BLACK RANGE MINERALS

ASX Release

30 January 2009

BLACK RANGE MINERALS LIMITED
Level 2 / 675 Murray Street
WEST PERTH
Australia
Tel: +61 8 9481 4920
Fax: +61 8 9226 2027

Contact:

Mike Haynes
Managing Director

E-mail:
info@blackrangeminerals.com

Tel: +61 8 9481 4920

Directors / Officers:

Alan Scott
Mike Haynes
Matthew Wood
Timothy Flavel

Issued Capital:
619.2 million shares
100.3 million options

Australian Stock Exchange
Symbol: BLR & BLRO

DECEMBER 2008 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

TAYLOR RANCH URANIUM PROJECT, COLORADO

- **Letter of intent with Uranium One Inc. executed for the potential joint development of the Taylor Ranch Uranium Project and the adjacent Hansen Uranium Project**
- **Extensive high grade mineralisation intersected within the previously untested 800 metre long corridor between the Boyer and North Hansen Uranium Deposits**

JONESVILLE COAL PROJECT, ALASKA

- **Acquired a 100% interest in the advanced Jonesville Coal Project in Alaska, USA**
- **Historic production of ~5.5 million tonnes of coal**
- **Hosts JORC measured, indicated and inferred resources of 130Mt of high quality thermal coal**
- **Readily accessible with excellent infrastructure**
- **Near term development opportunity**

CORPORATE

- **Cash reserves of ~$9.6 million at the end of the December quarter**

TAYLOR RANCH URANIUM PROJECT, COLORADO, USA

Agreement with Uranium One Inc.

Uranium One Inc. (Uranium One) currently holds an option to acquire a 39.2% interest in the Hansen Uranium Project. This project is located immediately south of, and adjacent to, Black Range Minerals' (Black Range's) Taylor Ranch Uranium Project (see Figure 1). The owners of the surface rights to the Hansen Project currently hold a 51% interest in the mineral rights in the same area. These landholders recently declared their 51% mineral interest in the project is for sale.

During the quarter Black Range and Uranium One executed a letter of intent, agreeing to jointly pursue the acquisition of this 51% mineral interest. Provided such 51% interest is acquired by December 19, 2011, the two companies will consolidate their assets in the Tallahassee Creek district and establish a joint venture.

It is intended that Uranium One shall hold a 60% participating interest in the joint venture and Black Range shall hold a 40% participating interest.

The Hansen Project hosts a series of uranium deposits within the same mineralized trend that hosts the deposits within the Taylor Ranch Project, and includes the North Hansen, Hansen and Picnic Tree uranium deposits. The Hansen Uranium Deposit is the largest of all of the uranium deposits within the mineralized trend (including those in the Taylor Ranch Project).

Hansen deposit contains approximately 30 million pounds of mineable U_3O_8 at a grade of ~0.08% U_3O_8

The Hansen Uranium Deposit was discovered in 1977. It immediately became the focus of a concerted exploration programme by previous owners that led to the definition of approximately 30 million pounds of mineable U_3O_8 at a grade of ~0.08% U_3O_8. A previous owner completed a positive bankable feasibility study on the Hansen deposit in the early 1980's and all permits were in place to commence open cut and underground mining and to construct an on-site processing facility. However the global uranium price collapsed prior to commencement of construction and until recently no further work was undertaken.

Combined mineralisation in excess of 100 million pounds of U_3O_8

By consolidating the ownership of key mineral rights within the Tallahassee Creek district the owners of the project will hold combined mineralization in excess of 100 million pounds of U_3O_8. A large proportion of the Hansen Project has been drilled out by previous owners to sufficient detail for it to be included in a bankable feasibility study. This mineralization base should have the grade and "critical mass" required to attract the capital that will be required to develop the project in future. Any such development could be optimized for the area, which should ultimately result in reduced operating costs.

Exploration

Considerable high grade mineralisation intersected over previously untested 800m long corridor between Boyer and North Hansen Deposits

During the quarter Black Range completed a drilling programme to evaluate the previously untested 800 metre long corridor between the high grade Boyer and North Hansen Uranium Deposits at the Taylor Ranch Uranium Project (see Figure 2).The presence of considerable high grade uranium mineralisation over the extent of this corridor was confirmed.

Six drill holes were completed, all of which intersected mineralisation. Better results included:

- **2.4 metres at 0.145% eU_3O_8**
- **2.6 metres at 0.133% eU_3O_8**
- **3.2 metres at 0.121% eU_3O_8**
- **1.5 metres at 0.152% eU_3O_8**

JONESVILLE COAL PROJECT, ALASKA, USA

100% interest

During the quarter the Company acquired a 100% interest in the Jonesville Coal Project, located approximately 100 kilometres northeast of Anchorage, USA. The project comprises two leases covering 1,450 acres.

