



Black Range Minerals Limited

ABN 86 009 079 047

Financial Report
30 June 2011

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Director's Report

The Directors present their report for Black Range Minerals Limited ("Black Range" or "the Group") and its subsidiaries for the year ended 30 June 2011.

DIRECTORS

The names, qualifications and experience of the Group's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr. Alan Scott

Chairman

Mr. Scott was appointed as non-executive Chairman to the Board of Directors on 22 August 2006. Mr. Scott was formerly Managing Director and Chief Executive Officer of Aurora Gold Limited. Prior to this Mr. Scott spent 22 years working with Rio Tinto Limited / CRA Limited, with involvement in joint venture management, finance, acquisitions and divestments, commercial negotiations and project engineering. Mr. Scott qualified as an accountant and spent 13 years working with Coopers & Lybrand in Sydney, Montreal, London and Wollongong before moving into the mining industry.

Mr. Scott is currently Managing Director of Mesa Minerals Limited (appointed 20 May 2002).

Mr. Michael Haynes

Managing Director

Mr. Haynes has more than 18 years experience in the mining industry. Mr. Haynes graduated from the University of Western Australia with an honours degree in geology and geophysics. He has been intimately involved in the exploration and development of resource projects, targeting a wide variety of commodities, throughout Australia and extensively in Southeast and Central Asia, Africa, North and South America, and Europe.

Mr. Haynes has held technical positions with both BHP Minerals Limited and Billiton plc. He ran his own successful consulting business for a number of years providing professional geophysical and exploration services to both junior and major resource companies. He has worked extensively on project generation and acquisition throughout his career. Over the past five years he has been intimately involved in the incorporation and initial public offerings of several resources companies, and in the ongoing financing and management of these companies.

Mr. Haynes is Chairman of Genesis Minerals Limited (appointed 4 July 2007), Overland Resources Limited (appointed 9 May 2005) and Coventry Resources Limited (appointed 27 October 2009) and is a Director of Eagle Eye Metals Limited (appointed 25 May 2011). Mr. Haynes was a Director of Bellamel Mining Limited (appointed 16 May 2007, resigned 31 December 2008).

Mr. Duncan Coutts

Non Executive Director

Mr. Coutts is a qualified mining engineer with more than 18 years industry experience. He holds a Bachelor of Engineering degree in Mining Engineering with honours from the Western Australian School of Mines.

Mr. Coutts has extensive operational, technical and managerial experience, particularly in underground mining operations. He was formerly the Operations Manager for the Western Australian and PNG operations of Harmony Gold Australia, where he managed operational performance and project development. Mr. Coutts was recently Chief Development Officer for Metals X Limited.

Mr. Coutts was a Director of Noble Mineral Resources Limited (appointed 8 April 2011, resigned 8 July 2011).

Director's Report

Mr. Nicholas Day

Company Secretary

Mr. Day has more than 15 years experience in corporate finance and the resources industry. Previously he was CFO and Company Secretary of Antaria and AIM & ASX listed mining Company Albidon Ltd. Prior to this, Mr. Day was with Ernst & Young. In addition to his Company secretarial skills he has experience in strategic planning, business development, acquisitions and mergers, bankable feasibility studies, and project development general management.

Mr. Day is a qualified accountant being a member of ACPA, is a fellow of FINSIA and holds an MBA and Bcomm from the University of Western Australia.

Mr. Day is the Company Secretary for Eagle Eye Metals Limited (appointed 25 May 2011), Coventry Resources Limited (appointed 22 June 2010) and Overland Resources Limited (appointed 22 June 2010).

INTERESTS IN THE SECURITIES OF THE GROUP

At the date of this report the interests of the Directors in the shares and options of Black Range Minerals Limited are:

Director	Ordinary Shares	Options over Ordinary Shares
Mr. Michael Haynes	30,594,053	-
Mr. Alan Scott	6,729,165	-
Mr. Duncan Coutts	-	-

RESULTS OF OPERATIONS

The Group's net loss after taxation attributable to the members of Black Range Minerals Limited for the year was \$520,514 (2010: \$842,116).

DIVIDENDS

No dividend was paid or declared by the Group in the year and up to the date of this report.

CORPORATE STRUCTURE

Black Range Minerals Limited is a Group limited by shares that is incorporated and domiciled in Australia.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

During the financial year, the principal activity was mineral exploration. At the date of this report the Group holds uranium and coal projects in the United States of America.

EMPLOYEES

The Group had 2 employees at 30 June 2011 (2010: 4).

REVIEW OF OPERATIONS

During the past year Black Range Minerals Limited has successfully consolidated ownership of uranium assets within the Tallahassee Creek Uranium District in Colorado, USA.

Since 2007 the Group has controlled 100% of the mineral rights covering more than 10,000 acres at its Taylor Ranch Uranium Project in the Tallahassee Creek District. This area alone hosts JORC Code compliant resources of more than 60 million pounds of U₃O₈.

Since 2009 the Group has been in negotiations to secure the mineral rights covering the Hansen Uranium Deposit, which is located immediately adjacent to the Group's Taylor Ranch Uranium Project. The Group believes considerable synergies

Director's Report

could be achieved by developing the Hansen Deposit in conjunction with the Group's adjacent Taylor Ranch Uranium Project.

The Hansen Deposit was discovered in 1977. It was subsequently drilled to reserve status and fully permitted for mining in 1981. The global uranium price subsequently collapsed, so mining never eventuated.

Until recently two parties have owned the mineral rights covering the Hansen Uranium Deposit. NZ Minerals LLC ("NZ") has held a 49% interest and STB Minerals LLC ("STB") has held a 51% interest.

In June 2009 the Group secured an option to acquire NZ's 49% interest in the Hansen Deposit.

During February 2011 the Group executed a definitive agreement with STB that provides the Group a six-year option to acquire STB's mineral rights. This agreement was subject to several conditions precedent, all of which were satisfied in July 2011.

On satisfaction of these conditions precedent and payment of agreed consideration, NZ, in accordance with its agreement with the Group, transferred 50% of its mineral interests (for a net 24.5% mineral interest in the Hansen Deposit) to Black Range Minerals Limited. NZ's remaining 24.5% interest in the Hansen Deposit will be transferred to the Group on commencement of commercial scale mining operations.

In order to acquire additional technical data so that it can update historic feasibility studies on the development of the Hansen Uranium Deposit, the Group commenced a diamond drilling program in May 2011. Drilling continues and is expected to be completed early in the fourth quarter of 2011. The historic feasibility studies will then be updated.

Initial drilling results have confirmed that abundant uranium mineralisation is present at the Hansen Deposit. In July 2011 the Group announced an upgraded JORC Code compliant indicated and inferred resource for its combined Hansen and Taylor Ranch Uranium Projects. Applying a 0.025% cut-off grade this now comprises:

68.9 Mt at 0.060% U₃O₈ for 90.9 million pounds of U₃O₈

which represents a 51% increase in the number of pounds of U₃O₈ previously reported for the Taylor Ranch Uranium Project.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 20 July 2011, the Group announced a JORC resource increase of 51% to 90.9 million pounds of U₃O₈ at the Hansen/Taylor Ranch Uranium Project.

On 2 August 2011, the Group announced all conditions precedent pertaining to the definitive agreement to acquire 51% of the Hansen Uranium Deposit had been satisfied. In accordance with its definitive agreements with STB and NZ, the Group made payments comprising US\$1 million cash and US\$1.25 million worth of shares (30,585,140 shares) to STB and a further US\$1 million cash and US\$1 million worth of shares (27,996,857 shares) to NZ.

Having made the scheduled payments, a 24.5% interest in the Hansen Deposit was transferred to the Group. The Group has exclusive rights to acquire the other 75.5% interest in the Hansen Uranium Deposit.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors have excluded from this report any further information on the likely developments in the operations of the Group and the expected results of those operations in future periods, as the Directors believe that it would be speculative and prejudicial to the interests of the Group.

Director's Report

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group carries out operations that are subject to environmental regulations under both Federal and State legislation in the USA. The Group has formal procedures in place to ensure regulations are adhered to. The Group is not aware of any breaches in relation to environmental matters.

SHARE OPTIONS

As at the date of this report, there were 5,100,000 unissued ordinary shares under options (4,250,000 at the reporting date). The details of the options at reporting date are as follows:

Number	Exercise Price \$	Expiry Date
1,500,000	0.08	30 January 2012
500,000	0.25	30 March 2012
250,000	0.24	18 May 2012
500,000	0.08	29 May 2013
1,500,000	0.035	12 March 2014
4,250,000		

No option holder has any right under the options to participate in any other share issue of the Group or any other entity.

