



ASX Release

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BLACK RANGE MINERALS LIMITED

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Issued Capital:

438 million shares
110 million options

Australian Stock Exchange

Symbol: **BLR**

JUNE 2006 QUARTERLY REPORT

HIGHLIGHTS

BASE METALS

- Second phase drilling programme completed at the 100% owned Koonenberry Base Metal Project in NSW
- 72 holes drilled since October 2005, for 11,000 metres
- Resource base increased by 1000% to **5.75Mt at 1.03% copper, 0.35% zinc, 2.30g/t silver and 0.05g/t gold**
- 60,000 tonnes of contained copper
- Scoping study initiated
- Confirmation of an extensively mineralised system, with massive sulphide mineralisation intersected over entire 4,000 metres of strike tested with drilling and to depths greater than 400 metres
- Aggressive exploration activities to continue at the Koonenberry Base Metal Project in the third quarter of 2006

URANIUM

- Strategic alliance formed with Uranerz Energy Corporation, providing the Company with ready access to uranium production expertise
- Joint venture into two advanced uranium projects – Cyclone Rim and Eagle in Wyoming USA with a combined exploration target of 5 million pounds U₃O₈
- First exploration since the 1970's to commence at the Cyclone Rim and Eagle Uranium Projects in the third quarter of 2006

CORPORATE

- The Company continues to aggressively pursue numerous acquisition opportunities
- Cash reserves at 30 June of \$1.136million



**11,000 metres drilled since
October 2005**

**Resource base increased
1,000%**

Upgraded resource:

**5.75Mt at 1.03% Cu,
0.35% Zn,
2.30g/t Ag
0.05g/t Au**

KOONENBERRY BASE METAL PROJECT

The Company completed a second phase drilling programme at its 100% owned Koonenberry Base Metal Project, located approximately 100km east of Broken Hill in western New South Wales. 34 holes were drilled for 5,545 metres.

Since the commencement of the Company's initial drilling programme in October 2005 72 holes have been completed for a total of approximately 11,000 metres.

The two drilling programmes have confirmed the Company's belief that an extensive mineralised system is located within its Koonenberry Base Metal Project. Massive sulphide mineralisation has now been intersected over the entire 4,000 metres of strike that has been drill-tested to date. This mineralisation remains open in both directions along strike and at depth.

A recalculation of the resource base at the Koonenberry Base Metal Project was recently completed. This resulted in a 1,000% increase in the resource base to:

- **5.75Mt at 1.03% copper, 0.35% zinc, 2.30g/t silver and 0.05g/t gold**
- **Containing approximately 60,000 tonnes of copper**

This represents an increase of 400% in the amount of contained copper at the project.

Importantly over 50% of the upgraded resource base falls within the JORC "indicated" category, with the resource comprising:

Category	Tonnes	Cu (%)	Zn (%)	Ag (g/t)	Au (g/t)
Indicated	3,022,031	1.15	0.30	2.50	0.06
Inferred	2,731,312	0.90	0.40	2.10	0.04
Total*	5,753,343	1.03	0.35	2.30	0.05

* Cut-off grade of 0.5% copper applied

The Grasmere Copper Deposit and the newly discovered Peveril Copper Deposit, located some 2,000 metres to the northwest of the Grasmere Deposit, have been the focus of the majority of the Company's drilling. Thick, high-grade shoots have been identified at both deposits. Substantial massive sulphide mineralisation has also been intersected



BLACK RANGE MINERALS

Scoping study into mining operation commenced

More than 50km of prospective strike remain to be drill tested

Joint venture agreement signed with Uranerz Energy Corp. over two advanced uranium projects

Exploration target estimate of 5 million pounds U₃O₈

No exploration undertaken at either project since the 1970's

in the deepest holes drilled at both deposits, at depths greater than 400 metres. There is considerable potential to extend the resources at both of these deposits with further deeper drilling.

A scoping study will be undertaken during the second half of 2006 to evaluate the economics of commencing a mining operation at the Koonenberry Base Metal Project. As part of that study the Company will complete further exploration that will include infill and extensional drilling at the Grasmere and Peveril Deposits and drilling the along-strike extensions of the mineralised horizon.

To date only 4 kilometres of the stratigraphic horizon that hosts the mineralisation has been explored. More than 50 kilometres of this prospective horizon remains untested within the Company's exploration licences. The Company will continue to aggressively explore this horizon.

CYCLONE RIM AND EAGLE PROJECTS, WYOMING USA

During the quarter the Company signed an agreement with Uranerz Energy Corporation ("Uranerz") of the USA to form a joint venture to explore and develop the advanced Cyclone Rim and Eagle Uranium Projects located in the Red Desert area of southwest Wyoming.

Considerable resources of uranium were delineated at both the Cyclone Rim and Eagle Projects during exploration in the 1970's. The Company intends converting these resources to JORC standards as soon as practicable. The Company's initial exploration target estimates are approximately 3 million pounds of uranium oxide (U₃O₈) at the Cyclone Rim Project and approximately 2 million pounds of U₃O₈ at the Eagle Project.

No exploration has been undertaken at either project since the 1970's. Under the terms of the agreement Black Range shall be primarily responsible for managing and conducting exploration programmes on the projects.

Compilation and assessment of historic data has commenced. A surveying crew is currently in the field securing licences over adjacent areas that are interpreted to host extensions to known mineralisation.