Excellent infrastructure

The project includes the historic Evan Jones Coal Mine, which is readily accessible from several minor roads that extend from the sealed Glenn Highway which itself passes several kilometres south of the project (see Figure 3). A fully operational rail line services the town of Palmer, located some 20 kilometres southwest of the project and provides a rail connection to the port of Seward approximately 300 kilometres further south.

The port of Seward is fully equipped with coal loading facilities, and is currently being used to export coal to Asia and the Pacific Rim region. A second, recently constructed, port is located approximately 100 kilometres southwest of the project by road at Port Mackenzie. This port is also fully equipped with coal loading facilities and provides berthing facilities for Panamax and Cape sized vessels.

History

Historic production of 5.5 million tonnes of high quality thermal coal

Approximately 5.5 million tonnes of high quality thermal coal were produced from the Evan Jones Coal Mine between 1920 and 1968, from a combination of open pit and underground mining, predominantly in the northern area of the current leases. Mining was suspended in 1968 when the mines' main customers, military and civilian power plants in Anchorage, switched from coal to natural gas.

Limited exploration work was conducted between 1990 and 1997 and again in 2004. Drilling during these periods confirmed the presence of extensive, thick, high quality coal resources south of the historically mined area however no further mining was undertaken.

Geology

Coal-bearing rocks in the Jonesville area belong to the Paleocene to Eocene aged Chickaloon Formation, which is 1,000 to 1,500 metres thick. The main coal measures occur in the upper 500 metres of this formation. At the Jonesville project these coal measures are found from surface through to around 800 metres depth.

Twelve coal seams each greater than one metre thick

There are twelve coal seams of thickness greater than one metre at the Jonesville Coal Project. Of these, seams #3 and #5 both reach a maximum thickness of 7 metres, with seam #5 averaging 6 metres thickness and seam #3 averaging 4 metres thickness. The thickness

#3 and #5 seams up to 7 metres and 6 metres thick respectively

#3 and #5 seams average 4 metres and 6 metres thick respectively

Excellent quality steam or thermal coal

Low sulphur coal

Measured, indicated and inferred resources of 130.7Mt

Potential to reprocess up to 500,000 tonnes of clean coal

Ready markets for high quality, low sulphur coal

of seven other coal seams averages greater than 1.5 metres, with seams #7b, #6 and the lower Shaw bed locally exhibiting thicknesses of 6 metres, 3 metres and 3 metres respectively.

Coal Quality

Coal at the Jonesville Coal Project is an excellent quality high volatile B bituminous rank. It has excellent steam or thermal combustion qualities and has been used in the past for power generation. Its heat content averages 10,400-13,400 Btu/lb. One of the coal's key attributes is its low sulfur content (0.3-0.4%), making it valuable as a compliance coal.

Historically coal from the project has needed to be washed due to inherent clastic and middling partings.

JORC Compliant Resources

The Jonesville Coal Project hosts JORC compliant measured, indicated and inferred resources of 130.7Mt of coal. The breakdown of these resources by classification is presented in Table 1:

Table 1. JORC Code compliant resources at the Jonesville Coal Project.

Classification	Million Tonnes
Measured	17.0
Indicated	17.3
Inferred	96.4
TOTAL	**130.7**

The Company intends reassessing previous work and conducting further exploration prior to issuing a revised resource/reserve statement.

It is noted that from a mining and ore reserve perspective approximately 50% of the coal resources are hosted by seams that dip at greater than 20º. Special mining methodologies may need to be utilized in order to economically recover these resources.

The Company also has the right to reprocess tailings from the historic Evan Jones Coal Mine. It has been estimated previously that around 500,000 tonnes of clean coal could be recovered from tailings reprocessing within this area. The Company will conduct its own evaluation to determine whether this may be a viable opportunity to generate some cash flow in the short term.

Potential Markets

The high volatile B bituminous coal at the Jonesville Coal Project is an excellent thermal compliance grade coal and has been sold previously on this basis. Its low sulfur content makes it environmentally compliant and therefore attractive to many coal importation countries in the Pacific Rim.

Close proximity to Asian markets

The close proximity of Alaska to Pacific Rim countries that are heavily dependent on the importation of thermal coal, including South Korea, Japan, Taiwan and China, may make the potentially lower transportation costs from Alaska to these proximal countries attractive to buyers.

Leases and Permits

The Company has acquired two adjacent leases at the Jonesville Coal Project covering 1,450 acres. These leases give the Company the exclusive right to mine and explore for coal on these leases, as well as to reprocess coal tailings from the historic Evan Jones Coal Mine operation.

