal unpatented mining claims, mineral leases with the State of Colorado, and surface access agreements. BLR's surface and mineral property rights for the Hansen-Taylor Project are illustrated below in Figures 3.2 and 3.3.

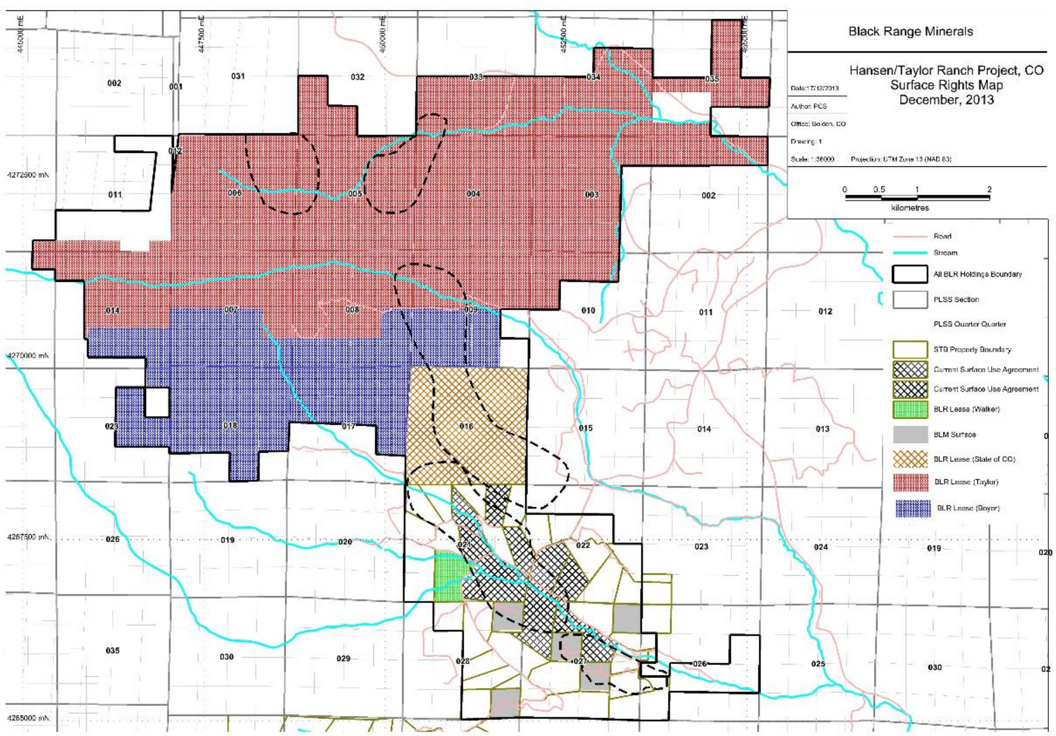

Figure 3.2 Hansen-Taylor Project surface ownership map.

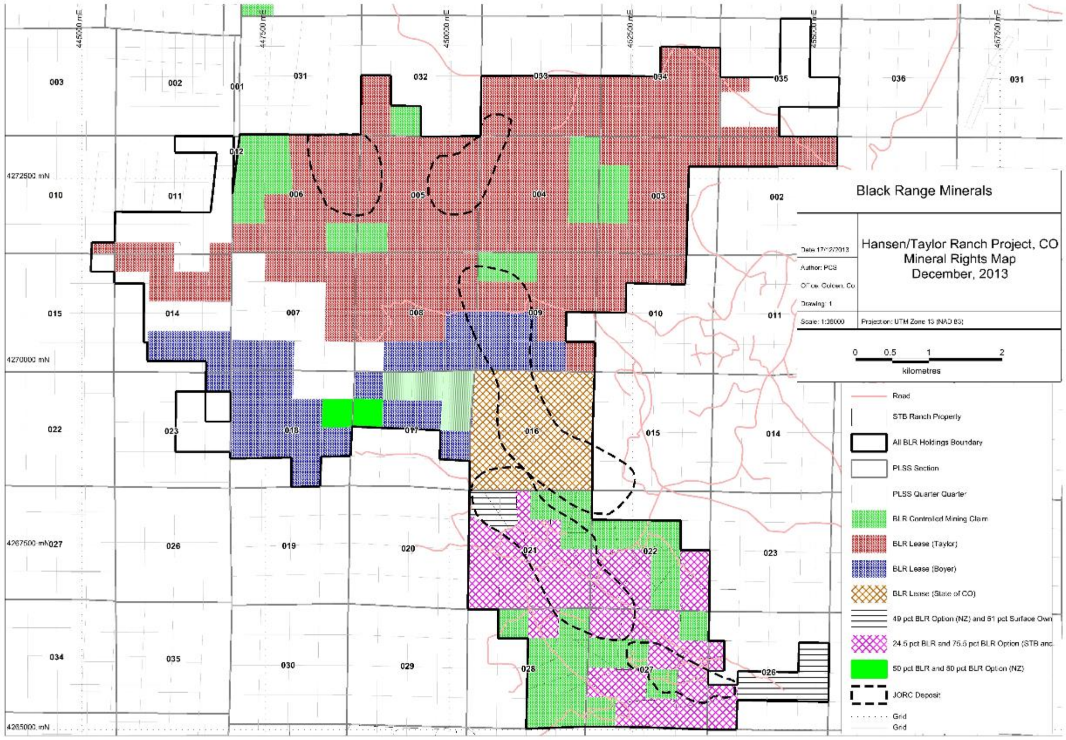

Figure 3.3 Hansen-Taylor Project mineral property ownership map.

3.3.1 Surface and Mineral Rights

The mineral rights within BLR's holdings are owned by a combination of the US Federal Government (Bureau of Land Management, or "BLM"), the Taylor Family, the Boyer Family, the State of Colorado, NZ Minerals, LLC, and STB Minerals, LLC. BLR has separate agreements with all of these entities that provide BLR control of the mineral rights. A summary of these agreements is provided below. The convention employed for the property descriptions makes reference to the township-range-section classification system, wherein reference to the "¼" designations has been dropped by JKE for clarity purposes, but reference is still made to the ¼ division of sections and the ¼ subdivisions of these ¼ sections; for example, the NE1/4 of the SW1/4 is designated herein as the NESW.

3.3.1.1 Fee Mineral Interests

With respect to the Hansen deposit, on June 29, 2009, BLR purchased from NZ Minerals, LLC, an undivided 24.5% interest in all uranium, metal bearing minerals, rare earth minerals, sand, gravel, clay, aggregate and other industrial minerals, but specifically excluding hydrocarbons, coal and gases situated in, upon or under the following described land in Fremont County, Colorado, as evidenced by Quitclaim Deed dated August 10, 2011, filed for recording on August 18, 2011 and recorded under Reception No. 888396 of the real property records of Fremont County (the "NZ Parcel"):

Township 17 South, Range 73 West of the 6TH P.M.

Section 21: S½, NW, SWNE;
Section 22: SW, E½SE;
Section 26: SENE, N½SE, NESW, SWSW, S½NWSW, W½SWNW;
Section 27: N½SW, SESW, S½SE, NESE, N½NW, S½NE, NWNE; and
Section 28: NWNE.

This agreement also includes an undivided 50% interest, under the same conditions stated above, for the following area:

Township 17 South, Range 73 West of the 6TH P.M.

Section 17: SWNW; and
Section 18: SENE.

JKE is of the opinion that this ownership is in full effect.

3.3.1.2 Option to Purchase Mineral Agreements

BLR has two "options to purchase" agreements covering fee mineral lands that affect the Hansen deposit. These agreements are with NZ Minerals, LLC and STB Minerals, LLC:

3.3.1.2.1 NZ Minerals, LLC – Option to Purchase Agreement

BLR has the option to purchase NZ Minerals, LLC additional undivided 24.5% mineral interest that includes the Hansen deposit pursuant to the Amended and Restated Option Agreement dated July 17, 2009, but effective as of June 29, 2009, between NZ Minerals, LLC, an Arizona limited liability company and BLR's wholly-owned subsidiary Black Range Minerals Colorado, LLC, a Colorado limited liability company, a memorandum of which was recorded in the real property records of Fremont County, Colorado under Reception Number 866591 on August 19, 2009, as amended by Supplement to Amended and Restated Option Agreement dated July 7, 2011 and as further amended by Second Supplement to Amended and Restated Option Agreement dated as of October 3, 2011 between the parties covering the "NZ Parcel", as described above.

At any time before the earlier of twenty years from the date of the Option Agreement or the commencement of commercial scale operations, BLR can fully exercise the Option by paying NZ Minerals, LLC US$2M and issuing to NZ Minerals US$2M worth of ordinary shares in BLR, and by granting NZ Minerals, LLC a royalty in the amount of 80% of 3% of 49% (or 1.176%) on actual proceeds of sales of uranium and metal by-products less costs of weighing, sampling, assaying, analysis, sales brokerage costs, transportation and certain taxes (excluding state and federal income taxes). This royalty was originally to be 3% of 49% but has subsequently been adjusted (see discussion under the section on royalties and encumbrances (Section 3.3.2.1.1)).

JKE is of the opinion that this agreement is in full effect and that the next payments due will be upon commencing commercial scale operations.

3.3.1.2.2 STB Minerals, LLC Minerals – Option to Purchase Agreement

BLR has an option to purchase STB Minerals, LLC's undivided 51% mineral interest, that includes the Hansen deposit, pursuant to the Option and Exploration Agreement dated effective February 18, 2011, between STB Minerals, LLC, a Colorado limited liability company, and Black Range Minerals Colorado, LLC, a Colorado limited liability company, (the "STB Agreement") a memorandum of which was recorded in the real property records of the Fremont County, Colorado under Reception Number 883455 on March 7, 2011. The STB Agreement covers all minerals, including uranium and associated mineral bearing ore, situated in, upon, under or otherwise associated with the following described land in Fremont County, Colorado (the "STB Parcel"):

Township 17 South, Range 73 West of the 6TH P.M.

Section 21:	S½, NW, SWNE, excluding and excepting Lots 77 and 78 of South T-Bar Ranch Filing No. 4 according to recorded plat thereof;
Section 22:	SW, E½SE;
Section 26:	SWSW, S½NWSW, W½SWNW;
Section 27:	N½SW, SESW, S½SE, NESE, N½NW, S½NE, NWNE; and
Section 28:	NWNE.

STB Minerals, LLC ("STB") was created by the South T-Bar Ranch Property Owners Association to pool and hold the 51% mineral interests held by individual parcel owners in the association (with the exception of two parcel owners (lots 77 & 78) who hold their 51% rights outside of STB). See the property owner lot map in Figure 3-4.

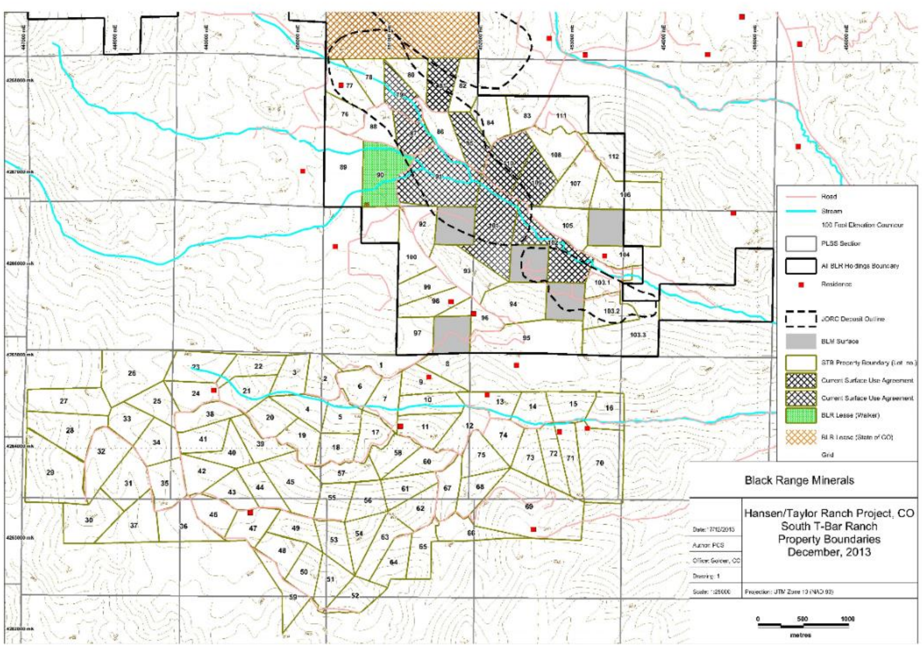

Figure 3-4 STB Ownership Lot Map

In addition to an initial deposit of US$500,000, the Option Price under the STB Agreement requires that BLR pay STB the sum of US$1,000,000, and issue to STB ordinary shares of BLR to the value of US$1,250,000. BLR made these payments on July 28, 2011. To complete payment of the Option Price, BLR was to issue to STB additional ordinary shares of BLR to the value of US$1,250,000. These shares were issued on January 31, 2012, thus completing the payment of the Option Price.

BLR now has the right to fully exercise its option until July 28, 2017 by paying STB the sum of US$2,500,000 in cash (minus the US$500,000 deposit already paid), and issuing STB ordinary shares of BLR equal in value to US$3,750,000, and, 180 days following the cash payment, issuing STB additional ordinary shares of BLR equal in value to US$3,750,000. In addition, BLR shall be required to grant STB a royalty in the amount of 51% of 1.5% on actual proceeds of sales of uranium and metal by-products less costs of weighing, sampling, assaying, analysis, sales brokerage costs, transportation and certain taxes (excluding state and federal income taxes). The total royalty originally due to STB has been adjusted; see discussion under the section on royalties and encumbrances in Section 3.3.2.1.2

If BLR has not exercised its Option on or before July 28, 2014, it has the right to extend the Option Period for an additional three years to July 28, 2017 by paying STB the sum of US$1,000,000 and issuing to STB ordinary shares of BLR equal in value to US$500,000, and, 180 days following the cash payment, issuing STB additional ordinary shares of BLR equal in value to US$500,000.

It is noted that there were orders and decrees, dated April 28, 2011 and July 5, 2011, regarding a case of STB Minerals, LLC vs. Lipid Sciences, Inc., et al., (forebearer of NZ Minerals, LLC) which settled a dispute regarding ownership of the minerals wherein the resolution can be seen in the most recent royalty agreements among the parties involved. This work resulted in the opinion that STB Minerals, LLC had a 51% interest, NZ Minerals, LLC had a 24.5% interest, and that BLR had a 24.5% interest in the minerals. Two additional tracts were identified which relate to Lots 77 and 78 (see Figure 3-4) of the South T-Bar Filing 4. The work also defined the royalty interests.

These ownership rights are confirmed in a Mineral Title Opinion prepared by Dufford and Brown Attorneys at Law. That document includes many legal recommendations which are beyond the scope of the work herein, as our work does not include a chain of title analysis and only purports to determine if agreements are in place that confirm BLR’s control of the mineral rights.

JKE is of the opinion that the STB agreement is in full effect.

3.3.1.3 Federal Unpatented Mining Claims

BLR holds a 100% interest in the following 108 Federal unpatented lode mining claims in the Hansen-Taylor Project area located in Fremont County, Colorado. Claims are maintained by making annual renewal payments (currently US$140 per claim) to the U.S. Government, Bureau of Land Management (“BLM”) on or before August 31 of each year. These claims correspond to the BLM claim areas shown on the mineral and surface property maps.

