

# **Black Range Minerals Limited**

ABN 86 009 079 047

Financial Statements  
for the year ended 30 June 2007

# Black Range Minerals Limited

## CORPORATE DIRECTORY

### Directors

Mr Alan Scott (Chairman)

Mr Michael Haynes (Managing Director)

Mr Matthew Wood

### Company Secretary

Mr Tim Flavel

### Registered Office and Principal place of business

Level 2

675 Murray Street

West Perth WA 6005

Australia

Telephone: (61 8) 9481 4920

Facsimile: (61 8) 9226 2027

### Share Register

Computershare Investor Services Pty Ltd

Level 2, Reserve Bank Building

45 St Georges Terrace

Perth WA 6000 Australia

Telephone: 1300 557 010

International: (61 8) 9323 2000

Facsimile: (61 8) 9323 2033

### Stock Exchange Listing

Black Range Limited shares and options

are listed on the Australian Securities

Exchange, the home branch being Perth

ASX Code: BLR and BLRO

### Auditors

Ernst and Young

11 Mounts Bay Road

Perth WA 6000

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## **Black Range Minerals Limited – Directors’ Report**

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The following report is submitted in respect of the results of the Company for the financial year ended 30 June 2007, together with the state of affairs of the Company as at that date.

### **DIRECTORS**

The names, qualifications and experience of the Company’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***

Mr. Scott was appointed as non-executive Chairman to the Board of Directors on 22 August 2006. Mr Scott is currently Managing Director and Chief Executive Officer of HiTec Energy Limited and 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 HiTech Energy Limited (appointed 20 May 2002)

#### ***Mr. Michael Haynes***

Mr. Haynes has more than 15 years experience in the international mineral exploration industry. Mr. Haynes graduated from the University of Western Australia with an honours degree in geology and geophysics and has explored for a wide variety of ore deposit styles throughout Australia and extensively in Southeast and Central Asia, Africa, South America and Europe.

Mr. Haynes has held technical positions with both BHP Minerals 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.

Mr. Haynes is a Director of Genesis Minerals Limited (appointed 4 July 2007) Overland Resources Limited (appointed 9 May 2006). Mr Haynes was a Director of Iberian Resources Limited (appointed 21 October 2003, resigned 31 July 2007) and Elk Petroleum Limited (appointed 19 January 2006, resigned 8 April 2006).

#### ***Mr. Matthew Wood***

Mr. Wood has more than 15 years experience in the resource sector with both major and junior resource companies and has extensive experience in the technical and economic evaluation of resource projects throughout the world. Mr. Wood’s expertise is in project identification, negotiation, acquisition and corporate development.

Mr. Wood is a Director of Overland Resources Limited (appointed 9 May 2006) and Signature Brands Limited (appointed 19 February 2007). Mr Wood was a Director of Iberian Resources Limited (appointed 21 October 2003, resigned 15 August 2007) and Elk Petroleum Limited (appointed 19 January 2006, resigned 8 March 2007).

#### ***Mr. Tim Flavel***

*Company Secretary*

Mr Flavel is a Chartered Accountant and Company Secretary, with over 18 years experience in the mining industry and accounting profession both in Australia and overseas. Mr Flavel currently assists a number of resources companies operating throughout Australia, Africa and Europe with financial accounting, stock exchange compliance and regulatory activities.

## **Black Range Minerals Limited – Directors’ Report**

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### **INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY**

At the date of this report the interests of the Directors in the shares and other equity securities of the Company were:

Director	Ordinary Shares	Options over Ordinary Shares
Mr. Michael Haynes	22,576,075	8,017,978
Mr. Alan Scott	604,165	6,125,000
Mr. Matthew Wood	22,576,075	8,017,978

### **DIVIDENDS**

No dividend was paid or declared by the Company in the period since the end of the previous 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 2007.

### **CORPORATE STRUCTURE**

Black Range Minerals Limited is a company 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 company holds copper and uranium projects in the United States of America and a base metal project in New South Wales.

### **RESULTS OF OPERATIONS**

The consolidated net loss of the Company for the financial year after income tax was \$1,246,677 (2006: \$621,047).

### **REVIEW OF OPERATIONS**

During the past 12 months Black Range Minerals Limited has made considerable progress towards establishing itself as a mid-tier resources company. The Company changed its primary focus to the uranium sector and deliberately changed its geographical focus to particular states within the USA that are amenable to uranium exploration and mining.

The Company secured three highly prospective, advanced uranium projects in the states of Wyoming and Colorado, USA – the Taylor Ranch, Eagle and Cyclone Rim Uranium Projects. It also secured an option over the historic high-grade Ferris Haggerty Copper Deposit in Wyoming, USA, which compliments the Company's Koonenberry Base Metal Project in NSW.

Aggressive exploration programmes were immediately implemented at these new projects with a view to rapidly advancing them towards production. As a result the Company's JORC-compliant resource base now stands at more than 48 million pounds of U<sub>3</sub>O<sub>8</sub> and 60,000 tonnes of contained copper, with considerable potential to expand on this considerably with further exploration, which is now in progress.

#### ***Taylor Ranch Uranium Project, Colorado, USA***

In December 2006 Black Range Minerals acquired a 100% interest in 4,300 acres at the advanced, high-grade Taylor Ranch Uranium Project in Colorado, USA. The Company has subsequently secured additional proximal landholdings, including the advanced North Hansen, Picnic Tree and High Park Uranium Projects, bringing its total landholdings in the area to approximately 9,500 acres.

## Black Range Minerals Limited – Directors' Report

Considerable exploration was undertaken on these projects during the 1970's and 1980's, including more than 550 drill holes for more than 100,000 metres of drilling. Extensive uranium mineralisation had been delineated over more than five kilometres of strike.

The Company commenced a drilling programme at the project in April 2007, and currently has four drilling rigs operating on the project.

Integration of new drilling data with historic data facilitated the calculation of an inaugural JORC-compliant resource for the Taylor Ranch and Picnic Tree Uranium Projects. In August 2007 the Company announced that these two projects host approximately 46.1 million pounds of U<sub>3</sub>O<sub>8</sub>. Applying a 0.01% cut-off grade the inferred resources comprise:

Project	Tonnes <sup>1</sup>	Grade U <sub>3</sub> O <sub>8</sub> <sup>1</sup>	Pounds of U <sub>3</sub> O <sub>8</sub> <sup>1</sup>
Taylor Ranch	69,800,000	0.027%	42,100,000
Picnic Tree	5,000,000	0.036%	4,000,000

<sup>1</sup>A cut-off grade of 0.01% U<sub>3</sub>O<sub>8</sub> has been applied.

Applying a 0.025% cut-off grade the inferred resources comprise:

Project	Tonnes <sup>2</sup>	Grade U <sub>3</sub> O <sub>8</sub> <sup>2</sup>	Pounds of U <sub>3</sub> O <sub>8</sub> <sup>2</sup>
Taylor Ranch	21,700,000	0.054%	26,000,000
Picnic Tree	2,700,000	0.053%	3,200,000

<sup>2</sup>A cut-off grade of 0.025% U<sub>3</sub>O<sub>8</sub> has been applied.

Considerable exploration potential remains at these and the other projects, and the Company aims to delineate JORC-compliant resources for the Taylor Ranch Uranium Project in excess of 60 million pounds by the end of 2007.

The Taylor Ranch Uranium Project is located within 35 kilometres of the licensed Canon City Uranium mill – one of only four licensed uranium mills in the USA. This provides the Company with a potential near-term production opportunity. A scoping study is being commissioned to determine the viability of commencing a mining operation at the project.

### **Eagle Uranium Project, Wyoming USA**

In June 2006 Black Range Minerals announced the right to earn an initial 50% interest in the Eagle Uranium Project from joint-venture partner Uranerz Energy Limited. The Eagle Project comprises approximately 2,260 acres and is located in the Red Desert Basin in southern Wyoming, an extensively mineralised province.

The Company conducted a 32-hole drilling programme at the project in October and November 2006, for more than 3,800 metres. Approximately 110 holes have now been drilled at the Eagle Uranium Project.

Drilling confirmed that the Eagle Uranium Project hosts extensive shallow uranium mineralisation. This facilitated the calculation of an inaugural JORC-compliant resource for the project of approximately 4.7 million pounds of U<sub>3</sub>O<sub>8</sub>. Applying a 0.02% cut-off the resource comprises:

Project	Tonnes	Grade U <sub>3</sub> O <sub>8</sub>	Pounds of U <sub>3</sub> O <sub>8</sub>
Eagle	9,250,000	0.023%	4,700,000

## **Black Range Minerals Limited – Directors' Report**

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Mineralisation is shallow and amenable to in-situ leaching and/or open-pit mining. With the licensed Sweetwater Uranium Mill located just 15 kilometres away this project provides the Company with another near-term production opportunity.