BLACK RANGE MINERALS

**First drilling to commence
third quarter of 2006**

**Uranium projects located in
Wyoming USA – largest
producing state within USA**

**Shallow roll-front uranium
mineralisation**

**Six major mineralised
horizons; three poorly tested,
three untested**

A drill rig will be mobilised to the area during the third quarter of 2006, once drill permits have been obtained from regulatory authorities.

Should Black Range delineate sufficient uranium resources at the projects, Uranerz shall be primarily responsible for bringing the projects into production and their subsequent operation. Uranerz's directors and management team have combined experience in uranium production in excess of 100 years.

Importantly both the Cyclone Rim and Eagle Uranium Projects are located within the State of Wyoming in the USA. Uranium has been mined in Wyoming since 1920. It has the largest reserves of uranium of any State in the USA and it is currently the leading producer of uranium in the USA. As such the Company believes that Wyoming is a particularly favourable jurisdiction for investment in uranium exploration and development projects.

Cyclone Rim Project

The Cyclone Rim Project comprises 23 Federal mining claims covering approximately 460 acres in addition to a single adjacent 640 acre State lease in the Red Desert area of Sweetwater County, Wyoming.

Only limited drilling has been conducted at the Cyclone Rim Project previously. Roll front uranium mineralisation has been encountered in six major sand horizons within a 60 metre stratigraphic interval. Mineralisation is in places as shallow as 22 metres and has been delineated to depths exceeding 120 metres. Previous explorers determined that the average grade of the mineralisation is in the range of 0.04% to 0.05% U_3O_8 , with grades as high as 0.11% U_3O_8 recorded.

The Company's initial exploration target estimate for the Cyclone Rim Project is approximately 3 million pounds of U_3O_8 . This estimate is derived from mineralisation within just three of the six major mineralised sand horizons. Previous drilling has not been spaced closely enough to sufficiently define the mineralised trends in the other three horizons. These additional horizons will be targeted in the Company's forthcoming drilling programme. It is anticipated that higher-grade mineralisation will also be intersected in infill drilling during this programme, which could potentially increase the size and grade of the resource.



Shallow roll-front uranium mineralisation

Four poorly tested mineralised horizons

Additional exploration potential is recognised at the Cyclone Rim Project, with the mineralisation open in both directions along strike. All previous drilling has been confined to the Federal mining claims, while the mineralised trend clearly extends into the State lease area. The along-strike extensions of the mineralisation into this State lease area will be evaluated during the Company's forthcoming drilling programme.

Eagle Project

The Eagle Project is also located in the Red Desert area of Sweetwater County, Wyoming and comprises 28 Federal mining claims covering 560 acres. The Eagle Project is located approximately eight kilometres southeast of the Cyclone Rim Project.

Limited previous drilling indicates that four sandstone units host roll front uranium mineralisation within a 110 metre stratigraphic horizon. The thickness of the individual sandstone units ranges from 6 to 30 metres. Depth to top of the mineralisation ranges from 20 to 70 metres below surface. Previous explorers determined that the average grade of the mineralisation is in the range of 0.025% to 0.035% U_3O_8 , with grades as high as 0.08% U_3O_8 recorded.

The Company's initial exploration target estimate for the Eagle Project is approximately 2 million pounds of U_3O_8 . This estimate is derived from mineralisation within three of the four mineralised sand horizons. The mineralised trend is sparsely drilled and remains open along strike in both directions. There is considerable potential to increase the resources at this project by drill-testing the strike extensions of the mineralisation. Infill drilling will also be undertaken as this has considerable potential to delineate higher-grade mineralisation, which could potentially increase the size and grade of the resource.

OTHER PROJECTS

Mulloon and Crookwell Base Metals Projects, NSW

As yet the Company has been unable to gain approval from landowners to access key areas of the 100% owned Mulloon and Crookwell Base Metals Projects in New South Wales. Negotiations with landowners are continuing.



**NSW and South Australian
base metal portfolio
increased**

Spion Kop Project, New South Wales

An exploration licence covering the historic Spion Kop lead-silver-zinc mine near Yass in New South Wales was granted to the Company on 12 July 2006. This new licence covers 283 sq km of ground that is highly prospective for base metal mineralisation.

The Spion Kop mine comprises a shallow shaft sunk on a 3-4 metre wide mineralized shear zone together with a connected drift extending for 25 metres along strike. Previous explorers have collected rock chips containing up to 11.5g/T gold, 1.36% copper, 5.35% lead and 10.3% zinc. It appears that only two holes have been drilled previously to evaluate these historic workings. Previous data is currently being compiled and a suitable exploration programme will be implemented.

Mt Terrible Project, New South Wales

An application for an exploration licence has been lodged to surround the high-grade Mt Terrible gold deposit located near Tamworth in New South Wales. This application has not been granted yet. The project has considerable untested porphyry-copper potential.

Copley Project, South Australia

An application for an exploration licence has been lodged to cover numerous copper and nickel occurrences in the Flinders Ranges in eastern South Australia. This application has not been granted yet.

New Projects

The Company continues to aggressively pursue numerous acquisition opportunities both in Australia and overseas.

CORPORATE

The Company has formed a strategic alliance with Uranerz Energy Corporation of the USA to jointly explore, develop and operate uranium projects.

Cash reserves at 30 June were \$1.136million.

**Michael Haynes
Managing Director**

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

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