During the financial year, 100,312,930 options were exercised at \$0.045 to acquire fully paid ordinary shares. Since the end of the financial year, no options have been exercised. 500,000 options expired and 2,500,000 options lapsed during the year. A further 1,000,000 options lapsed since the end of the financial year. 1,850,000 employee and consultant incentive options were issued subsequent to the end of the financial year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group has made agreements indemnifying all the Directors and officers of the Group against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Group to the extent permitted by the Corporation Act 2001. The indemnification specifically excludes wilful acts of negligence. The Group paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Group, including officers of the Group's controlled entities. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

DIRECTORS' MEETINGS

During the financial year, in addition to regular Board discussions, the number of meetings of Directors held during the year and the number of meetings attended by each Director were as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Mr. Alan Scott	5	5
Mr. Michael Haynes	5	5
Mr. Duncan Coutts	5	5

PROCEEDINGS ON BEHALF OF GROUP

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Director's Report

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Black Range Minerals Limited support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that Black Range is in compliance with those guidelines to the extent possible, which are of importance to the commercial operation of a junior listed resources Group. The Group's Corporate Governance Statement and disclosures are contained elsewhere in the annual report.

AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Group's auditors to provide the Directors of Black Range Minerals with an Independence Declaration in relation to the audit of the full-year financial report. A copy of that declaration is included at page 49 of this report. There were no non-audit services provided by the Group's auditor.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for key management personnel of Black Range Minerals Limited in accordance with the requirements of the *Corporation Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Company and the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group, and includes the executives in the Group receiving the highest remuneration.

Details of Key Management Personnel

Mr. Alan Scott	Chairman
Mr. Michael Haynes	Managing Director
Mr. Duncan Coutts	Non Executive Director
Ms. Beverley Nichols	Chief Financial Officer
Mr. Nicholas Day	Company Secretary

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors and management. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Company and the Group does not link the nature and amount of the emoluments of such officers to the Company and the Group's financial or operational performance. The lack of a performance link at this time is not considered to have a negative impact on retaining and motivating Directors.

As part of its Corporate Governance Policies and Procedures, the board has adopted a formal Remuneration Committee Charter. Due to the current size of the Company and the Group and number of Directors, the board has elected not to create a separate Remuneration Committee but has instead decided to undertake the function of the Committee as a full Board under the guidance of the formal charter. The Company and the Group has no policy on executives and Directors entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

The rewards for Directors' have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted.

The table below shows the performance of the Company and the Group as measured by earning/(loss) per share since 30 June 2007:

Director's Report

As at 30 June	2011	2010	2009	2008	2007
Loss per share (cents)	(0.08)	(0.13)	(0.48)	(0.59)	(0.24)
Share price at reporting date (cents)	3	2	9	6	2

Details of the nature and amount of each element of the emolument of each key management personnel of the Company and the Group for the financial year are as follows:

2011	Short Term			Post Employment	Options	Total \$	Option related %
	Base Salary \$	Directors Fees \$	Consulting Fees \$	Superannuation \$	Share Based Payments \$		
Directors							
Mr. A Scott	-	50,000	-	4,500	-	54,500	-
Mr. M Haynes	-	-	250,000	-	-	250,000	-
Mr. Duncan Coutts	-	10,000	32,700	900	-	43,600	-
<i>Executive</i>							
Mr. N Day	-	-	43,000	-	-	43,000	-
Ms. B Nichols	-	-	38,000	-	-	38,000	-
	-	60,000	363,700	5,400	-	429,100	-

2010	Short Term			Post Employment	Options	Total \$	Option related %
	Base Salary \$	Directors Fees \$	Consulting Fees \$	Superannuation \$	Share Based Payments \$		
Directors							
Mr. A Scott	-	50,000	-	4,500	-	54,500	-
Mr. M Haynes	-	-	250,000	-	-	250,000	-
Mr. Duncan Coutts	-	30,000	10,900	2,700	-	43,600	-
<i>Executive</i>							
Mr. T Flavel*	-	-	88,000	-	-	88,000	-
Mr. N Day **	-	-	1,650	-	-	1,650	-
Ms. B Nichols***	-	-	6,000	-	-	6,000	-
	-	80,000	356,550	7,200	-	443,750	-

* Mr. Flavel resigned on 22 June 2010

** Mr. Day was appointed on 22 June 2010

*** Ms. B Nichols was appointed on 1 May 2010

There were no other executive officers of the Company and the Group during the financial years ended 30 June 2011 and 30 June 2010. None of the elements of the remuneration were performance related.

There were no options granted or vested in the current year that affect remuneration for the year ended 30 June 2011 (2010: nil).

The numbers of options over ordinary shares in the Group held during the financial year by each Director of Black Range Minerals Limited and specified executive of the Group, including their personally related parties, are set out below:

Director's Report

2011	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year
Mr. A. Scott	6,125,000	-	(6,125,000)	-	-
Mr. M. Haynes	8,017,978	-	(8,017,978)	-	-
Mr. D. Coutts	-	-	-	-	-
Mr. N. Day	-	-	-	-	-
Ms. B. Nichols	-	-	-	-	-

2010	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year
Mr. A. Scott	6,125,000	-	-	-	6,125,000
Mr. M. Haynes	8,017,978	-	-	-	8,017,978
Mr. D. Coutts	-	-	-	-	-
Mr. N. Day	-	-	-	-	-
Mr. Tim Flavel <i>(resigned 22 June 2010)</i>	2,997,677	-	-	(2,997,677)	-

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. 14,142,978 at \$0.045 options to KMP were exercised for the year ended 30 June 2011 (2010: Nil). The options exercised during the year are set out below:

	Number of shares exercised through exercise of options	Exercise price	Value of options exercised
30 June 2011			
A. Scott	6,125,000	\$0.045	189,875
M. Haynes	8,017,978	\$0.045	248,557

Executive Directors and other Key Management Personnel

Directors' and Executive remuneration is stipulated in consulting services agreements between the Group and the Directors' related entities. A summary of the key terms of the agreements are outlined below:

The Managing Director, Mr. Michael Haynes, is employed under a consulting services agreement between the Company and Bullseye Geoservices Pty Ltd, which commenced on 1 December 2009 for a period of twenty-four months. The agreement may be terminated by Mr. Haynes at any time by giving three months notice in writing, or such shorter period of notice as may be agreed. The Group may terminate the agreement by giving three months written notice or by paying an amount equivalent to three months fees (based on the agreed consulting fee) or without notice in case of serious misconduct, at which time Mr. Haynes would be entitled to that portion of consulting fees services arising up to the date of termination. No additional Director's fees will be paid to Mr. Haynes in addition to the fees paid under the consulting agreement.

The Company Secretary, Mr. Nicholas Day consults to the Group and is remunerated on a monthly basis. Mr. Day's services may be terminated with three months notice.

The Chief Financial Officer, Ms. Beverley Nichols consults to the Group and is remunerated on a monthly basis. Ms. Nichols' services may be terminated by giving one month written notice.

Director's Report

Non-Executive Director

The Directors, Mr. Alan Scott and Mr. Duncan Coutts, are paid an annual Director's fee on a monthly basis. Their services may be terminated by either party at anytime and effective immediately.

Service Agreements

The Group entered a service agreement for certain administrative services and office space for a term of one year with MQB Ventures Pty Ltd, a Company of which Mr. Haynes is a Director. The Company is required to give three months written notice to terminate the agreement.

Signed on behalf of the board in accordance with a resolution of the Directors.



Michael Haynes

Managing Director

30 September 2011

Competent Person Statement:

The information in this report that relates to Mineral Resources at the Hansen and Taylor Ranch Uranium Projects is based on information compiled by Mr. John Rozelle who is a member of the American Institute of Professional Geologists. Mr John Rozelle compiled this information in his capacity as a Principal Geologist of Tetra Tech. Mr. John Rozelle has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. John Rozelle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Mr. Ben Vallerine, who is a member of The Australian Institute of Mining and Metallurgy. Mr Vallerine is the Exploration Manager, USA for Black Range Minerals Limited. Mr. Vallerine has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Vallerine consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Corporate Governance Statement

The Board of Directors of Black Range is responsible for corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Company has established a set of corporate governance policies and procedures. These are based on the Australian Securities Exchange Corporate Governance Council's (the Council's) "Principles of Good Corporate Governance and Best Practice Recommendations" (the Recommendations). In accordance with the Council's Recommendations, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure. For further information on corporate governance policies adopted by the Company, refer to our website: www.blackrangeminerals.com.