Hansen Deposit Claims

Claim Name	Township	Range	Section	BLM Serial Number
HP 1	17 South	73 West	21	CMC # 271577
HP 2	17 South	73 West	21	CMC # 271578
HP 3	17 South	73 West	21	CMC # 271579
HP 4	17 South	73 West	21	CMC # 271580
HP 5	17 South	73 West	21	CMC # 271581
HP 6	17 South	73 West	21	CMC # 271582
HP 7	17 South	73 West	21	CMC # 271583
HP 8	17 South	73 West	21, 22	CMC # 271584
HP 9	17 South	73 West	22	CMC # 271585
HP 10	17 South	73 West	22	CMC # 271586
HP 11	17 South	73 West	22	CMC # 271587
HP 12	17 South	73 West	22	CMC # 271588
HP 13	17 South	73 West	28	CMC # 271589
HP 14	17 South	73 West	22	CMC # 271590
HP 15	17 South	73 West	22	CMC # 271591
HP 16	17 South	73 West	22	CMC # 271592
HP 17	17 South	73 West	22	CMC # 271593
HP 18	17 South	73 West	22	CMC # 271594
HP 19	17 South	73 West	22	CMC # 271595
HP 20	17 South	73 West	22	CMC # 271596
HP 21	17 South	73 West	28	CMC # 271597
HP 22	17 South	73 West	28	CMC # 271598
HP 23	17 South	73 West	28	CMC # 271599
HP 24	17 South	73 West	28	CMC # 271600
HP 25	17 South	73 West	27, 28	CMC # 271601
HP 26	17 South	73 West	27	CMC # 271602
HP 27	17 South	73 West	27	CMC # 271603
HP 28	17 South	73 West	28	CMC # 271604
HP 29	17 South	73 West	28	CMC # 271605
HP 30	17 South	73 West	28	CMC # 271606
HP 31	17 South	73 West	28	CMC # 271607
HP 32	17 South	73 West	28	CMC # 271608
HP 33	17 South	73 West	28	CMC # 271609
HP 34	17 South	73 West	28	CMC # 271610
HP 35	17 South	73 West	28	CMC # 271611
HP 36	17 South	73 West	28	CMC # 271612
HP 37	17 South	73 West	27, 28	CMC # 271613
HP 38	17 South	73 West	27	CMC # 271614
HP 39	17 South	73 West	27	CMC # 271615
HP 40	17 South	73 West	28	CMC # 271616
HP 41	17 South	73 West	28	CMC # 271617
SAM 1	17 South	73 West	21, 28	CMC # 265221
SAM 2	17 South	73 West	21, 28	CMC # 265222
SAM 3	17 South	73 West	21, 22, 27, 28	CMC # 265223
SAM 4	17 South	73 West	22, 27	CMC # 265224
SAM 5	17 South	73 West	22, 27	CMC # 265225
SAM 6	17 South	73 West	22, 23, 26, 27	CMC # 265226
SAM 7	17 South	73 West	27	CMC # 265227
SAM 8	17 South	73 West	27	CMC # 265228

SAM 9	17 South	73 West	27	CMC # 265229
SAM 10	17 South	73 West	27	CMC # 265230
SAM 11	17 South	73 West	27	CMC # 265231
SAM 12	17 South	73 West	27	CMC # 265232

Taylor/Boyer Ranch Claims

Claim Name	Township	Range	Section	BLM Serial Number
OLIVIA 1	17 South	73 West	6	CMC # 269217
OLIVIA 1	50 North	12 East	12	CMC # 269217
OLIVIA 2	17 South	73 West	6	CMC # 269218
OLIVIA 3	17 South	73 West	6	CMC # 269219
OLIVIA 3	50 North	12 East	12	CMC # 269219
OLIVIA 4	17 South	73 West	6	CMC # 269220
OLIVIA 5	17 South	73 West	6	CMC # 269221
OLIVIA 5	50 North	12 East	12	CMC # 269221
OLIVIA 6	17 South	73 West	6	CMC # 269222
OLIVIA 7	17 South	73 West	6	CMC # 269223
OLIVIA 7	50 North	12 East	12	CMC # 269223
OLIVIA 8	17 South	73 West	6	CMC # 269224
OLIVIA 9	17 South	73 West	6	CMC # 269225
OLIVIA 10	17 South	73 West	6	CMC # 269226
OLIVIA 11	17 South	73 West	6	CMC # 269227
OLIVIA 12	17 South	73 West	6	CMC # 269228
OLIVIA 13	17 South	73 West	6	CMC # 269229
OLIVIA 14	17 South	73 West	6	CMC # 269230
OLIVIA 15	17 South	73 West	5, 6	CMC # 269231
OLIVIA 16	17 South	73 West	5	CMC # 269232
OLIVIA 17	17 South	73 West	5	CMC # 269233
OLIVIA 18	16 South	73 West	32	CMC # 269234
OLIVIA 19	16 South	73 West	32	CMC # 269235
OLIVIA 20	17 South	73 West	17	CMC # 269236
OLIVIA 23	17 South	73 West	17	CMC # 269237
OLIVIA 24	17 South	73 West	17	CMC # 269238
OLIVIA 25	17 South	73 West	17	CMC # 269239
OLIVIA 26	17 South	73 West	17	CMC # 269240
OLIVIA 27	17 South	73 West	17	CMC # 269241
OLIVIA 28	17 South	73 West	17	CMC # 269242
OLIVIA 29	17 South	73 West	17	CMC # 269243
OLIVIA 30	17 South	73 West	17	CMC # 269244
OLIVIA 31	17 South	73 West	17	CMC # 269245
OLIVIA 32	17 South	73 West	17	CMC # 269246
OLIVIA 33	17 South	73 West	17	CMC # 269247
OLIVIA 34	17 South	73 West	17	CMC # 269248
OLIVIA 35	17 South	73 West	17	CMC # 269249
OLIVIA 36	17 South	73 West	17	CMC # 269250
OLIVIA 37	17 South	73 West	17	CMC # 269251

OLIVIA 38	17 South	73 West	17	CMC # 269252
OLIVIA 39	17 South	73 West	17	CMC # 269253
TR 1	17 South	73 West	4	CMC # 270579
TR 2	17 South	73 West	4	CMC # 270580
TR 3	17 South	73 West	3,4	CMC # 270581
TR 4	17 South	73 West	3	CMC # 270582
TR 5	17 South	73 West	3,4	CMC # 270583
TR 6	17 South	73 West	3	CMC # 270584
TR 7	17 South	73 West	3,4	CMC # 270585
TR 8	17 South	73 West	3	CMC # 270586
TR 9	17 South	73 West	3,4	CMC # 270587
TR 10	17 South	73 West	3	CMC # 270588
TR 11	17 South	73 West	3,4	CMC # 270589
TR 12	17 South	73 West	3	CMC # 270590
TR 13	17 South	73 West	9	CMC # 270591
TR 14	17 South	73 West	9	CMC # 270592
TR 15	17 South	73 West	9	CMC # 270593
TR 16	17 South	73 West	9	CMC # 270594
TR 17	17 South	73 West	9	CMC # 270595

North Waugh Mountain Claims

Claim Name	Township	Range	Section	BLM Serial Number
PIA 1	16 South	73 West	30	CMC # 270596
PIA 2	16 South	73 West	30	CMC # 270597
PIA 3	16 South	73 West	30	CMC # 270598
PIA 4	16 South	73 West	30	CMC # 270599

JKE is of the opinion that these claims are valid, based on the fact that BLR has paid the annual maintenance fees for all of these claims continuously for at least the past 3 years.

In addition to these claims, BLR has 89 claims in the Devils Hole region, which begins at the top of T18S R73W, just south of the Picnic Tree deposit. The Devils Hole claims are also valid, based upon BLR having paid the assessment fee for the past 3 years. However, little is known about the mineral potential within these claims and therefore they have not been included as a portion of the Hansen-Taylor Project for valuation purposes.

3.3.1.4 State of Colorado Uranium Leases

North Hansen

BLR has leased 100% of the uranium mineral rights in State of Colorado Section 16, Township 17 South, Range 73 West of the 6th P.M. The entire interest created by Uranium Mining Lease No. UR 3324, dated effective July 23, 2007, for a term of ten years, is from the State of Colorado acting through its State Board of Land. Initial cost of the lease was US$33,940 including a filing fee of US$20, first year's rent of US$1,920 and a bonus of US$32,000. Annual rent, payable in advance, is US$3.00 per acre for a total of US$1,920 for the 640 acres in the section. The lease grants the

Lessee rights to mine and to use the surface in support of its efforts. Annual advance minimum royalties, recoupable against future production, are nil until 2013; thereafter, they will be US$20.00 per acre, for an annual total of US$12,800. A minimum annual development expenditure of US$20,000 per year is required after 2008. The State may change the advance minimum royalty at the end of each five-year period of the lease. Reduction in leased acreage may reduce the advance minimum royalty. A gross production royalty, based on the price of uranium as described in Section 3.3.2.1.3, is payable. The location of this property can be seen on the mineral property map, shown in Figure 3-3.

High Park

BLR has leased 100% of the uranium mineral rights in State of Colorado Section 36, Township 15 South, Range 71 West of the 6th P.M. The entire interest created by Uranium Mining Lease No. UR 3322, dated effective July 23, 2007, for a term of ten years, is from the State of Colorado acting through its State Board of Land. Initial cost of the lease was US$213,160 including a filing fee of US$20, first year's rent of US$1,920 and a payment of US$211,160. Annual rent, payable in advance, is US$3.00 per acre for a total of US$1,920 for the 640 acres in the section. The lease grants the Lessee rights to mine and to use the surface in support of its efforts. Annual advance minimum royalties, recoupable against future production, are nil until 2013; thereafter, they will be US$20.00 per acre, for an annual total of US$12,800. A minimum annual development expenditure of US$20,000 per year is required after 2008. The State may change the advance minimum royalty at the end of each five-year period of the lease. Reduction in leased acreage may reduce the advance minimum royalty. A gross production royalty, based on the price of uranium as described in Section 3.3.2.1.3, is payable. The location of this property can be seen on the High Park location map shown in Figure 3-1.

JKE is of the opinion that these state leases appear to be in effect, based on the recent payments BLR has made to the State of Colorado.

3.3.1.5 Taylor Mining Agreement

BLR holds the entire interest in a certain Mining Agreement dated November 11, 2006, a memorandum of which was filed for recording in the real property records of Fremont County, Colorado on January 8, 2007 under Reception No. 831442 between Noah H. (Buddy) Taylor, Jr., Diane R. Taylor and Dorothy J. Taylor and Black Range Minerals Colorado, LLC covering the following described land in Fremont County:

SURFACE AND MINERALS

Township 16 South, Range 73 West 6th P.M.

Section 32: W2SW;
Section 33: S2;
Section 34: S2NE, S2; and
Section 35: N2NWSW, S2S2SW.

Township 17 South, Range 73 West 6th P.M.

Section 2: Lots 1(40.34), 2(40.47), 3(40.60), 4(40.73);
Section 3: Lots 1(40.60), 2(40.20), 3(39.80), 4(39.40), SWNE, SENW, NESW, S2SW, W2SE;
Section 4: Lots 2(39.62), 3(39.91), 4(40.20), SWNE, S2NW, SW, W2SE, SESE;
Section 5: Lots 1(40.17), 2(39.84), 3(39.49), 4(39.60), S2N2, N2S2, SESW, S2SE;
Section 6: Lots 1(39.12), 2(39.37), 7(43.15), S2NE, E2SW, N2SE, SWSE;
Section 7: N2NE, SENE, NENW, NESE;
Section 8: N2, N2SW, NWSE;
Section 9: N2NE, S2N2; and
Section 10: NWNE, N2NW, SWNW.

Township 50 North, Range 12 East, N.M.P.M.

Section 14: Government Tract 40(40-A=30.18, 40-B=39.62, 40C=39.62, 40D=39.62, 40E=40.18, 40-F=40.18, 40-G=31.34).

SURFACE ONLY

Township 16 South, Range 73 West 6th P.M.

Section 32: SESW; and
Section 35: W2NE, N2NESW, N2SE.

Township 17 South, Range 73 West 6th P.M.

Section 3: SWNW, NWSW;
Section 4: E2NW, NESE;
Section 5: SWSW;
Section 6: Lots 3(39.62), 4(44.79), 5(44.80), 6(43.72), SESE, SENW;
Section 9: N2NW; and
Section 7: Lots 1(42.76), 2(42.56), SWNE, SENW.

Township 50 North, Range 12 East, N.M.P.M.

Section 11: Lots 1(32.71), 2(22.36), 5(26.06), 6(32.69), 7(16.89), 8(16.91), 9(16.93), 10(24.54), 11(24.50), 12(36.49), 13(27.13).

Township 50 North, Range 12 East, N.M.P.M.

Section 14: Lots 1(24.20), 2(18.84), 3(19.93), 4(15.72), 5(15.06), 6(23.23), 7(24.09), 8(26.50).

MINERALS ONLY

Township 17 South, Range 73 West 6th P.M.

Section 9: SESE, NWSE.

Covering a total of 5,505.26 acres more or less:

Surface & Minerals 4,202.91
Surface Only 1,182.35
Minerals Only 80.00

JKE has reviewed the agreement and the areas identified to determine that the agreement appears to be in force and covers the area identified on the Black Range surface and minerals maps. The agreement has a term of 10 years, so it is valid through November 11, 2016 and so long afterward as long as commercial operations are in effect.

3.3.1.6 Boyer Mining Agreement

BLR holds the entire interest in a certain Mining Agreement dated February 16, 2007, a memorandum of which was filed for recording in the real property records of Fremont County, Colorado on March 29, 2007 under Reception Nos. 834830, 834831, 834832, and 834833, between Richard Dale Boyer et al. and Black Range Minerals Colorado, LLC covering the following described land in Fremont County:

SURFACE AND MINERALS

Township 17 South, Range 73 West, 6th P.M.

Section 7: Lot 4(42.16), SESW;
Section 8: SESW, SWSE, E2SE;
Section 9: SW, SWSE;
Section 17: N2N2; and
Section 18: Lots 1(42.27), 2(42.65), 3(43.03), SWNE, E2NW, NESW, N2SE, SWSE.

Township 50 North, Range 12 East, 6th N.M.P.M.

Section 14 & 23: Resurvey Tract 41 (146.61).

Containing 1,156.72 Acres, more or less

SURFACE ONLY

Township 17 South, Range 73 West, 6th P.M.

Section 7; Lot 3(42.36), NESW, W2SE, SESE;
Section 8: SWSW;
Section 9: NWSE;
Section 17: S2N2, NESE; and
Section 18: N2NE, SENE.

Township 50 North, Range 12 East, 6th N.M.P.M.

Section 21: Government Resurvey Tracts 86A (40.92), 86B(35.18), 86C(40.92).

Containing 719.38 Acres, more or less.

JKE has reviewed the Boyer agreement and is of the opinion that it is in valid force and effective through February 16, 2017.

BLR has had a Mineral Title Certificate prepared by Noonan Land Services, Inc. wherein they conducted a careful search of the records of the Fremont County. The information they documented agreed with the mining agreements, the lands included in the agreement as well as surface and mineral ownership. They did indicate that the overriding royalties had not been properly documented in the memoranda of agreements between BLR and both G.H. Bryant and Freeport-McMoran in that the percentages were not recorded. It is recommended that these documents be corrected.

3.3.1.7 Surface Use Agreements

BLR has the following surface access agreements covering the specified Lots in Filing 4 of the South T-Bar Ranch Subdivision:

Grantor	Lot	Agreement Date	Expiration Date
Stephen J. Perez	91	4/13/11	12/31/17
Elizabeth Ann Beck & Rene H. Suarez	81 & 10	5/16/11	12/31/17
Sunchaser Equestrian Center Academy, Inc. (McGill)	85	4/26/11	12/31/17
Diane M. Mudd	87	4/19/11	12/31/17
Danny G. Snow	101	4/25/11	12/31/17
Robert E. & LeAnn S. Sapp	103-1 * 103-2	6/15/11	12/31/11*
Bobby G. Wilson	109	7/7/11	12/31/17
Frank E. and Virginia A. Groome	110	3/27/10	12/31/17

*The Sapp agreement allows pickup access and on-foot access to conduct non-drilling studies beyond 12/31/11; it requires notice and payment of access fee.

These surface use agreements only allow access for exploration purposes and by themselves do not allow access for mining. Through the STB Agreement, BLR previously acquired options, which have since expired, to purchase the surface rights from many of the land owners who own land over the Hansen mineral resource. JKE is of the opinion that these surface rights should be able to be procured when required, because the owners have expended a lot of effort and dealt with BLR in the past regarding sale of the mineral rights which included providing a commitment to allow mining at the Hansen deposit. Acquiring the surface rights is in our opinion, primarily an economic matter and dependent on future negotiation. BLR has indicated that should the acquisition of the surface rights be required in order to undertake mining, it will, at the appropriate time, seek to negotiate the acquisition of the rights at market value. JKE agrees this strategy appears to be sensible. Overall, the lack of surface ownership represents a risk in developing the Project, but doesn't appear to be insurmountable.

3.3.2 Royalty and Encumbrances

The royalty summary for the Hansen-Taylor Project is complex as there are many royalties that apply to different portions of the uranium resources and the terms of these royalties vary. JKE has not identified any reference to any other encumbrances other than Federal and State land holding fees described in the previous sections and state property taxes.

3.3.2.1 Royalties and Encumbrances on Fee Mineral Lands

3.3.2.1.1 NZ Minerals Royalties and Encumbrances

Under the NZ Minerals, LLC Amended and Restated Option Agreement dated July 17, 2009, but effective as of June 29, 2009, provided BLR exercises its option to acquire NZ Minerals, LLC's remaining 24.5% mineral interest, NZ Minerals, LLC was to receive a royalty in the amount of 3% of 49% (or 1.47%) on actual proceeds of sales of uranium and metal by-products less costs of weighing, sampling, assaying, analysis, sales brokerage costs, transportation and certain taxes (excluding state and federal income taxes). The royalty portion of the Option Agreement was modified under the Supplement to the Amended and Restated Option Agreement, dated July 7, 2011, and further modified by Second Supplement to Amended and Restated Option Agreement made as of October 3, 2011 between the parties and whereby, NZ Minerals, LLC's entitlement to a royalty interest as specified above, was reduced to 80%. The 20% difference was conveyed by agreement of the parties to STB Minerals, LLC by Perpetual Nonparticipating Royalty Deed dated September 1, 2011, filed for recording on September 26, 2011 under Reception No. 889615 in the real property records of Fremont County, Colorado. Once BLR completes payments to NZ Minerals, LLC under the Amended and Restated Option Agreement, NZ Minerals, LLC will be entitled to a royalty amounting to 80% of the 3% royalty on 49% of the minerals (or 1.176%) of the actual proceeds on sales less deductions as specified above. The transfer of 20% of this royalty only applies to the areas of the STB Minerals properties listed above.

3.3.2.1.2 STB Minerals Royalties and Encumbrances

If BLR exercises its option to acquire STB Minerals, LLC's 51% mineral interest, BLR shall allocate STB a royalty in the amount of 51% of 1.5% (i.e. 0.765%) on actual proceeds of sales of uranium and metal by-products produced from the STB Parcel less costs of weighing, sampling, assaying, analysis, sales brokerage costs, transportation and certain taxes (excluding state and federal income taxes). In addition, by agreement between NZ Minerals, LLC and STB, STB is entitled to an additional royalty equal to 20% of NZ Minerals, LLC's 3% royalty on 49% of the minerals (or 0.294%) on actual proceeds of sales of uranium and metal by-products extracted from the Hansen deposit less costs of weighing, sampling, assaying, analysis, sales brokerage costs, transportation and certain taxes (excluding state and federal income taxes). Thus, STB's total royalty on the Hansen deposit upon exercise by BLR of the STB option will be [(20% x 49% x 3%) + (51% x 1.5%)] which is equivalent to 1.059%, less costs of weighing, sampling, assaying, analysis, sales brokerage costs, transportation and certain taxes (excluding state and federal income taxes). The area that this royalty applies to is the area STB optioned to BLR as listed in the properties section above.

