



Black Range Minerals Limited

ABN 86 009 079 047

Financial Statements
for the year ended 30 June 2008

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CORPORATE DIRECTORY

Directors

Mr Alan Scott (Chairman)

Mr Michael Haynes (Managing Director)

Mr Matthew Wood (Director)

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 600

Directors' Report

The Directors present their report for Black Range Minerals Limited ("Black Range" or "the Company") and its subsidiaries for the year ended 30 June 2008.

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

Chairman

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

Mr Scott is currently Managing Director of HiTec Energy Limited (appointed 20 May 2002)

Mr. Michael Haynes

Managing Director

Mr. Haynes has more than 16 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 2005) and Bellamel Mining Limited (appointed 16 May 2007). Mr Haynes was a Director of Iberian Resources Limited (appointed 21 October 2003, resigned 31 July 2007) and Elk Petroleum Limited (appointed 19 January 2005, resigned 8 April 2005).

Mr. Matthew Wood

Non Executive Director

Mr. Wood has more than 16 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 currently a Director of Signature Metals Limited (appointed 19 February 2007), Bellamel Mining Limited (appointed 16 May 2007) and Avanco Resources Limited (appointed 4 July 2007). Mr Wood was a Director of Iberian Resources Limited (appointed 21 October 2003, resigned 15 August 2007), Overland Resources Limited (appointed 9 May 2005, resigned 30 June 2008) and Elk Petroleum Limited (appointed 19 January 2005, resigned 8 March 2007).

Mr. Tim Flavel

Company Secretary

Mr Flavel is a Chartered Accountant and Company Secretary, with over 20 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.

Directors' Report

INTERESTS IN THE SECURITIES OF THE COMPANY

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

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

RESULTS OF OPERATIONS

The Company's net loss after taxation attributable to the members of Black Range Minerals Limited for the year was \$3,546,501 (2007: \$1,246,677).

DIVIDENDS

No dividend was paid or declared by the Company in the year since the end of the period and up to the date of this report.

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 uranium projects in the United States of America and a base metal project in New South Wales.

EMPLOYEES

The Company had 5 employees at 30 June 2008. (2007: 4).

REVIEW OF OPERATIONS

The first half of the 2007/08 financial year saw considerable exploration drilling completed at the Taylor Ranch and Cyclone Rim Uranium Projects in the USA. This resulted in the Company substantially increasing its JORC compliant resources to over 85 million pounds of U₃O₈. The second half of the financial year saw a hiatus in exploration activities, as the Company sought and obtained its permits to conduct further exploration at the flagship Taylor Ranch project, culminating in the resumption of drilling activities there in August 2008.

Taylor Ranch Uranium Project, Colorado, USA

The advancement of the Company's 100%-owned Taylor Ranch Uranium Project in Colorado, USA over the past year and a half has been an outstanding success. The Company executed its first lease on the project in November 2006. By April 2007 historic data from the project had been compiled and a drill rig was operating on the project. The exploration potential of the project was quickly confirmed and the Company soon had as many as four rigs drilling simultaneously on the project. This aggressive approach to exploration saw 70 drill holes completed on the project during 2007, for a total of approximately 22,000 metres.

The presence of considerable high grade uranium mineralisation was quickly confirmed when historic results from the Noah and Northwest Taylor Deposits were followed up.

Directors' Report

The Company's most significant achievement however was the discovery of the new Boyer Uranium Deposit. By systematically following up anomalous results in historical drilling the Company identified thick, high grade mineralisation at the Boyer Deposit. Approximately 25 million pounds of U₃O₈ have now been delineated at the Boyer Deposit – almost a third of the 84 million pounds of U₃O₈ that have been delineated at the Taylor Ranch Uranium Project as a whole. JORC compliant resources currently comprise:

Table 1. JORC Code compliant resources at the Taylor Ranch Uranium Project at different cut-off grades.

Cut-off Grade	Classification	Tonnes (millions)	Grade U ₃ O ₈	Pounds U ₃ O ₈
0.01%	Indicated	4.8 Mt	0.030%	3,205,000
	Inferred	134.0 Mt	0.027%	80,660,000
	Total	138.8 Mt	0.027%	83,865,000
0.025%	Indicated	2.0 Mt	0.053%	2,267,000
	Inferred	37.3 Mt	0.059%	48,848,000
	Total	39.3 Mt	0.059%	51,115,000
0.075%	Indicated	0.3 Mt	0.114%	820,000
	Inferred	8.6 Mt	0.12%	22,708,000
	Total	8.9 Mt	0.12%	23,528,000

Following definition of the sizeable resource base the Company conducted a scoping study into the development of the Taylor Ranch Uranium Project. This study indicated that it would cost approximately US\$160 million to develop a 1 Mtpa underground mining operation together with a purpose built processing facility. Cash costs were estimated to be approximately US\$34/lb of U₃O₈. Such an operation targets production of 2.2 million pounds of U₃O₈ per annum.

The Company spent much of the second half of the financial year obtaining a permit from the Fremont County to resume exploration activities at the project. An eight year permit to conduct further exploration was awarded on 9 July 2008.

Drilling activities resumed during August 2008. The initial objective of this drilling programme is to evaluate the 800 metre long, highly prospective corridor between the Boyer and North Hansen deposits. No drilling has been undertaken in this area previously, but the same geological sequence that hosts all of the large deposits in the district, including the 30 million pound Hansen Uranium Deposit, is interpreted to extend through this corridor. Baseline environmental studies have also been initiated, including thorough analysis of ground and surface waters. These are an essential part of the Company's mine permitting process.

Eagle and Cyclone Rim Uranium Projects, Wyoming, USA

Following the Company's exploration success at the Eagle Uranium Project in Wyoming, USA during 2006, where it delineated JORC compliant resources of 4.7 million pounds of U₃O₈, the Company embarked upon a drilling programme at the neighbouring Cyclone Rim Uranium Project during September 2007. The Company is earning a 50% interest in the Eagle and Cyclone Rim projects. 43 holes were completed at the Cyclone Rim project, for 5,742 metres. Results from Cyclone Rim were somewhat disappointing. At the conclusion of the programme a JORC compliant resource was calculated, comprising 422,000 pounds of U₃O₈ (see Table 2 below).