Structure of the Board

The skills, experience and expertise of each Director in office at the date of the annual report are included in the Directors' Report. Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

The Board has accepted the following definition of an Independent Director:

- "An Independent Director is a Director who is not a member of management, is a non-executive Director and who:
- is not a substantial shareholder (under the meaning of Corporations Act 2001) of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
- has not within the last three years been employed in an executive capacity by the Company or another Group member, or been a Director after ceasing to hold any such employment;
- is not a principal of a professional adviser to the Company or another Group member;
- is not a significant consultant, supplier or customer of the Company or another Group member, or an officer of or otherwise associated, directly or indirectly, with a significant consultant, supplier or customer;
- has no significant contractual relationship with the Company or another Group member other than as a Director of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company."

In accordance with the definition of independence above, a majority of Directors are considered not Independent due to the number of shares and share options held by each Director.

There are procedures in place, as agreed by the Board, to enable Directors to seek independent professional advice on issues arising in the course of their duties at the Company's expense. Such advice is to be shared amongst other Directors. The term in office held by each Director at the date of this report is as follows:

Name	Term in office
Mr. Alan Scott	5 years
Mr. Michael Haynes	6 years 3 months
Mr. Duncan Coutts	2 years 4 months

Corporate Governance Statement

Nomination Committee

The Board has formally adopted a Nomination Committee Charter but given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Nomination Committee Charter. At such time when the Company is of sufficient size a separate Nomination Committee will be formed.

Audit and Risk Management Committee

The Board has formally adopted an Audit and Risk Management Committee Charter but given the present size of the Company, has not formed a separate Committee. Instead the function of the Committee will be undertaken by the full Board in accordance with the policies and procedures outlined in the Audit and Risk Management Committee Charter. At such time when the Company is of sufficient size a separate Audit and Risk Management Committee will be formed.

It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non financial-information. It is the Board's responsibility for the establishment and maintenance of a framework of internal control.

Performance

The Board of Black Range conducts its performance review of itself on an ongoing basis throughout the year. The small size of the Company and hands on management style requires an increased level of interaction between Directors and Executives throughout the year. Board members meet amongst themselves both formally and informally. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Company.

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board by remunerating Directors fairly and appropriately with reference to relevant employment market conditions. The Board does not link the nature and amount of executive and Directors' emoluments to the Company's financial and operational performance.

For details of remuneration of Directors and Executives please refer to the Directors' Report.

The Board is responsible for determining and reviewing compensation arrangements for Directors and management. The Board has formally adopted a Remuneration Committee Charter however given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Remuneration Committee Charter. At such time when the Company is of sufficient size a separate Remuneration Committee will be formed.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive Directors.

Assurance

The CFO periodically provides formal statements to the Board that in all material aspects:

- the Company's financial statements present a true and fair view of the Company's financial condition and operational results; and
- the risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.

Corporate Governance Statement

This assurance forms part of the process by which the Board determines the effectiveness of its risk management and internal control systems in relation to financial reporting risks.

Corporate Governance Compliance

During the financial year the Company has complied with each of the 8 Corporate Governance Principles and the corresponding Best Practice Recommendations, other than in relation to the matters specified below:

Best Practice Recommendation	Notification of Departure	Explanation of Departure
2.1	The Company does not have a majority of independent Directors.	The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.
2.2	The chairperson is not an independent director	The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.
2.4	The Company does not have a Nomination Committee	The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.
4.1 and 4.2	The Company does not have an Audit and Risk Management Committee	The role of the Audit and Risk Management Committee has been assumed by the full Board operating under the Audit and Risk Management Committee Charter adopted by the Board.
8.1	The Company does not have a Remuneration Committee	The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board.
8.2	Non-executive directors receive options as a part of remuneration.	To attract and retain the independent Non-executive director with sufficient skills and experience to the Company, incentive options are required to form part of the remuneration package.

Black Range Minerals Limited

Statement of Comprehensive Income *for the year ended 30 June 2011*

	Notes	Consolidated	
		2011	2010
		\$	\$
Revenues from continuing operations			
Interest revenue		294,640	284,902
Revenue		294,640	284,902
Other income	4(a)	16,330	137,775
Foreign exchange losses		-	(458)
Marketing expenses		(1,418)	-
Public company costs		(78,381)	(73,890)
Consulting and Directors fees		(414,016)	(462,018)
Legal fees		(14,672)	(10,730)
Staff costs		(147,458)	(158,775)
Serviced office and outgoings		(153,839)	(160,184)
Reversal of impairment of exploration assets	11	435,000	(34,761)
Travel expenses		(132,636)	(67,765)
Fair value loss on held for trading investment		(85,000)	-
Other expenses	4(b)	(239,064)	(296,212)
Loss from continuing operations before income tax		(520,514)	(842,116)
Income tax expense	5	-	-
Loss from continuing operations after tax		(520,514)	(842,116)
Other Comprehensive Income/(loss)			
Foreign currency translation		(2,328,639)	(773,114)
Other comprehensive income/(loss) for the year		(2,328,639)	(773,114)
Total comprehensive loss for the year		(2,849,153)	(1,615,230)
Loss per share:			
Basic loss per share (cents per share)	20	(0.08)	(0.13)
Diluted loss per share (cents per share)	20	(0.08)	(0.13)

Black Range Minerals Limited

Statement of Financial Position as at 30 June 2011

	Notes	Consolidated	
		2011	2010
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	17(a)	8,166,542	5,625,439
Trade and other receivables	6	89,234	119,645
Held for trading financial assets	7	130,000	-
TOTAL CURRENT ASSETS		8,385,776	5,745,084
NON CURRENT ASSETS			
Other receivables	9	502,904	514,410
Plant and equipment	10	20,907	62,439
Deferred exploration and evaluation expenditure	11	9,850,594	10,840,160
TOTAL NON CURRENT ASSETS		10,374,405	11,417,009
TOTAL ASSETS		18,760,181	17,162,093
CURRENT LIABILITIES			
Trade and other payables	12	278,753	95,810
Provisions	13	12,380	15,311
TOTAL CURRENT LIABILITIES		291,133	111,121
TOTAL LIABILITIES		291,133	111,121
NET ASSETS		18,469,048	17,050,972
EQUITY			
Issued Capital	14(a)	58,579,575	53,813,930
Reserves	15	(2,040,905)	786,150
Accumulated losses	16	(38,069,622)	(37,549,108)
TOTAL EQUITY		18,469,048	17,050,972

Black Range Minerals Limited

Statement of Cash Flows *for the year ended 30 June 2011*

	Notes	Consolidated	
		2011	2010
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,186,350)	(1,421,704)
Interest received		310,370	318,342
Other receipts		3,753	224,175
NET CASH FLOWS USED IN OPERATING ACTIVITIES	17(b)	<u>(872,227)</u>	<u>(879,187)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(11,206)
Proceeds from sale of exploration assets		200,000	-
Proceeds from sale of minority petroleum interests		-	109,739
Tenement expenditure guarantees refunded/(paid)		(102,245)	11,058
Expenditure on exploration		(961,073)	(1,529,384)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		<u>(863,318)</u>	<u>(1,419,793)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Transaction costs of issue of shares		(250,000)	-
Proceeds from issue of shares		4,514,082	51
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		<u>4,264,082</u>	<u>51</u>
Net increase/(decrease) in cash and cash equivalents		2,528,537	(2,298,929)
Cash and cash equivalents at beginning of year		5,625,439	7,924,826
Net foreign exchange differences		12,566	(458)
CASH AND CASH EQUIVALENTS AT END OF YEAR	17(a)	<u>8,166,542</u>	<u>5,625,439</u>

Black Range Minerals Limited

Statement of Changes in Equity for the year ended 30 June 2011

Consolidated	Issued capital \$	Accumulated losses \$	Foreign currency translation reserve \$	Share based payment reserve \$	Option premium reserve \$	Total \$
At 1 July 2010	53,813,930	(37,549,108)	(310,625)	595,212	501,563	17,050,972
Loss for the year	-	(520,514)	-	-	-	(520,514)
Other comprehensive loss	-	-	(2,328,639)	-	-	(2,328,639)
Total comprehensive loss for the year	-	(520,514)	(2,328,639)	-	-	(2,849,153)
Transactions with owners in their capacity as owners						
Transaction costs on share issue	(250,000)	-	-	-	-	(250,000)
Shareholder options contribution	5,015,645	-	-	-	(501,563)	4,514,082
Share based payments	-	-	-	3,147	-	3,147
At 30 June 2011	58,579,575	(38,069,622)	(2,639,264)	598,359	-	18,469,048
At 1 July 2009	52,527,554	(36,706,992)	462,489	568,655	501,569	17,353,275
Loss for the year	-	(842,116)	-	-	-	(842,116)
Other comprehensive loss	-	-	(773,114)	-	-	(773,114)
Total comprehensive income/(loss) for the year	-	(842,116)	(773,114)	-	-	(1,615,230)
Transactions with owners in their capacity as owners						
Shareholder equity contribution	1,286,319	-	-	-	-	1,286,319
Shareholder options contribution	57	-	-	-	(6)	51
Share based payments	-	-	-	26,557	-	26,557
At 30 June 2010	53,813,930	(37,549,108)	(310,625)	595,212	501,563	17,050,972

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

1. Corporate Information

The financial report of Black Range Minerals Limited ("Black Range") and its controlled entities ("the Group") for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the Directors on 30 September 2011.