All permits in place for further exploration, trial mining and tailings reprocessing

All permits are in place to conduct an extensive exploration drilling programme on the project. Permits are also in place to construct a box-cut and develop a trial underground mining operation. The recovery of up to 17,000 tons of coal from this trial mining operation has been approved. Permits are also in place to commence tailings reprocessing. Additional permits would be required to commence commercial scale mining.

CORPORATE

Cash reserves of $9.6 million

At the end of the December 2008 quarter cash reserves were approximately $9.6 million.

Mike Haynes
Managing Director

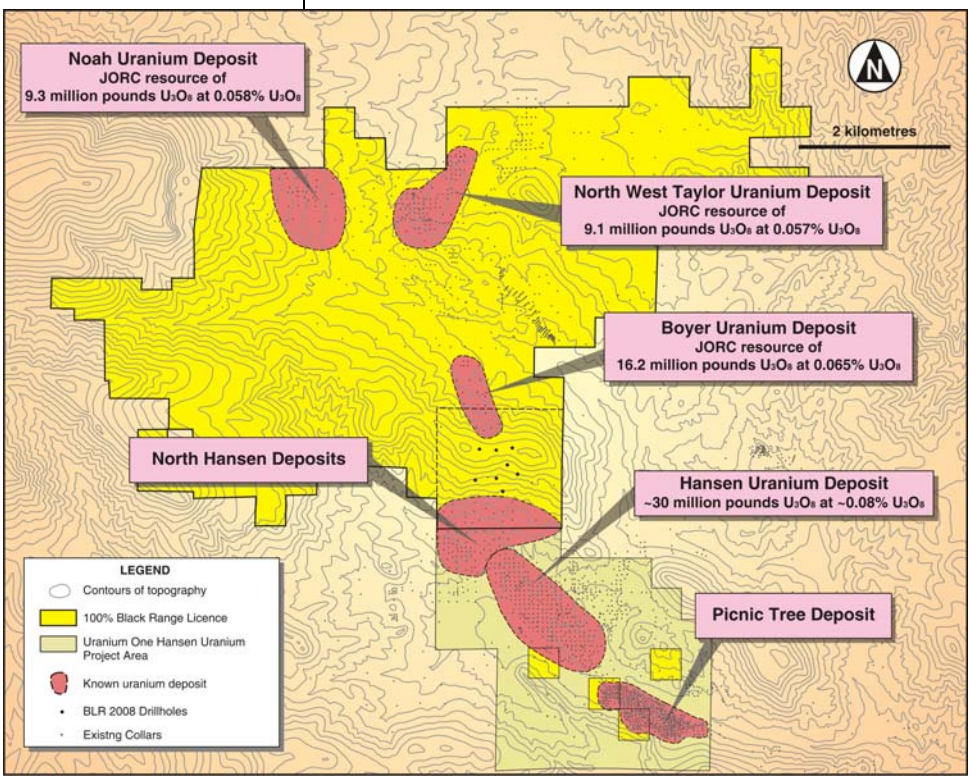

Figure 1. Location of uranium deposits within Black Range's Taylor Ranch Uranium Project and Uranium One's adjacent Hansen Uranium Project.