Directors' Report

Table 2. JORC Code compliant resources at the Cyclone Rim Uranium Project

Classification	Tonnes	Grade U ₃ O ₈ ¹	Pounds U ₃ O ₈
Inferred	630,000	0.0304%	422,000
Total	630,000	0.0304%	422,000

¹Applying a cut-off grade of 0.01% U₃O₈

Combined JORC resources at the Eagle and Cyclone Rim Uranium Projects now comprise 5.1 million pounds of U₃O₈ (see table 3 below).

Table 3. JORC Code compliant resources at the Eagle and Cyclone Rim Uranium Projects

Classification	Tonnes	Grade U ₃ O ₈ ¹	Pounds U ₃ O ₈
Inferred	9,879,000	0.024%	5,126,000
Total	9,879,000	0.024%	5,126,000

¹Applying a cut-off grade of 0.02% U₃O₈ for the Eagle Deposit and a cut-off grade of 0.01% U₃O₈ for the Cyclone Rim Deposit

The Company is assessing its options for further development of the Eagle and Cyclone Rim projects.

Ferris Haggerty Copper Project, Wyoming, USA

During the second half of calendar year 2007 the Company completed three diamond core drill holes as part of its due diligence on the Ferris Haggerty Copper project. Limited mineralisation was intersected at several levels in all three holes.

The owner of the project was subsequently imprisoned on serious criminal charges. Ownership became disputed and circumstances precluded maintaining a reasonable business association with any of the claimants. Hence the Company advised that it is withdrawing from further participation in the project.

Koonenberry Base Metal Project, NSW, Australia

An interpretation of the airborne electromagnetic data from the survey conducted over the Company's 100%-owned Koonenberry Base Metal Project in NSW was completed during the second half of 2007.

Numerous conductors were evident. The Company however made a strategic decision to focus on the development of its projects in the USA and has completed no further exploration at the project.

Data packages have been forwarded to numerous parties that have expressed interest in farming into the project.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 25 July 2007, the Company announced it secured a 100% interest in the North Hansen and High Park Uranium Deposits in Colorado, USA.

On 13 August 2007, the Company announced a new JORC resource of 46 million pounds of U₃O₈. This was subsequently upgraded to 80 million pounds of U₃O₈ as announced by the Company on 29 November 2007.

On 12 September 2007, the Company announced it had discovered a new deposit, the "Boyer Uranium Deposit", at the Taylor Ranch Uranium Project.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have been no significant events after balance date.

Directors' 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. The Company is not aware of any breaches in relation to environmental matters.

SHARE OPTIONS

As at the date of this report, there were 107,965,027 unissued ordinary shares under options (107,965,027 at the reporting date). The details of the options at reporting date are as follows:

Number	Exercise Price \$	Expiry Date
100,315,027	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
1,500,000	0.08	29 May 2013
107,965,027		

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, 1,206,964 options were exercised at \$0.045 to acquire fully paid ordinary shares. Since the end of the financial year, no options have been exercised. 125,000 options expired during the financial year. No options have expired since the end of the financial year.

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 to the extent permitted by the Corporation Act 2001. The indemnification specifically excludes wilful 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 group. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

Directors' Report

DIRECTORS' MEETINGS

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

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

REMUNERATION REPORT (AUDITED)

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

Details of Key Management Personnel

Mr. Alan Scott	Chairman
Mr. Michael Haynes	Managing Director
Mr. Matthew Wood	Director
Mr. Tim Flavel	Company Secretary

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors and management. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Company does not link the nature and amount of the emoluments of such officers to the Group'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 Company has no policy on executives and directors entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

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

Directors' Report

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

2008	Short Term			Post Employment	Options	Total
	Base Salary	Directors Fees	Consulting Fees	Superannuation	Share Based Payments	
Director	\$	\$	\$	\$	\$	\$
Mr. A Scott	-	50,000	-	4,500	-	54,500
Mr. M Haynes	-	-	250,000	-	-	250,000
Mr. M Wood	-	-	80,000	-	-	80,000
<i>Executive</i>						
Mr. T Flavel	-	-	88,000	-	16,211	104,211
	-	50,000	418,000	4,500	16,211	488,711

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

There were no other key management personnel of the Company during the year. None of the elements of the remuneration were performance related.

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

There were no options granted in the current year that affect remuneration for the year ended 30 June 2008.

Options were granted in the prior year as an incentive package for the purpose of identifying, evaluating and proposing to the Company any new projects.

30 June 2007	Grant Date	Grant Number	First exercise date	Expiry date/Last exercise date	Value per option at grant date	Exercise price	No. Vested	% of Remuneration
	18/5/2007	500,000	18/5/2007	18/5/2012	\$0.123	\$0.24	500,000	35%
	18/5/2007	500,000	30/1/2008	18/5/2012	\$0.132	\$0.24	500,000	28%

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. No options were exercised for the year ended 30 June 2008 (2007: Nil).

Directors' Report

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. Options granted to Mr T. Flavel vest 50% after twelve months and 50% after two years from the commencement of employment.

Executive Directors and other Key Management Personnel

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 2007 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 Company Secretary, Mr. Tim Flavel is employed and remunerated on a monthly basis. Mr. Flavel's services may be terminated by either party at any time.

Non-Executive Director

The Director, Mr. Matthew Wood, is paid an annual consulting fee, on a monthly basis. Mr Wood's services may be terminated by either party at any time.

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

Service Agreements

The Company entered a service agreement for certain administrative services and office space for a term of two years with MQB Ventures Pty Ltd, a company of which Mr. Wood and Mr Haynes are Directors. The Company is required to give three months written notice to terminate the agreement.

PROCEEDINGS ON BEHALF OF COMPANY

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

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Black Range Minerals Limited support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that Black Range is in compliance with those guidelines, 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.

Directors' Report

AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of Black Range Minerals with an Independence Declaration in relation to the audit of the full-year financial report. A copy of that declaration is included at page 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

26 September 2008

Competent Person Statement

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

The information in this report that relates to Mineral Resources at the Eagle Uranium Project is based on information compiled by Mr. Malcolm Titley, who is a member of The Australian Institute of Mining and Metallurgy. Mr. Titley is a Director of Fin Ore Mining Consultants. Mr. Titley 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. Titley consents to the inclusion in the report if the matters based on his information in the form and context in which it appears.