3.3.2.1.3 Royalties and Encumbrances on Minerals in State Section 16 T17S R73W 6TH PM and Section 36 T15S R71W 6TH PM.

A payment of US$3.00 per acre must be made to maintain the State Section leases for a total of US$1,920 per year. In addition, a royalty is payable to the State of Colorado for uranium produced, based upon a sliding scale rate as follows:

Royalty Rate	Published Price per Pound of U_3O_8
5%	Less than US$30.00
6%	US$30.00 or more, but less than US$40.00
7%	US$40.00 or more, but less than US$50.00
8%	US$50.00 or more, but less than US$60.00
9%	US$60.00 or more, but less than US$70.00
10%	US$70.00 or more, but less than US$80.00
11%	US$80.00 or more, but less than US$100.00
12%	US$100.00 or more, but less than US$120.00
An increase of 0.5% above 12% for each US$20.00 increase in the published price per pound of U_3O_8.	

Two additional over-riding royalties appear to apply to all minerals produced from State Section 16, T17S, R73W, 6th PM. One is a 4% cost-free production royalty on the fair market value of uranium contained in uranium concentrates (yellowcake) and of the mineral concentrates of any minerals other than uranium. The second is a 0.75% royalty on the gross value of all minerals produced. The State limits the aggregate amount of over-riding royalties to 2% of gross mineral value. Therefore, some adjustments will have to be made with the non-State royalty holders in the State sections.

3.3.2.1.4 Other Royalties and Encumbrances on Mineral Lands That Affect the

Hansen-Taylor Project

Six other parties hold royalties that burden portions of the Hansen-Taylor Project as follows:

The first royalty is a 4%, cost-free production royalty on the fair market value of uranium contained in uranium concentrates (yellowcake) and of the mineral concentrates of any minerals other than uranium, which is payable to G.H. Bryant. The royalty is calculated on a net returns basis, which deducts post production costs and taxes from the sales price. The area to which this royalty applies within the Hansen-Taylor Project is:

Township 16 South, Range 73 West of the 6TH P.M.
Township 17 South, Range 73 West of the 6TH P.M.
Township 50 North, Range 12 East of the N.M.P.M.

A second royalty is a 0.75% royalty on the gross proceeds of all minerals produced and is payable to Freeport-McMoran. The area to which this royalty applies within the townships wherein BLR has property control as defined by their project boundary is:

Township 16 South, Range 73 West 6TH P.M.
Sections 6, 15, 17, 18, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35.

Township 17 South, Range 73 West 6TH P.M.
All Sections.

Township 50 North, Range 12 East 23rd N.M.P.M.
Sections 14, 23, 26, 27, 34, 35.

The third royalty, the "Taylor Royalty" applies to almost all of the Hansen deposit as a 3% "gross proceeds" royalty payable to Buddy and Diane Taylor. It allows deductions for transportation, sampling, quality variation, sales, severance and use taxes, and amounts due under other royalty agreements outstanding as of the date of the agreement (November 15, 1996). The area to which this royalty applies is:

Township 17 South, Range 73 West of the 6TH P.M.

Section 17:	S1/2S1/2, NWSE, N1/2SW, SWNW, SENE;
Section 18:	Lot 4, SESE, SESW;
Section 19:	Lot 1, NENW, NE, N1/2SE, SWSE;
Section 20:	N1/2, n1/2s12, SESW, S1/2SE;
Section 21:	E1/2SW, SE, NW, SWNE, W1/2SW, N1/2NE, SENE;
Section 22:	SWSW, E1/2SW, E1/2SE, NWSW, S1/2NW, SWNE, W1/2SE;
Section 23:	S1/2SW, SWSE;
Section 26:	SENE, N1/2SE, NESW, S1/2NWSW, SWSW, N1/2NW, SENW, W1/2NE, W1/2SWNW;
Section 27:	W1/2NE, SENE, NESE, S1/2SE, E12SW, NWSW, N1/2NW, SWNW, SWSW; Section 28: W1/2NW, SENW, NWNE, NENW, SW, S1/2NE, N1/2SE, SWSE;
Section 29:	NENE, S1/2NE, NWSE, NESE, S1/2SE, S1/2SW, N1/2NW, NWNE, S12NW, N1/2SW;
Section 30:	N1/2NE, Lots 1, 2, 3, & 4, SESW, E1/2NW, NESW, S1/2NE, SE;

Section 31: Lots 1, 3,& 4, NENW, E1/2SW, SE, Lot 2, SENW, NE;
Section 32: E1/2W1/2, E1/2, W1/2W1/2;
Section 33: All; and
Section 34: E1/2SW, S1/2N1/2, W1/2SW, SE.

A fourth royalty is the Tallahassee Royalty, which is a 1% cost-free production royalty on uranium and other minerals, with an effective date of June 22, 1976. As such, it would apply as a deduction to the Taylor royalty above. This 1% royalty affects about one half of the Hansen deposit. The area to which this royalty applies is:

<u>Township 17 South, Range 73 West of the 6TH P.M.</u>

<u>Russell Block Tracts 1 & 2</u>

Section 17: S1/2S1/2, NWSE, N1/2SW, SWNW;
Section 18: Lot 4, SENE, SESE, SESW;
Section 19: Lot 1, NENW, NE, N1/2SE, SWSE;
Section 20: N1/2, N1/2S1/2, SESW;
Section 21: NW, SWNE, W1/2SW, N1/2NE, SENE;
Section 22: E1/2SE, NWSW, S1/2NW, SWNE, W1/2SE;
Section 23: S1/2SW, SWSE;
Section 26: N1/2NW, SENW, W1/2NE;
Section 29: N1/2NW;
Section 30: N1/2NE, Lots 1, 2, 3, & 4, SESW;
Section 31: Lots 1, 3, & 4, NENW, E1/2SW, SE; and
Section 32: W1/2W1/2.

<u>Holst Block Tracts 1 & 2</u>

Section 21: E1/2SW, SE;
Section 22: SWSW, E1/2SW;
Section 26: SENE, N1/2S1/2, SWNW, SWSW;
Section 27: W1/2NE, SENE, NESE, S1/2SE, E1/2SW, NWSW, N1/2NW, SWNW, SWSW;
Section 28: W1/2NW, SENW, NWNE, NENW, SW, S1/2NE, N1/2SE, SWSE;
Section 29: W1/2NW, SENW, NWNE, NESE, S1/2SE, S1/2SW;
Section 32: E1/2W1/2, E1/2;
Section 33: All; and
Section 34: E1/2SW, S1/2N1/2, W1/2SW, SE.

The fifth royalty is the "Russell Royalty" with an effective date of December 13, 1979. This is a sliding scale royalty based on the price of uranium and grade of the uranium ore mined. This royalty appears to affect about half of the Hansen deposit, and would apparently apply as a deduction to the Taylor Royalty. The Russell Royalty is calculated according to the formula R = Q x V x (N/US$42.20), where "R" is the amount payable per calendar month, expressed in US dollars; "Q" is the quantity of U_3O_8 produced from the subject area that is processed by the mill in such calendar month, expressed in pounds of U_3O_8; "V" is the agreed value for the U_3O_8 contained in the processed uranium ores for the calendar month based on the average grade of such uranium ores as determined from Table 1 below, expressed in dollars per pound of contained U_3O_8; and "N" is the Exchange Value (spot price), as determined in the royalty deed, expressed in dollars per pound of U_3O_8. The agreed value of U_3O_8 contained in uranium ores produced from the premises and which are processed shall be determined by reference to the following table:

Average Monthly Grade of Ore Uranium (U_3O_8) Content	Agreed Value per Pound of contained U_3O_8
0.0 - 0.139%	US$.6069
0.14 – 0.179%	US$.8082
0.18 – 0.189%	US$.8176
0.19 – 0.199%	US$.8703
0.20 and up	US$.9231

An example of the royalty calculation assuming a "Q" of 10,000 lbs. uranium produced, a grade of 0.08% U_3O_8 (which from the table indicates a value of $0.6069 for "V"), and a spot price of $60/lb. U_3O_8 for "N", results in a "R" value according to the formula of US$8,628. Deductions for certain costs incurred for toll milling, selling ores in raw form, in-situ leaching, etc., are allowed and there are royalty stipulations for minerals other than uranium. The area to which this royalty applies within the Hansen deposit (we have ignored the royalty in T50N, R12E NMPM due to the lack of minerals) is:

<u>Township 17 South, Range 73 West 6TH P.M.</u>

Section 17: S1/2S1/2, NWSE, N1/2SW, SWNW;
Section 18: Lot 4, SENE, SESE, SESW;
Section 19: Lot 1, NENW, NE, N1/2SE, SWSE;
Section 20: N1/2, N1/2S1/2, SESW;
Section 21: NW, SWNE, W1/2SW;
Section 22: E1/2SE, NWSW;
Section 29: N1/2NW; and
Section 30: N1/2NE.

The sixth royalty, the 'Holst Royalty", appears to affect about one third of the Hansen deposit. It is calculated on the same basis as the Russell Royalty (described above) except it relates to a different owner and different area. The area to which this royalty applies within the Hansen deposit (ignoring lands in T18S, R73W, 6th PM) is:

Township 17 South, Range 73 West of the 6TH P.M.

Section 21:	E1/2SW, SE;
Section 22:	SWSW, E1/2SW;
Section 26:	SENE, N1/2S1/2, SWNW, SWSW;
Section 27:	W1/2NE, SENE, NESE, S1/2SE, E1/2SW, NWSW, N1/2NW;
Section 28:	W1/2NW, SENW, NWNE;
Section 29:	NENE, S1/2NE, NWSE; and
Section 34:	E1/2SW.

Both the Russell and the Holst royalties noted here describe the lands upon which their royalty applies. It is assumed all of these areas were upheld in the court's ruling in 2011 due to the reduction of NZ Minerals, LLC's royalty and subsequent agreement by all parties.

3.3.2.1.5 Total Royalty on Hansen Deposit

The total royalty burden for the Hansen deposit varies from area to area, and varies with the prevailing uranium price, hence is quite complex.

3.3.2.2 Royalty on the Uranium Properties North of the Hansen Deposit

The uranium deposits north of the Hansen deposit (Boyer, Noah, NW Taylor, and Other Taylor) lie primarily upon the Taylor Mining Lease areas, the State of Colorado, and the Boyer Mining Lease area. The State of Colorado royalties are discussed above while the Taylor and Boyer royalties are discussed below.

3.3.2.2.1 Taylor Mining Lease Royalty

The Taylor Mining Lease Royalty was assigned by Black Range to the Taylor family on November 11, 2006. It is a 5% production royalty where the Taylor's own surface and mineral rights and 2.5% where the Taylor's own only the surface rights. This royalty is calculated on a net returns basis with defined allowable deductions that primarily relate to post-production costs inclusive of royalties and taxes. The properties to which this apply are those listed in the property section above.

3.3.2.2.2 Boyer Mining Lease Royalty

The Boyer Mining Lease Royalty was assigned by Black Range to the Boyer family on February 16, 2007. It is a 3% production royalty where they own the surface and mineral rights and 1.5% where they only own the surface rights. The royalty is calculated on a net returns basis, with defined allowable deductions that primarily relate to post-production costs inclusive of royalties and taxes. The properties to which this apply are those listed in the property section above.

3.4 Geology and Resource Characterization

The Tallahassee Creek uranium district lies within the South Park Basin of central Colorado. The basin is bounded on the west by the Sawatch Range, to the east by the Front Range, and to the south by the Wet Mountains. During the Laramie orogeny, Paleozoic and Mesozoic sedimentary rocks were eroded away over a considerable area of central Colorado including the Tallahassee Creek area. This erosion exposed Precambrian basement rocks of granite, gneiss and schist. The Precambrian was also extensively faulted during or shortly after this period. Subsequently, major stream drainages appear to have formed along these fault lines. Fanglomerates and fluvial sediments were deposited within these drainage systems.

Within the immediate Project area, the Precambrian is extensively faulted into north-south trending horst and graben blocks which subsequently controlled the positions of the streams. At the start of Echo Park formation period, a relatively narrow, steep-walled valley was formed wherein colluvium and alluvium was deposited upon the Precambrian surface, filling the valley to a depth of up to 700 feet. At the end of this period, volcanic activity occurred and the Wall Mountain tuff flowed into the area, filling the valleys further. This deposition is overlain by an ash-fall bentonite and the Thirty-Nine Mile Andesite. Figure 3-5 provides a generalized stratigraphic section.

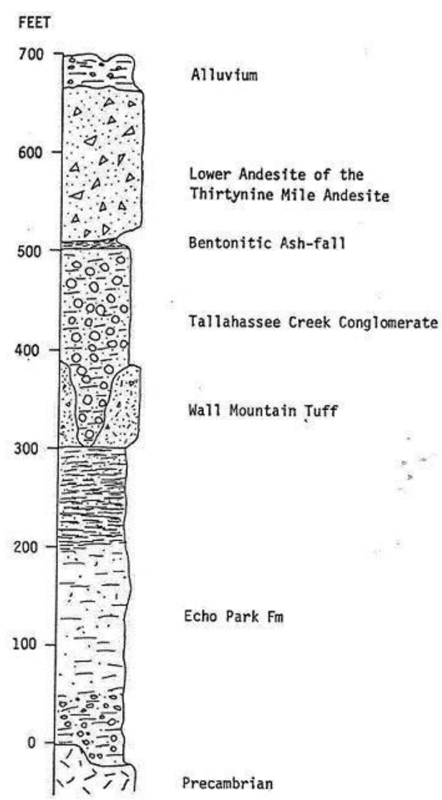

Figure 3-5 Generalized Stratigraphic Section

Uranium mineralization in the Hansen deposit is generally confined to beds of the Echo Park Formation, primarily in the lower section in arkosic sandstones and siltstones. The mineralization occurs in several sections varying in thickness from a few feet up to a few hundred feet. The continuity of the deposit is good along a northwest trend. The Hansen deposit is about 6,000 feet in length and varies from 1,000-2,000 feet in width. The mineralization is understood to have emanated from leaching of volcanic materials above the Echo Park Formation. The uranium precipitated out where carbonaceous material is found in the base of the old drainage system within the Echo Park Formation.

Several prior resource estimates have been generated based on drilling, sampling, and analytical data collected by professionals working for a multi-national mining company and its consultants. BLR has subsequently undertaken considerable work to update the technical database to modern standards. BLR engaged Tetratech, a global consulting firm with recognized mining industry expertise, to estimate the Project's resource base in accordance with Australian Joint Ore Reserves Committee (JORC) standards. JKE has relied upon the work completed by Tetratech to define the resources.

Tetratech's resource estimate is based upon gamma probe data from more than 1,600 drill holes that were composited into 3-foot increments. The gamma probe data has not, however, been adjusted to address disequilibrium, which represents the difference between chemical and gamma probe measurements. Disequilibrium is particularly important in assessing the quantity of uranium in a deposit as other gamma emitters, primarily Radium 226, in the host rock can significantly mask the true uranium content.

Previous work by Cyprus in 1977 employed chemical analysis by fluorimetric methods, which are the most accurate chemical methods, on 47 samples from core hole 21-CH-1. These were compared to the gamma readings for the same samples. This quick study indicated that the average gamma grade was 0.097% while the average chemical grade was 0.106%, for about a 9% increase, suggesting a 1.09% disequilibrium factor. In September 1979, external consultant David S. Robertson and Associates reviewed the disequilibrium data that indicated widespread variance in disequilibrium. However, this analysis was based on limited data as well as diamond drilling data where core recovery was poor, which confounded the results. Based on the information presented, they concluded that at grades less than 0.05% the gamma assays would be higher than the chemical assays while at grades higher than 0.06% the gamma assays would be lower than the chemical assays. In reviewing the data presented by Robertson, it is not clear how this conclusion could have been made.

In 1980, Cyprus indicated in a resource study that disequilibrium studies had been performed and no major areas of disequilibrium had been found for the Hansen deposit, but disequilibrium studies at the Picnic Tree and High Park deposits had not yet been completed. Pincock, Allen and Holt, in an independent mining study, indicated that following their review, no disequilibrium correction was necessary for the probe (gamma) assay values for Hansen, but that for Picnic Tree, some disequilibrium correction may be appropriate. In the opinion of JKE, disequilibrium has not yet been adequately addressed. As such, it is our opinion the resource estimates at this time should be qualified and that further investigation of disequilibrium is recommended.

Tetratech's resource models use varied block dimensions for different areas of the Project, dependent upon the density of drilling within primary resource blocks. As the Tetratech model estimate evolved over time, two models were primarily employed for the Hansen-Taylor area plus an additional model for the High Park area. In the High Park area, the model uses data from 299 drill holes whereas the 25 x 25 foot Hansen-Taylor models employ 1,379 drill holes comprising over 550,000 feet of drilling, at an average of 419 feet per hole. In general, the spacing between drill holes is about 500 to 1000 feet for the Boyer deposit, 100 to 200 feet for the Hansen deposit, and 50 to 100 feet for the Picnic Tree deposit. The modeling characteristics of each individual resource area are summarized in the table below. The extents of the individual deposits for the Hansen-Taylor Project are shown in Figure 3-6.