### ***Cyclone Rim Uranium Project, Wyoming USA***

In June 2006 the Company also announced the right to earn an initial 50% interest in the Cyclone Rim Uranium Project from joint-venture partner Uranerz Energy Limited. The Cyclone Rim Uranium Project comprises mineral leases covering approximately 1,720 acres, also in the Red Desert Basin in southern Wyoming.

115 holes have been drilled at the project previously. Based on results from these drill holes the Company's initial exploration target estimate is that approximately 3 million pounds of U<sub>3</sub>O<sub>8</sub> have been delineated at the Cyclone Rim Project. Considerable potential remains to extend this resource along strike and at depth.

Like the mineralisation at the Company's neighbouring Eagle Uranium Project, mineralisation at the Cyclone Rim Project is shallow and amenable to both in-situ leaching and open-pit mining. The project is located within 30 kilometres of the licensed Sweetwater Uranium Mill and provides the Company with another near-term production opportunity.

The Company commenced a 5,000 metre drilling programme at the Cyclone Rim Uranium Project in August 2007. This will facilitate the conversion of the resource base to JORC-compliant by the end of 2007.

### ***Ferris Haggerty Copper Deposit, Wyoming, USA***

During September 2006 the Company secured an exclusive option to earn up to a 90% interest in the historic high-grade Ferris-Haggerty Copper Deposit, located in southern Wyoming, USA. This acquisition provides the Company with an exceptional near-term production opportunity, together with an outstanding exploration play.

The Ferris-Haggerty Copper Deposit was discovered in 1897 and was brought into production the following year. Two shafts and several adits were used to explore and develop the deposit to a depth of approximately 200 metres. The main orebody averages eight to ten metres in width, but is up to 20 metres wide in places. The orebody grades 6% to 8% copper and 3g/t to 4g/t gold. Mineralisation remains open at depth and numerous additional lodes remain untested.

Historic mining focused almost exclusively on the upper portion of the orebody. Weathering resulted in depletion of copper in the shallowest portions of the orebody, substantially enriching the upper zones. Grades in this upper zone averaged over 20% copper.

Mined ore was transported by what was at the time, the world's longest aerial tramway, to a purpose-built mill and smelter complex located in the foothills of the Sierra Madre Mountain Range, some 25km away. At that time the Ferris-Haggerty Copper Deposit was the 27<sup>th</sup> largest copper mine in the world.

Mining operations ceased in 1908, when fire destroyed the mines' processing facilities and a drastic decline in copper prices precluded the viability of rebuilding the facilities. Records indicate that approximately 50,000 tonnes of ore were extracted at an average grade of 20% copper prior to the mines' closure. No mining or exploration has been undertaken at the project subsequently.

Historic records indicate that there are at least 1 million tonnes of unmined ore in the upper developed portions of the orebody, grading approximately 5-6% copper and 3-4g/t gold. There is also considerable exploration upside at depth and along strike.

## **Black Range Minerals Limited – Directors’ Report**

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The Company commenced a surface drilling programme at the Ferris-Haggerty Deposit in April 2007 to confirm historic records and to commence evaluation of the exploration upside at the project.

### ***Koonenberry Base Metal Project, NSW***

Although successful exploration by the Company has resulted in a 1000% increase in the resource base at its 100%-owned Koonenberry Base Metal Project in NSW, to date only 4 kilometres of the stratigraphic horizon that hosts the mineralisation has been evaluated with drilling. The Company’s exploration licences contain more than 50 kilometres of this prospective stratigraphic horizon, which remains untested. While considerable potential remains to extend the mineralisation at the known Grasmere and Peveril Deposits with further exploration, the Company has fast-tracked exploration of this 50 kilometre long, highly prospective strike extension by completing an airborne EM survey over the entire project during June 2007.

An interpretation of the EM data will be completed in the near term, which should allow the Company to fast track exploration of this project, where the JORC-compliant resource currently stands at:

Project	Tonnes	Grade Cu	Grade Zn	Grade Ag	Grade Au
Koonenberry	5,750,000	1.03%	0.35%	2.30g/t	0.05g/t

containing approximately 60,000 tonnes of copper.

### ***Outlook***

The Company’s JORC-compliant resource base now stands at more than 48 million pounds of U<sub>3</sub>O<sub>8</sub> and 60,000 tonnes of contained copper. There is considerable potential to expand on this once current exploration programmes are completed.

The Company is targeting increasing its JORC-compliant resources to more than 60 million pounds of U<sub>3</sub>O<sub>8</sub> and 100,000 tonnes of contained copper by early 2008.

Having built a quality portfolio of advanced, high-grade projects in both the uranium and base metal sectors the Company is now particularly well positioned for rapid growth as it aggressively moves its projects towards production.

## **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

Total equity increased to \$22,046,912 from \$2,938,281, an increase of \$19,108,631. The movement was a result of increased losses and increased capital. Additional capital of \$21,268,150 was raised through share and option issues to the public and the exercise of options by the public.

On 18 September 2006, the Company announced it secured an exclusive option to earn up to a 90% interest in the high grade Ferris-Haggerty Copper Deposit, located in southern Wyoming, USA.

On 12 October 2006, the Company announced the completion of a placement of 65,000,000 shares, raising \$3.12M and the completion of a share placement plan raising a further \$998,995 at \$0.048 cents per share.

On 27 November 2006, the Company announced the finalisation of the acquisition of the advanced high grade Taylor Ranch Uranium Project in Colorado, USA. On the 9 March 2007, the Company it had secured 100% rights to a further 1,100 acres at this project.

## **Black Range Minerals Limited – Directors’ Report**

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On 16 May 2007, the Company announced it had successfully completed the placement of 70,000,000 shares at \$0.24, raising \$16.8M.

### **SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

There are no material subsequent events from balance date to the date of this report.

### **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 Company and the expected results of those operations in future financial years, as the Directors believe that it would be speculative and prejudicial to the interests of the Company.

### **ENVIRONMENTAL REGULATION AND PERFORMANCE**

The Company carries out operations that are subject to environmental regulations under both Commonwealth and State legislation in relation to its exploration activities in Australia and both Federal and State legislation in the USA. The Company has formal procedures in place to ensure regulations are adhered to. During the financial year there has been no significant breach of these regulations.

### **SHARE OPTIONS**

As at the date of this report, there were 107,290,370 unissued ordinary shares under options (107,796,991 at the reporting date). The details of the options at reporting date are as follows:

Number	Exercise Price \$	Expiry Date
125,000	0.20	29 October 2007
101,521,991	0.045	28 February 2011
500,000	0.08	16 June 2011
1,500,000	0.08	31 January 2012
1,900,000	0.25	9 February 2010
1,000,000	0.25	30 March 2012
1,250,000	0.24	18 May 2012
107,796,991		

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

During the financial year, 7,981,218 options were exercised at \$0.045 to acquire fully paid ordinary shares. Since the end of the financial year, a further 506,621 options have been exercised at \$0.045.

### **REMUNERATION REPORT**

This report outlines the remuneration arrangements in place for directors and executives of Black Range Minerals Limited.

#### **Remuneration Policy**

The Board is responsible for determining and reviewing compensation arrangements for the Directors. 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

## Black Range Minerals Limited – Directors’ Report

high quality board and executive team. The Company links the nature and amount of the emoluments of such officers to the Company’s financial or operational performance. The expected outcome of this remuneration structure is:

- Retention and motivation of Directors
- Performance rewards to allow Directors to share the rewards of the success of the Company

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 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 rewards for Directors’ have no set or pre-determined performance conditions or key performance indicators as part of their remuneration. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted.

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

2007 Director	Short term				Post employment	Total \$
	Base Salary \$	Share Based Payments \$	Directors Fees \$	Consulting Fees \$	Superannuation \$	
Mr. Alan Scott	-	-	43,333	-	3,900	47,233
Mr. Michael Haynes	-	-	-	179,167	-	179,167
Mr. Matthew Wood	-	-	-	80,000	-	80,000
Executive Mr. Tim Flavel	-	111,289	-	64,200	-	175,489
	-	111,289	43,333	323,367	3,900	481,889

There were no other executive officers of the Company during the financial year.

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

	Grant Date	Grant Number	Vest	Value per option at grant date	Exercised Number	Value per option at exercise date	Value at date option lapsed	% of Remuneration
<i>Executive</i> T. Flavel	18/5/2007	1,000,000	50% 22/8/2006 50% 22/8/2007	\$0.123 \$0.132	Not applicable	Not applicable	Not applicable	63%

The minimum total value of grant yet to vest that will be expensed in the future is Nil, with the maximum total value yet to vest that will be expensed in the future is \$16,211. There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the period.