Corporate Governance Statement

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

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

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:

Name	Term in office
Alan Scott	3 years
Matthew Wood	3 years 2 months
Michael Haynes	3 years 2 months

Corporate Governance Statement

Nomination Committee

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

Audit and Risk Management Committee

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

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

Performance

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

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality board by remunerating directors fairly and appropriately with reference to relevant employment market conditions. 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 directors and management. The Board has formally adopted a Remuneration Committee Charter however given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Remuneration Committee Charter. At such time when the Company is of sufficient size a separate Remuneration Committee will be formed.

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

Corporate Governance Statement

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:

Best Practice Recommendation	Notification of Departure	Explanation of Departure
2.1	The Company does not have a majority of independent directors.	The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.
2.4	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 2008

	Notes	Consolidated		Parent	
		2008	2007	2008	2007
		\$	\$	\$	\$
Revenues from continuing operations					
Interest revenue		786,530	245,106	716,365	244,054
Revenue		786,530	245,106	716,365	244,054
Foreign exchange losses		(97,888)	(95,265)	(956,667)	(206,523)
Finance costs		(153)	(796)	-	-
Marketing expenses		(16,429)	(24,500)	(16,429)	(24,500)
Public company costs		(129,352)	(122,939)	(129,352)	(122,939)
Consulting and directors fees		(392,148)	(340,700)	(372,047)	(329,403)
Legal fees		(9,458)	(44,927)	(9,458)	(44,927)
Staff costs		(362,838)	(394,015)	(153,349)	(332,118)
Serviced office and outgoings		(136,810)	(141,731)	(96,000)	(116,610)
Exploration expenditure impairment loss	9	(2,829,378)	-	(1,816,508)	-
Travel expenses		(27,805)	(93,774)	(11,594)	(67,795)
Other expenses	3	(330,772)	(233,136)	(1,499,753)	(350,836)
Loss from continuing operations before income tax		(3,546,501)	(1,246,677)	(4,344,792)	(1,351,597)
Income tax expense	4	-	-	-	-
Loss from continuing operations after tax		(3,546,501)	(1,246,677)	(4,344,792)	(1,351,597)
Loss per share:					
Basic loss per share (cents per share)	19	(0.59)	(0.24)		
Diluted loss per share (cents per share)	19	(0.59)	(0.24)		

Black Range Minerals Limited

Balance Sheet as at 30 June 2008

	Notes	Consolidated		Parent	
		2008	2007	2008	2007
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	16(a)	11,511,977	18,222,146	10,767,363	18,039,555
Trade and other receivables	5	189,787	55,865	21,152	47,593
TOTAL CURRENT ASSETS		11,701,764	18,278,011	10,788,515	18,087,148
NON CURRENT ASSETS					
Investments in subsidiaries	6	-	-	2,519	500,001
Other receivables	7	-	-	7,244,908	1,859,960
Property, plant and equipment	8	111,846	123,072	2,811	6,308
Deferred exploration and evaluation expenditure	9	6,500,028	4,272,845	120,235	1,910,696
TOTAL NON CURRENT ASSETS		6,611,874	4,395,917	7,370,473	4,276,965
TOTAL ASSETS		18,313,638	22,673,928	18,158,988	22,364,113
CURRENT LIABILITIES					
Trade and other payables	10	273,452	581,343	132,386	317,201
Interest bearing loans and borrowings	12	-	45,673	-	-
Provisions	11	13,584	-	-	-
TOTAL CURRENT LIABILITIES		287,036	627,016	132,386	317,201
TOTAL LIABILITIES		287,036	627,016	132,386	317,201
NET ASSETS		18,026,602	22,046,912	18,026,602	22,046,912
EQUITY					
Issued Capital	13(a)	51,702,506	51,525,338	51,702,506	51,525,338
Reserves	14	66,197	717,174	969,516	822,202
Accumulated losses	15	(33,742,101)	(30,195,600)	(34,645,420)	(30,300,628)
TOTAL EQUITY		18,026,602	22,046,912	18,026,602	22,046,912

Cash Flow Statement for the year ended 30 June 2008

	Notes	Consolidated		Parent	
		2008	2007	2008	2007
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers and employees		(1,214,962)	(1,028,729)	(838,128)	(863,909)
Interest received		786,530	245,106	716,365	244,054
NET CASH FLOWS USED IN OPERATING ACTIVITIES	16(b)	(428,432)	(783,623)	(121,763)	(619,855)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(38,878)	(74,072)	-	-
Tenement expenditure guarantees paid		(225,867)	(250,959)	-	(7,479)
Tenement expenditure guarantees refunded		7,479	237,133	7,479	-
Loans to subsidiaries		-	-	(7,004,083)	(2,125,656)
Expenditure on exploration		(6,000,043)	(2,089,512)	(175,070)	(392,199)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(6,257,309)	(2,177,410)	(7,171,674)	(2,525,334)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		54,313	20,908,995	54,313	20,908,995
Transaction (costs) / refunds from issue of shares		64,820	(1,121,769)	64,820	(1,121,769)
Payments of finance lease liabilities		(45,673)	(3,967)	-	-
Proceeds from issue of options		-	359,155	-	359,155
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		73,460	20,142,414	119,133	20,146,381
Net increase / (decrease) in cash and cash equivalents		(6,612,281)	17,181,381	(7,174,304)	17,001,192
Cash and cash equivalents at beginning of period		18,222,146	1,136,030	18,039,555	1,133,628
Net foreign exchange differences		(97,888)	(95,265)	(97,888)	(95,265)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16(a)	11,511,977	18,222,146	10,767,363	18,039,555