Black Range Minerals Limited is a Group limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' report.

2. Summary of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars.

(a) Compliance Statement

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(b) New accounting standards and interpretations

Changes in accounting policies and disclosures

The Group has adopted all of the new and amended Australian Accounting Standards and AASB Interpretations that became effective during the year. The adoption of the Standards or Interpretation did not have material impact on the financial statements of the Group.

New accounting standards and interpretations issued but not yet effective

The following applicable accounting standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the year ended 30 June 2011, and no change to the Group's accounting policy is required.

Reference	Title	Summary	Application date for Group
AASB 9	Financial Instruments	<p>AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).</p> <p>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below.</p> <p>(a) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This</p>	1 July 2013

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

Reference	Title	Summary	Application date for Group
		<p>replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria.</p> <p>(b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p>	
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	<ul style="list-style-type: none"> ▶ These amendments arise from the issuance of AASB 9 <i>Financial Instruments</i> that sets out requirements for the classification and measurement of financial assets. The requirements in AASB 9 form part of the first phase of the International Accounting Standards Board's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i>. ▶ This Standard shall be applied when AASB 9 is applied. 	1 July 2013
AASB 124 (Revised)	Related Party Disclosures (December 2009)	<p>The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including:</p> <p>(a) The definition now identifies a subsidiary and an associate with the same investor as related parties of each other</p> <p>(b) Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other</p> <p>(c) The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other</p> <p>A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.</p>	1 July 2011

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

Reference	Title	Summary	Application date for Group
AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	<p>This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations.</p> <p>In particular, it amends AASB 8 <i>Operating Segments</i> to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. It also makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB.</p>	1 July 2011
AASB 1053	Application of Tiers of Australian Accounting Standards	<p>This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements:</p> <p>(a) Tier 1: Australian Accounting Standards (b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements</p> <p>Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.</p> <p>The following entities apply Tier 1 requirements in preparing general purpose financial statements:</p> <p>(a) For-profit entities in the private sector that have public accountability (as defined in this Standard) (b) The Australian Government and State, Territory and Local Governments</p> <p>The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:</p> <p>(a) For-profit private sector entities that do not have public accountability (b) All not-for-profit private sector entities Public sector entities other than the Australian Government and State, Territory and Local Governments</p>	1 July 2013
AASB 1054	Australian Additional Disclosures	<p>This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB.</p> <p>This standard relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas:</p> <ul style="list-style-type: none"> • Compliance with Australian Accounting Standards • The statutory basis or reporting framework for financial statements • Whether the financial statements are general purpose or special purpose • Audit fees • Imputation credits 	1 July 2011

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Notes to the financial statements for the financial year ended 30 June 2011

Reference	Title	Summary	Application date for Group
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	<p>Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments.</p> <p>Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.</p> <p>Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions.</p> <p>Clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.</p>	1 July 2011
AASB 2010-5	Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	<p>This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB.</p> <p>These amendments have no major impact on the requirements of the amended pronouncements.</p>	1 July 2011
AASB 2010-6	Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]	<p>The amendments increase the disclosure requirements for transactions involving transfers of financial assets. <i>Disclosures</i> require enhancements to the existing disclosures in IFRS 7 where an asset is transferred but is not derecognised and introduce new disclosures for assets that are derecognised but the entity continues to have a continuing exposure to the asset after the sale.</p>	1 July 2011
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127]	<p>The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows:</p> <ul style="list-style-type: none"> ▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ▶ The remaining change is presented in profit or loss <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p>	1 July 2013

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

Reference	Title	Summary	Application date for Group
AASB 2011-1	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132, AASB 134, Interpretation 2, Interpretation 112, Interpretation 113]	This Standard amends many Australian Accounting Standards, removing the disclosures which have been relocated to AASB 1054.	1 July 2011
AASB 2011-2	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project – Reduced disclosure regime [AASB 101, AASB 1054]	This Standard makes amendments to the application of the revised disclosures to Tier 2 entities that are applying AASB 1053.	1 July 2013
AASB 10	Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and Interpretation 112 Consolidation – Special Purpose Entities. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control.	1 July 2013
AASB 11	Joint Arrangements	AASB 11 replaces AASB 131 Interests in Joint Ventures and Interpretation 113 Jointly-controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition AASB 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method.	1 July 2013

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Notes to the financial statements for the financial year ended 30 June 2011

Reference	Title	Summary	Application date for Group
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	1 July 2013
AASB 2011-7	Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards	Consequential amendments to AASB 127 Separate Financial Statements and AASB 128 Investments in Associates as a result of the adoption of AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements and AASB 12 Disclosure of Interests in Other Entities.	1 July 2013
AASB 2011-8	Amendments to Australian Accounting Standards arising from the Fair Value Measurement Standard	Consequential amendments to existing Australian Accounting Standards as a result of the adoption of AASB 13 Fair Value Measurement.	1 January 2013
AASB 13	Fair Value Measurement	<p>AASB 13 establishes a single source of guidance under AASB for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets.</p> <p>AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.</p> <p>Consequential amendments were also made to other standards via AASB 2011-8.</p>	1 January 2013
AASB 119 (Revised)	Employee Benefits	<p>The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognized in full with actuarial gains and losses being recognized in other comprehensive income. It also revised the method of calculating the return on plan assets.</p> <p>Consequential amendments were also made to other standards via AASB 2011-10.</p>	1 January 2013
AASB 2011-9	Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB 101]	This Standard requires entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss in subsequent periods (reclassification adjustments).	1 July 2012

* The AASB has not issued this standard, which was finalised by the IASB in May 2011

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

The group has not elected to early adopt any new Standards or Interpretations and is in the process of assessing the impact of these new standards and interpretations on the Group's future financial statements.

(c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Black Range Minerals Limited and its subsidiaries as at 30 June each year ('the Group').

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a Group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(d) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided for all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

No deferred income tax will be recognised in respect of temporary differences associated with investments in subsidiaries if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future.

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance date and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Comprehensive Income.

(e) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as current liabilities in the Statement of Financial Position. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

(f) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(g) Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance expenditure is charged to the Statement of Comprehensive Income during the financial period in which it is incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Motor Vehicles	20%
All other categories	25%

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Derecognition

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the Statement of Comprehensive Income.

(h) Exploration Expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest. Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the Directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 6 Exploration for and evaluation of mineral resources. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to in AASB 6 is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Group's rights of tenure to that area of interest are current.

(i) Impairment of non financial assets other than goodwill

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or categories of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(j) Trade and other payables

Liabilities for trade creditors and other amounts are measured at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the Group.

(k) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(l) Revenue

Revenue is recognised and measured to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(m) Earnings per share

Basic earnings per share

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share

Diluted earnings per share is calculated as net profit attributable to members of the Group, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

(n) Share based payment transactions

The Group provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the Group in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions').

There is currently an Employee Share Option Plan (ESOP) in place, which provides benefits to Directors and individuals providing services similar to those provided by an employee.

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in note 24.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Black Range Minerals Limited ('market conditions').

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Statement of Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(o) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except the GST component of investing and financing activities, which is receivable from or payable to the ATO, are disclosed as operating cash flows.

(p) Investments in controlled entities

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. Subsequent to the initial measurement, investments in controlled entities are carried at cost less accumulated impairment losses.

(q) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of Black Range Minerals Limited and Turon Gold Pty Limited is Australian dollars. The functional currency of the overseas subsidiaries is United States dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- income and expenses for each Statement of Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Statement of Comprehensive Income, as part of the gain or loss on sale where applicable.

(r) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Leases are classified as operating leases where substantially all the risks and benefits remain with the lessor.

Payments in relation to operating leases are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(s) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Black Range Minerals Limited.

(t) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

(u) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Determination of mineral resources and ore reserves

Black Range Minerals estimates its mineral resources and ore reserves in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the 'JORC code'). The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values, deferred stripping costs and provisions for decommissioning and restoration.