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

## **Black Range Minerals Limited – Directors’ Report**

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to maturity of the option. Options granted under the plan carry no dividend or voting rights. Options granted to Mr T. Flavel vest 50% after twelve months and 50% after two years from the commencement of employment.

### **Executive Directors and Executive**

Directors’ and Executive remuneration is outlined in consulting services agreements between the company 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, which commenced on 1 December 2006 for a period of twelve months unless extended by both parties. 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 company may terminate the agreement by the board 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 Director, Mr. Matthew Wood, is employed under a consulting services agreement, which commenced on 1 December 2006 for a period of twelve months unless extended by both parties. The agreement may be terminated by Mr. Wood at any time by giving three months notice in writing, or such shorter period of notice as may be agreed. The company may terminate the agreement by the board 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. Wood 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. Wood in addition to the fees paid under the consulting agreement.

The Company Secretary, Mr. Tim Flavel is employed and remunerated on an hourly basis. Mr. Flavel’s services may be terminated by either party at any time.

### **Non-Executive Director**

The Director, Mr. Alan Scott is paid an annual director’s fee on a monthly basis.

## **MEETINGS OF THE COMPANY’S DIRECTORS**

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:

<b>Director</b>	<b>Number of Meetings Eligible to Attend</b>	<b>Number of Meetings Attended</b>
Mr. Alan Scott	4	4
Mr. Matthew Wood	4	4
Mr. Michael Haynes	4	4

## **EMPLOYEES**

The Company had 4 employees at 30 June 2007. (2006: Nil)

## **INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS**

The Company has made an agreement indemnifying all the Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Company. The indemnification

## **Black Range Minerals Limited – Directors’ Report**

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specifically excludes willful acts of negligence. The Company paid insurance premiums in respect of Directors’ and Officers’ Liability Insurance contracts for current officers of the Company, including officers of the Company’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 consolidated entity and related joint venture companies. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

### **CORPORATE GOVERNANCE**

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Stock Exchange Corporate Governance Council, and considers that the Company is in compliance with those guidelines, which are of importance to the commercial operation of a junior listed resources company. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company. The Company’s Corporate Governance Statement and disclosures are contained elsewhere in the annual report.

### **AUDITOR’S INDEPENDENCE AND NON-AUDIT SERVICES**

The Company has obtained an independence declaration from its auditors, Ernst and Young, which forms part of this report. A copy of that declaration is included at page 46 of this report.

There were no non-audit services provided by the company’s auditor.

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



Michael Haynes

Director

3 September 2007

## **Black Range Minerals Limited – Corporate Governance Statement**

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The Board of Directors of Black Range Minerals Limited (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.

Upon listing the Company established a set of corporate governance policies and procedures. These were 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](http://www.blackrangeminerals.com)

### **Structure of the Board**

The skills, experience and expertise relevant to the position of director held by 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, Mr. Alan Scott is considered the only Independent Director. Accordingly, a majority of the Board is not considered independent.

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.

The term in office held by each Director in office at the date of this report is as follows:

## **Black Range Minerals Limited – Corporate Governance Statement**

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<b>Name</b>	<b>Term in office</b>
Alan Scott	2 years
Matthew Wood	2 years 2 months
Michael Haynes	2 years 2 months

### **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. To assist in achieving the objective the Board links the nature and amount of executive and directors' emoluments to the Company's financial and operational performance. The expected outcome of this remuneration structure is:

- Retention and motivation of Directors
- Performance rewards to allow Directors to share the rewards of the success of the Company

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 themselves and the Managing Director. 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.

## **Black Range Minerals Limited – Corporate Governance Statement**

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

### **Corporate Governance Compliance**

During the financial year Black Range has complied with each of the 10 Corporate Governance Principles and the corresponding Best Practice Recommendations, other than in relation to the matters specified below:

<b>Best Practice Recommendation</b>	<b>Notification of Departure</b>	<b>Explanation of Departure</b>
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.
2.4	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.
4.2/4.3	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	A Board performance review was not conducted during the year	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.
9.2	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.

## Black Range Minerals Limited

### Income Statement for the year ended 30 June 2007

	Notes	Consolidated		Parent	
		2007	2006	2007	2006
		\$	\$	\$	\$
<b>Revenues from continuing operations</b>					
Interest revenue		245,106	77,869	244,054	77,869
Other income	3	-	170	-	-
<b>Revenue and other income</b>		<b>245,106</b>	<b>78,039</b>	<b>244,054</b>	<b>77,869</b>
Foreign exchange losses		95,265	-	206,523	-
Finance costs		796	-	-	-
Marketing expenses		24,500	-	24,500	-
Public company costs		122,939	144,018	122,939	144,018
Consulting expenditure		293,467	221,624	282,170	221,624
Audit fees		30,300	23,000	30,300	23,000
Legal fees		44,927	7,558	44,927	7,558
Staff costs		394,015	638	332,118	638
Office rental and outgoings		141,731	103,293	116,610	103,293
Administration expenditure	3	250,069	135,974	367,769	135,912
Travel expenses		93,774	62,981	67,795	62,981
<b>Expenses</b>		<b>1,491,783</b>	<b>699,086</b>	<b>1,595,651</b>	<b>699,024</b>
Loss before income tax		(1,246,677)	(621,047)	(1,351,597)	(621,155)
Income tax expense	4	-	-	-	-
<b>Net loss for the period</b>		<b>(1,246,677)</b>	<b>(621,047)</b>	<b>(1,351,597)</b>	<b>(621,155)</b>
<b>Earnings per share</b>					
Basic loss per share (cents per share)	18	(0.24)	(0.15)	(0.26)	(0.15)
Diluted loss per share (cents per share)	18	(0.24)	(0.15)	(0.26)	(0.15)

## Black Range Minerals Limited

### Balance Sheet as at 30 June 2007

	Notes	Consolidated		Parent	
		2007	2006	2007	2006
		\$	\$	\$	\$
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	15(b)	18,222,146	1,136,030	18,039,555	1,133,628
Trade and other receivables	5	55,865	85,003	47,593	85,003
<b>Total current assets</b>		<b>18,278,011</b>	<b>1,221,033</b>	<b>18,087,148</b>	<b>1,218,631</b>
Non current assets					
Other financial assets	6	-	-	500,001	500,000
Other receivables	7	-	-	1,859,960	10,000
Property, plant and equipment	8	123,072	8,697	6,308	8,697
Deferred exploration and evaluation expenditure	9	4,272,845	1,960,525	1,910,696	1,452,639
<b>Total non current assets</b>		<b>4,395,917</b>	<b>1,969,222</b>	<b>4,276,965</b>	<b>1,971,336</b>
<b>TOTAL ASSETS</b>		<b>22,673,928</b>	<b>3,190,255</b>	<b>22,364,113</b>	<b>3,189,967</b>
<b>LIABILITIES</b>					
Current liabilities					
Trade and other payables	10	581,343	251,974	317,201	251,794
Interest bearing loans and borrowings	11	45,673	-	-	-
<b>Total current liabilities</b>		<b>627,016</b>	<b>251,974</b>	<b>317,201</b>	<b>251,794</b>
<b>TOTAL LIABILITIES</b>		<b>627,016</b>	<b>251,974</b>	<b>317,201</b>	<b>251,794</b>
<b>NET ASSETS</b>		<b>22,046,912</b>	<b>2,938,281</b>	<b>22,046,912</b>	<b>2,938,173</b>
<b>Equity</b>					
Equity attributable to equity holders of the parent					
Contributed equity	12(a)	51,525,338	31,339,050	51,525,338	31,339,050
Reserves	13	717,174	548,154	822,202	548,154
Retained losses	14	(30,195,600)	(28,948,923)	(30,300,628)	(28,949,031)
<b>TOTAL EQUITY</b>		<b>22,046,912</b>	<b>2,938,281</b>	<b>22,046,912</b>	<b>2,938,173</b>

## Black Range Minerals Limited

### Statement of Changes in Equity *for the year ended 30 June 2007*

	Notes	Consolidated		Parent	
		2007	2006	2007	2006
		\$	\$	\$	\$
Total equity at the beginning of the financial year		2,938,281	662,268	2,938,173	662,268
Exchange differences on translation of foreign operations	13	(105,028)	-	-	-
Net income recognised directly in equity		(105,028)	-	-	-
Loss for the year	14	(1,246,677)	(621,047)	(1,351,597)	(621,155)
Total income and expense for the year		(1,351,705)	(621,047)	(1,351,597)	(621,155)
Issue of shares during the year	12(b)	20,908,995	2,078,000	20,908,995	2,078,000
Issue of options during the year to option reserve	13	-	547,900	-	547,900
Exercise of options during the year	12(b)	399,062	353,835	399,062	353,835
Exercise of options from option reserve	13	(39,906)	(384)	(39,906)	(384)
Share based payments	13	313,954	638	313,954	638
Share issue costs	12(b)	(1,121,769)	(82,929)	(1,121,769)	(82,929)
<b>Total equity at the end of the financial year</b>		<b>22,046,912</b>	<b>2,938,281</b>	<b>22,046,912</b>	<b>2,938,173</b>