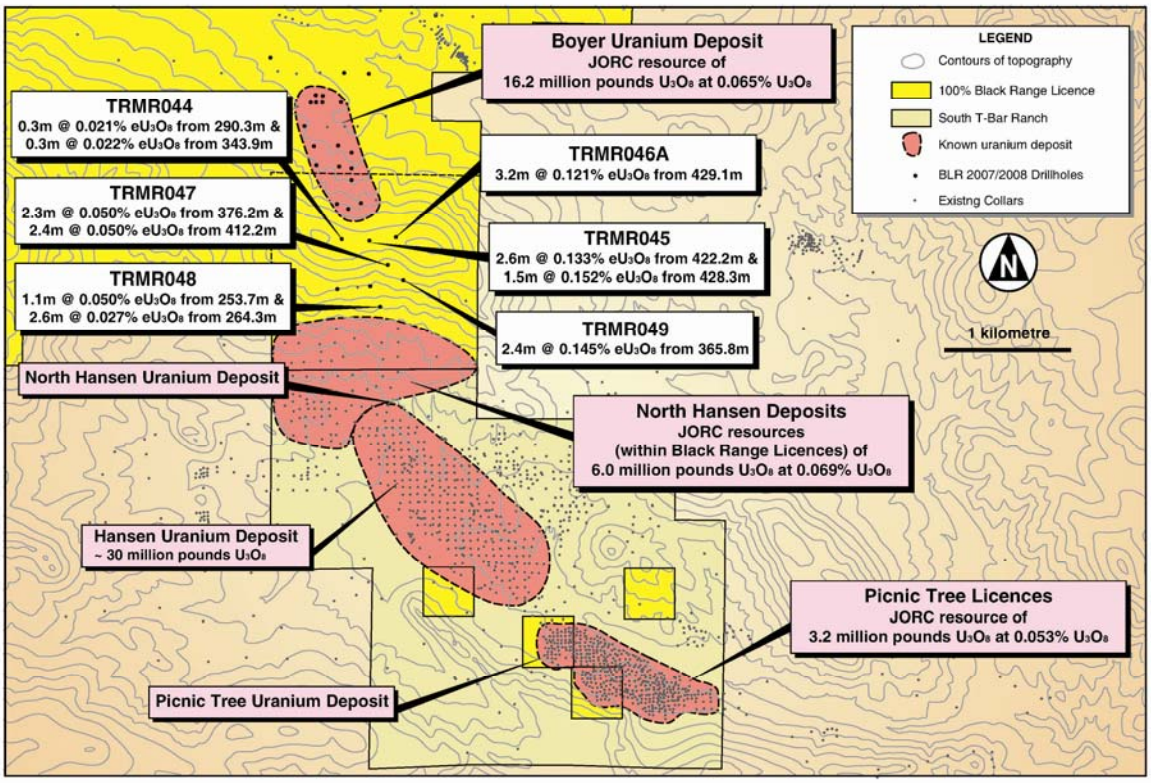

Figure 2. Location of drilling and results from Black Range Minerals Limited's 2008 drilling programme at its 100% owned Taylor Ranch Uranium Project.

Figure 3. Location of Jonesville Coal Project, Alaska, USA.

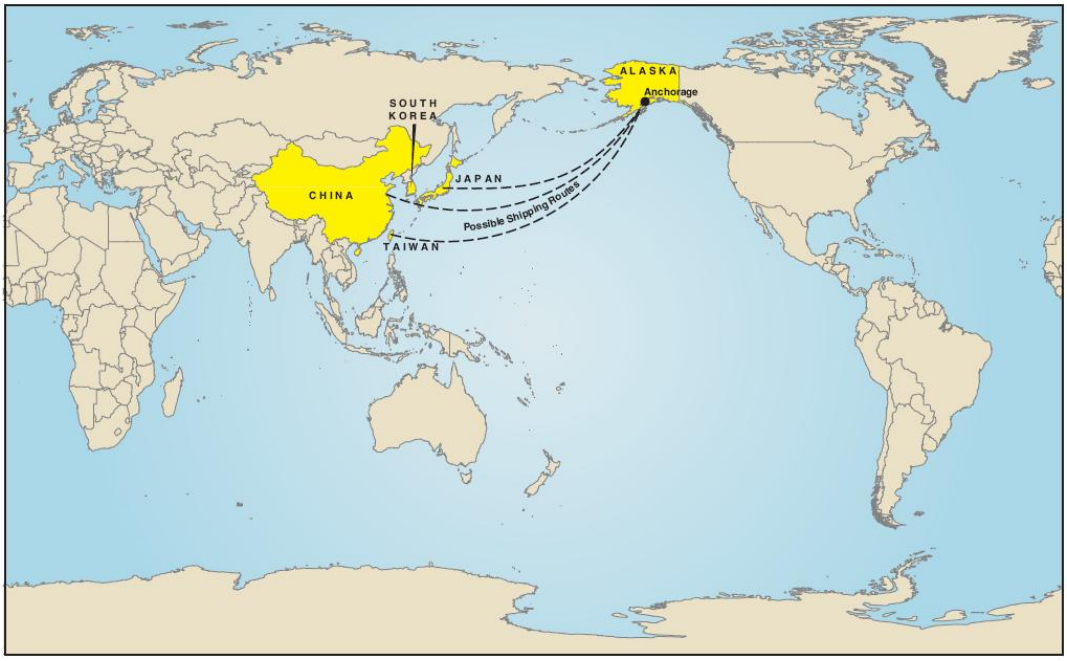

Figure 4. Location of Jonesville Coal Project with respect to potential markets in China, Japan, South Korea and Taiwan.

The information in this report that relating to Mineral Resources at the Taylor Ranch Uranium Project 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 "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 relating to Mineral Resources at the Jonesville Coal Project is based on information compiled by Mr. Michael Belowich who is a member of the American Institute of Professional Geologists. Mr Michael Belowich is a Geologist of Alaska Earth Sciences. Mr.Michael Belowich 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. Michael Belowich 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 "Australian 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.