Kriging Modeling Parameters of the Mineralize Resources

Ore Resource Estimation Basis			
		Sample	
	Block	**Interval**	**Density**
Deposit	**Size - ft**	**Thick - ft**	**ft3/ton**
Hansen	25 x 25	3	16.86
Boyer	100 x 100	3	16.86
Picnic Tree	25 x 25	3	15.46
NW Taylor	100 x 100	3	16.86
Noah	100 x 100	3	16.86
High Park	100 x 100	2	12.50
Other (Taylor)	100 x 100	3	16.86
Other (Hansen Area)	100 x 100	3	16.86

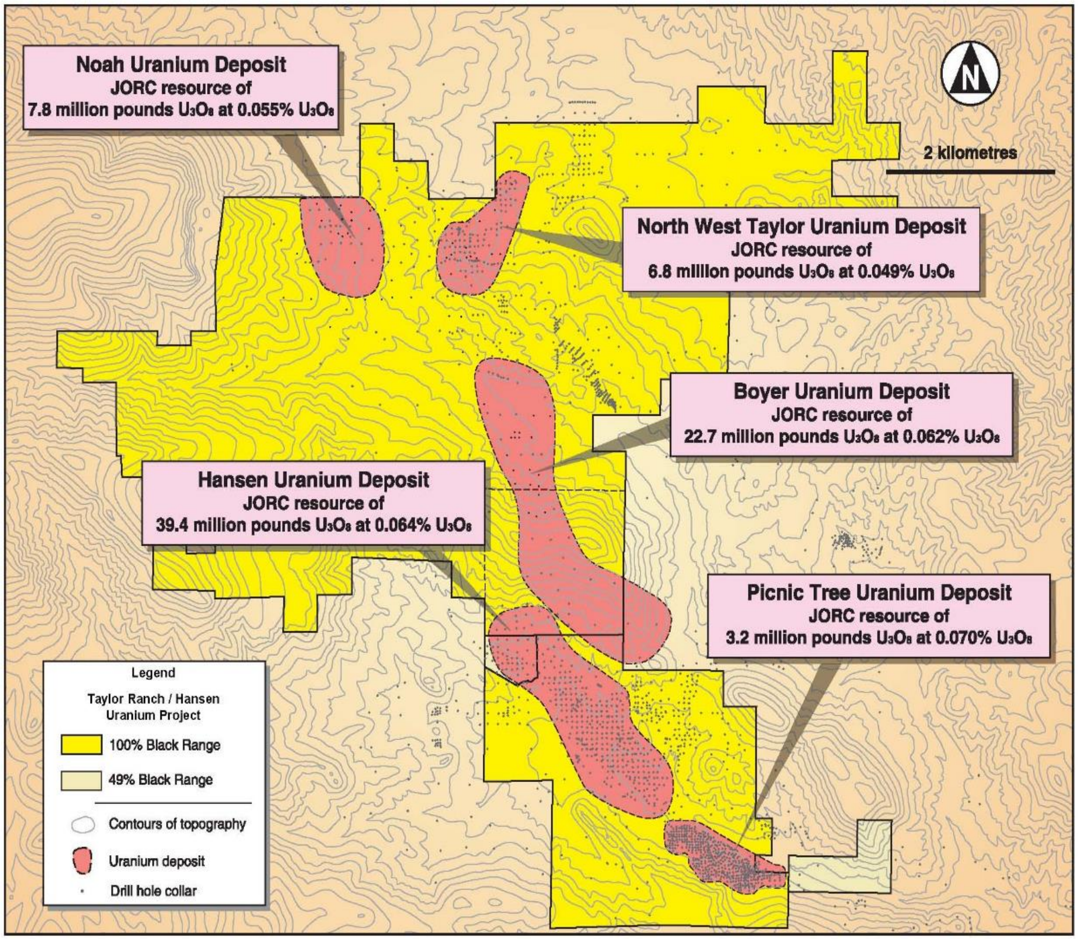

Figure 3-6 Hansen-Taylor Resource Areas

The densities used in Tetratech's models are more conservative than those previously used by Cyprus wherein they employed a density of 15 ft^3/ton after analyses by Hazen of three core samples indicated a bulk dry density average of 14.6 ft^3/ton. Earlier work by other independent consultants (Robertson and Associates) recommended using 15.5 ft^3/ton as an appropriate density estimate for the Hansen deposit. The basis for the Tetratech assumption of 16.86 ft^3/ton was not provided in its reports, but appears reasonable given typical sandstone densities, but conservative based upon prior assumptions and work for the project.

Tetratech has evaluated the geologic resource and made calculations to represent the quantity of "Measured", "Indicated", and "Inferred" resources that are estimated for the Project. These estimates have been generated in order to adhere to JORC standards. The estimates cover a broad range of potential cut-off grades. Within their reports, Tetratech has added together the "Measured" and "Indicated" resources classifications and have not provided detail. So, for the primary purpose of this report, it is assumed that the "Measured" and "Indicated" resource classifications fall into the "Indicated" classification. From their work, JKE has selected several cut-off grades to show the impact that changing the cut-off grade has on the overall resource. These are shown in the table below.

Indicated Resources				Inferred Resources			Total Resources		
Cutoff Grade %	Millions of Ore Tons	Grade U3O8 (%)	Millions of Pounds U3O8	Millions of Ore Tons	Grade U3O8 (%)	Millions of Pounds U3O8	Millions of Ore Tons	Grade U3O8 (%)	Millions of Pounds U3O8
0.025	**31.5**	**0.062**	**39.4**	**44.1**	**0.058**	**51.0**	**75.6**	**0.060**	**90.4**
0.040	**18.3**	**0.085**	**31.0**	**25.4**	**0.077**	**39.3**	**43.7**	**0.080**	**70.4**
0.075	**8.4**	**0.121**	**20.4**	**9.7**	**0.119**	**23.2**	**18.2**	**0.120**	**43.6**
0.090	**5.8**	**0.135**	**15.8**	**6.6**	**0.135**	**17.7**	**12.4**	**0.135**	**33.5**
0.100	**4.1**	**0.156**	**12.8**	**4.5**	**0.157**	**14.0**	**8.6**	**0.156**	**26.8**
0.150	**1.7**	**0.206**	**6.80**	**1.8**	**0.212**	**7.5**	**3.4**	**0.209**	**14.3**

JKE has reviewed the resource estimates calculated by Tetratech. Tetratech's work is acceptable to JKE and has been relied upon as presenting a valid resource estimate that can be relied upon for valuation of the Project. The resource estimates, by deposit, generated by Tetratech at a 0.10% U_3O_8 cutoff grade is provided below.

	Indicated (0.10% Cut-Off)			Inferred (0.10% Cut-Off)			Total (0.10% Cut-Off)		
Deposit	**Tons**	**Grade U3O8 (%)**	**Pounds of U3O8**	**Tons**	**Grade U3O8 (%)**	**Pounds of U3O8**	**Tons**	**Grade U3O8 (%)**	**Pounds of U3O8**
Hansen	2,189,000	0.154	6,741,000	2,520,000	0.153	7,725,000	4,709,000	0.154	14,466,000
Boyer	809,000	0.144	2,336,000	586,000	0.151	1,769,000	1,395,000	0.147	4,105,000
Picnic Tree	398,000	0.167	1,327,000	37,000	0.146	108,000	435,000	0.165	1,435,000
NW Taylor	296,000	0.181	1,073,000	77,000	0.152	234,000	373,000	0.175	1,307,000
Noah	160,000	0.136	434,000	620,000	0.142	1,758,000	780,000	0.141	2,192,000
High Park	172,000	0.138	476,000	82,000	0.201	329,000	254,000	0.158	805,000
Other (Taylor)	-	0.000	-	182,000	0.115	420,000	182,000	0.115	420,000
Other (Hansen Area)	73,000	0.249	363,000	381,000	0.223	1,696,000	454,000	0.227	2,059,000
Total	**4,097,000**	**0.156**	**12,750,000**	**4,485,000**	**0.157**	**14,039,000**	**8,582,000**	**0.156**	**26,789,000**

JKE estimated the portion of these resources that can be attributed to BLR, based upon the proportion of payments made to the surface and mineral right owners divided by the total payments required. This calculation is shown below.

BLR Southern Area Resource Ownership Percentage Estimate		
NZ Lease		
	Paid to date	$3,000,000
	Required Future Payments	$4,000,000
	Total Payments	$7,000,000
	Percentage Owned	**42.9%**
STB Lease		
	Paid to date	$4,125,000
	Required Future Payments	$12,000,000
	Total Payments	$16,125,000
	Percentage Owned	**25.6%**
Federal Lease Ownership (Based on 1/4 section count)		
	Area Covered by Federal Claims	2
	Total Area of the Deposit	11
		18.2%

These ownership percentages can be used to calculate BLR's overall ownership of the resources. The calculations are shown below.

Control Instrument	Primary Instrument Ownership	Ownership Due to Payments	BLR Ownership of Reserve Portion	Portion of the Resource Area to Apply Ownership (*)	Resulting BLR Ownership
Hansen and Southern Properties					
Direct Ownership	24.50%	100.0%	24.5%	81.8%	20.0%
NZ Lease	24.50%	42.9%	10.5%	81.8%	8.6%
STB Lease	51.00%	25.6%	13.0%	81.8%	10.7%
Federal Claims	100.00%	100.0%	100.00%	18.2%	18.2%
Total					**57.5%**
Boyer and North Hansen Area (Portion to Which the Ownership Applies is Approximate					
Boyer Lease	100.00%	100.0%	100.00%	20.0%	20.0%
Taylor Lease	100.00%	100.0%	100.00%	20.0%	20.0%
Federal Claims	100.00%	100.0%	100.00%	20.0%	20.0%
State of Colorado	100.00%	100.0%	100.00%	40.0%	40.0%
Total					**100.0%**

(*) Note: A resource estimate by ownership is not available so attribution to resource is approximate.

For BLR's ownership for the properties north of the Hansen deposit, the amounts due to both Boyer and Taylor are minimal in contrast to other payment requirements and are therefore ignored. It is assumed that BLR has 100% control. These percentages were then employed by JKE to calculate the overall resource deemed to be under BLR's control.

In reviewing cut-off grades typically used in regional underground uranium mines in the US, JKE sees a range from 0.07% U_3O_8 to 0.13% U_3O_8. JKE has assumed that the resource that will be applicable to underground mining operations, as conceived by BLR, will be constrained by a cut-off grade of about 0.10% U_3O_8. The calculation showing the resource of economic interest to BLR is shown below.

BLR Control of Total Resource (0.10% Cut-Off)			
Deposit	**Pounds of U3O8**	**OWNERSHIP PORTION BY BLR**	**Lbs. U308 Owned By BLR**
Hansen	14,466,000	57.5%	8,316,880
Boyer	4,105,000	100.0%	4,105,000
Picnic Tree	1,435,000	57.5%	825,019
NW Taylor	1,307,000	100.0%	1,307,000
Noah	2,192,000	100.0%	2,192,000
High Park	805,000	100.0%	805,000
Other (Taylor)	420,000	100.0%	420,000
Other (Hansen Area)	2,059,000	57.5%	1,183,773
Total	**26,789,000**	**71.5%**	**19,154,671**
(a) Hansen resources are allocated into BLR ownership by 24.5% direct ownership, 25.6% ownership of STB 51% share, and 43% ownership of the NZ Share plus 18.2% in claim control.			

3.5 Risk Profile

3.5.1 Permitting/Regulatory Approval

Permitting in Colorado for a uranium mine and processing facility is a straightforward matter. In addition to state requirements, federal requirements must also be met. Primarily, all typical mining-related permits related to air, water, and land must be obtained as well as nuclear material permits and licenses. Herein, we will ignore the exhaustive list of permits required and focus upon the primary issues. It is noted that the Cripple Creek and Victor Gold Company has been mining about 25 miles northeast of the Hansen-Taylor Project for more than two decades and has had very few permitting or public relations issues throughout this period. For BLR, radioactivity related permits will have to be obtained from the Colorado Department of Public Health and Environment (CDPHE) as well as other permits from the Department of Reclamation, Mining, and Safety (DRMS). Colorado is an agreement state so rather than gaining the permit from the Nuclear Regulatory Commission (NRC), a federal regulatory oversight body, BLR will apply for the permit from the State regulatory bodies. Obtaining the licenses and permits to mine from the state is an arduous, yet achievable task, in the opinion of JKE.

As the permitting process is executed, there may be opposition, just as there was during Energy Fuels Resources Inc.'s permitting process for the Piñon Ridge Mill, which they plan to locate in western Colorado. JKE notes that Energy Fuels Resources, Inc. was able to gain the permits within a 3 year period despite having to counter legal actions that held up the process. BLR can expect some opposition, however, in our opinion they can also expect to obtain all the permits they require. JKE is of the opinion that relevant government authorities and regulators will support

BLR's development plans, particularly given the potential benefits that would result for the local economy.

The Project area does not appear to JKE to have pre-emptory issues that would exclude mining. Typically in the western U.S., water and land rights are the primary competing-use issues. The depth of the deposits and the lack beneficial water usage from the host sandstone units appear to be favorable for BLR. The ground water used in the region is typically sourced from the conglomerate or the andesite sequences which are typically several hundred feet stratigraphically higher than the Hansen-Taylor ore bodies. Furthermore, there is a bentonitic layer between the andesite and the orebodies that will act to prevent migration of groundwater between the aquifer being used by local ranchers and the water contained within the sandstone that hosts the orebodies. Additionally, the low permeability of the sandstone will be favorable in preventing transmission of water between the orebody zone and the water use zones several hundred feet higher stratigraphically.

It is noted that some of the ranches that used to make up all of the Project area, as well as some adjacent areas, have been subdivided and sold as smaller semi-rural home sites, most of which remain undeveloped. A few vocal residents who oppose mining reside within some of these subdivided areas. However, the landowners that would be most affected by mining operations, those that own lands over the Hansen, Picnic Tree, Boyer, Northwest Taylor, and Noah deposits have almost all signed agreements that give BLR the mining rights. Furthermore, uranium mining in this immediate area, having first occurred in the 1950s, pre-dates all of the land subdivisions. There have been a few homes constructed in the immediate region, but these don't appear to be an impediment to future mining. Given this situation, it appears to JKE that surface owners will be amenable to negotiating with BLR to give it surface ownership rights.

3.5.2 Asset Control

BLR's control of the assets is primarily by way of its right to explore and mine the uranium deposits and to purchase mineral rights. They do not own the land, but do currently own 24.5% of the Hansen deposit's mineral rights, with the right to increase ownership to 100%. For the remainder of the deposits; Taylor, Boyer, Noah, Northwest Taylor, and High Park, BLR has secured the mining rights for the land and surface, but does not own the properties. However, ownership isn't necessary, as long as they have appropriate rights granted by the surface owners. It is noted that BLR has significant payments due to extend some of the leases in the near term and again when mining commences. Some of their agreements have definitive time frames that expire within the next three to four years, so mining will have to either commence prior to then or extensions to the existing agreements will have to be negotiated. This will likely require additional cash outlay.

3.5.3 Resource Definition

The resource definition for this project is typical for a mining property undergoing development. A significant percentage of the resources are classified as "Indicated" and it can be reasonably expected that a quantity of "Inferred" resources can, with further development drilling, be converted to the "Measured" and "Indicated" resource classifications. It also appears that additional exploration could add more resources to the Hansen-Taylor Project as cash is made available for additional work.

3.5.4 Geotechnical

Historically, work was completed by Cyprus to evaluate both surface and underground mining feasibilities. More recently, Tetratech was commissioned to assess the geotechnical conditions that would be faced by mining operations. Based on new samples and new laboratory testing, Tetratech concluded that an underground mine was geotechnically feasible from a ground support perspective. They conclude that backfilling or pillar support techniques should be assessed to optimize economics and address ground conditions. They recommend a single-drive cut and fill mining concept be considered.

With respect to open pit mining concepts, Tetratech found that previously proposed pit slope angles were viable and that surface mining was geotechnically feasible, but that dewatering ahead of mining would be necessary.

3.5.5 Water

Water is needed for mining and any processing operations and will be encountered during exploitation of the uranium resources in the sandstone. Tests have been conducted on the deposit to understand groundwater conditions.

During the 1970s and early 1980s slug tests were conducted by Solution Engineering[1] to determine if the Hansen deposit was amenable to in-situ mining. It was determined that the transmissivity ranged from 0.60 to 35.6 gpd/ft in each of the three aquifers evaluated and that the permeability of the formation was too tight for adequate solution flow.

During the same period Geo-Hydro Consulting[2] evaluated the aquifers in order to determine requirements to de-water a potential open pit mine. They determined that there were four aquifers located in the Thirty-Nine Mile Andesite, the Tallahassee Creek Conglomerate, the Wall Mountain Tuff, and the Echo Park Formation, which lies just above the Precambrian basement. The Wall Mountain Tuff aquifer is a discontinuous aquifer with relatively high transmissivity and exhibits artesian conditions. The aquifers are terminated by a set of faults located at the southern end of the Hansen deposit. Geo-Hydro was of the opinion that this fault doesn't entirely block and retain water within the aquifers. It was felt that there is significant leakage through the fault. The recharge for the aquifer system is about 4 miles northwest of the Hansen deposit. Mathematical modeling of all the aquifers indicated pumping rates of 890 gpm to 1380 gpm would be required to dewater a potential mining pit. It appears to JKE that this aquifer then might provide a source of water for the mining operation, if needed, such that there isn't a fatal flaw relative to generating the necessary water for the Project. Additionally, BLR is working to secure

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[1] Preliminary Hydrological Testing – Holes Nos. 64 & 148 – Tallahassee Project – Freemont County, Colorado – May 7, 1980 by Stephen Forbes of Solution Engineering, Inc., page 1.

[2] Dewatering Modelling Study Hansen project Open Pit uranium Mine Freemont County, Colorado for Cyprus Mines Corporation by Geo-Hydro Consulting, Inc. September 1980.

water rights for the Project. It does not appear that there is a concern over the availability of water for a mining and processing operation.

3.5.6 Mining

Previous work during the late 1970s determined that the preferred approach would be to mine the deposit by open pit mining methods and then to employ limited underground mining techniques from the open pit mine walls to access other uranium resources. These studies were extensive such that bankable feasibility studies were generated defining the development approach.

More recently, BLR has been assessing feasibility of alternative mining concepts. In this assessment, BLR placed high importance on its desire to mine the properties in a way that minimizes impact upon the environment. As such, the current focus is not to employ surface mining methods as a large pit and waste piles would remain at the conclusion of operations.

BLR is continuing to evaluate underground mining alternatives. Agapito Associates, Inc. has studied underground mining methods; reviewing the geotechnical characteristics of the Hansen deposit. It concluded that, in order to maximize extraction, in light of the low strength characteristics of the ore, the groundwater conditions, and the vertical and lateral extent of the orebody that using an undercut and fill mining method with cemented backfill would work to extract the resources.