Black Range Minerals Limited

Statement of Changes in Equity for the year ended 30 June 2008

Consolidated	Issued Capital \$	Accumulated Losses \$	Other Reserves \$	Total \$
At 1 July 2007	51,525,338	(30,195,600)	717,174	22,046,912
Foreign currency translation	-	-	(798,291)	(798,291)
Total income and expense recognised directly in equity	-	-	(798,291)	(798,291)
Loss for the period	-	(3,546,501)	-	(3,546,501)
Total income and expense for the period	-	(3,546,501)	(798,291)	(4,344,792)
Equity Transactions:				
Shareholder equity contribution	52,000	-	-	52,000
Shareholder options contribution	60,348	-	(6,035)	54,313
Share based payments	-	-	153,349	153,349
Transaction costs refunded on share issue	64,820	-	-	64,820
At 30 June 2008	51,702,506	(33,742,101)	66,197	18,026,602
At 1 July 2006	31,339,050	(28,948,923)	548,154	2,938,281
Foreign currency translation	-	-	(105,028)	(105,028)
Total income and expense recognised directly in equity	-	-	(105,028)	(105,028)
Loss for the period	-	(1,246,677)	-	(1,246,677)
Total income and expense for the period	-	(1,246,677)	(105,028)	(1,351,705)
Equity Transactions:				
Shareholder equity contribution	20,908,995	-	-	20,908,995
Shareholder options contribution	399,062	-	(39,906)	359,156
Share based payments	-	-	313,954	313,954
Transaction costs on share issue	(1,121,769)	-	-	(1,121,769)
At 30 June 2007	51,525,338	(30,195,600)	717,174	22,046,912
Parent				
At 1 July 2007	51,525,338	(30,300,628)	822,202	22,046,912
Total income and expense recognised directly in equity	-	-	-	-
Loss for the period	-	(4,344,792)	-	(4,344,792)
Total income and expense for the period	-	(4,344,792)	-	(4,344,792)
Equity Transactions:				
Shareholder equity contribution	52,000	-	-	52,000
Shareholder options contribution	60,348	-	(6,035)	54,313
Share based payments	-	-	153,349	153,349
Transaction costs refunded on share issue	64,820	-	-	64,820
At 30 June 2008	51,702,506	(34,645,420)	969,516	18,026,602
At 1 July 2006	31,339,050	(28,949,031)	548,154	2,938,173
Total income and expense recognised directly in equity	-	-	-	-
Loss for the period	-	(1,351,597)	-	(1,351,597)
Total income and expense for the period	-	(1,351,597)	-	(1,351,597)
Equity Transactions:				
Shareholder equity contribution	20,908,995	-	-	20,908,995
Shareholder options contribution	399,062	-	(39,906)	359,156
Share based payments	-	-	313,954	313,954
Transaction costs on share issue	(1,121,769)	-	-	(1,121,769)
At 30 June 2007	51,525,338	(30,300,628)	822,202	22,046,912

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

1. Corporate Information

The financial report of Black Range Minerals Limited ("Black Range" or "the Company") for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the directors on 26 September 2008.

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

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.

(a) Compliance with IFRS

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

(b) New accounting standards and interpretations

Applicable Australian Accounting Standards and UIG interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the annual reporting period ended 30 June 2008. These are outlined in the table below:

AASB Amendment	Affected Standard (s)	Nature of change to accounting policy	Impact on Company Report	Application date for Company
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New standard replacing AASB 114 <i>Segment Reporting</i> , which adopts a management reporting approach to segment reporting.	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Company's financial statements. The amendments may have an impact on the Company's segment disclosures.	1 July 2009
AASB 101 (Revised) and AASB 2007-8	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	These amendments are only expected to affect the presentation of the Company's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Company has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 July 2009

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

AASB Amendment	Affected Standard (s)	Nature of change to accounting policy	Impact on Company Report	Application date for Company
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	The Company has share-based payment arrangements that may be affected by these amendments. However, the Company has not yet determined the extent of the impact, if any.	1 July 2009
AASB 127 (Revised)	Consolidated and Separate Financial Statements	Under the revised standard, a change in the ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction.	If the Group changes its ownership interest in existing subsidiaries in the future, the change will be accounted for as an equity transaction. This will have no impact on goodwill, nor will it give rise to a gain or a loss in the Group's income statement.	1 July 2009
AASB 3 (Revised)	Business Combinations	The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into – to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	The Company may enter into some business combinations during the next financial year and may therefore consider early adopting the revised standard. The Company has not yet assessed the impact of early adoption, including which accounting policy to adopt.	1 July 2009
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	Refer to AASB 3 (Revised) and AASB 127 (Revised) above.	1 July 2009
Amendments to International Financial Reporting Standards	Improvements to IFRSs	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.	The Company has not yet determined the extent of the impact of the amendments, if any.	1 July 2009

Adoption of new accounting standard

The Group has adopted AASB 7 Financial Instruments: Disclosures and all consequential amendments which became applicable on 1 January 2007 and AASB 2008-4 Amendments to Australian Accounting Standard – Key Management Personnel Disclosures by Disclosing Entities which became applicable for period ending on 30 June 2008. The adoption of these standards has only affected the disclosure in the financial statements. There has been no affect on profit and loss or the financial position of the Group.

(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').

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

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

The acquisition of subsidiaries is accounted for using the 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) Critical accounting estimates and judgements

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

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

Determination of mineral resources and ore reserves

Black Range Minerals estimates its mineral resources and ore reserves in accordance with the 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.

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

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

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

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

Share based payment transactions

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

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

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

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

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

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

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

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

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

(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. 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.

Intercompany loans are impaired to the extent that the impairment reflects the net deficiency of the subsidiaries.

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.

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.

(i) Exploration Expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

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

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

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

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

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

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

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

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

(j) Impairment of non financial assets other than goodwill

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or categories of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired

asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

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

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

(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. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(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 income

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

(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;

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

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 25.

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 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.

(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*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 subsidiaries is United States dollars.

Transactions and balances

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

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.

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

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.

(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.

