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**BLACK RANGE**  
**MINERALS**

ABN 86 009 079 047

Financial Report  
for the half year ended 31 December 2010

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## **CORPORATE DIRECTORY**

### **Directors**

Mr. Alan Scott (Chairman)

Mr. Michael Haynes (Managing Director)

Mr. Duncan Coutts (Non Executive Director)

### **Company Secretary**

Mr. Nicholas Day

### **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 Minerals Limited shares

are listed on the Australian Securities

Exchange, the home branch being Perth

ASX Code: BLR

### **Auditors**

Ernst & Young

11 Mounts Bay Road

Perth WA 6000 Australia

## **DIRECTORS' REPORT**

The Directors of Black Range Minerals Limited submit their report for the half-year ended 31 December 2010.

### **Directors**

The names of the company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Mr. Alan Scott	Chairman
Mr. Michael Haynes	Managing Director
Mr. Duncan Coutts	Non Executive Director

### **Results of Operations**

The Group's net loss after taxation attributable to the members of Black Range Minerals Limited for the half-year ended 31 December 2010 was \$55,089 (2009: \$656,058).

### **Review of Operations**

During the past six months Black Range Minerals Limited worked to finalise definitive agreements to provide the Company with the right to explore and develop the 51% interest in the Hansen Uranium Deposit that it did not previously control.

In February 2011 definitive agreements were finalised and executed.

As a result, the Company now holds a 100% interest in the rights to explore and develop the +60 million pound Taylor Ranch Uranium Project as well as a 100% interest in the rights to explore and develop the adjacent circa 30 million pound Hansen Uranium Deposit<sup>1</sup>.

In late 2010 the Company obtained a necessary permit from the local County, providing the Company the right to conduct exploration activities at the Hansen Deposit, as well as at the adjacent Taylor Ranch Project, for an eight year period.

Historic feasibility study data from the Hansen Deposit were reviewed during the period. Planning is underway to commence field activities to update these previous feasibility studies to modern standards.

### **Auditor's Declaration**

Section 307C of the Corporations Act 2001 requires our auditors, Ernst & Young, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2010.

This report is signed in accordance with a resolution of the Board of Directors.



Mr Michael Haynes  
Managing Director

Perth, Western Australia  
16 March 2011

**Competent Persons Statement**

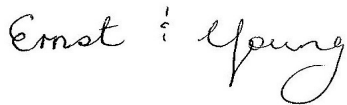
*The information in this report that relates to Mineral Resources at the Taylor Ranch Uranium Projects is based on information compiled by Mr. John Rozelle who is a member of the American Institute of Professional Geologists. Mr John Rozelle is the Principal Geologist of Tetra Tech. Mr. John Rozelle 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. John Rozelle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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

<sup>1</sup>From the abundance of work undertaken at the Hansen Uranium Deposit previously, including approximately 1,000 drill holes and mining feasibility studies, it was reported that the deposit hosts the order of 15-20 Mt of mineralised material at a grade of 0.06-0.08% U<sub>3</sub>O<sub>8</sub> for circa 30 million pounds of U<sub>3</sub>O<sub>8</sub>. As a mineral resource is yet to be calculated for the deposit under the JORC Code, this quantity and grade of mineralisation is conceptual in nature and is an exploration target, and it is uncertain if further exploration will result in the determination of a mineral resource of this size.

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

In relation to our review of the financial report of Black Range Minerals Limited for the half-year ended 31 December 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

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

Ernst & Young

A handwritten signature in cursive script that reads 'F Drummond'.