## Black Range Minerals Limited

### Cash Flow Statement *for the year ended 30 June 2007*

	Notes	Consolidated		Parent	
		2007	2006	2007	2006
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Payments to suppliers and employees		(1,028,729)	(651,197)	(863,909)	(651,315)
Other refunds and transfers		-	170	-	-
Interest received		245,106	77,869	244,054	77,869
<b>Net cash flows used in operating activities</b>	15(a)	<b>(783,623)</b>	<b>(573,158)</b>	<b>(619,855)</b>	<b>(573,446)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(74,072)	(9,557)	-	(9,557)
Tenement expenditure guarantees paid		(250,959)	-	(7,479)	-
Tenement expenditure guarantees refunded		237,133	-	-	-
Acquisition of subsidiary, net of cash acquired		-	1,954	-	-
Loans to subsidiaries		-	-	(2,125,656)	-
Expenditure on exploration		(2,089,512)	(1,337,526)	(392,199)	(1,337,686)
<b>Net cash flows used in investing activities</b>		<b>(2,177,410)</b>	<b>(1,345,129)</b>	<b>(2,525,334)</b>	<b>(1,347,243)</b>
<b>Cash flows from financing activities</b>					
Transaction costs of issue of shares		(1,121,769)	(82,929)	(1,121,769)	(82,929)
Payments of finance lease liabilities		(3,967)	-	-	-
Proceeds from issue of options		359,155	547,516	359,155	547,516
Proceeds from issue of shares		20,908,995	1,931,835	20,908,995	1,931,835
<b>Net cash flows from financing activities</b>		<b>20,142,414</b>	<b>2,396,422</b>	<b>20,146,381</b>	<b>2,396,422</b>
Net increase in cash and cash equivalents		17,181,381	478,135	17,001,192	475,733
Cash and cash equivalents at beginning of period		1,136,030	657,895	1,133,628	657,895
Net foreign exchange differences		(95,265)	-	(95,265)	-
<b>Cash and cash equivalents at end of period</b>	15(b)	<b>18,222,146</b>	<b>1,136,030</b>	<b>18,039,555</b>	<b>1,133,628</b>

# Black Range Minerals Limited

## 1. CORPORATE INFORMATION

The financial report of Black Range Minerals Limited (the Company) for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the directors on 3 September 2007.

Black Range Minerals Limited is a company 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

### (a) 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* and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis. The presentation currency is Australian dollars.

### (b) Statement of Compliance

Certain Australian Accounting Standards and UIG interpretations have recently been issued or amended but are not yet effective and have not been adopted by the group for the annual reporting period ended 30 June 2007. The directors' have assessed the impact of these new or amended standards (to the extent relevant to the group) and interpretations as follows:

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 June 2007:

AASB Amendment	Affected Standard (s)	Nature of change to accounting policy	Application date of standard	Application date for Group
2005-10	AASB 132 <i>Financial Instruments: Disclosure and Presentation</i> , AASB 101 <i>Presentation of Financial Statements</i> , AASB 114 <i>Segment Reporting</i> , AASB 117 <i>Leases</i> , AASB 133 <i>Earnings per Share</i> , AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , AASB 1 <i>First-time adoption of AIFRS</i> , AASB 4 <i>Insurance Contracts</i> , AASB 1023 <i>General insurance Contracts</i> and AASB 1038 <i>Life Insurance Contracts</i>	No change to accounting policy required. Therefore no impact.	1 January 2007	1 July 2007
2007-1	AASB Interpretation 11 (AASB 2) <i>Share-based Payment</i>	No change to accounting policy required. Therefore no impact.	1 March 2007	1 July 2007
2007-3	AASB 8 <i>Operating Segments</i>	AASB 8 is a disclosure standard so will have no impact on the amounts included in the Group's financial statements. However the new standard may have an impact on the segment disclosures included in the Group's financial report.	1 January 2009	1 July 2009
2007-4	ED 151 and other amendments	No change to accounting policy required. Therefore no impact.	1 July 2007	1 July 2007
2007-6	AASB 123 <i>Borrowing Costs</i>	No change to accounting policy required. Therefore no impact.	1 January 2009	1 July 2009

## Black Range Minerals Limited

AASB Amendment	Affected Standard (s)	Nature of change to accounting policy	Application date of standard	Application date for Group
<b>2007-7</b>	Amendments to AASB 1 <i>First-time adoption of AIFRS</i> , AASB 2 <i>Share-based Payment</i> , AASB 4 <i>Insurance Contracts</i> , AASB 5 <i>Non-Current Assets Held for Sale and Discontinued Operations</i> , AASB 107 <i>Cash Flow Statements</i> , AASB 128 <i>Investments in Associates</i>	No change to accounting policy required. Therefore no impact.	1 July 2007	1 July 2007
<b>New Standard</b>	AASB 7 <i>Financial Instruments: Disclosures</i>	No change to accounting policy required. Therefore no impact.	1 January 2007	1 July 2007
	AASB 8 <i>Operating Segments</i>	AASB 8 is a disclosure standard so will have no impact on the amounts included in the Group's financial statements. However the new standard may have an impact on the segment disclosures included in the Group's financial report.	1 January 2009	1 July 2009
	AASB 101 (revised October 2006) <i>Presentation of Financial Statements</i>	AASB 101 is a disclosure standard so will have no impact on the amounts included in the Group's financial statements. However the new standard may have an impact on the segment disclosures included in the Group's financial report.	1 January 2007	1 July 2007
	AASB 123 (revised June 2007) <i>Borrowing Costs</i>	No change to accounting policy required. Therefore no impact.	1 January 2009	1 July 2009
<b>Interpretations</b>	AASB Interpretation 10	The prohibition on reversing impairment in AASB 136 and AASB 139 to take precedence over the more general statement in AASB 134 that interim reporting is not expected to have any impact on the Group's financial report	1 November 2006	1 July 2007
	AASB Interpretation 11	No change to accounting policy required. Therefore no impact.	1 March 2007	1 July 2007

The following amendments and new Standards are not applicable to the Group and therefore have no impact:

<b>2007-2</b>	AASB Interpretation 12 (AASB 1 <i>First-time adoption of AIFRS</i> , AASB 117 <i>Leases</i> , AASB 118 <i>Revenue</i> , AASB 120 <i>Accounting for Government Grants and Disclosure of Government Assistance</i> , AASB 121 <i>The Effects of Changes in Foreign Exchange Rates</i> , AASB 127 <i>Consolidated and Separate Financial Statements</i> , AASB 131 <i>Interests in Joint Ventures</i> , AASB 139 <i>Financial Instruments Recognition and Measurement</i> )
<b>2007-5</b>	Amendments to Australian Accounting Standard – Inventories Held for Distribution by Not for Profit Entities
	AASB Interpretation 12 (revised June 2007)
	IFRIC Interpretation 13
	IFRIC Interpretation 14

The financial report complies with Australian Accounting Standards, which include Australian Equivalents to Australian International Financial Reporting Standards (AIFRS). The financial report also complies with International Financial Reporting Standards (IFRS).

### (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.

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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 purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

### **(d) Significant accounting estimates and assumptions**

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 Australian 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.

#### *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.

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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 24.

### **(e) 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 sheet date.

Deferred income tax liabilities are recognised for all taxable temporary differences; except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and 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 foreseeable future.
- 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 taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:
  - when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
  - when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable

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that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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 based on tax rates (and tax laws) that have been substantively enacted at the balance sheet date.

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.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

### **(f) Cash and cash equivalents**

Cash and short term deposits in the balance sheet 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 and bank overdrafts. Bank overdrafts are shown as current liabilities in the balance sheet. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

### **(g) 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.

### **(h) Property, plant and equipment**

Each class of property, 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 income statement 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 consolidated entity commencing from the time the asset is held ready for use.

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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%

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

### *Derecognition*

An item of property, 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 income statement.

### *Impairment*

Carrying values of plant and equipment are reviewed at each balance date to determine whether there are any objective indicators of impairment that may indicate the carrying values may be impaired. If there are any such indicators the recoverable amount is estimated.

Where an asset does not generate cash flows that are largely independent it is assigned to a cash generating unit and the recoverable amount test applied to the cash generating unit as a whole.

Recoverable amount is determined as the greater of fair value less costs to sell and value in use. The assessment of value in use considers the present value of future cash flows discounted using an appropriate pre-tax discount rate reflecting the current market assessments of the time value of money and risks specific to the asset. If the carrying value of the asset is determined to be in excess of its recoverable amount, the asset or cash generating unit is written down to its recoverable amount.