BLR is currently evaluating a new hydraulic borehole mining (HBM) technology that is being used in Canada to mine uranium ore. For the Hansen deposit, the proposed approach is to utilize a surface drilling rig to drill conventional holes through a target ore zone. A specially designed jet cutting device is then lowered down the drill hole where the ore is cut in a cylindrical pattern around the drill hole and recovered to the surface as a slurry, using air-lift technology. Further processing could then take place. In BLR's case, they propose using ablation, a physical methodology to concentrate the vast majority of the uranium.

After the uranium has been extracted from the sandstone, the waste material would be mixed with cement and placed back into the void around the drill hole where it would set and create ground support for the mining of additional adjacent bore holes. A diagram of the hydraulic borehole mining technique is provided in Figure 3-7.

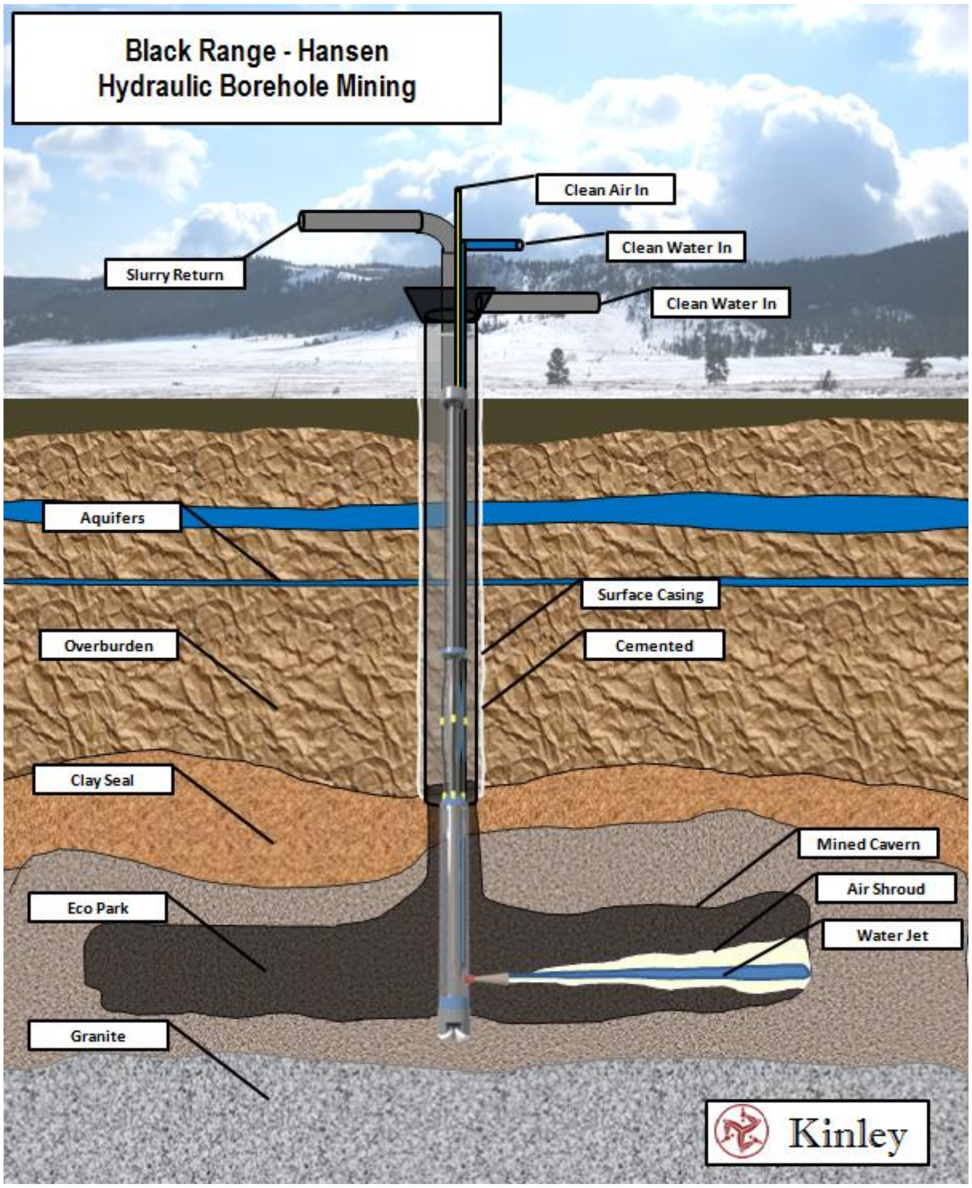

Figure 3-7 Hydraulic Borehole Mining Representation

BLR commissioned Kinley Exploration, LLC, an entity with experience in this mining method, to conduct a desktop study of the application of hydraulic borehole mining to the Hansen deposit. Based on laboratory tests, Kinley proposed using vertical holes and mining cylinders with a diameter of 36 feet. An ore recovery of 75% was anticipated with an operating cost of about US$50/ton. It is likely that these HBM costs will be cheaper than conventional underground mining operations. So more work is being undertaken by BLR to test the methodology in the field as well as to refine design and cost estimates.

The economic viability of the borehole mining process was considered in a conceptual study by Trec, Inc., in 2012 wherein it considered the optimal approach to develop the Hansen deposit would be to use borehole mining and ablation (discussed later).

3.5.7 Processing/Metallurgical

Historically, significant work has been conducted to evaluate processing alternatives for the ore from the Hansen deposit. More recently, BLR engaged Hazen Research to conduct both alkaline and acid leaching tests upon ore samples recently obtained by BLR.

Previous alkaline tests indicated poor recovery, but when BLR requested Hazen to conduct pressure oxidation leaching tests, in which higher temperatures and pressures are used during processing operations, high recovery rates of 97.1%, 97.6%, and 98.9% were achieved from three tests.

Historical work indicated that when using acid, elevated temperatures were required to increase uranium recovery from the ore. So Hazen conducted acid leach tests on several composite samples at 40°C. These acid leach experiments resulted in high uranium extraction in all cases, ranging from 91.9% to 96.7%. The acid consumption ranged from 42 to 170 lbs. of acid per short ton.

Hazen concluded[3] that the scoping experiments showed the bulk composite could be leached by both pressure oxidation (POX) and acid leaching as uranium extractions were all high and reagent consumptions were within reasonable ranges. Further work was recommended to optimize reagent consumption as the tests were designed to only demonstrate leaching feasibility.

Prior to Hazen undertaking its test work, BLR engaged Independent Metallurgical Operations Pty. Ltd. (IMO) to review the historical metallurgical test work. They concluded[4] that the Hansen ore had moderate metallurgical amenability due to refractory uranium minerals, clay, and nuisance values which would increase capital and operating expenses. They were of the opinion that the ore was not suited to heap leaching, and recommended a small laboratory program to confirm this assumption. They suggested looking into pre-concentration methods and felt the Hansen grade was significantly higher than many other developing uranium projects, which was a distinct advantage. In evaluating the variability in ore grades, IMO suggested definitional metallurgical programs and the consideration of using recent mineral processing techniques.

IMO indicated that prior mineralogical studies conducted by Hazen[5] indicated the uranium was primarily in the form of uranophane, a silicate, and brannerite. This is important as brannerite, a uranium titaniferrous mineral, typically requires a more vigorous leaching regimen. However, it is not known how extensive this mineralogy is within the deposit. Moreover, some of the historical bottle roll leaching tests by Hazen, according to IMO, were not run to completion, so that

[3] Hazen Research, Inc. – Results of Uranium ore Amenability Studies – Hazen Project 11420 Report and Appendices A and B. – January 20, 2012 – Jessica A. Raths, Process Engineer and Brian L. Cooper, Senior Project Manager, page 5.

[4] Review of Historical metallurgical test work for Hansen Uranium Project Technical Review Report December 2009 - Independent Metallurgical Operations Pty. Ltd. 88 Thomas Street, West Perth 6005, Australia page 16.

[5] Hazen Research, Inc. Extraction and Recovery of Uranium From Tallahassee Creek Ores for Cyprus Exploration Company April 3, 1978, page 8.

appropriate conclusions could not be made for the atmospheric acid leaching, given the bottle roll tests.

Earlier metallurgical agitated leach tests indicated varied results on two different samples under typical lixiviant concentrations, such as when Hazen Research, Inc. indicated[6] uranium extraction of 76.4% and 92.1% on differing samples. This may be indicative of differing mineralogy with brannerite with a higher percentage in the first sample noted by Hazen. The leaching was conducted at ambient temperature. This letter also documents the poor ambient alkaline leaching results with only 22.2% and 10.2% recoveries, which would be expected, given the minerals involved. Other studies by Hazen indicated fairly consistent results for acid consumption on the order of 80 - 90 lbs./st.

Thus, more work is required to fully understand the ore deposit as well as the ore mineralogy and the leaching characteristics. It is necessary to conduct additional metallurgical studies to establish the appropriate flowsheet, since most previous work was conducted during the early 1980s. It may be appropriate to employ some of the new technological advances made in mineral processing. It can be concluded, given the historical and Hazen's confirmatory work, that ore from the Hansen deposit can be leached in a fashion similar to the laboratory tests to result in high uranium recoveries. The metallurgical work is at a stage wherein it needs further work and refinement to establish a plausible processing concept.

One method that is currently being considered by BLR to optimize production from the Hansen-Taylor Project is the ablation process. This process is a new technology that involves the application of physical forces upon uranium ore in order to separate the uranium matrix from the sand grains within the ore. The ablation process involves the conversion of ore into a slurry. The slurry is then split into two streams that are fired against each other from opposing nozzles. As a result, the outer coating (or patina) on the sand grains that contains all of the uranium mineralization, is separated from the sand grains. Multiple patinas are then recovered from a physical grain-size sorting process to recover a high-grade, low-volume uranium-rich concentrate. Mass reduction greater than 90% has been observed while recovering greater than 90% of the uranium. Conventional milling would still be required after this stage to produce uranium yellowcake.

The economic viability of the ablation process was considered in a conceptual study by Trec, Inc., in 2012, wherein they considered the use of borehole mining and ablation to produce uranium. They concluded that ablation appeared technically feasible; it could reduce the amount of mineralized material needed to be delivered as mill feedstock; and that it would significantly reduce mill operating expenses. BLR has formed a 50:50 partnership to develop the ablation process, and the joint venture is currently undertaking tests in a semi-commercial scale 5 tph unit. The results from the tests will be used to refine the design and operation of the 5 tph unit.

[6] Hazen Research, Inc. Uranium In-situ Leaching Report on Hazen Project 4834 on April 8, 1980 via letter to G.K. Ealy, Cyprus Exploration Company, page 2.

3.5.8 Market

Global uranium demand has dropped since a tsunami in March, 2011 caused significant damage to the Fukushima Daiichi nuclear power plant in Japan. Uranium prices have since been steadily decreasing. Immediately after the accident, all nuclear reactors in Japan that produce electricity were shut down until they could be certified as safe for the public at large. This certification process is ongoing and in large part the reactors have not yet been restarted. As such, global uranium demand has decreased by about 20 million pounds U_3O_8 per year. A graph of the spot uranium price is provided in Figure 3-8. The work herein references uranium spot prices as a benchmark, but it is noted that the long-term contract prices typically ranges from US$12 to US$20/lb. above the spot price.

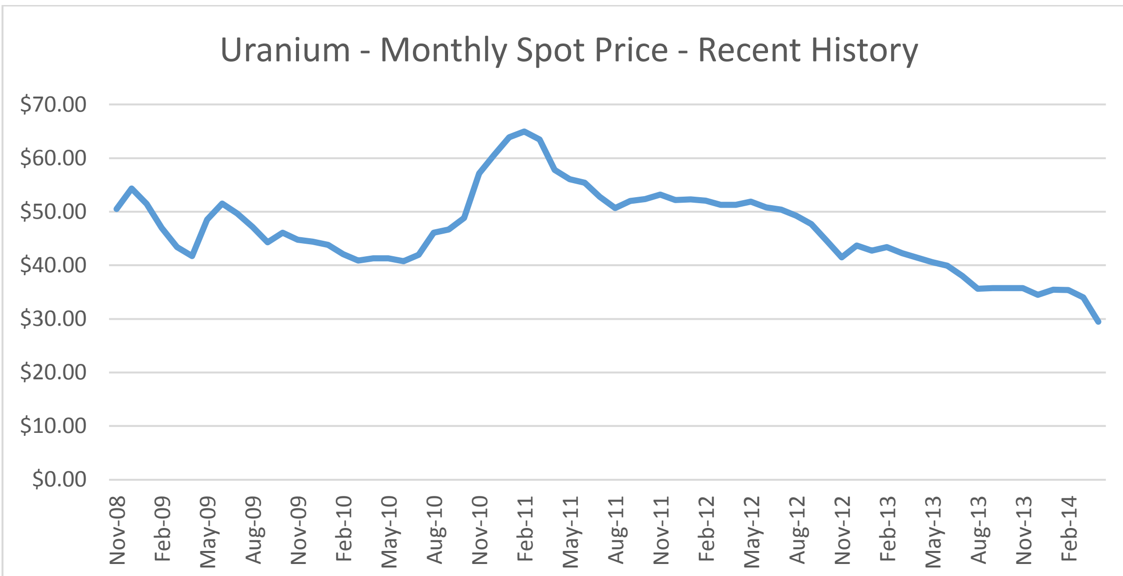

Figure 3-8 Recent Spot Uranium Price History

3.5.9 Country Risk

Country risk is considered minimal in the USA. Risks working in the US are typically represented in the time period required to get appropriate permits to move the project forward and whether the Project can be permitted. In this case, given BLR's strategies, we consider this risk as low to medium, such that country risk is negligible.

4.0 Valuation Methodology and Results

This valuation is based upon data derived both from BLR's recent work to evaluate the Project as well as the extensive development history from prior owners that included international mining companies and consultants. The Project is in an early development stage, wherein sufficient exploration has been conducted to estimate a mineral resource, as well as to allow evaluation of the conceptual economics of the Project. The existing mineral resource was prepared in accordance with Australian Joint Ore Reserves Committee (JORC) guidelines. The valuation therefore is based on reliable and current information.

4.1 Comparable Sales Method

The Comparable Sales Method involves the comparison of sales of projects with a similar use, design, or utility as the subject project. Adjustments, when required, are made to the comparables for any differences, in order to indicate a value for the project being appraised. In this case, several uranium projects have been sold within the region that is comparable to the Hansen-Taylor resources. These comparable projects also host uranium resources and do not yet have mining or processing operations, but are in a stage of pre-development containing identified uranium resources that would preferably be developed by underground mining methods. These transactions have taken place within the past few years and hence reflect the recent market conditions.

There are, however, only a limited number of projects that fit this criteria. One of the problems in identifying directly comparable sales is that, primarily, these assets have been purchased by other uranium companies in a depressed uranium market. Therefore, while there may be a premium attributed to the corporate value, the purchase prices are also likely to incorporate a discounted value due to market conditions. This will be considered in the valuation.

The following projects have been identified as suitable comparisons and for which public information is available:

A. August 13, 2012 - Purchase of Nuetron Energy Resources, Inc. by Uranium Resources, Inc.

During March 2012, Uranium Resources, Inc. ("URI") announced it had agreed to purchase 100% of the shares in Neutron Energy, Inc. ("Neutron Energy") in a stock-for-stock transaction that required URI to issue 37 million of its shares to Neutron Energy.

Neutron Energy had no producing assets, no mines, and no mineral processing plants. The purchased properties included the Cebolleta & Juan Tafoya projects which comprised 10,814 acres containing 34.8M lbs. U_3O_8 in-place, non-reserve, mineralized uranium material. The Cebolleta project comprises two deposits that contain resources of 6.68M tons at 0.176% U_3O_8 and 4.5M tons at 0.09% U_3O_8. The Juan Tafoya project also comprises two deposits that contain 3.81M tons at 0.149% U_3O_8 and 0.39M tons at 0.112% U_3O_8. In addition Neutron Energy's Ambrosia Lake deposit contained 8.6M lbs. of in-place, mineralized, non-reserve, material at 0.148% U_3O_8. The total mineralized material within Neutron Energy's portfolio is estimated to comprise 43.4M lbs. of U_3O_8. All of these deposits are located on private lands and it is likely they will be mined by conventional mining methods.

The URI share price at the time was US$0.811/share, as indicated in URI financial statements. The purchase price summary is: US$20M to repay a Neutron Energy bank loan with RMB in cash, US$6.78M to repay RMB in stock (8,361,327 sh. @ US$0.811/sh.), US$0.13M to pay Roth Capital Partners (162,939 sh. @ US$0.811/sh.), and US$3.11M to pay Neutron shareholders (3,840,000 sh. @US$0.811). This equates to a total of US$30.02M, being US$0.70/lb. for all mineralized material. The spot price of uranium when Neutron Energy was sold was US$49.50/lb., which JKE has used as a base uranium price for comparison purposes in assessing the other comparable purchases in this study.

B. July 2, 2013 - Energy Fuels acquisition of Strathmore Minerals

During May 2013, Energy Fuels, Inc. ("Energy Fuels") announced its intention to acquire 100% of Strathmore Minerals Corp. ("Strathmore") in an all-scrip transaction. Strathmore shareholders received 1.47 common shares of Energy Fuels for each share of Strathmore they held. The Energy Fuels average stock price for the month of May was US$0.1561/share. Energy Fuels distributed 186,420,938 new shares, implying a transaction value of US$29,100,000.

Strathmore had no producing assets, no mines, and no mineral processing plants. Strathmore controlled two significant properties; Gas Hills, which was joint ventured with Korea Electric Power Company (KEPCO) and Roca Honda in New Mexico which was joint ventured with Sumitomo Americas Corp. Only Strathmore's proportionate share of resources attributable to it have been considered in our valuation below. Both mineral assets would require mining by conventional methods.

Based on Strathmore's statement of resources for all their properties, JKE estimates that the share of resources that could be attributed to it was 34.3M lbs. U_3O_8 in the Measured and Indicated category and 17.4M lbs. U_3O_8 in the Inferred category for a total of 51.6M lbs. U_3O_8 at a grade of about 0.16% U_3O_8. In addition, some of the properties involved were believed to have historical resources, but these have been excluded for purposes of this valuation.
The overall price paid was US$0.56 per lb. of U_3O_8.