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

Capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Share based payment transactions

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in note 25.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Functional currency translation reserve

Under the Accounting Standards, each entity within the Group is required to determine its functional currency, which is the currency of the primary economic environment in which the entity operates. Management considers the US subsidiary to be a foreign operation with US dollars as the functional currency. In arriving at this determination, management has given priority to the currency that influences the labour, materials and other costs of exploration activities as they consider this to be a primary indicator of the functional currency.

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

Consolidated

2011	2010
\$	\$

4. Other income and expenses

(a) Other income

Foreign exchange gain	12,567	-
Impairment on loan recovery	-	-
Sale of minority petroleum interests	-	109,739
Other income	3,763	28,036
	<u>16,330</u>	<u>137,775</u>

(b) Other expenses

Accounting and audit fees	83,433	79,334
Bank fees	1,272	1,131
Computer expenses	4,877	3,877
Insurance	30,203	62,132
Printing and stationery	8,618	12,356
Postage	12,871	17,763
Subscriptions	21,091	28,557
Telephone	14,769	20,401
Depreciation	31,786	37,155
Other	30,144	33,506
	<u>239,064</u>	<u>296,212</u>

5. Income Tax

Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

(b) Numerical reconciliation between aggregate tax expense recognised in the Statement of Comprehensive Income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable tax rate is as follows:

Loss from operations before income tax expense	<u>(520,514)</u>	<u>(842,116)</u>
Tax at the Group's tax rate of 30% (2010: 30%)	(156,154)	(252,635)
Expense of remuneration options	944	7,967
Other non deductible expenses	-	912
Income tax benefit not brought to account	155,210	243,756
Income tax expense	<u>-</u>	<u>-</u>

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

	Consolidated	
	2011	2010
	\$	\$
Deferred tax		
Statement of Financial Position		
<i>Liabilities</i>		
Capitalised exploration and evaluation expenditure	2,955,178	3,252,048
Accrued income	4,719	13,595
Foreign exchange gain	-	-
Offset by deferred tax assets	<u>(2,959,897)</u>	<u>(3,265,643)</u>
Deferred tax liability not recognised	<u>-</u>	<u>-</u>
 <i>Assets</i>		
Losses available to offset against future taxable income	5,334,636	5,269,205
Share issue costs deductible over five years	-	-
Foreign exchange losses	-	137
Impairment on loan recovery	-	-
Impairment on investment	-	-
Accrued expenses	8,400	10,800
Provisions	<u>3,714</u>	<u>4,593</u>
	5,346,750	5,284,735
Deferred tax assets offset against deferred tax assets / (liabilities)	<u>(2,959,897)</u>	<u>(3,265,643)</u>
Deferred tax asset not recognised	<u>2,386,853</u>	<u>2,019,092</u>
 Unused tax losses		
Unused tax losses	<u>7,956,177</u>	<u>6,730,307</u>
Potential tax benefit not recognised at 30% (2010: 30%)	<u>2,386,853</u>	<u>2,019,092</u>

The benefit for tax losses will only be obtained if:

- (i) the Group derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and
- (ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia and
- (iii) no changes in tax legislation in Australia, adversely affect the Group in realising the benefit from the deductions for the losses.

Tax consolidation

Black Range Minerals Limited and its 100% owned Australian resident subsidiary formed a tax consolidated group with effect from 19 August 2005. Black Range Minerals is the head entity of the tax consolidated group. Members of the Group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities to the subsidiary should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis of the possibility of default is remote.

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

Measurement method adopted under UIG 1052 Tax Consolidation Accounting

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Income Taxes.

In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Consolidated	
2011	2010
\$	\$

6. Trade and Other Receivables - Current

GST receivable	65,549	13,685
Interest receivable	15,730	45,315
Other	7,955	60,645
	89,234	119,645

Other debtors and goods and services tax are non-interest bearing and generally receivable on 30 day terms. The balances are neither past due nor impaired and fully collectible. Due to the short term nature, their carrying value is assumed to approximate their fair value.

7. Held for trading financial assets

Fair value at date of acquisition	215,000	-
Fair value loss on investment	(85,000)	-
Carrying amount at end of year	130,000	-

The carrying amount is determined based on quoted market prices at the close of business on the reporting date.

8. Investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2(c). Details of subsidiary companies are as follows:

Name	Country of Incorporation	% Equity Interest	
		2011	2010
Turon Gold Pty Ltd	Australia	100%	100%
Black Range Copper Inc.	United States of America	100%	100%
Ranger Resources Inc. (Alaska)	United States of America	100%	100%
Black Range Minerals Inc.	United States of America	100%	100%
Black Range Minerals Colorado LLC	United States of America	100%	100%
Black Range Minerals Wyoming LLC	United States of America	100%	100%
Haggerty Resources LLC	United States of America	100%	100%
Ranger Alaska LLC	United States of America	100%	100%

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

Consolidated

2011 2010
\$ \$

9. Other Receivables – Non Current

Tenement deposits	502,904	514,410
	502,904	514,410

Recovery of amounts due from controlled entities is dependent on successful development and commercial exploitation or sale of exploration interests held by the controlled entities.

10. Plant and Equipment

Plant and Equipment

Cost	48,297	57,467
Accumulated depreciation	(43,652)	(39,745)
Net carrying amount	4,645	17,722

Motor Vehicles

Cost	99,479	123,028
Accumulated depreciation	(83,217)	(78,311)
Net carrying amount	16,262	44,717

Total Plant and Equipment

20,907	62,439
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Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year:

Plant and Equipment

Carrying amount at beginning of year	17,722	19,192
Additions	-	16,116
Disposals	-	(2,639)
Depreciation expense	(10,407)	(16,012)
Net exchange differences on translation	(2,670)	1,065
Carrying amount at end of year	4,645	17,722

Motor Vehicles

Carrying amount at beginning of year	44,717	73,794
Additions	-	-
Depreciation expense	(21,379)	(21,143)
Net exchange differences on translation	(7,076)	(7,934)
Carrying amount at end of year	16,262	44,717

Total Plant and Equipment

20,907	62,439
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Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

	Consolidated	
	2011	2010
	\$	\$
11. Deferred Exploration and Evaluation Expenditure		
Carrying amount at beginning of the year	10,840,160	8,824,354
Net exchange differences on translation	(2,074,927)	(675,607)
Exploration expenditure during the year	1,065,361	2,726,174
Reversal of impairment of Koonenberry exploration assets (i)	415,000	-
Sale of Koonenberry asset	(415,000)	-
Impairment loss	-	(34,761)
Reversal of impairment of exploration assets	20,000	-
Carrying amount at end of year	<u>9,850,594</u>	<u>10,840,160</u>

The recoverability of the carrying amount of the deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

Exploration and evaluation expenditure written off during the year relates to the withdrawal from and relinquishment of various projects in the United States of America.

(i) The Koonenberry project was impaired to nil by \$1.8 million in prior years. During the current year, the Group received \$200,000 in cash and 1,000,000 shares in Ausmon Resources Limited worth \$215,000.

12. Trade Payables

Trade payables	240,663	55,664
Other creditors	38,090	40,146
	<u>278,753</u>	<u>95,810</u>

Trade creditors, other creditors and goods and services tax are non-interest bearing and generally payable on 30 day terms. Due to the short term nature of these payable, their carrying value is assumed to approximate their fair value.

13. Provisions – current

Employee benefits	<u>12,380</u>	<u>15,311</u>
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14. Issued Capital

(a) Issued capital

Ordinary shares fully paid	<u>58,579,575</u>	<u>53,813,930</u>
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Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

	2011		2010	
	Number of shares	\$	Number of shares	\$
(b) Movements in ordinary shares on issue				
At 1 July	638,068,985	53,813,930	619,187,727	52,527,554
Exercise of options at \$0.05	100,312,930	5,015,645	1,148	57
Consideration for the purchase of option to acquire 49% of the Hansen Uranium Deposit at \$0.06816	-	-	18,380,110	1,252,819
Consideration for the purchase of 51 mineral claims adjacent to the Hansen Uranium Deposit at \$0.067	-	-	500,000	33,500
Transaction costs on share issue	-	(250,000)	-	-
At 30 June	738,381,915	58,579,575	638,068,985	53,813,930

(c) Ordinary shares

The Group does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Group, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Group.

(d) Capital risk management

The Group's capital comprises share capital, reserves less accumulated losses amounting to \$18,469,048 at 30 June 2011 (2010: \$17,050,972). The Group manages its capital to ensure its ability to continue as a going concern and to optimize returns to its shareholders. The Group was ungeared at year end. Refer to note 25 for further information on the Group's financial risk management policies. There are no externally imposed capital requirements.