### **(i) Exploration Expenditure**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the consolidated entity's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The group has adopted AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Australian equivalent to IFRS 6 in preparing its financial statements.

### **(j) Impairment of assets**

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 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.

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.

### **(k) 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 consolidated entity.

### **(l) Contributed Equity**

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.

### **(m) Revenue**

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

#### *Interest*

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective

interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### **(n) Earnings per share**

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, 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 parent, 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.

### **(o) 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 23.

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 income statement charge

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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.

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.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of loss per share (see note 18).

### **(p) 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 balance sheet 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 balance sheet.

Cash flows are presented in the cash flow statement 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.

### **(q) 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.

### **(r) Foreign currency translation**

#### *(i) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities 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 subsidiary is United States dollars.

#### *(ii) 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 income statement.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

*(iii) 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 balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- 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 income statement, as part of the gain or loss on sale where applicable.

**(s) 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 consolidated entity 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.

## Black Range Minerals Limited

### (t) Segment Reporting

A business segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is a distinguishable component of the entity that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different than those of segments operating in other economic environments.

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>3. Revenue, Other Income And Expenses</b>				
<b>Other income</b>				
Refund of application fee	-	170	-	-
	<b>-</b>	<b>170</b>	<b>-</b>	<b>-</b>
<b>Administration expenditure</b>				
Accounting fees	41,084	10,279	40,772	10,279
Bank fees	3,226	1,064	2,341	1,002
Computer expenses	15,724	22,631	5,301	22,631
Courier	1,448	3,848	884	3,848
Directors fees	47,233	28,088	47,233	28,088
Insurance	59,191	27,529	50,739	27,529
Printing and stationery	24,225	12,102	20,591	12,102
Postage	12,464	11,656	11,972	11,656
Subscriptions	6,877	8,329	6,845	8,329
Telephone	16,550	9,588	9,171	9,588
Depreciation	9,396	860	2,389	860
Write down on loan recovery	-	-	164,438	-
Other	12,651	-	5,093	-
	<b>250,069</b>	<b>135,974</b>	<b>367,769</b>	<b>135,912</b>

### 4. Income Tax

Major component of tax expense for the year:

Current tax	-	-	-	-
Deferred tax	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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	(1,246,677)	(621,047)	(1,351,597)	(621,155)
Tax at the group rate of 30%	(374,003)	(186,314)	(405,479)	(186,347)
Expense of remuneration options	94,186	191	94,186	191
Income tax benefit not brought to account	279,817	186,123	311,293	186,156
Income tax expense	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Black Range Minerals Limited

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>Deferred tax</b>				
<b>Balance Sheet</b>				
<i>Liabilities</i>				
Capitalised exploration and evaluation expenditure	1,282,753	588,158	573,209	435,792
	<u>1,282,753</u>	<u>588,158</u>	<u>573,209</u>	<u>435,792</u>
<i>Assets</i>				
Losses available to offset against future taxable income	1,242,136	782,879	717,366	630,545
Share issue costs deductible over five years	273,725	27,386	273,725	27,386
Accrued expenses	7,651	4,500	7,651	4,500
	<u>1,523,512</u>	<u>814,765</u>	<u>998,742</u>	<u>662,431</u>
Deferred tax asset not recognised	<u>240,759</u>	<u>226,607</u>	<u>425,533</u>	<u>226,639</u>
<b>Unused tax losses</b>				
Unused tax losses	<u>4,140,453</u>	<u>2,609,956</u>	<u>2,391,218</u>	<u>2,101,818</u>
Potential tax benefit not recognised at 30%	<u>1,242,136</u>	<u>782,879</u>	<u>717,366</u>	<u>630,545</u>

Deferred tax assets have not been recognised in respect of these amounts as it is not considered probable that future taxable income will arise against which these assets may be offset.

### 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.

### 5. Trade and Other Receivables - Current

Tenement expenditure guarantees	13,370	-	7,479	-
GST receivable	40,114	84,123	40,114	84,123
Other	2,381	880	-	880
	<u>55,865</u>	<u>85,003</u>	<u>47,593</u>	<u>85,003</u>

Trade debtors, other debtors and goods and services tax are non-interest bearing and generally receivable on 30 day terms.

### 6. Other Financial Assets – Non Current

Investment in controlled entities	-	-	<b>500,001</b>	<b>500,000</b>
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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).

## Black Range Minerals Limited

Details of subsidiary companies are as follows:

Name	Country of incorporation	% Equity Interest	
		2007	2006
Turon Gold Pty Ltd	Australia	100%	100%
Black Range Copper Inc.	United States of America	100%	100%
Black Range Minerals Inc.	United States of America	100%	100%

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>7. Receivables – Non Current</b>				
Amount owing by controlled entities:				
Black Range Copper Inc.	-	-	-	-
Black Range Minerals Inc.	-	-	2,014,398	-
Turon Gold Pty Ltd – Intercompany loan	-	-	10,000	10,000
Less: impairment losses	-	-	(164,438)	-
	-	-	<b>1,859,960</b>	<b>10,000</b>

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. The Company has recognised an impairment of \$164,438 on the loan receivable from Black Range Minerals Inc. The amounts owing to controlled entities are interest free, are repayable on demand.

## 8. Property, Plant and Equipment

### Plant and Equipment

Cost	70,498	9,557	9,557	9,557
Accumulated depreciation	(6,013)	(860)	(3,249)	(860)
Net carrying amount	<b>64,485</b>	<b>8,697</b>	<b>6,308</b>	<b>8,697</b>

### Leased Motor Vehicles

Cost	62,771	-	-	-
Accumulated depreciation	(4,184)	-	-	-
Net carrying amount	<b>58,587</b>	-	-	-

### Total Property, Plant and Equipment

	<b>123,072</b>	<b>8,697</b>	<b>6,308</b>	<b>8,697</b>
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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	8,697	-	8,687	-
Additions	63,398	9,557	-	9,557
Depreciation expense	(5,153)	-	-	-
Net exchange differences on translation	(2,457)	(860)	(2,389)	(860)
Carrying amount at end of year	<b>64,485</b>	<b>8,697</b>	<b>6,308</b>	<b>8,697</b>

## Black Range Minerals Limited

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>Motor Vehicles under Lease</b>				
Carrying amount at beginning of year	-	-	-	-
Additions	68,299			
Depreciation expense	(5,528)			
Net exchange differences on translation	(4,184)	-	-	-
Carrying amount at end of year	<b>58,587</b>	-	-	-
<b>Total Property, Plant and Equipment</b>	<b>123,072</b>	<b>8,697</b>	<b>6,308</b>	<b>8,697</b>

Motor Vehicles are pledged as security for the related finance liabilities

### 9. Deferred Exploration and Evaluation Expenditure

#### Exploration and evaluation

At cost	4,272,845	1,960,525	1,910,696	1,452,639
Accumulated impairment	-	-	-	-
Total exploration and evaluation	<b>4,272,845</b>	<b>1,960,525</b>	<b>1,910,696</b>	<b>1,452,639</b>
Carrying amount at beginning of year	1,960,525	-	1,452,639	-
Acquisitions	-	497,482	-	-
Net exchange differences on translation	(104,570)	-	-	-
Exploration expenditure during the year	2,416,890	1,463,043	458,057	1,452,639
Carrying amount at end of year	<b>4,272,845</b>	<b>1,960,525</b>	<b>1,910,696</b>	<b>1,452,639</b>

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

### 10. Trade Receivables

Trade payables	577,174	234,397	313,212	234,396
Other creditors	4,169	17,577	3,989	17,398
	<b>581,343</b>	<b>251,974</b>	<b>317,201</b>	<b>251,794</b>

Trade creditors, other creditors and goods and services tax are non-interest bearing and generally payable on 30 day terms.

### 11. Interest Bearing Loans and Borrowings

Obligations under finance lease (note 16(d))	<b>45,673</b>	-	-	-
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## Black Range Minerals Limited

Consolidated		Parent	
2007	2006	2007	2006
\$	\$	\$	\$

### 12. Contributed Equity

#### (a) Issued and paid up capital

Ordinary shares fully paid	<b>51,525,338</b>	<b>31,339,050</b>	<b>51,525,338</b>	<b>31,339,050</b>
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	2007		2006	
	Number of shares	\$	Number of shares	\$
<b>(b) Movements in ordinary shares on issue</b>				
Balance at beginning of year	438,394,524	31,339,050	260,317,819	28,990,144
Acquisition of controlled entity	-	-	50,000,000	500,000
Exercise of options at \$0.05	7,981,218	399,062	-	-
Exercise of options at \$0.01	-	-	35,000,000	350,000
Exercise of options at \$0.05	-	-	76,705	3,835
Placement at \$0.01	-	-	39,000,000	390,000
Placement at \$0.022	-	-	54,000,000	1,188,000
Placement at \$0.048	85,604,072	4,108,995	-	-
Placement at \$0.24	70,000,000	16,800,000	-	-
Transaction costs on share issue	-	(1,121,769)	-	(82,929)
Balance at end of year	<b>601,979,814</b>	<b>51,525,338</b>	<b>438,394,524</b>	<b>31,339,050</b>

#### (c) Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, 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 Company.