(u) Provisions

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

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

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

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

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
3. Other Expenses				
Accounting and audit fees	106,164	71,384	76,926	71,072
Bank fees	1,093	3,226	574	2,341
Computer expenses	5,517	15,724	5,123	5,301
Courier	624	1,448	422	884
Insurance	68,012	59,191	50,737	50,739
Printing and stationery	21,337	24,225	15,449	20,591
Postage	14,414	12,464	11,283	11,972
Subscriptions	5,476	6,877	2,108	6,845
Telephone	20,543	16,550	9,489	9,171
Depreciation	35,073	9,396	3,497	2,389
Impairment on loan recovery	-	-	812,356	164,438
Impairment on investment	-	-	497,482	-
Other	52,519	12,651	14,307	5,093
	330,772	233,136	1,499,753	350,836

4. Income Tax

(a) Income tax expense

Major component of tax expense for the year:

Current tax	-	-	-	-
Deferred tax	-	-	-	-
	-	-	-	-

(b) Numerical reconciliation between aggregate tax expense recognised in the income statement and tax expense calculated per the statutory income tax rate

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

Loss from operations before income tax expense	(3,546,501)	(1,246,677)	(4,344,792)	(1,351,597)
Tax at the Company rate of 30%	(1,063,950)	(374,003)	(1,303,438)	(405,479)
Expense of remuneration options	46,032	94,186	46,005	94,186
Other non deductible expenses	3,358	736	1,664	404
Income tax benefit not brought to account	1,014,560	279,081	1,295,769	310,889
Income tax expense	-	-	-	-

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Deferred tax				
Balance Sheet				
<i>Liabilities</i>				
Capitalised exploration and evaluation expenditure	1,950,008	1,281,855	36,071	573,209
Offset by deferred tax assets	(1,950,008)	(1,281,855)	(36,071)	(573,209)
Deferred tax liability recognised	-	-	-	-
<i>Assets</i>				
Losses available to offset against future taxable income	3,335,690	1,912,328	1,416,961	1,305,149
Share issue costs deductible over five years	194,044	273,725	194,044	273,725
Foreign exchange losses	-	-	348,957	61,957
Impairment on loan recovery	-	-	289,917	49,331
Impairment on investment	-	-	149,245	-
Accrued expenses	7,500	7,651	7,500	7,651
Provisions	4,076	-	-	-
	3,541,310	2,193,704	2,406,624	1,697,813
Deferred tax assets offset against deferred tax liabilities	(1,950,008)	(1,281,855)	(36,071)	(573,209)
Deferred tax asset not recognised	1,591,302	911,849	2,370,553	1,124,604
Unused tax losses				
Unused tax losses	5,304,340	3,039,496	4,723,203	3,748,680
Potential tax benefit not recognised at 30%	1,591,302	911,849	1,416,961	1,124,604

The benefit for tax losses will only be obtained if:

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

Tax consolidation

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

Measurement method adopted under UIG 1052 Tax Consolidation Accounting

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Income Taxes.

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

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
5. Trade and Other Receivables - Current				
Tenement deposits	168,635	13,370	-	7,479
GST receivable	15,527	40,114	15,527	40,114
Other	5,625	2,381	5,625	-
	189,787	55,865	21,152	47,593

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

6. Investments in subsidiaries

Carrying amount at beginning of year	-	-	500,001	500,001
Impairment expense	-	-	(497,482)	-
Carrying amount at end of year	-	-	2,519	500,001

There was an impairment of \$497,482 in regards to the investment to recognise the write down in the subsidiary of exploration expenditure to a nil balance. Refer to note 9.

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

Name	Country of incorporation	% Equity Interest	
		2008	2007
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%

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
7. Other Receivables – Non Current				
Amount owing by controlled entities:				
Black Range Copper Inc.	-	-	-	-
Black Range Minerals Inc.	-	-	8,211,702	2,014,398
Turon Gold Pty Ltd – Intercompany loan	-	-	10,000	10,000
Less: impairment losses	-	-	(976,794)	(164,438)
	-	-	7,244,908	1,859,960

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 \$976,794 on the loan receivable from Black Range Minerals Inc, of which \$812,356 relates to current year (2007: \$164,438). The amounts owed by controlled entities are interest free, are re-payable on demand.

8. Property, Plant and Equipment

Plant and Equipment

Cost	44,350	43,011	9,557	9,557
Accumulated depreciation	(16,195)	(5,096)	(6,746)	(3,249)
Net carrying amount	28,155	37,915	2,811	6,308

Motor Vehicles

Cost	109,619	90,258	-	-
Accumulated depreciation	(25,928)	(5,101)	-	-
Net carrying amount	83,691	85,157	-	-

Total Property, Plant and Equipment

111,846	123,072	2,811	6,308
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Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
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	37,915	8,697	6,308	8,697
Additions	5,412	33,454	-	-
Depreciation expense	(11,099)	(2,457)	(3,497)	(2,389)
Net exchange differences on translation	(4,073)	(1,779)	-	-
Carrying amount at end of year	<u>28,155</u>	<u>37,915</u>	<u>2,811</u>	<u>6,308</u>
Motor Vehicles				
Carrying amount at beginning of year	85,157	-	-	-
Additions	33,466	96,280	-	-
Depreciation expense	(23,974)	(6,939)	-	-
Net exchange differences on translation	(10,958)	(4,184)	-	-
Carrying amount at end of year	<u>83,691</u>	<u>85,157</u>	<u>-</u>	<u>-</u>
Total Property, Plant and Equipment	<u>111,846</u>	<u>123,072</u>	<u>2,811</u>	<u>6,308</u>

9. Deferred Exploration and Evaluation Expenditure

Exploration and evaluation				
At cost	9,329,406	4,272,845	1,936,743	1,910,696
Accumulated impairment	(2,829,378)	-	(1,816,508)	-
Total exploration and evaluation	<u>6,500,028</u>	<u>4,272,845</u>	<u>120,235</u>	<u>1,910,696</u>
Carrying amount at beginning of the year	4,272,845	1,960,525	1,910,696	1,452,639
Acquisitions	758,840	-	-	-
Net exchange differences on translation	721,670	(104,570)	-	-
Impairment loss	(2,829,378)	-	(1,816,508)	-
Exploration expenditure during the year	<u>3,576,051</u>	<u>2,416,890</u>	<u>26,047</u>	<u>458,057</u>
Carrying amount at end of year	<u>6,500,028</u>	<u>4,272,845</u>	<u>120,235</u>	<u>1,910,696</u>

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

Exploration and evaluation expenditure written off during the year relates to the withdrawal from the copper project in the United States of America. The impairment in the parent reflects the Company making a strategic decision to focus on the development of its projects in the USA and to seek potential joint venture partners for the Koonenberry base metal project in NSW. The Company completed no exploration at the project during the year.