F Drummond  
Partner  
Perth  
16 March 2011

**Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2010**

	Notes	Consolidated	
		31/12/2010	31/12/2009
		\$	\$
<b>Continuing operations</b>			
Interest revenue		140,909	145,701
Other revenue		-	-
		<b>140,909</b>	<b>145,701</b>
<b>Expenses</b>			
Listing and share registry expenses		(44,831)	(56,071)
Accounting and audit fees		(27,421)	(25,984)
Legal fees		(6,843)	(10,730)
Consultants and Directors fees		(212,356)	(251,624)
Foreign exchange loss		(617)	(748)
Employee salaries		(88,559)	(59,383)
Depreciation		(16,614)	(17,299)
Exploration expenditure impairment loss		-	(152,402)
Gain on sale of exploration assets		435,000	-
Fair Value Loss on Investment		(55,000)	-
Administrative expenditure	3	(176,547)	(225,347)
Other expenses		(2,210)	(2,171)
<b>Loss from continuing operations before income tax</b>		<b>(55,089)</b>	<b>(656,058)</b>
Income tax expense		-	-
<b>Loss from continuing operations after income tax</b>		<b>(55,089)</b>	<b>(656,058)</b>
<b>Other comprehensive income</b>			
Foreign currency translation		(1,845,608)	(1,183,028)
<b>Total comprehensive income for the period</b>		<b>(1,900,697)</b>	<b>(1,839,086)</b>
<b>Loss per share from continuing operations attributable to the ordinary equity holders of the parent</b>			
Basic loss per share (cents per share)		(0.01)	(0.10)
Diluted loss per share (cents per share)		(0.01)	(0.10)

**Consolidated Statement of Financial Position as at 31 December 2010**

	Notes	Consolidated	
		31/12/2010	30/06/2010
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,988,356	5,625,439
Trade and other receivables		105,436	119,645
Held for trading financial assets		160,000	-
<b>Total current assets</b>		<b>5,253,792</b>	<b>5,745,084</b>
<b>Non-current assets</b>			
Property, plant and equipment		37,215	62,439
Other assets		524,282	514,410
Exploration and evaluation expenditure		9,435,800	10,840,160
<b>Total non-current assets</b>		<b>9,997,297</b>	<b>11,417,009</b>
<b>TOTAL ASSETS</b>		<b>15,251,089</b>	<b>17,162,093</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		84,761	95,810
Provisions		12,906	15,311
<b>Total current liabilities</b>		<b>97,667</b>	<b>111,121</b>
<b>TOTAL LIABILITIES</b>		<b>97,667</b>	<b>111,121</b>
<b>NET ASSETS</b>		<b>15,153,422</b>	<b>17,050,972</b>
<b>EQUITY</b>			
Contributed equity	8	53,813,930	53,813,930
Reserves		(1,056,311)	786,150
Accumulated losses		(37,604,197)	(37,549,108)
<b>TOTAL EQUITY</b>		<b>15,153,422</b>	<b>17,050,972</b>

**Consolidated Statement of Changes in Equity for the half year ended 31 December 2010**

	Issued Capital	Accumulated Losses	Share Based Payment Reserves	Option Premium Reserve	Foreign Currency Translation Reserves	Total
Consolidated	\$	\$	\$	\$	\$	\$
At 1 July 2009	52,527,554	(36,706,992)	568,655	501,569	462,489	17,353,275
Loss for the period	-	(656,058)	-	-	-	(656,058)
Other comprehensive (loss)/profit	-	-	-	-	(1,183,028)	(1,183,028)
<b>Total comprehensive (loss)/profit for the year</b>	-	(656,058)	-	-	(1,183,028)	(1,839,086)
<b>Transactions with owners in their capacity as owners</b>						
Shares issued	1,286,319	-	-	-	-	1,286,319
Exercise of options	51	-	-	-	-	51
Share based payment	-	-	11,442	-	-	11,442
<b>Balance at 31 December 2009</b>	<b>53,813,924</b>	<b>(37,363,050)</b>	<b>580,097</b>	<b>501,569</b>	<b>(720,539)</b>	<b>16,812,001</b>
At 1 July 2010	53,813,930	(37,549,108)	595,212	501,563	(310,625)	17,050,972
Loss for the period	-	(55,089)	-	-	-	(55,089)
Other comprehensive (loss)/profit	-	-	-	-	(1,845,608)	(1,845,608)
<b>Total comprehensive (loss)/profit for the year</b>	-	(55,089)	-	-	(1,845,608)	(1,900,697)
<b>Transactions with owners in their capacity as owners</b>						
Share based payment	-	-	3,147	-	-	3,147
<b>Balance at 31 December 2010</b>	<b>53,813,930</b>	<b>(37,604,197)</b>	<b>598,359</b>	<b>501,563</b>	<b>(2,156,233)</b>	<b>15,153,422</b>