(e) Share options

Information relating to the Black Range Minerals Ltd Employee Share Option Plan, including details of options issued under the plan, is set out in note 26.

As at 30 June 2011, there were 4,250,000 unissued ordinary shares under options (2010: 107,562,930 options). The details of the options at reporting date are as follows:

Number	Exercise Price \$	Expiry Date
1,500,000	0.08	30 January 2012
500,000	0.25	30 March 2012
250,000	0.24	18 May 2012
500,000	0.08	29 May 2013
1,500,000	0.035	12 March 2014
4,250,000		

No option holder has any right under the options to participate in any other share issue of the Group or any other entity. During the financial year, 100,312,930 options were exercised at \$0.05 to acquire fully paid ordinary shares. 500,000 options exercisable at \$0.08 expired during the year, 1,000,000 options exercisable at \$0.08 lapsed during the year, 500,000 options exercisable at \$0.25 lapsed during the year and 1,000,000 options exercisable at \$0.24 lapsed during the year.

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

	Consolidated	
	2011	2010
	\$	\$
15. Reserves		
Share based payment reserve	598,359	595,212
Option premium reserve	-	501,563
Foreign currency translation reserve	(2,639,264)	(310,625)
	(2,040,905)	786,150

Movement in reserves:

Share based payment reserve

At 1 July	595,212	568,655
Share based payment expense	3,147	26,557
A 30 June	598,359	595,212

The Share based payment reserve is used to record the value of equity benefits provided to Directors and individuals acting as employees as part of their remuneration. Refer to note 26 for further details of this plan.

	2011		2010	
	Number of options	\$	Number of options	\$
<i>Option Premium reserve</i>				
At 1 July	100,312,930	501,563	100,314,078	501,569
Options exercised	(100,312,930)	(501,563)	(1,148)	(6)
A 30 June	-	-	100,312,930	501,563

The Options Premium reserve is used to record the premium paid on the issue of listed options on 14 March 2006, with an expiry date of 28 February 2011, less any of those options exercised.

Foreign currency translation reserve

At 1 July	(310,625)	462,489
Foreign currency translation	(2,328,639)	(773,114)
At 30 June	(2,639,264)	(310,625)

The Foreign Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in note 2(q). The reserve is recognised in profit and loss when the net investment is disposed of.

16. Accumulated Losses

Movements in accumulated losses were as follows:

At 1 July	37,549,108	36,706,992
Net Loss for the year	520,514	842,116
At 30 June	38,069,622	37,549,108

17. Cash and Cash Equivalents

(a) Reconciliation of cash

Cash balance comprises:

Cash at bank	8,166,542	5,625,439
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Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

	Consolidated	
	2011	2010
	\$	\$
(b) Reconciliation of the net loss after tax to the net cash flows from operations		
Net loss after tax	(520,514)	(842,116)
Adjustments for:		
Foreign exchange (gain) / losses	(12,566)	458
Depreciation	31,786	37,155
Impairment on investment	85,000	-
Share based payment	3,147	26,557
Exploration expenditure impairment loss	-	34,761
Reversal of impairment on exploration assets	(435,000)	-
Other income from sales of tenements	-	(109,739)
Changes in assets and liabilities:		
(Increase) / decrease in receivables	(31,264)	(6,694)
Increase / (decrease) in trade and other creditors	10,115	(13,384)
Decrease in provisions	(2,931)	(6,185)
Net cash flow used in operating activities	<u>(872,227)</u>	<u>(879,187)</u>

Non-cash financing activities are as follows:

- Share-based payments as discussed in note 26; and issue of shares to acquire the option to purchase 49% of the Hansen Uranium Deposit.

18. Expenditure Commitments

Rental and services agreement

The Group entered a service agreement for administrative services and office space in Perth for a term of 12 months. The Group is required to give three months written notice to terminate the agreement.

The Group entered into a rental agreement for office space in Denver, Colorado, the United States of America for a period of 1 year. The lease is subject to annual operating costs adjustments. These amounts have not been included as the amounts remain uncertain at 30 June 2011. The Group is required to give written notice to terminate the agreement.

The expenditure commitments relating to the above two offices are as follows:

Within one year	152,091	107,151
After one year but not longer than 5 years	-	-
	<u>152,091</u>	<u>107,151</u>

Expenditure commitments

Under the terms and conditions of being granted exploration licenses, the Group has a minimum annual commitment for the terms of the licenses. The terms of the licenses are various terms from 3 to 10 years. Certain United States of America agreements have additional royalty payments based on production rates. The royalty amounts have not been included as the timing and amounts remain uncertain as at 30 June 2011. Commitments contracted for at reporting date but not recognised as liabilities are as follows:

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

	Consolidated	
	2011	2010
	\$	\$
Within one year	5,349,751	193,989
After one year but not longer than 5 years	667,684	411,704
Greater than 5 years	50,677	-
	6,068,112	605,693

Remuneration commitments

Under the terms and conditions of the consulting services agreements entered into by the Group with the Managing Director, the Group has a minimum commitment for the term of the consulting service agreement. The term of the agreement is twelve months. Commitments contracted for at reporting date but not recognised as liabilities are as follows:

Within one year	250,000	125,000
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19. Subsequent Events

On 20 July 2011, the Group announced a JORC resource increase of 51% to 90.9 million pounds of U₃O₈ at the Hansen/Taylor Ranch Uranium Project.

On 2 August 2011, the Group announced all conditions precedent pertaining to the definitive agreement to acquire 51% of the Hansen Uranium Deposit had been satisfied. In accordance with its definitive agreements with STB Minerals LLC and NZ Minerals LLC, the Group made payments comprising US\$1 million cash and US\$1.25 million worth of shares (30,585,140 shares) to STB and a further US\$1 million cash and US\$1 million worth of shares (27,996,857 shares) to NZ.

Having made the scheduled payments, a 24.5% interest in the Hansen Deposit was transferred to the Group. The Group has exclusive rights to acquire the other 75.5% interest in the Hansen Uranium Deposit.

20. Loss Per Share

	Consolidated	
	2011	2010
	\$	\$
Loss used in calculating basic and diluted EPS	(520,514)	(842,116)
		Number of Shares
Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share:	668,575,109	636,926,250
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	668,575,109	636,926,250

There is no impact from 4,250,000 options outstanding at 30 June 2011 (2010: 107,562,930 options) on the earnings per share calculation because they are anti-dilutive. These options could potentially dilute basic EPS in the future.

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

Consolidated

2011	2010
\$	\$

21. Auditors Remuneration

The auditor of Black Range Minerals Limited is Ernst & Young (Australia)

Amounts received or due and receivable by Ernst & Young (Australia) for:

- an audit or review of the financial report of the entity and any other entity in the Consolidated Group

37,595	44,805
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There were no non-audit services provided by Ernst & Young.

22. Key Management Personnel Disclosures

(a) Details of Key Management Personnel

Mr. Alan Scott	Chairman
Mr. Michael Haynes	Managing Director
Mr. Duncan Coutts	Non Executive Director
Mr. Nick Day	Company Secretary
Ms. Beverley Nichols	Chief Financial Officer

(b) Remuneration of Key Management Personnel

Details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the financial year are as follows:

Consolidated

2011	2010
\$	\$

Short term employee benefits

423,700	436,550
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Post employment benefits

5,400	7,200
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Share based payments

-	-
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Total compensation

429,100	443,750
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(c) Shareholdings of Key Management Personnel

Share holdings

The number of shares in the Group held during the financial year held by each Director of Black Range Minerals Limited, including their personally related parties, is set out below. There were no shares granted during the current or prior reporting period as compensation.