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
10. Trade Payables				
Trade payables	269,465	577,174	128,580	313,212
Other creditors	3,987	4,169	3,806	3,989
	273,452	581,343	132,386	317,201

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

11. Provisions – current

Annual Leave	13,584	-	-	-
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12. Interest Bearing Loans and Borrowings

Obligations under finance lease	-	45,673	-	-
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13. Issued Capital

(a) Issued capital

Ordinary shares fully paid	51,702,506	51,525,338	51,702,506	51,525,338
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	2008		2007	
	Number of shares	\$	Number of shares	\$
(b) Movements in ordinary shares on issue				
At 1 July	601,979,814	51,525,338	438,394,524	31,339,050
Exercise of options at \$0.05	1,206,964	60,348	7,981,218	399,062
Consideration for exploration land purchase at \$0.052	1,000,000	52,000	-	-
Placement at \$0.048	-	-	85,604,072	4,108,995
Placement at \$0.24	-	-	70,000,000	16,800,000
Transaction (costs) / refunds on share issue	-	64,820	-	(1,121,769)
At 30 June	604,186,778	51,702,506	601,979,814	51,525,338

(c) Ordinary shares

The Company does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the 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.

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

(d) Capital risk management

The Company's capital comprises share capital, reserves less accumulated losses amounting to \$18,026,602 at 30 June 2008 (2007: 22,046,912). The Company manages its capital to ensure its ability to continue as a going concern and to optimize returns to its shareholders. The Company was ungeared at year end. Refer to note 24 for further information on the Company's financial risk management policies.

(e) Share options

Information relating to the Black Range Minerals Ltd Employee Share Option Plan, including details of options issued under the plan, is set out in note 25.

As at 30 June 2008, there were 107,965,027 unissued ordinary shares under options (2007: 107,796,991).

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

Number	Exercise Price	Issue Date	Expiry Date
100,315,027	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
1,500,000	0.08	30 June 2008	29 May 2013
107,965,027			

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	
	2008	2007	2008	2007
	\$	\$	\$	\$
14. Reserves				
Employee equity benefits reserve	467,941	314,592	467,941	314,592
Option premium reserve	501,575	507,610	501,575	507,610
Foreign currency translation reserve	(903,319)	(105,028)	-	-
	66,197	717,174	969,516	822,202

Movement in reserves:

Employee equity benefits reserve

At 1 July	314,592	638	314,592	638
Share based payment expense	153,349	313,954	153,349	313,954
A 30 June	467,941	314,592	467,941	314,592

The Employee Equity Benefits reserve is used to record the value of equity benefits provided to Directors and individuals acting as employees as part of their remuneration. Refer to note 25 for further details of this plan.

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

	Number of options	\$	Number of options	\$
<i>Option Premium reserve</i>				
At 1 July	101,521,991	507,610	109,503,209	547,516
Option exercised	(1,206,964)	(6,035)	(7,981,218)	(39,906)
At 30 June	<u>100,315,027</u>	<u>501,575</u>	<u>101,521,991</u>	<u>507,610</u>

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.

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
<i>Foreign currency translation reserve</i>				
At 1 July	(105,028)	-	-	-
Foreign currency translation	(798,291)	(105,028)	-	-
At 30 June	<u>(903,319)</u>	<u>(105,028)</u>	<u>-</u>	<u>-</u>

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(r). The reserve is recognised in profit and loss when the net investment is disposed of.

15. Accumulated Losses

Movements in accumulated losses were as follows:

At 1 July	30,195,600	28,948,923	30,300,628	28,949,031
Loss	3,546,501	1,246,677	4,344,792	1,351,597
At 30 June	<u>33,742,101</u>	<u>30,195,600</u>	<u>34,645,420</u>	<u>30,300,628</u>

16. Cash and Cash Equivalents

(a) Reconciliation of cash

Cash balance comprises:

Cash at bank	<u>11,511,977</u>	<u>18,222,146</u>	<u>10,767,363</u>	<u>18,039,555</u>
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Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
(b) Reconciliation of the net loss after tax to the net cash flows from operations				
Net loss after tax	(3,546,501)	(1,246,677)	(4,344,792)	(1,351,597)
Adjustments for:				
Foreign exchange losses	97,888	95,265	956,667	206,523
Depreciation	35,073	9,396	3,497	2,389
Impairment on loans receivable	-	-	812,356	164,438
Impairment on investment in subsidiary	-	-	497,482	-
Share based payment	153,349	313,954	153,349	313,954
Exploration expenditure impairment loss	2,829,378	-	1,816,508	-
Changes in assets and liabilities:				
Decrease in receivables	15,247	12,582	9,622	12,582
(Decrease) / increase in trade and other creditors	(26,450)	31,857	(26,452)	31,856
Increase in provisions	13,584	-	-	-
Net cash flow used in operating activities	(428,432)	(783,623)	(121,763)	(619,855)

17. Expenditure Commitments

(a) Rental and 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.

The Company entered into a rental agreement for office space in Denver, Colorado, the United States of America for a period of 3 years. The lease is subject to annual operating costs adjustments. These amounts have not been included as the amounts remain uncertain at 30 June 2008. The Company is required to give written notice to terminate the agreement.

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

Within one year	70,883	96,000	40,000	96,000
After one year but not longer than 5 years	20,967	40,000	-	40,000
	91,850	136,000	40,000	136,000

b) Expenditure commitments

Under the terms and conditions of being granted exploration licenses, the group has a minimum annual commitment for the terms of the licenses. The terms of the licenses are 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 2008. Commitments contracted for at reporting date but not recognised as liabilities are as follows:

Within one year	321,138	319,350	89,000	89,000
After one year but not longer than 5 years	333,333	849,530	-	-
Greater than 5 years	223,750	568,570	-	-
	878,221	1,737,450	89,000	89,000

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

(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.

Consolidated		Parent	
2008	2007	2008	2007
\$	\$	\$	\$

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

Within one year	137,500	137,500	137,500	137,500
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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	-	45,673	-	-
- current liability (note 12)	-	45,673	-	-
- non-current liability	-	-	-	-
Total lease liability	-	45,673	-	-

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%.

18. Subsequent Events

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

19. Loss Per Share

Loss used in calculating basic and dilutive EPS	(3,546,501)	(1,246,677)	(4,344,792)	(1,351,597)
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	Number of Shares	
	2008	2007
Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share:	603,136,502	512,702,262
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	603,136,502	512,702,262

There is no impact from 107,965,027 options outstanding at 30 June 2008 (2007: 107,796,991 options) on the earnings per share calculation because they are anti-dilutive. These options could potentially dilute basic EPS in the future.