**Consolidated Statement of Cash Flows for the half-year ended 31 December 2010**

	Notes	Consolidated	
		31/12/2010	31/12/2009
		\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(579,689)	(652,812)
Interest received		154,483	88,160
<b>Net cash flows used in operating activities</b>		<u>(425,205)</u>	<u>(564,652)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-	(11,206)
Receipts from refundable tenement expenditure guarantees		-	11,059
Proceeds from sale of exploration assets		200,000	-
Payments for refundable tenement expenditure guarantees		(102,245)	-
Payments for expenditure on exploration		(309,015)	(764,006)
<b>Net cash flows used in investing activities</b>		<u>(211,260)</u>	<u>(764,153)</u>
<b>Cash flows from financing activities</b>			
Proceeds from exercise of options		-	51
<b>Net cash flows from financing activities</b>		<u>-</u>	<u>51</u>
Net decrease in cash and cash equivalents		(636,465)	(1,328,754)
Cash and cash equivalents at beginning of period		5,625,439	7,924,826
Foreign Exchanges Variances on Cash		(617)	(748)
<b>Cash and cash equivalents at end of period</b>		<u><b>4,988,356</b></u>	<u><b>6,595,324</b></u>

## Notes to the Financial Statements for the half-year ended 31 December 2010

### 1. Corporate Information

The financial report of Black Range Minerals Limited ("Black Range" or "the Company") for the half-year ended 31 December 2010 was authorised for issue in accordance with a resolution of the directors on 16 March 2011.

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

During the half year ended 31 December 2010, the principal activity was mineral exploration. The Group currently holds uranium and coal projects in the United States.

### 2. Basis of Preparation and Accounting Policies

#### Basis of Preparation

This general purpose financial report for the half-year ended 31 December 2010 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2010 and considered together with any public announcements made by Black Range Minerals Limited during the half-year ended 31 December 2010 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

#### New Accounting Standards and Interpretations

From 1 July 2010 The Group has adopted all Accounting Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2010 including:

AASB 2009-5	<p>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB's 5, 8, 101, 107, 117, 118, 136 &amp; 139]</p> <p>The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes have no or minimal effect on accounting.</p>
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<p>AASB 2010-3</p>	<p>Amendments to Australian Accounting Standards arising from the Annual Improvements Project.</p> <p>Limits the scope of the measurement choices of non-controlling interest at proportionate share of net assets in the event of liquidation. Other components of NCI are measured at fair value.</p> <p>Requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses.</p> <p>Clarifies that contingent consideration from a business combination that occurred before the effective date of AASB 3 Revised is not restated.</p> <p>Eliminates the requirement to restate financial statements for a reporting period when significant influence or joint control is lost and the reporting entity accounts for the remaining investment under AASB 139. This includes the effect on accumulated foreign exchange differences on such investments.</p>
<p>AASB 2009-8</p>	<p>Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2]</p> <p>This Standard makes amendments to Australian Accounting Standard AASB 2 Share-based Payment and supersedes Interpretation 8 Scope of AASB 2 and Interpretation 11 AASB 2 – Group and Treasury Share Transactions.</p> <p>The amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction.</p> <p>The amendments clarify the scope of AASB 2 by requiring an entity that receives goods or services in a share-based payment arrangement to account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash.</p>
<p>AASB 2009-10</p>	<p>Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]</p> <p>The amendment provides relief to entities that issue rights in a currency other than their functional currency, from treating the rights as derivatives with fair value changes recorded in profit or loss. Such rights will now be classified as equity instruments when certain conditions are met.</p>

Interpretation 19	<p>Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments</p> <p>This interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are “consideration paid” in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability.</p> <p>The interpretation states that equity instruments issued in a debt for equity swap should be measured at the fair value of the equity instruments issued, if this can be determined reliably. If the fair value of the equity instruments issued is not reliably determinable, the equity instruments should be measured by reference to the fair value of the financial liability extinguished as of the date of extinguishment.</p>
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Adoption of the new Accounting Standards and Interpretations had no impact on the financial position or performance of the Company.