#### (d) 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 24.

At the date of this report, there were 107,290,370 unissued ordinary shares under options (2006: 107,796,991) at the reporting date).

The details of the options at reporting date are as follows:

Number	Exercise Price	Issue Date	Expiry Date
125,000	0.20	29 October 2004	29 October 2007
101,521,991	0.045	28 February 2006	28 February 2011
500,000	0.08	16 June 2006	16 June 2011
1,500,000	0.08	31 January 2007	31 January 2012
1,900,000	0.25	9 February 2007	9 February 2010
1,000,000	0.25	30 March 2007	30 March 2012
1,250,000	0.24	18 May 2007	18 May 2012
107,796,991			

## Black Range Minerals Limited

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

Consolidated		Parent	
2007	2006	2007	2006
\$	\$	\$	\$

### 13. Reserves

Share based payments reserve	314,592	638	314,592	638
Option reserve	507,610	547,516	507,610	547,516
Foreign currency translation reserve	(105,028)	-	-	-
	<b>717,174</b>	<b>548,154</b>	<b>822,202</b>	<b>548,154</b>

#### Movement in reserves:

##### Share based payments reserve

Carrying amount at beginning of year	638	-	638	-
Option expense	313,954	638	313,954	638
Carrying amount at end of year	<b>314,592</b>	<b>638</b>	<b>314,592</b>	<b>638</b>

The Share Based Payments reserve is used to record the value of equity benefits provided to individuals acting as employees and directors as part of their remuneration. Refer to note 24 for further details of this plan.

	Number of options	\$	Number of options	\$
<i>Option Premium reserve</i>				
Balance at beginning of year	109,503,209	547,516	109,579,914	547,900
Exercise of options at \$0.045	(7,981,218)	(39,906)	(76,705)	(384)
Balance at end of year	<b>101,521,991</b>	<b>507,610</b>	<b>109,503,209</b>	<b>547,516</b>

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

Carrying amount at beginning of financial year	-	-	-	-
Currency translation differences arising during the year	(105,028)	-	-	-
Carrying amount at the end of the financial year	<b>(105,028)</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Foreign Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in note 1(o). The reserve is recognised in profit and loss when the net investment is disposed of.

### 14. Accumulated Losses

Movements in accumulated losses were as follows:

Balance at beginning of year	28,948,923	28,327,876	28,949,031	28,327,876
Loss attributable to members of Black Range Minerals Limited	1,246,677	621,047	1,351,597	621,155
Balance at end of year	<b>30,195,600</b>	<b>28,948,923</b>	<b>30,300,628</b>	<b>28,949,031</b>

## Black Range Minerals Limited

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$

### 15. Cash Flow Statement Reconciliation

#### (a) Reconciliation of the net loss after tax to the net cash flows from operations

Net loss after tax	(1,246,677)	(621,047)	(1,351,597)	(621,155)
<b>Adjustments for:</b>				
Foreign exchange losses	95,265	-	206,523	-
Depreciation	9,396	860	2,389	860
Impairment on loans receivable	-	-	164,438	-
Share based payments	313,954	-	313,954	-
<b>Changes in assets and liabilities:</b>				
(Increase) / decrease in receivables	12,582	(16,748)	12,582	(16,748)
Increase in trade and other creditors	31,857	63,777	31,856	63,597
Net cash flow used in operating activities	<b>(783,623)</b>	<b>(573,158)</b>	<b>(619,855)</b>	<b>(573,446)</b>

#### (b) Reconciliation of cash

Cash balance comprises:

Cash at bank	<b>18,222,146</b>	<b>1,136,030</b>	<b>18,039,555</b>	<b>1,133,628</b>
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The cash at bank is bearing floating interest rates between 1.25% and 6.10% (2006 – 1.25% and 6.10%).

### 16. Expenditure Commitments

#### (a) Services agreement

The Company entered a service agreement for certain administrative services and office space for a term of three years. The Company is required to give three months written notice to terminate the agreement.

Commitments contracted for at reporting date but not recognised as liabilities are as follows:

Within one year	96,000	96,000	96,000	96,000
After one year but not longer than 5 years	40,000	136,000	40,000	136,000
	<b>136,000</b>	<b>232,000</b>	<b>136,000</b>	<b>232,000</b>

#### b) Expenditure commitments

Under the terms and conditions of being granted exploration licenses, the group has a minimum annual commitment for the term of the license. The terms of the licenses are 2 years within Australia and various terms from 3 to 10 years in the United States of America. 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 2007.

Commitments contracted for at reporting date but not recognised as liabilities are as follows:

Within one year	319,350	229,000	89,000	229,000
After one year but not longer than 5 years	849,530	89,000	-	89,000
Greater than 5 years	568,570	-	-	-
	<b>1,737,450</b>	<b>318,000</b>	<b>89,000</b>	<b>318,000</b>

## Black Range Minerals Limited

Consolidated		Parent	
2007	2006	2007	2006
\$	\$	\$	\$

### (c) Remuneration commitments

Under the terms and conditions of the consulting services agreements entered into by the group with the Directors', the group has a minimum commitment for the term of the consulting service agreements. The terms of the agreements are twelve months.

Commitments contracted for at reporting date but not recognised as liabilities are as follows:

Within one year	<b>137,500</b>	<b>66,670</b>	<b>137,500</b>	<b>66,670</b>
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### (d) Finance lease

- not later than one year	45,829	-	-	-
- later than 1 year and not later than 5 years	-	-	-	-
- total minimum lease payments	45,829	-	-	-
- finance charges	(156)	-	-	-
Total lease liability	<b>45,673</b>	-	-	-
- current liability	45,673	-	-	-
- non-current liability (note 11)	-	-	-	-
Total lease liability	<b>45,673</b>	-	-	-

Black Range Minerals Inc., a subsidiary of the Company, entered into commercial leases on two motor vehicles. The leases were repaid in July 2007. The weighted average interest rate payable on the leases was 5.10%.

## 17. Subsequent Events

There are no material subsequent events from balance date to the date of this report.

## 18. Loss Per Share

Loss used in calculating basic and dilutive EPS	(1,246,677)	(621,047)	(1,351,597)	(621,155)
Weighted number of ordinary shares used in the calculation of basic EPS	512,702,262	408,992,360	512,702,262	408,992,360
Weighted number of ordinary shares used in the calculation of diluted EPS	512,702,262	408,992,360	512,702,262	408,992,360
Basic loss per share (cents per share)	(0.24)	(0.15)	(0.26)	(0.15)
Diluted loss per share (cents per share)	(0.24)	(0.15)	(0.26)	(0.15)

The number of potential ordinary shares, which do not have a dilutive effect are 107,796,991 (2006: 110,003,209)

## 19. Auditors Remuneration

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

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

Audit or review of the financial report of the entity and any other entity in the Consolidated group

<b>30,300</b>	<b>23,000</b>	<b>30,300</b>	<b>23,000</b>
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There were no other services provided by Ernst & Young (Australia) other than audit services.

## Black Range Minerals Limited

### 20. Directors and Executives Disclosures

#### (a) Details of Key Management Personnel

##### (i) Directors

Mr. Alan Scott	Chairman
Mr. Michael Haynes	Managing Director
Mr. Matthew Wood	Director

##### (ii) Executive

Mr. Tim Flavel	Company Secretary
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#### (b) Compensation of Key Management Personnel

##### (i) Compensation Policy

The full Board is responsible for determining and reviewing compensation arrangements for the Directors and other key management personnel. 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. At this stage of in the Company's development there is no direct link between emoluments and performance.

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 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.