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
20. Auditors Remuneration				
The auditor of Black Range Minerals Limited is Ernst & Young (Australia)				
Amounts received or due and receivable by Ernst & Young (Australia) for:				
- an audit or review of the financial report of the entity and any other entity in the Consolidated group	49,729	30,300	49,729	30,300

There were no other services provided by Ernst & Young (Australia) other than audit services.

21. Key Management Personnel Disclosures

(a) Details of Key Management Personnel

Mr. Alan Scott	Chairman
Mr. Michael Haynes	Managing Director
Mr. Matthew Wood	Director
Mr. Tim Flavel	Company Secretary

(b) Remuneration of Key Management Personnel

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

The Board is ultimately 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 an annual basis by reference to industry and market conditions. In determining the nature and amount of officers' emoluments, the Board takes into consideration the Group's financial and operational performance.

Short term employee benefits	468,000	366,700	468,000	366,700
Post employment benefits	4,500	3,900	4,500	3,900
Share based payments	16,211	111,289	16,211	111,289
	488,711	481,889	488,711	481,889

(c) Shareholdings 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

Notes to the financial statements for the financial year ended 30 June 2008

2008	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	604,165	-	-	-	604,165
Mr. M. Wood	22,576,075	-	-	-	22,576,075
Mr. M. Haynes	22,576,075	-	-	-	22,576,075
Mr. T. Flavel	2,000,000	-	-	-	2,000,000

2007					
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
Mr. T. Flavel	4,044,944	-	-	(2,044,944)	2,000,000

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

(c) Option holdings of Key Management Personnel

The numbers of options over ordinary shares in the 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:

2008	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
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
Mr. Tim Flavel	5,008,913	-	-	-	5,008,913

2007					
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
Mr. Tim Flavel	4,008,913	1,000,000	-	-	5,008,913

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

There was no grant of options to Key Management Personnel during the year ended 30 June 2008.

30 June 2007	Grant Date	Grant Number	First exercise date	Expiry date/Last exercise date	Value per option at grant date	Exercise price	Vest	% of Remuneration
	18/5/2007	500,000	18/5/2007	18/5/2012	\$0.123	\$0.24	500,000	35%
	18/5/2007	500,000	30/1/2008	18/5/2012	\$0.132	\$0.24	500,000	28%

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

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. For details on the valuation of options, including models and assumptions used, please refer to note 25.

(d) Other transactions with key management personnel

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 (2007: \$96,000) during the year. MQB Ventures Pty Ltd employs geological and accounting staff which are on charged at cost to the Company for an amount totalling \$40,437.85 (2007: \$146,132). Reimbursements, at cost, for couriers and other minor expenses, totalled \$9,858.03 (2007: Nil).

Mineral Quest Pty Ltd, a company of which Mr. Matthew Wood is a director, was paid consulting fees of \$60,000 during the year (2007: \$63,333). This amount is included in Note 21(b) "Remuneration of Key Management Personnel". \$Nil was outstanding at year end (2007: \$6,666).

MQ Management Services Limited, a company of which Mr M. Wood is a director, was paid consulting fees of \$20,000 during the year. This amount is included in Note 21(b) "Remuneration of Key Management Personnel". \$20,000 was outstanding at year end (2007: \$Nil).

Bullseye Geoservices Pty Ltd, a company of which Mr. Michael Haynes is a director, was paid consulting fees of \$250,000 during the year. This amount is included in Note 21(b) "Remuneration of Key Management Personnel". \$20,833 was outstanding at year end (2007: \$20,833).

Warrior Consulting Pty Ltd, a company of which Mr. Tim Flavel is a director, was paid consulting fees of \$88,000 during the year. This amount is included in Note 21(b) "Remuneration of Key Management Personnel". \$8,000 was outstanding at year end (2007: \$6,000).

22. Related Party Disclosures

For Director related party transactions please refer to Note 21 "Key Management Personnel Disclosures". For intercompany transactions please refer to Note 7 "Other Receivables – Non Current". There were no other related party transactions during the year.

23. Segment Information

The Group operates in one business segment being mineral exploration. The Group explores in Australia and the United States. As the majority of revenue from these geographical operations is earned from bank deposits, not sales to external customers, they do not constitute reportable segments.

24. Financial Risk Management

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

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

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

(a) Liquidity Risk

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

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

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise trade, other payables. As at 30 June 2008 and 30 June 2007, all financial liabilities are contractually matured within 60 days.

(b) Interest Rate Risk

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

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

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Cash and cash equivalents	11,511,977	18,222,146	10,767,363	18,039,555

Interest rate sensitivity

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

Consolidated

Change in Basis Points	Effect on Post Tax Loss (\$)		Effect on Equity including retained earnings (\$)	
	Increase/(Decrease)		Increase/(Decrease)	
	2008	2007	2008	2007
	\$	\$	\$	\$
Increase 100 basis points	115,118	182,221	115,118	182,221
Decrease 100 basis points	(115,118)	(182,221)	(115,118)	(182,221)

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

Parent

Change in Basis Points	Effect on Post Tax Loss (\$)		Effect on Equity	
	Increase/(Decrease)		including retained earnings (\$)	
			Increase/(Decrease)	
	2008	2007	2008	2007
	\$	\$	\$	\$
Increase 100 basic points	107,673	180,396	107,673	180,396
Decrease 100 basic points	(107,673)	(180,396)	(107,673)	(180,396)

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term Australian Dollar interest rates. This would represent two to four movements by the Reserve Bank of Australia.

(c) Commodity Price Risk

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

(d) Credit Risk Exposures

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

At 30 June 2008, the Group held cash, term deposits and tenement deposits. Cash and term deposits were held with an institution with a rating from Standard & Poors of AA or above (long term) while the tenement deposits are with the government. The Group has no past due or impaired debtors as at 30 June 2008 (2007: Nil).

(e) Foreign Currency Risk

Currency risk is the risk of fluctuation in the value of overseas investments which are denominated in foreign currencies.