The Company has not elected to early adopt any new Standards or Interpretations.

3. Administrative Expenditure	Consolidated	
	31/12/2010	31/12/2009
	\$	\$
Advertising and promotions	1,418	-
Subscriptions	2,677	17,007
Bank fees	792	636
Computer expenses	2,150	1,286
Conferences and seminars	7,211	8,429
General office expenses	3,719	6,135
Insurance	25,511	39,264
Printing and Stationery	6,690	10,348
Postage	12,482	17,213
Rent and outgoings	74,812	72,277
Telephone	8,191	9,518
Travel and accommodation	28,115	36,554
Other	2,779	6,680
Total Administrative Expenditure	<b>176,547</b>	<b>225,347</b>

#### **4. Dividends**

No dividends have been paid or provided for during the half-year (2009: \$Nil).

#### **5. Segment Reporting**

For management purposes, the Company is organised into one main operating segment, which involves mining exploration for uranium and other minerals. All of the Company's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

#### **6. Commitments and Contingencies**

There has been no change to the commitments and contingencies disclosed in the most recent annual financial report.

#### **7. Events after the Reporting Date**

On 21 February 2011, the Group executed a definitive agreement with STB Minerals LLC that provides the Group with an exclusive option to acquire the remaining 51% interest in the Hansen Uranium Deposit. The Group now holds exclusive rights to acquire 100% of the Hansen Uranium Deposit. To acquire the option the Group shall pay STB Minerals LLC US\$1.0 million and issue US\$2.5 million worth of shares once conditions precedent are satisfied. At any time within the next three years the Group can exercise the option by paying a further US\$2.0 million and issuing US\$7.5 million worth of shares to STB Minerals LLC. If the option is not exercised after three years the Group has the right to extend its option by a further three years by paying STB Minerals LLC US\$1.0 million and issuing US\$1.0 million worth of shares.

On 11 March 2011, the Company issued 91,720,898 ordinary shares pursuant to the exercise of Listed Options, exercisable at \$0.045 on or before 28 February 2011, raising \$4,127,440. Following the conversion, 5,671,334 Listed Options were not exercised and lapsed on 28 February 2011. This shortfall has been placed to investors to raise a further \$255,210. The exercise of the Listed Options has ensured the Company has sufficient funds to aggressively advance feasibility studies and mine permitting activities at the Taylor Ranch/Hansen Uranium Project.

**8. Contributed Equity****Consolidated**

	31/12/2010		30/06/2010
	\$		\$

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

Ordinary shares fully paid

<b>53,813,930</b>	<b>53,813,930</b>
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**(b) Movements in ordinary shares on issue**

	31/12/2010		30/06/2010	
	Number of shares	\$	Number of shares	\$
Balance at beginning of period	638,068,985	53,813,930	619,187,727	52,527,554
Exercise of options at \$0.05			1,148	57
Consideration for the purchase of option to acquire 49% of the Hansen Uranium Deposit at \$0.06816	-	-	18,380,110	1,252,819
Consideration for the purchase of 51 mineral claims adjacent to the Hansen Uranium Deposit at \$0.067	-	-	500,000	33,500
	<u>638,068,985</u>	<u>53,813,930</u>	<u>638,068,985</u>	<u>53,813,930</u>

**DIRECTORS' DECLARATION**

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

In the opinion of the directors:

1. The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including;
  - (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standards AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*;
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Mike Haynes  
Managing Director  
Perth

16 March 2011

To the members of Black Range Minerals Limited

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Black Range Minerals Limited, which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001*. As the auditor of Black Range Minerals Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

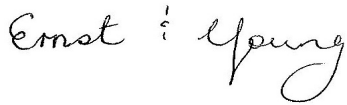
### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration a copy of which is included in the Directors' Report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Black Range Minerals Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Ernst & Young

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

F Drummond  
Partner  
Perth  
16 March 2011