2011	Balance at the start of the year	Granted during the year	On exercise of share options	Other changes during the year	Balance at the end of the year
Mr. A. Scott	604,165	-	6,125,000	-	6,729,165
Mr. M. Haynes	22,576,075	-	8,017,978	-	30,594,053
Mr. D. Coutts	-	-	-	-	-
Mr. N. Day	-	-	-	-	-
Ms. B. Nichols	-	-	-	-	-

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

2010	Balance at the start of the year	Granted during the year	On exercise of share options	Other changes during the year	Balance at the end of the year
Mr. A. Scott	604,165	-	-	-	604,165
Mr. M. Haynes	22,576,075	-	-	-	22,576,075
Mr. D. Coutts	-	-	-	-	-
Mr. N. Day	-	-	-	-	-
Mr. T. Flavel (resigned 22 June 2010)	2,000,000	-	-	(2,000,000)	-

All equity transactions with key management personnel other than arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

(c) Option holdings of Key Management Personnel

The numbers of options over ordinary shares in the Group held during the financial year by each Director of Black Range Minerals Limited and specified executive of the Group, including their personally related parties, are set out below:

2011	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year
Mr. A. Scott	6,125,000	-	(6,125,000)	-	-
Mr. M. Haynes	8,017,978	-	(8,017,978)	-	-
Mr. D. Coutts	-	-	-	-	-
Mr. N. Day	-	-	-	-	-
Ms. B. Nichols	-	-	-	-	-

2010	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year
Mr. A. Scott	6,125,000	-	-	-	6,125,000
Mr. M. Haynes	8,017,978	-	-	-	8,017,978
Mr. D. Coutts	-	-	-	-	-
Mr. N. Day	-	-	-	-	-
Mr. Tim Flavel (resigned 22 June 2010)	2,997,677	-	-	(2,997,677)	-

There was no grant of options to Key Management Personnel during the years ended 30 June 2011 and 30 June 2010. No options were vested during the years ended 30 June 2011 and 30 June 2010.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. 500,000 employee options exercisable at \$0.08 expired during the year, 1,000,000 employee options exercisable at \$0.08 lapsed during the year, 500,000 employee options exercisable at \$0.25 lapsed during the year and 1,000,000 employee options exercisable at \$0.24 lapsed during the year. 100,312,930 options were exercised during the year ended 30 June 2011 (2010: Nil).

Options granted as part of remuneration have been valued using the Black-Scholes option pricing model, which takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option. Options granted under the plan carry no dividend or voting rights. For details on the valuation of options, including models and assumptions used, please refer to note 26.

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

(d) Other transactions with key management personnel

MQB Ventures Pty Ltd, a Company of which Mr. Michael Haynes is a Director, provided the Company with a fully serviced office including administration support for a fee totalling \$120,000 (2010: \$114,000) during the year. MQB Ventures Pty Ltd employs geological and accounting staff which are on charged at cost to the Company for an amount totalling \$44,373 (2010: \$6,363). Reimbursements, at cost, for couriers and other minor expenses, totalled \$25,296 (2010: \$18,807). \$15,724 was outstanding at year end (2010: \$15,655)

Bullseye Geoservices Pty Ltd, a Company of which Mr. Michael Haynes is a Director and is engaged by Black Range Minerals to provide a director, was paid consulting fees of \$250,000 (2010: \$250,000) during the year. This amount is included in Note 22(b) "Remuneration of Key Management Personnel". \$20,833 was outstanding at year end (2010: \$20,833).

Mr. Alan Scott was paid Directors fees of \$50,000 during the year (2010: \$50,000). This amount is included in Note 22(b) "Remuneration of Key Management Personnel". \$Nil was outstanding at year end (2010: \$Nil).

Mr. Duncan Coutts was paid Directors fees of \$10,000 during the year (2010: \$30,000). This amount is included in Note 22(b) "Remuneration of Key Management Personnel". \$Nil was outstanding at year end (2010: \$Nil).

DC Mining Ltd, a Company of which Mr. Duncan Coutts is a Director, was paid consulting fees of \$32,700 (2010: \$10,900) during the year. This amount is included in Note 22(b) "Remuneration of Key Management Personnel". \$Nil was outstanding at year end (2010: \$3,633).

Argento Trust, a Company of which Mr. Nick Day is a Director, was paid consulting fees of \$43,000 (2010: \$1,650) during the year. This amount is included in Note 22(b) "Remuneration of Key Management Personnel". \$5,000 was outstanding at year end (2010: \$1,650).

23. Related Party Disclosures

The ultimate parent entity is Black Range Minerals Limited. Refer to Note 8 Investment in Subsidiaries for a list of all subsidiaries.

For Director related party transactions please refer to Note 22 "Key Management Personnel Disclosures". There were no other related party transactions during the year. (2010: Nil)

24. Operating Segment

For management purposes, the Group is organised into one main operating segment, which involves mining exploration for uranium and coal. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. The Group operates in Australia and the United States of America. As at 30 June 2011 and 30 June 2010, all of the Group's non-current assets reside in the United States of America.

25. Financial Risk Management

Exposure to interest rate, liquidity, commodity price risk and credit risk arises in the normal course of the Group's business. The Group does not hold or issue derivative financial instruments.

The Group uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

(a) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The responsibility for liquidity risk management rests with the Board of Directors.

Alternatives for sourcing our future capital needs include our cash position and the issue of equity instruments. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. We expect that, absent a material adverse change in a combination of our sources of liquidity, present levels of liquidity will be adequate to meet our expected capital needs.

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise trade and other payables. As at 30 June 2011 and 30 June 2010, all financial liabilities contractually mature within 30 days.

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Group's exposure to interest rate risk relates primarily to its earnings on cash and term deposits. The Group manages the risk by investing in short term deposits.

	Consolidated	
	2011	2010
	\$	\$
Cash and cash equivalents	8,166,542	5,625,439

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's Statement of Comprehensive Income to a reasonably possible change in interest rates, with all other variables constant.

Consolidated

Change in Basis Points	Effect on Post Tax Loss		Effect on Other	
	Increase/(Decrease)		Comprehensive Income including accumulated losses Increase/(Decrease)	
Judgements of reasonably possible movements:	2011	2010	2011	2010
	\$	\$	\$	\$
Increase 100 basis points	81,665	56,254	-	-
Decrease 100 basis points	(81,665)	(56,254)	-	-

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends. The analysis was performed on the same basis in 2010.

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

(c) Commodity Price Risk

The Group is exposed to commodity price risk from its activities directed at exploration for commodities. A fall in the price of mineral commodities may result in a decline of market sentiment thus affecting our ability to raise additional capital in the future.

(d) Credit Risk Exposures

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the Statement of Financial Position. The Group holds financial instruments with credit worthy third parties.

At 30 June 2011, the Group held cash, term deposits and tenement deposits. Cash and term deposits were held with an institution with a rating from Standard & Poors of AA or above (long term) while the tenement deposits are with the Government. The Group has no past due or impaired debtors as at 30 June 2011 (2010: Nil).

(e) Foreign Currency Risk Exposures

As a result of operations in the US and expenditure in US dollars, the Group's statement of financial position can be affected by movements in the US\$/AUD\$ exchange rates. The Group seeks to mitigate the effect of its foreign currency exposure by holding a majority of its cash in US dollars to match expenditure commitments.

26. Share Based Payment Plans

(a) Recognised share based payment expenses

Total expenses arising from share based payment transactions recognised during the year as part of share based payment expense were as follows:

	Consolidated	
	2011	2010
	\$	\$
<i>Operating expenditure</i>		
Options issued under employee option plan	3,147	26,557

(b) Employee share based payment plan

The Group has established an employee share option plan (ESOP). The objective of the ESOP is to assist in the recruitment, reward, retention and motivation of employees of Black Range Minerals and its subsidiaries. Under the ESOP, the Directors may invite individuals acting in a manner similar to employees to participate in the ESOP and receive options. An individual may receive the options or nominate a relative or associate to receive the options. The plan is open to executive officers, nominated consultants and employees of Black Range Minerals and its subsidiaries.

The fair value at grant date of options granted during the reporting period was determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option.

The table below summaries options granted under ESOP:

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Lapsed during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
16/06/2006	16/06/2011	\$0.08	500,000 ¹	-	-	500,000	-	-
30/01/2007	30/01/2012	\$0.08	1,500,000 ²	-	-	-	1,500,000	1,500,000
30/03/2007	31/03/2012	\$0.25	1,000,000 ³	-	500,000	-	500,000	500,000
18/05/2007	18/05/2012	\$0.24	1,250,000 ⁴	-	1,000,000	-	250,000	250,000
30/06/2008	29/05/2013	\$0.08	500,000 ⁵	-	500,000	-	-	-
30/06/2008	29/05/2013	\$0.08	1,000,000 ⁶	-	500,000	-	500,000	500,000
13/03/2009	12/03/2014	\$0.035	1,500,000 ⁷	-	-	-	1,500,000	1,500,000
			7,250,000	-	2,500,000	500,000	4,250,000	4,250,000
Weighted average exercise price			\$0.12	-	-	-	\$0.10	\$0.10
Weighted remaining contractual life (years)			2.33				1.53	2.43

¹ 50% to vest on 31 December 2006 and remainder to vest 31 December 2007.

² 50% options vest 12 months from the date of issue and remaining 50% options vest 24 months from the date of issue.

³ 50% to vest on 30 January 2008 and remainder to vest 30 January 2009.

⁴ 50% to vest on 30 January 2007 and remainder to vest 30 January 2008.

⁵ 50% to vest 12 months from 25 September 2007 and 50% to vest 24 months from 25 September 2007.