At the time of Energy Fuels' acquisition of Strathmore, uranium prices had dropped to US$39.65/lb. U_3O_8, which represents a 20% decrease in value in contrast to the uranium price of US$49.50/lb. U_30_8 when URI purchased Neutron, as noted above. Significantly, the US$0.56 price paid per lb. U_3O_8 is also 20% less than the US$0.70 per lb. U_3O_8 price paid in the Neutron Energy transaction. JKE is of the opinion that this difference in the price paid per lb. of U_3O_8 can be attributed to the corresponding decrease in the uranium spot price.

C. December 28, 2012 – Energy Fuels Investment in Virginia Energy Resources, Inc.

On December 28, 2012, Energy Fuels purchased a 16.5% stake in Virginia Energy Resources, Inc. ("VERI") by acquiring 9,439,857 shares at a price of C$0.42/sh. for an aggregate price of C$3.97M (US$3.94M). VERI's primary asset, the Coles Hill uranium deposit, has an Indicated resource, at a cutoff of 0.10%, of 27.83M lbs. U_3O_8 at a grade of 0.145% U_3O_8 and an Inferred resource of 2.47 M lbs. U_3O_8 at a grade of 0.138% U_3O_8 for a total resource of 30.30 M lbs. U_3O_8 at a grade of 0.144% U_3O_8. JKE believes that these resources are stated at a cutoff grade that would support underground mining. JKE estimates the resources attributable to Energy Fuels would be 4.59M lbs. U_3O_8 in the measured and indicated classification and 0.41M lbs. U_3O_8 in the inferred classification for a total of 5.0M lbs. U_3O_8. This equates to an acquisition cost of US$0.79/lb. U_3O_8.

The price of uranium at the time of the purchase was US$43.50/lb. U_3O_8, which is 88% of the prevailing spot price when URI acquired Neutron Energy. Adjusting for this differential, the comparable price for the VERI transaction would be US$0.69/lb. Apparently, significant additional value was paid for VERI's assets. The reason for this additional value cannot be defined and must be attributed to a market value for the company considered by Energy Fuels to be reasonable at the time. This case is considered to be not comparable to the other cases considered in this comparison.

D. September 21, 2012 – Energy Fuels acquisition of Aldershot Resources Ltd's interest in the Sage Plain Project

On August 22, 2012 Energy Fuels announced it had entered into an agreement to purchase Aldershot Resources Ltd.'s ("Aldershot") 50% interest in the Sage Plain Project. The cost of acquisition was US$2,042,000. The properties included the Calliham Lease, the Crain Lease, four Utah State Leases, and 94 unpatented mining claims, all of which are located in Utah. As a result of the acquisition, Energy Fuels now owns 100% of the Sage Plain Project.

The Sage Plain Project contains 642,971 tons of Measured and Indicated resource at grades of 0.22% eU_3O_8 and 1.39% V_20_5, or 2,833,795 lbs. eU308 and 17,829,289 lbs. V_20_5. At prices of US$60/lb. uranium and US$6.50/lb. V_20_5, the equivalent U_3O_8 pounds are 4.765M lbs. eU_3O_8, converting the vanadium into an equivalence of uranium. The Inferred resources are estimated at 49,136 tons @ 0.184% eU_3O_8 and 1.89% V_20_5 for 181,275 lbs. eU_3O_8 and 1,854,034 lbs. V_20_5 or 382,189 equivalent lbs. of eU_3O_8. Total resources attributable to Aldershot comprise 5.15M equivalent eU_3O_8 lbs., of which 50% was purchased by Energy Fuels. The acquisition cost is estimated to be $2,042,000 for 2,573,745 lbs. U_3O_8 orUS$0.79/lb. U_3O_8.

The price of uranium at the time of Energy Fuels' acquisition of the Sage Plain Project was US$48.50, which is 98% of the base price established for the Neutron Energy case. The spot price adjusted acquisition price paid to Aldershot would be US$0.77/lb. U_3O_8, in contrast to the Neutron Energy base transaction price of US$0.69/lb. It is JKE's opinion that the reasons the "premium" was paid was (i) the proximity of Aldershot's project to Energy Fuels mining and processing operations; (ii)the fact that 96% of the resources purchased were classified as "Measured" and "Indicated"; and (iii) that this transaction provided Energy Fuels a controlling interest.

E. Summary of Prices Paid for Resources

The prices paid in the comparative transactions above are for purchases of large uranium resources within geopolitical jurisdictions that are comparable to that in which the Hansen-Taylor Project is located. The purchase of the Sage Plain Project is the only transaction that truly involves the direct purchase of resources rather than purchase of a company or investment in a company. However, JKE believes these transactions represent an appropriate cross section of recent purchases of comparable uranium resources.

As is the custom during resource purchase transactions, the consideration paid for resources in the individual “Measured”, “Indicated” or “Inferred” resource categories are not distinguished. Therefore, JKE has considered the overall price paid per total pound of resource purchased, rather than trying to make a distinction based on the resource category, as it is impossible to do so. Furthermore, Neutron Energy’s resources are “unclassified in-situ resources”, while VERI’s resources are based upon an underground cut-off grade; Aldershot’s resources are mostly “Measured” and “Indicated”; and Strathmore’s resources included a myriad of cut-off grades. Hence, JKE has little alternative but to ignore the resource classification and use the total resources as the basis of the valuation for comparable sales.

There is a strong correlation between the prices paid for the Neutron Energy and the Strathmore transactions. Importantly, both these transactions involved purchases of substantial (rather than small) uranium resources. Both transactions were implemented when the spot uranium price was similar to the current spot uranium price and similar prevailing capital market conditions. As such these two transactions probably better reflect the potential value of the Hansen-Taylor Project than the prices paid in the other two transactions. Using this basis, we can use the base price of US$0.70/lb. U_3O_8 at a spot price of US$49.50/lb. U_3O_8. Given the uranium spot price on April 30, 2014 of US$29.50 per lb. U_3O_8, which is 40% lower (US$20.00) than the assumed benchmark price, we believe it is reasonable to reduce the fair market price of US$70/lb. U_3O_8 by 40.0% to determine a reasonable metric for valuing the resources at the Hansen-Taylor Project. As such, JKE believes it is reasonable to calculate a comparable sales valuation for the Hansen-Taylor Project on the basis of US$0.42/lb. of U_3O_8 when considering total resources, being “Measured” and “Indicated” plus “Inferred”, without distinction.

If we look at the Hansen-Taylor resources, Tetratech estimated a resource of 26.8M lbs. of U_3O_8 at a cutoff grade of 0.10% U_3O_8. If we adjust this for the total uranium currently owned by BLR, as discussed above, we determine ownership of 19.2M lbs. of resources relative to economic mining operations. At an adjusted acquisition value of US$0.42/lb. U_3O_8, JKE estimates the value of the Hansen-Taylor resource to be US$8.1M.

It is reasonable to expect that the price paid per pound of U_30_8 in the ground could range by as much as 20%. If we consider this variability, then a range for the comparable sales valuation for the Hansen-Taylor Project would be US$6.5 - US$9.7M.

4.2 Income Method

The Income Method approach measures the present value of the future benefits of property ownership. It is a method of converting the future monetary benefits estimated to be derived from a property into an indication of value, generally through application of an appropriate discount rate. In modern terminology it would more properly be termed a cash flow approach in view of the acceptance over the past 40 years of cash flow analysis as a determinant of value.

A valuation for the Hansen-Taylor Project using the Income Method is difficult to estimate in a definitive fashion, given the lack of a mining plan along with the associated economics for the conceived mining and processing operations. The applicable regulatory guidance states that there must be a reasonable basis for the use of an income approach, such as the discounted cash flow methodology, before a project generates cash flows as long as, at the date of reporting, the expert has reasonable grounds for the forward-looking information. Where the expert does not have reasonable grounds, other valuation methodologies should be used.

Only mineral resources, not reserves, are currently delineated at the Hansen-Taylor Project. A mineral resource, by definition, has not had economic parameters applied to it in the same regimented way done for an ore reserve. Therefore there is a lack of reasonable grounds to satisfy the regulatory requirements to determine an estimate of the value of the Hansen-Taylor Project using the Income Method. Accordingly, JKE considers that as a result of no ore reserve estimate having been determined for the Hansen-Taylor property, it does not have reasonable grounds for the inclusion of any forward-looking information and therefore the use of the Income Method to value the Hansen-Taylor property is not considered appropriate.

4.3 Cost Method

The Cost Method involves the valuation of a project by adding together the indicated site or land value to the estimated cost of reproducing or replacing the improvements, less any loss of value (depreciation) that may have occurred.

BLR has provided JKE costs for the Hansen-Taylor Project to April 30, 2014. These costs include the costs expended to purchase the rights to the Project and the expenses subsequently incurred to advance the Project to its current status as of April 30, 2014. These costs total US$18.1M. The valuation for the Hansen-Taylor Project, utilizing the cost approach is therefore US$18.1M. If we consider a reasonable range for the cost of purchasing a resource in the fashion exercised by BLR, we might consider a 25% range as reasonable. Therefore, a cost approach valuation in the range of US$13.6M to US$22.6M would be considered reasonable.

4.4 Summary of the Valuation

The two valuation methods used here to estimate a value for the Hansen-Taylor Project are the Comparable Sales and Cost methods. The estimated values derived from these two methods are summarized below:

Method	Estimated Value	Range of Values
Comparable Sales	US$8.1M	US$6.5M - US$9.7M
Cost	US$18.1M	US$13.6M – US$22.6M

These results represent the technical methods of estimation of value that are classically employed by appraisers evaluating mineral resource properties.

In order to estimate the Fair Market Value of the Hansen-Taylor property, because of the characteristics and limitations of each method, JKE has averaged the two methods as it cannot be determined which method better estimates the current value. As such we estimate an average valuation for the Hansen-Taylor Project of US$13.1M with a range of acceptable valuations, based on the sensitivity of the two methodologies, from US$6.5M to US$22.6M.

APPENDIX A

JKE Qualifications

Expert Responsible for the Valuation – John Kyle, PE

The work will be directed and primarily conducted by John Kyle, PE. Mr. Kyle has almost 40 years of mining experience which is complemented by analysis of over 50 uranium properties. His experience includes resource investigations, mining engineering, mining operations, and a multitude of feasibility studies across many different commodities. Mr. Kyle is a registered Professional Engineer, a member of the Society of Mining Engineers, a member of the Canadian Institute of Mining, and an Associate Member of the American Institute of Mineral Appraisers. He graduated from the Colorado School of Mines with a Bachelor's degree in Engineering and from Denver University with a Master's Degree in Business Administration. His background includes employment for world class mining and consulting companies throughout the world. His resume is provided below.

John I. Kyle, P.E.

SUMMARY

Seasoned mining executive with over 35 years of operations and corporate mining experience as well as government and development bank experience. Responsibilities included execution, direction, and management of all engineering activities at mine sites, development of feasibility and economic analyses, marketing management, corporate budget planning and analysis, engineering consulting, project management, valuations, and business management. International experience includes work on 6 continents in coal, uranium, precious metals, base minerals and industrial minerals. Mining Engineer with a Master's in Business Administration, Professional Engineer recognized as a Qualified Person with extensive feasibility study and mine development experience.

EXPERIENCE

2013 – Present – John Kyle Engineering, LLC – USA – CEO/President
Business Founder and Principal Engineer providing mining sector business services on a global basis.

2005 – 2013 – Lyntek, Inc. – USA - Vice President
Was a primary driver to develop this company from a minimal balance sheet with 30 employees to a highly profitable company with 95 employees. Captured the uranium market for processing design and developed the reputation for top quality work in feasibility studies, 43-101 reports, valuations, and processing plant design. Managed the company, conducted the corporate business development program, and significantly expanded project work in base metals, precious metals,

industrial minerals, potash, rare earth minerals and uranium. During this time, I also established a Mexican corporation.

2000 – 2005 – Pincock Allen & Holt – International Operations - Senior Mining Engineer
Conducted extensive engineering and feasibility studies. Evaluated many international mining operations and properties. For example, I directed the exploration, mine planning, and definitive feasibility study of the Sattankulam and Kutam mineral sands project in Tamil Nadu, India.

1987 – 2000 – EnergiaWW Corp – International Operations - President
Developed and managed a consulting company providing services to the general mining community, USAID, and World Bank. Executed assignments in Thailand, Indonesia, Pakistan, Ukraine, Armenia, Georgia, Australia, and the US. Provided acquisition due diligence, mine design, coal quality analysis, mine plans, production operations audits, feasibility studies, and resource evaluations.

1986 – 1987 – Echo Bay Mines, Ltd. – North America - Director of Corporate Budgeting and Planning
Generated and managed the corporate plans and budgets for 8 producing mines and properties to drive corporate capital allocations and operating cost plans for senior management and the board of directors for this gold production company by generating cash flow statements, P&L, and balance sheets to predict financials.

1981 – 1985 - Mobil Coal Producing – Western US and International Operations –Senior Mining Engineer, Manager of Contract Administration and Market Analysis – Uranium and Coal Operations
Design, development, and startup of the Caballo Rojo mine in the U.S. along with evaluation and development of international mining properties in Australia and Indonesia. Managed the coal supply contracts and conducted in-depth evaluations of international coal markets. Oversaw the sales of uranium supply contracts to Energy Fuels.

1980 – 1981 Nichols Associates – USA - Mining Program Manager
Business development targeting oil shale operations in western Colorado.

1974-1980 Peabody Coal Company – USA Western Operations – Engineering Positions Engineer through Division Engineering Manager
Engineering design and management on site for 4 surface mines and 1 underground mine. Producing operations included the Deer Creek underground, and the Big Sky, Nucla, Seneca, Black Mesa, and Kayenta surface mines, the latter two which were a combined operation with 6 draglines with truck – shovel fleets.

URANIUM EXPERIENCE

Denison Mines – Harrat and Hairhan Conceptual Study - Mongolia
Sparton Resources - Potential Uranium Opportunity Due Diligence - China
Powertech Urnaium – ISR Plant Conceptual Costing – Colorado, USA
Energy Fuels – Pinon Ridge Conceptual Plant Study – Colorado, USA
Scott Wilson – Budenovskoye ISR Due Diligence - Kazakhstan
Uranium One – Shootaring Mill Rebuild Feasibility Study – Utah, USA
Global Uranium – Property Evaluations - Niger
Rio Tinto – Sweetwater Conventional Mill Evaluation – Wyoming, USA
Cue Capital – Yutu Project Conceptual ISR Study - Paraguay
UR Energy Lost Creek – Plant Siting – Wyoming, USA
Idemitsu – Uranium ISR Resource Investigation and Inventory – USA
UR Energy Lost Creek – 43-101 PEA - Wyoming, USA
Trigon Energy – Uranium Properties ISR Evaluation – South Dakota, USA
US Uranium – Sweetwater Mill Due Diligence Review – Wyoming USA
Scott Wilson – EDF Pathfinder Property Assessment and Valuation - USA
Toro Energy – Honeymoon Due Diligence - Australia
Red Rock – Red Rock Mill Conceptual Plant Design – Utah, USA
Virginia Uranium – Coles Hill Conceptual Feasibility Study – Virginia, USA
Peninsula Minerals – Ross Project Prefeasibility Study – Wyoming, USA
Scott Wilson/Guangdong Nuclear – Areva Properties Due Diligence - Africa
Itochu - Black Shale Uranium Project Processing Evaluation - Uzbekistan
NCA Nuclear - Conceptual Mining and Production Costs – Wyoming, USA
Idemitsu – Acquisition Support Due Diligence – Wyoming, USA
Scott Wilson/1st Reserve – All Project Economic Review - Kazakhstan
Scott Wilson – Akbastau ISR Project Due Diligence - Kazakhstan
Powertech - Centennial Prefeasibility Study – Colorado, USA
Powertech – Dewey Burdock Prefeasibility Study – South Dakota, USA
Peninsula Minerals - Ross Project Definitive Feasibility Study
Scott Wilson – Karatau ISR Project Due Diligence - Kazakhstan
Toshiba – Dornod Project Economic Analysis - Mongolia
Virginia Uranium – Coles Hill 43-101 Prefeasibility Study – Virginia, USA
Pacific Road Capital – Bayswater Reno Creek Due Diligence – Wyoming, USA
Strata Energy – Pathfinder Properties Evaluation – Wyoming, USA
Toro Energy – Neutron Energy Due Diligence – New Mexico, USA
Titan Uranium – Sheep Mountain Permit Support – Wyoming, USA
URI – Crownpoint Churchrock Feasibility Study Support – New Mexico, USA
Energy Fuels – Titan Uranium Heap Leach Due Diligence – Wyoming, USA
Strathmore Minerals – Gas Hills Heap Leach Project Feasibility Study – Wyoming, USA
AUC - Reno Creek Conceptual Design Analysis – Wyoming, USA
Uranium One - Mkuju River ISR Evaluation – Tanzania, Africa
Uranium One - Willow Creek Dryer Investigation and Repair – Wyoming, USA
Crosshair Uranium – Bootheel Conceptual Study – Wyoming, USA
URI – Church Rock ISR Project Detailed Design – New Mexico, USA
Titan Uranium - Sheep Mountain Heap Leach Prefeasibility Study – Wyoming, USA

Powertech Uranium - Dewey Burdock 43-101 Pre-Feasibility Study, South Dakota, USA
AUC – Reno Creek Metallurgical Evaluation Support – Wyoming, USA
Strathmore Minerals – Gas Hills Heap Leach Detailed Design – Wyoming, USA

EDUCATION, PROFESSIONAL REGISTRATIONS/AFFILIATIONS

BS Mining Engineering – Colorado School of Mines
MBA Business Administration – Denver University
Professional Engineer - Colorado
AIME/SME and CIM
Associate Member – American Institute of Mineral Appraisers

Valuation Auditor – Mr. Landy Stinnett, PE

Mr. Landy Stinnett, PE will join the team to provide critical audit and assessment of the valuation process. Mr. Stinnett has over 50 years of mining experience which is complemented by analysis of many projects wherein valuations and assessments have been prepared. His experience includes engineering and management-related assignments covering reserve estimation, mine layout and planning, economic feasibility, risk analysis, and appraisals of undeveloped mineral properties, developing projects, and operating mines. Mr. Stinnett is a registered Professional Engineer, a Professional Geologist, a Registered Member of the Society of Mining Engineers, a Certified General Appraiser, and an Accredited Senior Appraiser (Mines & Quarries) by the American Society of Appraisers. He graduated from the South Dakota School of Mines with a Bachelor's and a Master's degree in Geological Engineering and from the University of Minnesota with a Master's Degree in Mining Engineering. His background includes employment for world class mining and consulting companies throughout the world. His resume is provided below.