Loan to the subsidiary is denominated in the USD. The parent entity is therefore exposed to the movement of the USD to Australian dollar through its loan to the subsidiaries of \$7,255,312 (2007: \$1,859,960). The exposure is eliminated on consolidation. The Group does not enter into any financial arrangement to mitigate these exposures to the foreign currencies. The following sensitivity is based on the foreign currency risk exposure in existence at the balance sheet date:

	Post Tax Loss		Equity	
	Higher/(Lower)		Higher/(Lower)	
	2007	2008	2007	2008
	\$	\$	\$	\$
Parent				
AUD/USD +5%	362,766	92,998	362,766	92,998
AUD/ USD -5%	(362,766)	(92,998)	(362,766)	(92,998)
Consolidated				
AUD/ USD +5%		-		-
AUD/ USD -5%		-		-

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

The sensitivity is based on reasonably possible changes expected over the following financial year using general economic and financial forecasts.

25. 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:

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Options issued under employee option plan	153,348	313,954	153,348	313,954

(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

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	500,000
30/01/2007	30/01/2012	\$0.08	1,500,000	-	-	-	1,500,000	750,000
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	500,000
18/05/2007	18/05/2012	\$0.24	1,250,000	-	-	-	1,250,000	1,250,000
30/06/2008	29/05/2013	\$0.08	-	1,500,000	-	-	1,500,000	500,000
			6,150,000	1,500,000	-	-	7,650,000	5,400,000
Weighted average exercise price			\$0.08	\$0.08	-	-	\$0.19	\$0.23

The weighted average fair value of options granted during the year was \$0.045 (2007: \$0.085).

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, two years from issue date or over the first two years of employment;
- share price at grant date had a range of \$0.077 (2007: \$0.058 to \$0.24);
- expected volatility, based on a one year history of the companies share price, ranged from 87% to 91% (2007: 7% to 97%);
- expected dividend yield of Nil (2007: Nil); and
- a risk free interest rate range of 6.63% to 6.69% (2007: ranged from 6.085% to 6.57%).

26. Dividends

No dividend was paid or declared by the Company in the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 30 June 2008.

The balance of the franking account is Nil as at 30 June 2008 (2007: Nil).

Black Range Minerals Limited

Notes to the financial statements for the financial year ended 30 June 2008

DIRECTORS' DECLARATION

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

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 2008 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 2008.

On behalf of the Board



Michael Haynes

Director

26 September 2008

AUDIT REPORT

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 19 September 2008.

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	1,566	241
1,001 - 5,000	1,321	109
5,001 - 10,000	824	64
10,001 - 100,000	2,550	207
100,001 and over	814	133
	7,075	754

There are 3,804 shareholders holding less than a marketable parcel of ordinary shares. There are 449 option holders holding less than a marketable parcel of listed options.

STATEMENT OF RESTRICTED SECURITIES

There are no restricted securities as at 30 June 2008

SUBSTANTIAL SHAREHOLDERS

Name	Number of Equity Securities
Mr Robert Anthony Healy and Mrs Helen Maree Healy	46,574,526

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

Name of Holder	Number of Shares Held	Percentage of Capital
NEFCO Nominees Pty Ltd	24,553,908	4.06
Bullseye Geoservices Pty Ltd <Haynes Family A/C>	22,576,075	3.74
Mr Matthew Gaden Western Wood & Ms Belinda Lucy Wood <Wood Family A/C>	22,471,910	3.72
Mr Robert Anthony Healy & Mrs Helen Maree Healy	18,525,891	3.07
Mr Robert Anthony Healy	17,988,635	2.98
Mr Zac Rossi & Mrs Thelma Rossi	16,842,888	2.79
National Nominees Limited	14,661,894	2.43
Mr Robert Anthony Healy & Mrs Helen Maree Healy	10,060,000	1.67
Mr Ian Sawtell & Mrs Rhonda Sawtell	8,655,930	1.43
Walkabout Superannuation Fund Pty Ltd <Walkabout Super Fund A/C>	8,000,000	1.32
ANZ Nominees Limited <Cash Income a/c>	7,712,007	1.28
Citicorp Nominees Pty Limited	6,093,232	1.01
Rossi Orchards Pty Ltd <Rossi Orchards S/Fund A/C>	6,050,000	1.00
Grenfam 2 Pty Ltd <Greenwich ASX A/C>	4,115,000	0.68
Forbar Custodians Limited < Forsyth Barr Ltd – Nominee A/C>	3,679,268	0.61
Ms Lorrae Nancy Collins	3,633,414	0.60
Mr Graeme John Haines + Mrs Sharni Gay Haines	2,528,340	0.42
IT & Business Consulting Ltd	2,500,000	0.41
Lampton Pty Ltd	2,500,000	0.41
Mr David Shane Miller	2,500,000	0.41
	205,648,392	34.04

TOP 20 OPTIONHOLDERS

Name of Option Holder	Number of Options Held	Percentage of Capital
Mr Robert Anthony Healy	8,499,048	8.47
Bullseye Geoservices Pty Ltd <Haynes Family A/C>	8,017,978	7.99
Mr Matthew Gaden Western Wood + Ms Belinda Lucy Wood <Wood Family A/C>	8,017,978	7.99
Mr Robert Anthony Healy + Mrs Helen Maree Healy	5,360,000	5.34
Mr Zac Rossi + Mrs Thelma Rossi	3,685,722	3.67
Mr Alan Scott	3,125,000	3.12
Mrs Betty Scott	3,000,000	2.99
Mrs Sally Jane Flavel	2,997,677	2.99
Mr Gavin Brian Strack + Mrs Kate Elizabeth Strack <GB & KE Strack S/F A/C>	2,726,735	2.72
Mr Robert Anthony Healy + Mrs Helen Maree Healy	2,515,000	2.49
Mr Ian Sawtell & Mrs Rhonda Sawtell	2,163,983	2.16
Mr Ian Russell Coffey	1,800,000	1.79
Mr Benjamin Mathew Vallerine	1,450,000	1.45
Mr Rhys David Evenden	1,140,750	1.14
Warrior Consulting Pty Ltd	1,011,236	1.01
Mr Ian Gallash & Mrs Helen Ruth Gallash	1,000,000	1.00
Mr Helmut Rocker	1,000,000	1.00
Miss Lianny-Sarah Hope	900,000	0.90
Mr Arthur Richard Martin + Mr Allan Richard Martin <Arthur Marting Super Fund A/C>	800,000	0.80
Mr Eugene Sien Deng Sia	708,851	0.71
	59,919,958	59.75