⁶ 50% to vest immediately and 50% to vest 12 months from date of issue.

⁷ 50% to vest on 1 January 2010 and remainder to vest 1 January 2011.

(c) Share-based payment to suppliers:

No ordinary shares were issued during the financial year. 18,380,110 ordinary shares were issued in the previous year as part of the consideration to acquire various exploration assets (refer to note 14 and note 28). The fair value of the shares at the date of receiving the assets was used to record the transactions as the fair value of the underlying assets could not be measured reliably.

27. Dividends

No dividend was paid or declared by the Group in the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 30 June 2011 (2010: Nil).

The balance of the franking account is Nil as at 30 June 2011 (2010: Nil).

28. Agreements over the Hansen Uranium Deposit

During the financial year, the Group executed a definitive agreement with STB Minerals LLC ("STB") that provides the Group an exclusive option to acquire STB's 51% interest in the Hansen Uranium Deposit in the United States. The key components of the definitive agreement with STB are as follows:

- The Group has an exclusive, six-year option to acquire STB's 51% mineral interest in the Hansen Uranium Deposit and immediate surrounds;
- Once conditions precedent are satisfied the Group shall pay STB US\$1 million and issue STB US\$2.5 million worth of shares in the Group. These shares will be issued in two tranches, 180 days apart;
- The Group shall undertake feasibility studies into the development of a commercial scale mining operation, evaluating all potential mining methods;

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

- To exercise its option to acquire STB's mineral interest, the Group shall pay STB a further US\$2 million and issue STB US\$7.5 million worth of shares in the Group. These shares would be issued in two tranches, 180 days apart;
- If the Group has not exercised its option to acquire STB's mineral interest within three years of satisfaction of the conditions precedent, it shall have the right to extend its exclusive option for a further three years by paying STB US\$1 million and issuing STB a further US\$1 million worth of shares in the Group. These shares would be issued in two tranches, 180 days apart;
- If the Group exercises its option to acquire STB's mineral interest, the Group shall also concurrently purchase the surface rights covering certain parcels of land that will be directly affected by a mining operation, under terms and conditions already agreed between STB and the surface owners; and
- If the Group exercises its option to acquire STB's mineral interest, STB will be entitled to a 1.5% royalty on production from its 51% interest in the Hansen Uranium Deposit.

During the previous financial year, the Group entered into an Option Agreement with NZ Minerals, LLC ("NZ") under which NZ granted the Group the sole and exclusive option to acquire its 49% of the mineral interest in the Hansen Uranium Deposit in United States. The consideration for the grant of the option is as follow:

- The Group issued NZ with \$US 1,000,000 worth of ordinary shares in Black Range Minerals Limited on 22 July 2009. The number of shares issued was determined using a 90 day volume weighted average price of \$0.06816;
- If the Group is successful in either (i) purchasing the outstanding 51% interest in the Hansen Deposit or (ii) in securing a joint venture or similar arrangement with the successful purchaser, the Group will issue a further \$US 1,000,000 worth of ordinary shares in Black Range Minerals Limited and pay NZ US\$ 1,000,000 in cash;
- On or before the Group reaches commercial scale production at the Hansen Deposit, the Group will issue a further \$US 2,000,000 worth of ordinary shares in Black Range Minerals Limited and pay NZ US\$ 2,000,000 in cash; and
- NZ shall retain a 1.47% royalty interest in production from the Hansen Deposit.

29. Information relating to Black Range Minerals Limited ("the parent entity")

	2011	2010
	\$	\$
Current assets	6,744,968	5,654,445
Total assets	18,576,753	17,142,619
Current liabilities	107,706	91,648
Total liabilities	107,706	91,648
Issued capital	58,579,575	53,813,930
Retained losses	(40,708,887)	(37,859,734)
Option premium reserve	-	501,563
Share based payment reserve	598,359	595,212
	<u>18,469,047</u>	<u>17,050,971</u>
(Loss) of the parent entity	(2,849,153)	(1,615,230)
Total comprehensive (loss) of the parent entity	(2,849,153)	(1,615,230)

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2011

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Black Range Minerals Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a); and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2011.

On behalf of the Board



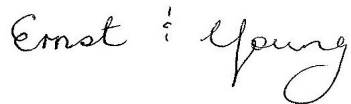
Michael Haynes

Managing Director

30 September 2011

Auditor's Independence Declaration to the Directors of Black Range Minerals Limited

In relation to our audit of the financial report of Black Range Minerals Limited for the financial year ended 30 June 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that appears to be 'F Drummond'.

F Drummond
Partner
Perth
30 September 2011

Independent auditor's report to the members of Black Range Minerals Limited

Report on the financial report

We have audited the accompanying financial report of Black Range Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

Opinion

In our opinion:

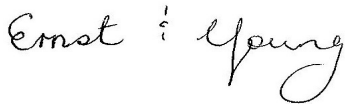
- a. the financial report of Black Range Minerals Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 6 to 9 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Black Range Minerals Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script, appearing to be 'F Drummond'.

F Drummond
Partner
Perth
30 September 2011

Black Range Minerals Limited

ASX Additional Information

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report. The additional information was applicable as at 26 September 2011.

DISTRIBUTION OF SECURITY HOLDERS

Analysis of numbers of listed equity security holders by size of holding:

Category		Number of Shareholders	
1	-	1,000	1,553
1,001	-	5,000	1,213
5,001	-	10,000	708
10,001	-	100,000	2,372
100,001	and over		1028
			<hr/> 6,874 <hr/>

There are 4,240 shareholders holding less than a marketable parcel of ordinary shares.

SUBSTANTIAL SHAREHOLDERS

There are no substantial shareholders as defined under the Corporations Act 2001.

VOTING RIGHTS

The voting rights attached to each class of equity security are as follows:

ORDINARY SHARES

Each ordinary share is entitled to one vote when a poll is called otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Black Range Minerals Limited

TOP 20 SHAREHOLDERS

Name of Holder	Number of Shares Held	Percentage of Capital
NZ MINERALS LLC	32,591,884	4.09
BULLSEYE GEOSERVICES PTY LTD <HAYNES FAMILY A/C>	30,594,053	3.84
STB MINERALS LLC	29,585,140	3.71
CENTURY THREE X SEVEN RESOURCE FUND INC	20,392,391	2.56
MR ZAC ROSSI + MRS THELMA ROSSI	17,322,849	2.17
FORSYTH BARR CUSTODIANS LTD <FORSYTH BARR LTD-NOMINEE A/C>	12,925,000	1.62
WALKABOUT SUPERANNUATION FUND PTY LIMITED <WALKABOUT SUPER FUND A/C>	12,115,000	1.52
MR IAN SAWTELL + MRS RHONDA SAWTELL	10,219,913	1.28
21ST CENTURY RESOURCES LIMITED	9,636,018	1.21
JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	9,567,972	1.20
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	9,443,347	1.18
BERNE NO 132 NOMINEES PTY LTD <152417 A/C>	7,000,000	0.88
ROSSI ORCHARDS PTY LTD <ROSSI ORCHARDS S/FUND A/C>	6,487,500	0.81
DR LEON EUGENE PRETORIUS	6,476,954	0.81
MR PAUL ANTHONY NEICH	6,360,181	0.80
CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	6,106,000	0.77
MR BILL JAULESKI + MRS YAGODA JAULESKA	4,729,694	0.59
BERNE NO 132 NOMINEES PTY LTD <508558 A/C>	4,222,454	0.53
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,159,134	0.52
MR EUGENE SIEN DENG SIA	4,100,000	0.51
	244,035,484	30.62

UNQUOTED EQUITY SECURITIES

Class	Number of securities	Number of holders	Holders with more than 20%						
Unlisted options exercisable at \$0.08 on or before 30/01/12	1,500,000	2	Issued under employee incentive scheme						
Unlisted options exercisable at \$0.24 on or before 18/05/12	250,000	1	Issued under employee incentive scheme						
Unlisted options exercisable at \$0.035 on or before 12/03/14	1,500,000	2	Issued under employee incentive scheme						
			<table border="1"> <thead> <tr> <th>Name</th> <th>Number of shares</th> </tr> </thead> <tbody> <tr> <td>Beverley Nichols</td> <td>750,000</td> </tr> <tr> <td>Nicholas Day</td> <td>1,000,000</td> </tr> </tbody> </table>	Name	Number of shares	Beverley Nichols	750,000	Nicholas Day	1,000,000
Name	Number of shares								
Beverley Nichols	750,000								
Nicholas Day	1,000,000								
Unlisted options exercisable at \$0.05 on or before 15/07/14	1,850,000	3							