LANDY A. STINNETT
FGM Consulting Group, Inc.
Box 1438
Golden, Colorado 80402
(303) 914-4479

Professional Experience

1979 to Present — Minerals Consultant

Perform engineering and management-related assignments covering reserve estimation, mine layout and planning, and economic feasibility. Conduct risk analysis of contracts and new ventures. Conduct minerals searches and develop mine budgets and schedules. Serve as expert witness in legal proceedings. Appraisals of undeveloped mineral properties, developing projects, and operating mines.

1975 to 1979 — NUS Corporation, Robinson & Robinson Division, Denver, CO; General Manager.

Directed activities of offices in Denver, Houston and Charleston, West Virginia to provide consulting services in the areas of exploration, feasibility studies, property appraisals and mine engineering. Developed mine production cost models; conducted mine planning for both surface and underground operations; performed subsidence analyses and identified approaches to mine closure; designed engineering audits for production monitoring; reviewed contracts and supervised collateral inspection programs.

1971 to 1975 — El Paso Natural Gas Company, Synfuels Division, El Paso, TX; Manager, Resources.

Initiated Company's coal and lignite exploration and reserve evaluation work. Developed and directed group engaged in exploration; evaluation and mine development engineering of coal properties, both surface and underground; coordinated engineering studies related to coal and synthetic gas supplies, including mining operations, gasification complexes and transportation systems; performed general corporate planning regarding future energy supply and demand.

1967 to 1971 — Freeport Minerals Company, New Orleans, LA; Mining Engineer.

Conducted mineral property examination and evaluation, geological interpretation of aerial photos; supervision of prospect drilling programs, determination of ore tonnages and grade; geochemical prospecting programs; and analyses of ground subsidence and mining efficiency.

1966 to 1967 — University of Minnesota, Minneapolis, MN; Editorial Assistant, "Surface Mining".

Participated in preparation of a major American Institute of Mining, Metallurgical and Petroleum Engineers textbook.

1964 to 1966 — Climax Molybdenum Company, Climax, CO; Industrial Engineer.

Responsible for optimum opening configuration and support of underground crusher complex; analysis of ground conditions, using computers; testing and evaluation of methods of equipment; economic justification reports and research in presplit blasting for ore cut-off control.

Education

M.S. Mining Engineering, University of Minnesota, 1967
M.S. Geological Engineering, South Dakota School of Mines, 1963
B.S. Geological Engineering, South Dakota School of Mines, 1959

Professional Affiliations

Professional Engineer – Colorado, Louisiana, Wyoming, West Virginia
Professional Geologist -- Idaho
Certified General Appraiser – Colorado
Accredited Senior Appraiser (Mines & Quarries) – American Society of Appraisers

Society for Mining, Metallurgy, and Exploration, Inc.—Registered Member; Professional Registration Committee of the Mining and Exploration Division, 1992-1996, 2003-2010
American Society of Appraisers--Reaccreditation Board, 1997- 1998, Vice Chair Reaccreditation, 2000-2010

Publications/Reports

"Coal Mining Cost Models--Surface Mines," Electric Power Research Institute, EPRI EA-437, February 1977

"Hazardous Surface Openings to Abandoned Underground Mines, Black Hills National Forest," U.S. Bureau of Mines, OFR 74-80, September 1979

"Preliminary Economic Evaluation of Coal Mine Feasibility, "*Computer Methods for the 80s in the Mineral Industry*, American Institute of Mining, Metallurgical and Petroleum Engineers, New York, NY, 1979

"Economics of Backfilling Mine Cuts," Manual for Planning and Management of Mine-Cut Lakes at Surface Coal Mines, U.S. Department of Interior, Office of Surface Mining, 1981

"Resource Requirements and Environmental Economics of Coal Conversion", (with Charles Beasley) AIME Annual Meeting, Atlanta, GA, March 1983

"Preparation and Use of Venture Feasibility Reports to Help Mine Financing", (with Jerry Whiting) Northwest Mining Conference, Spokane, WA, December 1984

"Mine Planning ---Unappreciated But Essential", (with Jerry Whiting) Coal Mining, January 1988

"What Fuel Buyers Must Know About Risk", Electrical World, December 1988

"Regional Mine Productivity Trends and Outlook", (with John Dean) EPRI Fuel Supply Seminar, Tampa, FL, October 1993

"Labor Productivity and its Impact on Product Price", (with James Wehinger) Mining Engineering, July 1995

"Considerations in Valuing Energy Fuels Properties", ASA International Conference, Boston, MA, August 1999

"Cash Flows in the Mining Industry: What Constitutes an Acceptable Return?", Business Valuation Review, September 2001

"Government Takings and Mineral Rights", Journal of Property Tax Assessment and Administration, vol. 2, no. 1, Spring, 2005

"To High-Grade or not to High-Grade", Pincock Perspectives, Issue No. 91, July 2008

VALUATION AND APPRAISAL EXPERIENCE

Landy A. Stinnett

S/L Corporation, York, NE

Project manager for Behre Dolbear & Company to place a value on the Northumberland gold mine owned by Cyprus Mines Corporation. The study included a review of the reserve position, mining and leaching techniques, an assessment of future capital requirements and operating cost projections, and estimates of cash flow.

Sunshine Mining Company, Kellogg, ID

Assistant project manager for Behre Dolbear & Company. This assignment required an appraisal and valuation of Kennecott Copper Corporation's assets in the East Tintic district, including mining equipment, materials and supplies, land position, water rights, ore stockpiles, and buildings.

Wyoming Fuel Company, Denver, CO

An appraisal of thirteen sections of underground face equipment, support equipment, and both surface and underground facilities was performed at Wyoming Fuel's Golden Eagle and New Elk coal mines in southern Colorado.

Coastal States Energy Corporation, Houston, TX

An economic analysis and valuation was conducted of four western coal properties controlled by A.T. Massey Coal Company, Inc. The project involved a reserve estimate, mine cost analysis, and determination of outstanding reclamation obligations for an undeveloped property, two idle properties, and an operating mine. Cash flows were estimated and a residual purchase price was postulated based on an assumed discount rate and a standard DCRFOI approach.

U.S. Borax & Chemical Corporation, Los Angeles, CA

Performed a valuation for purchase of the coal properties owned by Getty Mining Company and Texaco, Inc. Optimistic, realistic, and pessimistic case studies were developed along with sensitivity analyses on future price changes, the level of capital investment, labor productivity and ROI requirements.

ITT Rayonier, Incorporated, Fernandina Beach, FL

Evaluation of Rayonier's heavy mineral sand deposits with the objective of establishing defensible bonus and royalty terms for prospective lessees.

Mesa Petroleum, Inc., Amarillo, TX

Conducted the analysis and valuation of Peabody Holding Company's western U.S. coal properties in conjunction with Mesa's hostile tender offer for Newmont Mining Company. An operational summary was developed for each mine which included the reserves position, mining factors, labor productivity, and contractual obligations. Sales prices and operating margins were estimated so that a discounted present value for the firm could be ascertained.

Rocky Mountain Energy, Broomfield, CO

Subcontract to Dames & Moore to assist in the appraisal of federal coal and surface estate comprising a logical mining unit in conjunction with the Leucite Hills Mine in Wyoming. U.S. Department of Interior guidelines for property appraisal were followed in valuing by the Comparable Sales Approach and the Income Approach. The latter involved an estimate of mining costs and discounted cash flows for the Leucite Hills operation as well as for competing mines.

VALUATION & APPRAISAL EXPERIENCE (Con't)

Citadel Gold Mines, Inc., Toronto, Ontario

Preliminary valuation of a deep gold property near Wawa, Ontario. Conducted a review of mineralization types and occurrences; assessed the reserve position, and evaluated underground mining conditions and existing surface facilities. Capital and operating cost estimates were performed in order to place a value on the property assuming: 1) a stand_alone operating entity; and 2) with supplemental income deriving from custom milling of outside ores.

Royal Gold, Inc., Denver, CO

Conducted an assessment of potential performance and valuation of Sharon Steel Corporation's gold property at Nome, Alaska. Two scenarios were evaluated for mining the beach sand deposits including continuation of dredging activities in pre_thawed ground, and conventional prestripping of frozen materials followed by dredging of the higher pay horizon.

Puget Sound Power & Light Co., Bellevue, WA

Assessed the resource position, developed a mine plan, and prepared capital and operating cost estimates on the Vader lignite deposit in Washington, controlled by Royal Land Company and International Paper Company. The economic exercise served as a foundation for establishing a purchase price for the property.

Sandhurst Mining, N.L., Sydney, N.S.W.

Project manager for the exploration and evaluation of a potentially large placer in Montana. Drilling and trench sampling techniques were employed in conjunction with gravity concentrating units in the field. Analytical testing was designed to monitor the effectiveness of the program in measuring the in_situ precious metals content of the alluvial ground.

Department of Energy/M-K Ferguson Corporation, Grand Junction, CO

Examination of the mineral and surface rights existing at the Cheney Reservoir radioactive waste disposal site. Association placer claims had been staked over the proposed disposal area, and a fair market value for those property rights in conflict with utilization of the site as a waste repository was required. Guidelines set forth in Uniform Appraisal Standards for Federal Land Acquisition were followed.

Continental Bank, Chicago, IL

Performed an appraisal of the mine equipment, mining-related machinery, and spare parts inventory at the Pea Ridge Iron Ore Company near Sullivan, MO. The objective was to derive an orderly liquidation value for the equipment and associated parts. Items appraised included the primary hoists, underground crusher, mobile drilling and hauling units, support equipment, and the warehouse stock.

Golder Associates Inc., Denver, CO

Subcontractor responsible for assessing the utilization of reserves, and for preparing an operations and costing analysis on CalMat's sand and gravel mine near Albuquerque, NM. Labor and materials costs, assessed taxes and insurance, management fees, and non-cash charges were estimated prior to conducting a cash flow analysis for royalty determination.

VALUATION & APPRAISAL EXPERIENCE (Con't)

Joseph Farber & Company, Denver, CO

Performed a determination for the Routt County Assessor regarding the property tax on mineral value for the Foidel Creek Mine. An in situ resource estimate was developed, and valuation was calculated based on Colorado guidelines covering price, royalty, projected mine life, and the Hoskold premise of capitalization.

Dickenson County, Clintwood, VA

Conducted a county-wide reappraisal through Pincock, Allen & Holt of mineral value covering 48 producing coal mines in the county and over 1,400 tracts not under development. Geologic and mining information was received from both public and private sources and was utilized in determining remaining resources for each land parcel. In addition to the coal, an appraisal was also performed for oil and gas and coal-bed methane production.

Energy Fuels Corporation, Denver, CO

Prepared a valuation of two operating coal properties (one surface and one underground), one recently idled deep property, and an undeveloped deposit. The income approach was applied to the operating mines, whereas a comparable sales method was used for the other sites. Continuing reclamation obligations were considered in each situation.

The Doe Run Company, St. Louis, MO

Valued the mineral reserves of Doe Run's Mining Division by two separate methodologies--1) a residual value to a standard cash flow approach applied to the mining, processing and smelter functions, and 2) a capitalized royalty income approach based on comparisons with other mineral owners in the district.

Hemmingsen Group, Vancouver, B.C.

Performed a pre-tax valuation for purchase of a partial interest in the Guanajuato and Encantada Mining Groups in Mexico that was for sale by Homestake Mining Company. A Net Present Value of the complexes, consisting of five operating mines and two concentrators, was estimated based on the existing reserve position, projected ore finding rates, and performance records of the operating properties.

Business Appraisal Associates, Denver, CO

Prepared a valuation of Noranda Finance, Inc.'s minerals subsidiaries in the U.S. as of 1989, at the request of the Internal Revenue Service. The properties consisted of four base- and precious-metals holdings being proposed for, or in the early stages of development. The income approach was utilized, and valuations were concluded under assumptions of pre-tax, all-equity considerations.

Hanaya Group, San Francisco, CA

An appraisal of previously operated, patented mining claims located in the Rocky Mountains was performed, in order to obtain a valuation for purchase. Both the income and comparable sales methods were employed to determine whether the property possessed higher value as a going-concern, or as developed, seasonal dwelling sites.

Colorado Department of Health, Denver, CO

Conducted an appraisal of an existing open pit in western Colorado which had been designated as suitable for receiving radioactive waste material such as uranium mill tailings.. The comparable sales approach was used in deriving an estimated price for equivalent land purchase, and the cost approach was employed to arrive at a value for reproducing the repository in its current excavated state, including the necessary permitting and regulatory expenditures.

VALUATION & APPRAISAL EXPERIENCE (Con't)

RDS Marble Corp., Coconut Grove, FL

Worked with the U.S. Forest Service on behalf of the property owner to establish the framework and parameters to be followed by an appraiser in valuing the worth of a former marble quarry in the Snowmass/Maroon Bells Wilderness Area, Pitken County, Colorado. Reserves, production rates, seasonal length, product types and recoveries, capital investment, projected revenues, and operating costs were reviewed and accepted in order that the mineral rights could be appropriately valued and purchased for inclusion in the public domain.

Business Appraisal Associates, Denver, CO

Performed a retrospective cash flow analysis to estimate the probable fair market value of Zephyr Rock & Lime, Inc.'s mining property at Zephyrhills, Florida. A review of the resource position, and the expected product mix of road base, riprap, and aggregates was completed as a foundation for preparing the cash flow statements. Sensitivity analyses were developed as an aid in estimating the value for the mineral property.

Ross & Hardies, Washington, DC

Valued certain mineral interests within the Williams Fork Ranch area in Routt County, Colorado. The objective of the exercise was to value, for estate purposes, privately-owned mineral holdings (primarily coal) in anticipation that a major coal producer would be taking leases on the subject property. A pro-forma mining schedule was developed, and appraisal was by the income approach assuming a typical bonus payment followed by royalty payments throughout the production period.

Royal Land Company, Glenview, IL

Conducted an appraisal of the Westville coal property in Vermilion County, Illinois in its present status as a producing mine, and also performed a review appraisal of the property based on valuations that had been developed in the past when the property was idle. An income approach was determined to be the most appropriate methodology for valuing the deposit, and royalty revenues were discounted to the present as a measure of the deposit's current worth.

Trapper Mining Inc., Craig, CO

Appraised the market value of an undivided overriding royalty interest on deep mineable coal resources controlled by Trapper in Moffat County, Colorado. A market forecast was prepared for the coal, a logical mining layout was developed and applied to the resource base, and valuation was developed by discounting the expected royalty income stream.

Western Mine Engineering, Inc., Spokane, WA

Subcontractor to WME to perform a valuation of an unpatented association placer claim situated in the Kalmiopsis Wilderness Area in Curry County, Oregon. Mineral rights were appraised by relying on a recent validation examination prepared by the U.S. Forest Service and the claimant's plan of operations for extracting gold at the site. Equipment was sized and quantified, capital and operating costs were prepared inclusive of environmental obligations, and a present value for the rights was obtained through discounting the expected cash flows deriving from mining.

VALUATION & APPRAISAL EXPERIENCE (Con't)

Warner Bros. Inc., Sunderland, MA

Performed an appraisal of a tract of ground adjacent to an operating basalt quarry. Mineral rights were appraised by relying on recent comparable sales transactions pertaining to basalt and to sand and gravel deposits. The income approach was also utilized through the application of a reasonable royalty rate, production plan, and estimated resource position; reconciliation of the value estimates obtained by both methods was then conducted.

TerCorp Inc., Austin, TX

Performed a valuation of the economic impact to mineral development at the New Bunker Hill Mining Company caused by USA regulatory actions related to the Milo Creek Drainage Project near Kellogg, Idaho. Temporary and permanent easements were established on the property which limited the owner's ability to access, explore, and produce his minerals as a consequence of EPA and Corps of Engineers actions.

Wells Fargo & Company, Chicago, IL

Appraised a large sand and gravel property near St. Cloud, Minnesota for purposes of a bank loan. The property was acquired at public auction with agriculture, development, and mining interests submitting bids. The mineral rights were valued using the income approach (cash flows) applied over a 13-year operating period.

Greystone & Company, Inc., Chevy Chase, MD

Performed an appraisal of mineral rights for extracting limestone near Tyler, Texas. Exploration had been conducted and testing indicated the material suitable for concrete and hot mix asphalt. The deposit was separated by faulting so that sequencing of the blocks was planned and strip ratios estimated. Capital and operating forecasts were completed, assuming separate mining and crushing contractors, to arrive at a net present value for the property developer.

Business Appraisal Associates, Inc., Granby, CO

Conducted the appraisal of a past-producing copper/silver property which was being readied for startup, and an undeveloped deposit situated in the Cabinet Mountains Wilderness of Montana. Detailed historical operating costs provided the basis for future cost projections of both properties; leased equipment was assumed for the undeveloped deposit. Two discount rates were employed for the properties in recognition of the different degree of risk inherent in their respective situations, and cash flow analyses were performed to determine a value estimate for the ventures.

North Star Exploration, Inc., Golden, CO

Appraised the Doyon land package and surrounding areas of interest covered by the North Star/Doyon exploration agreement. The mineral interests valued are contained in 24 property blocks encompassing just over 7 million acres. Comparable sales and a committed cost approach were the principal methods utilized in conducting the valuation.