##### (ii) Compensation of Key Management Personnel

Short term					Post employment	
2007	Base Salary	Share Based Payments	Directors Fees	Consulting Fees	Superannuation	Total
Directors	\$	\$	\$	\$	\$	\$
Mr. A Scott	-	-	43,333	-	3,900	47,233
Mr. M Wood	-	-	-	80,000	-	80,000
Mr. M Haynes	-	-	-	179,167	-	179,167
Executive						
Mr. Tim Flavel	-	111,289	-	64,200	-	175,489
	-	111,289	43,333	323,367	3,900	481,889

Short term					Post employment	
2006	Base Salary	Share Based Payments	Directors Fees	Consulting Fees	Superannuation	Total
Directors	\$	\$	\$	\$	\$	\$
Mr. D Steinepreis	-	-	-	5,000	-	5,000
Mr. A Scott	-	-	25,769	-	2,319	28,088
Mr. M Wood	-	-	-	63,333	-	63,333
Mr. M Haynes	-	-	-	63,333	-	63,333
Executive						
Mr. Tim Flavel	-	-	-	38,790	-	38,790
	-	-	25,769	170,456	2,319	198,544

## Black Range Minerals Limited

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	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
(iii) Compensation by category				
Short term employee benefits	366,700	196,225	366,700	196,225
Share based payments	111,289	-	111,289	-
Post employment benefits	3,900	2,319	3,900	2,319
	<b>481,889</b>	<b>198,544</b>	<b>481,889</b>	<b>198,544</b>

### Executive Directors

Executive Directors' remuneration is outlined in consulting services agreements between the company 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, which commenced on 1 December 2006 for a period of twelve months unless extended by both parties. 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 company may terminate the agreement by the board 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 Director, Mr. Matthew Wood, is employed under a consulting services agreement, which commenced on 1 December 2006 for a period of twelve months unless extended by both parties. The agreement may be terminated by Mr. Wood at any time by giving three months notice in writing, or such shorter period of notice as may be agreed. The company may terminate the agreement by the board 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. Wood 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. Wood in addition to the fees paid under the consulting agreement.

### Non-Executive Director

The Director, Mr. Alan Scott is paid an annual director's fee, on a monthly basis.

### Executive

The Company Secretary, Mr. Tim Flavel, is employed and remunerated on an hourly basis. Either party may terminate Mr. Flavel's services at any time.

### (c) Shareholdings and option holdings of Key Management Personnel

#### Share holdings

The number of shares in the company 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 reporting period as compensation.

## Black Range Minerals Limited

2007	Balance at the start of the year	Granted during the year as compensation	On exercise of share options	Other changes during the year	Balance at the end of the year
Directors					
Mr. A. Scott	500,000	-	-	104,165	604,165
Mr. M. Wood	22,471,910	-	-	104,165	22,576,075
Mr. M. Haynes	22,471,910	-	-	104,165	22,576,075
Executive					
Mr. T. Flavel	4,044,944	-	-	(2,044,944)	2,000,000
	49,488,764	-	-	(1,732,449)	47,756,315

There were no other key management personnel to disclose for the year ended 30 June 2007.

2006	Balance at the start of the year	Granted during the year as compensation	On exercise of share options	Other changes during the year	Balance at the end of the year
Directors					
Mr. D Steinepreis*	5,000,000	-	-	(5,000,000)	-
Mr. A. Scott	-	-	-	500,000	500,000
Mr. M. Wood	-	-	-	22,471,910	22,471,910
Mr. M. Haynes	-	-	-	22,471,910	22,471,910
Executive					
Mr. Tim Flavel	-	-	-	4,044,944	4,044,944
	5,000,000	-	-	44,488,764	49,488,764

\* Mr. D Steinepreis resigned 22 August 2006.

There were no other key management personnel to disclose for the year ended 30 June 2006.

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.

### (i) Option holdings

The numbers of options over ordinary shares in the company 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.

## Black Range Minerals Limited

2007	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year
Directors					
Mr. A. Scott	6,125,000	-	-	-	6,125,000
Mr. M. Wood	8,017,978	-	-	-	8,017,978
Mr. M. Haynes	8,017,978	-	-	-	8,017,978
Executive					
Mr. Tim Flavel	4,008,913	1,000,000	-	-	5,008,913
	26,169,869	1,000,000	-	-	27,169,869

There were no other key management personnel requiring disclosure for the year ended 30 June 2007.

With the exception of Mr Flavel's options granted during the year as compensation, all options are fully vested and exercisable. Options granted to Mr Flavel vest 50% after twelve months and 50% after two years from the commencement of service, have an exercise price of \$0.24 an expiry date of 28 May 2012 and are exercisable on the completion of the vesting period.

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

	Grant Date	Grant Number	Vest	Value per option at grant date	Exercised Number	Value per option at exercise date	Value at date option lapsed	% of Remuneration
<i>Executive</i>								
T. Flavel	18/5/2007	1,000,000	50% 22/8/2006	\$0.123	Not applicable	Not applicable	Not applicable	63%
			50% 22/8/2007	\$0.132				

The minimum total value of grant yet to vest that will be expensed in the future is Nil, with the maximum total value yet to vest that will be expensed in the future is \$16,211. There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the period.

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.

2006	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year
Directors					
Mr. D Steinepreis*	18,400,000	-	-	(18,400,000)	-
Mr. A. Scott	-	-	-	6,125,000	6,125,000
Mr. M. Wood	-	-	-	8,017,978	8,017,978
Mr. M. Haynes	-	-	-	8,017,978	8,017,978
Executive					
Mr. Tim Flavel	-	-	-	4,008,913	4,008,913
	18,400,000	-	-	7,769,869	26,169,869

## Black Range Minerals Limited

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\* Mr. D Steinepreis resigned 22 August 2006.

There were no other key management personnel to disclose for the year ended 30 June 2006.

No options are vested and exercisable at the end of the year.

### (d) Other transactions with key management personnel

- (i) MQB Ventures Pty Ltd, a company of which Mr. Matthew Wood and Mr. Michael Haynes are directors, provided the company with a fully serviced office including administration support for a fee totalling \$96,000 during the year. MQB Ventures Pty Ltd also employs geological and accounting staff which were on charged at cost to the Company for an amount totalling \$126,475.
- (ii) Mineral Quest Pty Ltd, a company of which Mr. Matthew Wood is a director, was paid consulting fees of \$80,000 during the year. This amount is included in Note 20b(ii) "Compensation of Key Management Personnel".
- (iii) Bullseye Geoservices Pty Ltd, a company of which Mr. Michael Haynes is a director, was paid consulting fees of \$179,166 during the year. This amount is included in Note 20b(ii) "Compensation of Key Management Personnel".
- (iv) Warrior Consulting Pty Ltd, a company of which Mr. Tim Flavel is a director, was paid consulting fees of \$64,200 during the year. This amount is included in Note 20b(ii) "Compensation of Key Management Personnel".

## 21. Related Party Disclosures

For Director related party transactions please refer to Note 20 "Director and Executive Disclosures". For intercompany transactions please refer to Note 7 "Receivables – Non Current". There were no other related party transactions during the year.

## 22. Segment Information

2007	Australia	USA	Consolidated
	\$	\$	\$
Revenue	244,054	1,052	245,106
Total revenue	244,054	1,052	245,106
Segment result	(1,075,961)	(170,716)	(1,246,677)
Segment assets	22,528,778	145,150	22,673,928
Segment liabilities	317,382	309,635	627,017
Amortisation and depreciation	2,389	7,007	9,396
Other non cash items	409,219	-	409,219
Capital expenditure	458,057	1,977,975	2,436,032

During the financial year ended 30 June 2006 the Group operated in one geographic segment and within one industry classification being exploration for minerals in Australia.

## 23. Financial Instruments And Financial Risk Management

Exposure to interest rate and credit risk arises in the normal course of the group's business. The group does not hold or issue derivative financial instruments. There are no formal risk management policies in place against commodity risk, currency risk or any other financial risk as in the opinion of the Directors the risk to the Group is low.

## Black Range Minerals Limited

### (a) Interest rate risk

The entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities both recognised and unrecognised at the balance date are as follows:

Consolidated Financial Instruments	Floating interest rate		Floating interest rate maturing in: 1 year or less		Non-interest bearing		Total		Weighted average effective interest rate	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$	\$	\$	\$	\$	\$	\$	\$	%	%
<i>(i) Financial assets</i>										
Cash assets	18,103,451	1,136,030	-	-	118,685	-	18,222,146	1,136,030	4.55	5.06
Trade and other receivables	-	-	-	-	55,865	85,003	55,865	85,003	-	-
<b>Total financial assets</b>	<b>18,103,451</b>	<b>1,136,030</b>	<b>-</b>	<b>-</b>	<b>174,550</b>	<b>85,003</b>	<b>18,278,011</b>	<b>1,221,033</b>		
<i>(ii) Financial liabilities</i>										
Trade and other payables	-	-	-	-	581,343	251,974	581,343	251,974	-	-
Finance leases	45,673	-	-	-	-	-	45,673	-	5.10	-
<b>Total financial liabilities</b>	<b>45,673</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>581,343</b>	<b>251,974</b>	<b>627,016</b>	<b>251,974</b>		

Company Financial Instruments	Floating interest rate		Floating interest rate maturing in: 1 year or less		Non-interest bearing		Total		Weighted average effective interest rate	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$	\$	\$	\$	\$	\$	\$	\$	%	%
<i>(i) Financial assets</i>										
Cash assets	18,039,555	1,133,628	-	-	-	-	18,039,555	1,133,628	4.77	5.06
Trade and other receivables	-	-	-	-	47,593	95,003	47,593	95,003	-	-
<b>Total financial assets</b>	<b>18,039,555</b>	<b>1,133,628</b>	<b>-</b>	<b>-</b>	<b>47,593</b>	<b>95,003</b>	<b>18,087,148</b>	<b>1,228,631</b>		
<i>(ii) Financial liabilities</i>										
Trade and other payables	317,201	-	-	-	317,201	251,794	317,201	251,794	-	-
<b>Total financial liabilities</b>	<b>317,201</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>317,201</b>	<b>251,794</b>	<b>317,201</b>	<b>251,794</b>		

### (b) Net fair values

All financial assets and liabilities have been recognised at the balance sheet date at their carrying value. It is considered that the carrying value of financial assets and liabilities is their net fair value.