North Star Exploration, Inc., Golden, CO

Conducted and appraisal of the Northway Village Block and Road Metal Prospect in eastern Alaska. The total land package comprised nearly 275,000 acres. Comparable sales and the costing methods were used in this analysis since minerals in economic quantity had not yet been proven.

VALUATION & APPRAISAL EXPERIENCE (Con't)

Duke Energy Merchants, LLC, Huntington, WV

Conducted an appraisal of four coal properties (two operating, two undeveloped) owned by Pittston Coal Management Company in Kentucky and West Virginia. Production and development schedules were forecast, capital and operating cost projections were prepared depending on method of mining, and revenues were estimated based on coal seam quality and preparation efficiency. Sensitivity analyses were performed to establish a base purchase price for each property, and a range of values resulting from variations in key parameters.

Zeus Exploration, Inc., Golden, CO

Appraised mining claims and prospecting sites In the Healy Lake Village Block area, and mineral holdings in the Ruby, Kaltag, and Takotna areas of Alaska. Total acreage of the mineral interests were approximately 40,000 acres. Property transactions in the region, and various earn-in commitments were valued to arrive at a comparable figure for the properties held by Zeus.

Business Appraisal Associates, Inc., Granby, CO

Valued mineral assets of the Powder Mountain Ranch property near Grand Junction, Colorado. The subject property had been leased for the production of construction materials (i.e., sand, gravel, rip rap, etc.) but was also being considered by a local municipal agency for condemnation and use by that agency for a different purpose.

Washington Group International, Boise, ID

Performed an appraisal of an operating coal property in Montana. A limiting requirement was that only publicly-available data could be used in preparing an estimate of value. The economics of the property were established by means of a cash-flow projection developed on an after-tax basis, assuming all-equity financing.

Western Slope Refining Company, Denver, CO

Appraised the mineral assets of Western Slope's undeveloped sand and gravel property near Grand Junction, Colorado. A marketing analysis was performed to document the historical growth pattern for aggregates in this region, and an assessment was made of the major competitors. Assumptions concerning production rates, life of operations, equivalent royalties, and discount rate were made to develop a valuation for the mineral rights.

Engstrom, Lipscomb & Lack, Los Angeles, CA

Worked with the landowner to assess his claim holdings within the Mt. St. Helens National Volcanic Monument. These consisted of 39 severed patented mineral claims designated as the United, Chicago, and Norway-Sweden groups, of which the latter had been a former producer of copper. Principles set forth in the publication "Uniform Standards for Federal Land Acquisitions" were followed, particularly Conjectural and Speculative Evidence, Special Considerations in Appraisals for Federal Land Exchanges, and Valuation of Mineral Properties.

VALUATION & APPRAISAL EXPERIENCE (Con't)

Holland & Hart, Denver, CO

Estimated the fair market value of mineral rights owned by High Desert Mineral Resources in Nevada. These interests included royalty payments to be received by High Desert from properties operated by Barrick Gold Corporation and Newmont Mining Corporation, as well as patented and unpatented mining claims not presently being produced.

Wells Fargo & Company, Davenport, IA

Appraised a large underground limestone operation near Davenport in order to identify the amount of collateral for a bank loan. Mineral rights, as well as business value, were appraised at fair-market value using the income method. A critical factor was the estimate of reserves to be extracted and sold under normal operating conditions.

Business Appraisal Associates, Denver, CO

Appraised the mineral assets of Powder Mountain Ranch's undeveloped construction materials (rip rap and gravel) property near Grand Junction, Colorado to determine the investment value to the owner based on existing contracts covering production and royalty rates. A review of geologic data and of the market for rip rap in the local area was undertaken in order to verify planned production levels, and a present value to the owner using the income method was developed.

Richard L. Hall, et al., Highlands Ranch, CO

Evaluated the existing royalty rate structure covering granite production from a stone quarry near Lyons, Colorado. Suggestions to the owner were made for establishing a new royalty approach with the lessee of the property. Advantages and disadvantages to flat-rate v. percent-of-selling-price philosophies were presented, and a target royalty was offered based on a review of current royalties being paid in the region.

Standard Bank, London, GB

Completed a valuation of the mobile mining equipment and process plant for the Jerritt Canyon Mine, located northeast of Elko, Nevada. Consideration was given to the value the equipment would bring in an orderly liquidation (defined as within a 18 to 24 month period) and a quick liquidation which would be essentially bringing in an auctioneer to sell the various items. Over 200 pieces of major mining equipment were appraised, consisting of primary units for the surface mine and four underground operations.

Business Appraisal Associates, Granby, CO

Estimated the fair market value of mineral rights and existing solution cavities for Natural Soda, Inc.'s nahcolite operation in the Piceance Basin of Colorado. A cost approach was employed to develop an estimate of value for the solution cavities, and a discounted cash flow method was applied to an expected royalty stream to arrive at a value for the mineral leases held by Natural Soda.

Business Appraisal Associates, Granby, CO

A valuation of the mineral reserves was prepared for Solvay America, Inc.'s Yankee Gulch Project in Colorado. This is an operating solution mine producing both soda ash and sodium bicarbonate. A discounted cash flow method for the future royalty payments was used with the purpose of the appraisal being for possible allocation of the project's recent purchase price.

VALUATION & APPRAISAL EXPERIENCE (Con't)

National City Bank, Oak Brook, IL

Prepared a valuation of the leased fee estate of the Westville Coal Property, in Vermilion County, Illinois. Current market value of resources contained within 11,000 coal acres was estimated, based on the production records and mine plans for two operating underground mines on the property, a proposed mine extension, and one new mine development.

Business Appraisal Associates, Granby, CO

Developed a market value for approximately 46 acres of sand and gravel mineral rights in Garfield County, Colorado that had been subjected to condemnation by a nearby municipality. The property was appraised in its existing, unpermitted condition, with resource tonnages based on previous definition drilling and mine planning by other entities.

City Public Service, San Antonio, TX

Conducted a valuation of the City's lignite holding in east-central Texas. The property consisted of fee land and sub-leased mineral rights which were to be appraised as per an existing lease agreement with Alcoa. The operator's production plans were reviewed in order to arrive at the timing and amount of royalties anticipated over the future mine life. These were discounted at a rate appropriate for a not-for-profit municipality.

COGEMA, Casper, WY

Prepared a valuation of the Company's three main uranium holdings in Wyoming consisting of properties in the Shirley Basin as well as the Irigary and Christensen Ranch deposits. Company data were utilized to project capital and operating costs for re-establishing production from the idle tracts, and incorporated a market price for uranium to establish expected cash flows.

sxr Uranium One Inc., Toronto, ONT

Assessed property transactions occurring in the Hornby Bay and Thelon Basin areas within the Canadian Arctic to assist in valuing unexplored tracts of ground that were open for joint venture or sale. Earn-in rights and sales data were reviewed on which to base the economics of prospectively raw ground targeted for uranium mineralization.

US Bank, Denver, CO

Performed a valuation of a fledgling limestone/dolomite operation in southern Colorado. A review of the market potential was made, extraction rates were forecast, production costs estimated, and a pre-tax discounted cash flow for the property was developed.

United Missouri Bank, Kansas City, MO

Conducted an appraisal review of an earlier retrospective valuation report covering the Gardner Quarry property near Gardner, Kansas. This concerned an assessment of the highest and best use of the property and its estimate of value as of 1996.

Business Appraisal Associates, Granby, CO

Developed a market value on behalf of SWEPCO for mineral interests sterilized as a result of the power company's highline which traversed a portion of an active limestone operation in Arkansas.

VALUATION & APPRAISAL EXPERIENCE (Con't)

Business Appraisal Associates, Granby, CO

Prepared an appraisal of patented mining claims and mineral interests located in the Mt. Wilson Mining District of southwestern Colorado. The purpose of the valuation was to serve as a basis for donation of the property to The Trust for Public Land.

ExxonMobil Corporation, Houston, TX

Appraised Exxon's royalty interest in the Mt. Hope molybdenum property in Nevada. Production rates, deposit quality, product selling prices, and start date for the venture were taken from the operator's forecasts to arrive at an NPV for the royalty.

Chevron Mining Inc., Denver, CO

Assignment through SRK Consulting to develop a valuation of the huge Crest Iron Deposit in Yukon Territory, Canada. A comparable sales approach was followed, based on data from over 20 transactions involving iron deposits throughout the world.

Business Appraisal Associates, Granby, CO

Estimated the fair market value of the known reserve position, as well as the development and production entries at American Gilsonite Company's operations in eastern Utah. This was a portion of an overall asset valuation in order to allow the company to allocate a recent purchase price to various asset classes.

La Barronena Ranch East Partners, LP, Fort Worth, TX

Appraised extensive sand and gravel resources on a ranch near Hebbronville, Texas to derive a reasonable value of anticipated discounted royalty payments. A possible lease arrangement had been discussed with a nearby producer that could result in a minimum 20-year production life of the deposit.

EURO Ressources S.A., Paris, France

Contractor to SRK Consulting (US) Inc. to appraise an undeveloped gold deposit located in French Guiana. A comparable sales approach was followed by comparing recent transactions of gold deposits throughout North America (U.S., Canada, Mexico) and South America which were at a similar stage of development.

Wilderness Land Trust, Carbondale, CO

Performed an appraisal review of a recent valuation report covering the Big Horn gold deposit in the Sheep Mountains Wilderness, Los Angeles County, CA. An assessment of the approach and conclusions relative to the credibility of the valuation for mineral interests was undertaken.

Addwest Minerals, Inc, Denver, CO

Estimated a market value of the historic Gold Road Mine in Mohave County, AZ. The valuation incorporated both the income approach for the principal property, and comparable sales for the undeveloped resource position at depth and on adjoining tracts.

APPENDIX B

Information Reliance References

- Technical Memorandum from Tetratech to Black Range Minerals – High Park Kriging Resources – Taylor Ranch Uranium Project dated April 25, 2008.

- Technical Memorandum from Tetratech to Black Range Minerals – North Hansen, Boyer Kriging Resources – Taylor Ranch Uranium Project dated April 29, 2009.

- Technical Memorandum from Tetratech to Black Range Minerals – Boyer, Hansen and Picnic Tree Area Kriging Resources – Taylor Ranch Uranium Project dated August 24, 2009.

- Technical Memorandum from Tetratech to Black Range Minerals – Boyer, Hansen and Picnic Tree Area Kriging Resources – Taylor Ranch Uranium Project (Updated 2010) dated August 12, 2010.

- Cyprus Mines Corporation Interoffice Correspondence from K.E. Dyas to N.B. Prenn – Mine Engineering Report September 3, 1980.

- Tetratech – BLR-Hansen6ftLevelPlans.pdf

- Tetratech – BLR-Hansen 100ftSections.pdf

- Tetratech – BLR-HansenPlanMapSectionKey.pdf

- Tetratech – Overall Hansen Boyer Picnic Tree with Hole Labels.pdf

- Tetratech – Overall Hansen Boyer Picnic Tree.pdf

- Estimates of Uranium Reserves – Hansen Deposit Fremont County, Colorado for Cyprus Mines Corporation by David S. Robertson & Associates, Inc. Consulting Geologists & Mining Engineers – September 19, 1979.

- Mine Feasibility Study of the Hansen Project Prepared for Cyprus Mines Corporation and Wyoming Minerals Corporation by Pincock, Allen & Holt – June 1980.

- Hazen Research, Inc. – Cyprus Mines Corporation - Hansen Project Laboratory Studies – February 1, 1980.

- Mining Agreement between Noah H. Taylor, Jr., Diane R. Taylor, and Dorthy J. Taylor and Black Range Minerals Colorado, LLC dated November 11, 2006.

- Mining Agreement between Richard Dale Boyer and Ann B. Boyer, Carol B. Curran Trust, Christopher Robert Boyer and Amy Boyer, and Elizabeth B. Greer and Black Range Minerals Colorado, LLC dated February 16, 2007.

- Memorandums of Mining Agreement (individually) between Richard Dale Boyer and Ann B. Boyer, Carol B. Curran Trust, Christopher Robert Boyer and Amy Boyer, and Elizabeth B. Greer and Black Range Minerals Colorado, LLC dated February 20-28, 2007.

- Noonan Land Services, Inc. Mineral Title Certificate Dated May 9, 2012.
- Perpetual Nonparticipating Royalty Deed Black Range Minerals and STB Minerals, LLC dated September 1, 2011.
- Perpetual Nonparticipating Royalty Deed - Black Range Minerals and NZ Minerals, LLC dated September 14, 2011.
- Special Warranty Deed - New Mexico and Arizona Land Company and Noah H. (Buddy) Taylor, Jr. and Diane R. Taylor dated November 15, 1996.
- Royalty Deed – Cyprus Mines Corporation and Tallahassee Royalty Company dated December 13, 1979.
- Fremont County District Court Order and Decree: STB Minerals, LLC vs Lipid Sciences, Inc. et al., dated March 3 and July 21, 2011.
- Fremont County District Court Order and Decree: STB Minerals, LLC vs Lipid Sciences, Inc. et al., dated August 29, 2011.
- State of Colorado State Board of Land Commissioners Department of Natural Resources – Uranium Lease No. UR 3322 dated July 23, 2007.
- State of Colorado State Board of Land Commissioners Department of Natural Resources – Uranium Lease No. UR 3324 dated July 23, 2007.
- Dufford and Brown Attorneys at Law Mineral Title Opinion dated June 26, 2012.
- Amended and Restated Option Agreement between NZ Minerals, LLC and Black Range Minerals Colorado, LLC dated June 29, 2009.
- Evidence of Assignment and Assumption of Liabilities – Boyer Family Ranch, LLC dated January 31, 2012.
- Gross Royalty Agreement – Freeport-McMoran Exploration Corporation and Black Range Minerals, Ltd. Dated October 8, 2007.
- Agreement between Black Range Minerals, Ltd and G.H. Bryant dated about May 31, 2006.
- Perpetual Nonparticipating Production Royalty Deed – Cyprus Mines and Russell Family dated December 18, 1979.
- Perpetual Nonparticipating Production Royalty Deed – Cyprus Mines and Holst Family dated December 13, 1979.

- Special Warranty Deed – Noah H. (Buddy) Taylor and Diane R. Taylor to New Mexico and Arizona land Company dated November 15, 1996.

- Hansen Picnic Tree Geotechnical Feasibility Scoping Study – Prepared by Andrew P. Schissler, PE, PhD January 2012 – Tetratech 350 Indiana St., STE 500 Golden, CO 80120

- Hazen Research, Inc. – Results of Uranium ore Amenability Studies – Hazen Project 11420 Report and Appendices A and B. – January 20, 2012 – Jessica A. Raths, Process Engineer and Brian L. Cooper, Senior Project Manager;

- Review of Historical metallurgical Test work for Hansen Uranium Project Technical Review Report December 2009 - Independent Metallurgical Operations Pty. Ltd. 88 Thomas Street, West Perth 6005, Australia;

- Hazen Research, Inc. Uranium In-situ Leaching Report on Hazen Project 4834 on April 8, 1980 via letter to G.K. Ealy, Cyprus Exploration Company;

- Cyprus Exploration Company Interoffice Correspondence from Fred C. Grigsby to Gene K. Ealy on July 21, 1980 with the conclusions of the assessment of the in-situ leach study for Taylor Ranch;

- Hazen Research, Inc. Leaching Studies – Hansen project Uranium Ore for Cyprus Mines Corporation June 8, 1979;

- Hazen Research, Inc. Extraction and Recovery of Uranium From Tallahassee Creek Ores for Cyprus Exploration Company April 3, 1978;

- Preliminary Hydrological Testing – Holes Nos. 64 & 148 – Tallahassee Project – Fremont County, Colorado – May 7, 1980 by Stephen Forbes of Solution Engineering, Inc.

- Dewatering Modelling Study Hansen project Open Pit uranium Mine Fremont County, Colorado for Cyprus Mines Corporation by Geo-Hydro Consulting, Inc. September 1980.

- Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports – The VALMIN Code – 2005 Edition.

- Supplemental Title Report Covering Hansen Uranium Project; Fremont County, CO by Frank Erisman, 460 S. Marion Parkway Unit 901C dated August 15, 2012.

PROXY FORM

BLACK RANGE MINERALS LIMITED
ACN 009 079 047

GENERAL MEETING

I/We ______________________

of: ______________________

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name: ______________________

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10:00am (WST), on 26 June 2014 at Suite 9, 5 Centro Avenue, Subiaco WA, and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Issue of securities to Azarga Resources Limited	☐	☐	☐
Resolution 2	Issue of Shares to STB Minerals LLC	☐	☐	☐
Resolution 3	Ratification of prior issue – Shares to Azarga Resources Limited	☐	☐	☐
Resolution 4	Replacement of Constitution	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: ______ **%**

Signature of Shareholder(s):

Individual or Shareholder 1	**Shareholder 2**	**Shareholder 3**
Sole Director/Company Secretary	Director	Director/Company Secretary

Date: ______________________

Contact name: ______________________ **Contact ph (daytime):** ______________________

E-mail address: ______________________ **Consent for contact by e-mail in relation to this form:** **YES** ☐ **NO** ☐

Instructions for completing Proxy Form

1. (**Appointing a proxy**): A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

2. (**Direction to vote**): A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.

3. (**Signing instructions**):

   - (**Individual**): Where the holding is in one name, the Shareholder must sign.

   - (**Joint holding**): Where the holding is in more than one name, all of the Shareholders should sign.

   - (**Power of attorney**): If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.

   - (**Companies**): Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.

4. (**Attending the Meeting**): Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

5. (**Return of Proxy Form**): To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

   (a) post to Black Range Minerals Limited, PO Box 457, West Perth WA 6872; or

   (b) facsimile to the Company on facsimile number +61 8 9226 2027; or

   (c) email to the Company at info@blackrangeminerals.com,

   so that it is received not less than 48 hours prior to commencement of the Meeting.

   Proxy Forms received later than this time will be invalid.