### (c) Credit risk exposures

The entity's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the balance sheet. The group trades only with recognised, credit worthy third parties.

## Black Range Minerals Limited

Consolidated		Parent	
2007	2006	2007	2006
\$	\$	\$	\$

### 24. Share Based Payments Plans

#### (a) Recognised share based payment expenses

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

Options issued under employee option plan	<b>313,954</b>	<b>638</b>	<b>313,954</b>	<b>638</b>
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#### (b) Type of share based payment plan

The company 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.

#### (c) Summaries of options granted under ESOP

##### 2007

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised 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	-	-	-	500,000	250,000
30/01/2007	30/01/2012	\$0.08	-	1,500,000	-	-	1,500,000	-
9/02/2007	9/02/2010	\$0.25	-	1,900,000	-	-	1,900,000	1,900,000
30/03/2007	31/03/2012	\$0.25	-	1,000,000	-	-	1,000,000	-
18/05/2007	18/05/2012	\$0.24	-	1,250,000	-	-	1,250,000	625,000
			500,000	5,650,000	-	-	6,150,000	2,775,000
Weighted average exercise price			\$0.08	\$0.20	-	-	\$0.19	\$0.23

The model inputs, not included in the table above, for options granted during the year ended 30 June 2007 included:

- options are granted for no consideration and vest either immediately or over the first two years of employment;
- share price at grant date had a range of \$0.058 to \$0.24;
- expected volatility, based on a one year history of the companies share price, ranged from 0.7407 to 0.9862;
- expected dividend yield of Nil; and
- a risk free interest rate of 6.085%.

## **Black Range Minerals Limited**

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### **Consolidated and parent entity - 2006**

At year end 500,000 options had been issued under the plan with an exercise date of 16 June 2011 with an exercise price of \$0.08. Half of the options issued (250,000) are vested over a period of twelve months, with the remainder (250,000) vested over two years. There was no other movement in share based payment options.

### **25. Contingent Liabilities**

There are no known contingent liabilities.

## **Black Range Minerals Limited**

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### **DIRECTORS' DECLARATION**

1. In the opinion of the directors
  - (a) the financial statements and notes of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the financial position of the Company and of the Consolidated Entity as at 30 June 2007 and of their performance, for the year ended on that date; and
    - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with sections of 295A of the Corporations Act 2001 for the financial period ending 30 June 2007.

This declaration is made in accordance with a resolution of the Directors.

on behalf of the Board



Michael Haynes  
Director  
3 September 2007

**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 2007, 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.

*Ernst & Young*

Ernst & Young

*V. W. Tidy*

V W Tidy  
Partner  
Perth  
3 September 2007

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

We have audited the accompanying financial report of Black Range Minerals Limited which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes 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 and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state that the financial report, comprising the financial statements and notes the consolidated financial statements, comply with International Financial Reporting Standards. The directors are also responsible for the remuneration disclosures contained in the directors' report.

### *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 and International Standards on Auditing. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that the remuneration disclosures comply with Accounting Standard AASB 124 Related Party Disclosures.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our 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, we consider 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 met the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration.

*Auditor's Opinion*

In our opinion:

1. 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 financial position of Black Range Minerals Limited and the consolidated entity at 30 June 2007 and of their 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.
2. the consolidated financial statements and notes or financial report also comply with International Financial Reporting Standards as disclosed in Note 2.

*Cement + Young*

Ernst & Young

*V. W. Tidy*

V W Tidy  
Partner  
Perth  
3 September 2007

## 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 29 August 2007

#### DISTRIBUTION OF SECURITY HOLDERS

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

Category		Number of Shareholders	Number of Option holders
1	-	1,000	1,592
1,001	-	5,000	1,406
5,001	-	10,000	839
10,001	-	100,000	2,536
100,001	and over		680
		<b>7,053</b>	<b>751</b>

There are 2,198 shareholders holding less than a marketable parcel of ordinary shares. There are 329 option holders holding less than a marketable parcel of listed options.

#### STATEMENT OF RESTRICTED SECURITIES

There are no restricted securities as at 30 June 2006

#### SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of the Company are as follows:

Name	Number of equity securities
Mr Robert Anthony Healy & Mrs Helen Maree Healy	70,409,344
National Nominees Limited	33,970,080

#### 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.

##### Options

These securities have no voting rights.

## Black Range Minerals Limited

### TOP 20 SHAREHOLDERS

<b>Name of Holder</b>	<b>Number of Shares Held</b>	<b>Percentage of Capital</b>
Mr Robert Anthony Healy	38,909,344	6.46
National Nominees Limited	33,970,080	5.64
Bullseye Geoservices Pty Ltd <Haynes Family A/C>	22,576,075	3.75
Mr Matthew Gaden Western Wood & Ms Belinda Lucy Wood <Wood Family A/C>	22,471,910	3.73
Mr Robert Anthony Healy & Mrs Helen Maree Healy	21,440,000	3.56
Mr Zac Rossi & Mrs Thelma Rossi	17,842,888	2.96
Mr Robert Anthony Healy & Mrs Helen Maree Healy	10,060,000	1.67
Citicorp Nominees Pty Limited	8,935,782	1.48
Mr Ian Sawtell & Mrs Rhonda Sawtell	8,655,930	1.44
HSBC Custody Nominees (Australia) Limited	7,737,592	1.28
HSBC Custody Nominees (Australia) Limited	6,398,420	1.06
Rossi Orchards Pty Ltd <Rossi Orchards S/Fund A/C>	4,050,000	0.67
ANZ Nominees Limited <Cash Income a/c>	4,026,100	0.67
Bolo Pty Ltd <Duncan Superfund A/C>	4,000,000	0.66
Walkabout Superannuation Fund Pty Ltd <Walkabout Super Fund A/C>	4,000,000	0.66
Grenfam 2 Pty Ltd	3,554,300	0.59
Mr Brian McCubbing <Brian McCubbing S/F a/c>	3,500,000	0.58
888 Trading Limited	3,000,000	0.50
French Consulting Pty Ltd	3,000,000	0.50
Mr Peter Judocus Smolenaers	2,872,449	0.48
	<b>231,000,870</b>	<b>38.34</b>

### TOP 20 OPTIONHOLDERS

<b>Name of Option Holder</b>	<b>Number of Options Held</b>	<b>Percentage of Capital</b>
Mr Robert Anthony Healy	8,249,048	8.41
Bullseye Geoservices Pty Ltd <Haynes Family A/C>	8,017,978	7.94
Mr Matthew Gaden Western Wood + Ms Belinda Lucy Wood <Wood Family A/C>	8,017,978	7.94
Mr Robert Anthony Healy + Mrs Helen Maree Healy	5,360,000	5.31
Mr Zac Rossi + Mrs Thelma Rossi	3,685,722	3.65
Mr Alan Scott	3,125,000	3.09
Mrs Betty Scott	3,000,000	2.97
Mrs Sally Jane Flavel	2,997,677	2.97
Mr Robert Anthony Healy + Mrs Helen Maree Healy	2,515,000	2.49
Mr Ian Sawtell & Mrs Rhonda Sawtell	2,163,983	2.14
Mr Ian Gallash & Mrs Helen Ruth Gallash	1,998,892	1.98
Mr Gavin Brian Strack + Mrs Kate Elizabeth Strack <GB & KE Strack S/F A/C>	1,681,735	1.66
Dr John Denis Gaffey Dr Angela Kirgiani'a Gaffey	1,542,207	1.53
Mr Benjamin Mathew Vallerine	1,450,000	1.44
Mr Richard Wisely Shepheard	1,050,000	1.04
Warrior Consulting Pty Ltd	1,011,236	1.00
Mrs Melinda Jane Draper	1,000,000	0.99
Mr Paul Yerondais	933,148	0.92
Miss Lianny-Sarah Hope	900,000	0.89
Mr Robert Fogliano	812,500	0.80
	<b>59,762,104</b>	<b>59.16</b>