



**BLACK RANGE  
MINERALS**

## ASX Release

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LIMITED**

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Mike Haynes

Duncan Coutts

Nick Day

Issued Capital:

738.4 million shares

6.1 million unlisted options

Australian Stock Exchange

Symbol: BLR

## QUARTERLY ACTIVITIES REPORT JUNE 2011

### Highlights

- JORC Code compliant resource calculation for the combined Hansen and Taylor Ranch Uranium Projects finalised. Indicated and inferred resource increased 51% to:
  - 90.9 million pounds of U<sub>3</sub>O<sub>8</sub> at a grade of 0.060% U<sub>3</sub>O<sub>8</sub>
- Feasibility study drilling commenced at the Hansen Uranium Deposit, with outstanding initial results including:
  - 33.5 metres at 0.061% eU<sub>3</sub>O<sub>8</sub>, including 10.1 metres at 0.093% eU<sub>3</sub>O<sub>8</sub>, and 4.3 metres at 0.100% eU<sub>3</sub>O<sub>8</sub>
  - 24.8 metres at 0.070% eU<sub>3</sub>O<sub>8</sub>, including 5.8 metres at 0.138% eU<sub>3</sub>O<sub>8</sub>

### **TAYLOR RANCH/HANSEN URANIUM PROJECT, COLORADO, USA**

### Resource Upgrade

During the June quarter the Company completed a calculation of the resource for the combined Hansen/Taylor Ranch Uranium Project in Colorado, USA (see Figure 1 and Table 1).

This resource calculation followed the execution, earlier this year, of definitive agreements that provide the Company the exclusive right to acquire 100% of the Hansen Uranium Deposit (see Figures 2 and 3), which was discovered in 1977 and fully permitted for mining in 1981. Due to the collapse of the global uranium market at the time mining never eventuated.

More than 1,000 holes were drilled and three feasibility studies completed to evaluate the Hansen Deposit previously. Information from these holes was used to calculate a JORC Code compliant resource estimate for the areas covered by recent agreements. This resource estimate has been integrated with previously calculated JORC Code compliant resources from the series of deposits on the immediately adjacent Taylor Ranch Uranium Project, in which the Company also holds a 100% interest in the mineral rights.

When applying a 0.025% cut-off grade, the JORC Code compliant indicated and inferred resource for the combined Hansen/Taylor Ranch Uranium Project comprises:

### **68.9 Mt at 0.060% U<sub>3</sub>O<sub>8</sub> for 90.9 million pounds of U<sub>3</sub>O<sub>8</sub>**

This represents a 51% increase in the number of pounds of U<sub>3</sub>O<sub>8</sub> previously reported for the Taylor Ranch Uranium Project.

44% of this resource is classified “Indicated”, as summarised in Table 2 below.

**Table 2.** JORC Code compliant resource estimate for the combined Hansen/Taylor Ranch Uranium Project when applying a 0.025% cut-off grade.

<b>Category</b>	<b>Tonnes</b>	<b>Grade U<sub>3</sub>O<sub>8</sub>(%)</b>	<b>Pounds U<sub>3</sub>O<sub>8</sub></b>
Indicated	28,928,480	0.062	39,749,941
Inferred	40,064,232	0.058	51,179,428
<b>Total</b>	<b>68,992,711</b>	<b>0.060</b>	<b>90,929,369</b>

When applying a 0.075% cut-off grade, the JORC Code compliant indicated and inferred resource for the combined Hansen/Taylor Ranch Uranium Project comprises:

### **16.6 Mt at 0.120% U<sub>3</sub>O<sub>8</sub> for 43.8 million pounds of U<sub>3</sub>O<sub>8</sub>**

This represents a 58% increase in the number of pounds of U<sub>3</sub>O<sub>8</sub> previously reported for the Taylor Ranch Uranium Project. It illustrates that there is a very robust resource at the Hansen/Taylor Ranch Uranium Project.

46% of this resource, at a 0.075% cut-off grade, is classified “Indicated”, as summarised in Table 3 below.

**Table 3.** JORC Code compliant resource estimate for the combined Hansen/Taylor Ranch Uranium Project when applying a 0.075% cut-off grade.

<b>Category</b>	<b>Tonnes</b>	<b>Grade U<sub>3</sub>O<sub>8</sub>(%)</b>	<b>Pounds U<sub>3</sub>O<sub>8</sub></b>
Indicated	7,713,001	0.121	20,519,713
Inferred	8,863,534	0.119	23,328,680
<b>Total</b>	<b>16,576,535</b>	<b>0.120</b>	<b>43,848,392</b>

These statistics confirm that the combined Hansen/Taylor Ranch Uranium Project is one of the largest uranium projects within the USA – which is the largest consumer of uranium in the world. With domestic mines within the USA producing less than 10% of the uranium consumed in the country on an annual basis, the development of such a large and strategic asset should be regarded highly.

### **Drilling Program at the Hansen Uranium Project**

In early May the Company commenced a 10-12 hole diamond core drilling program (approximately 3,000 metres) at the Hansen Uranium Project. The objectives of this program are to acquire additional metallurgical, geotechnical and hydrological data at the Hansen and Picnic Tree Uranium Deposits (see Figure 2) so that previous feasibility studies can be updated to pre-feasibility accuracy.

Four drill holes were completed during the quarter, all at the Hansen Deposit. Exceptional results were returned including:

- **33.5 metres at 0.061% eU<sub>3</sub>O<sub>8</sub>, including**
  - 10.1 metres at 0.093% eU<sub>3</sub>O<sub>8</sub>,**
  - 4.3 metres at 0.100% eU<sub>3</sub>O<sub>8</sub>, and**
  - 1.5 metres at 0.171% eU<sub>3</sub>O<sub>8</sub>**
- **24.8 metres at 0.070% eU<sub>3</sub>O<sub>8</sub>, including**
  - 5.8 metres at 0.138% eU<sub>3</sub>O<sub>8</sub>**
- **13.4 metres at 0.063% eU<sub>3</sub>O<sub>8</sub>, including**
  - 2.7 metres at 0.103% eU<sub>3</sub>O<sub>8</sub>**

The drilling program is expected to continue for several more months. Data acquired will then be analysed to update the previous feasibility studies. Further development plans will then be formulated. Mine permitting activities will continue throughout this drilling program.

### **Satisfaction of Conditions Precedent for the Acquisition of the Hansen Uranium Deposit**

During the quarter nearly all outstanding matters in relation to the satisfaction of conditions precedent stipulated in the Company's definitive agreement with STB Minerals LLC ("STB"), which provides Black Range an exclusive option to acquire STB's 51% interest in the Hansen Uranium Deposit, have been satisfactorily resolved. (The Company also holds the exclusive right to acquire NZ Minerals LLC's ("NZ") 49% interest in the Hansen Uranium Deposit).

The Company anticipates paying the next tranches of consideration due to STB and to NZ in the near term. These comprise cash payments of US\$1million to both STB and NZ, together with the issue of US\$1.25million worth of shares in Black Range to STB and a further US\$1million worth of shares to NZ.

NZ will then transfer a net 24.5% mineral interest in the Hansen Deposit to Black Range. The Company will also have the right to acquire NZ Minerals' remaining 24.5% interest in the Hansen Deposit by taking the project to commercial scale production.

On making these payments Black Range will commence its 6-year period where it has the exclusive right to acquire STB's 51% interest in the Hansen Deposit.

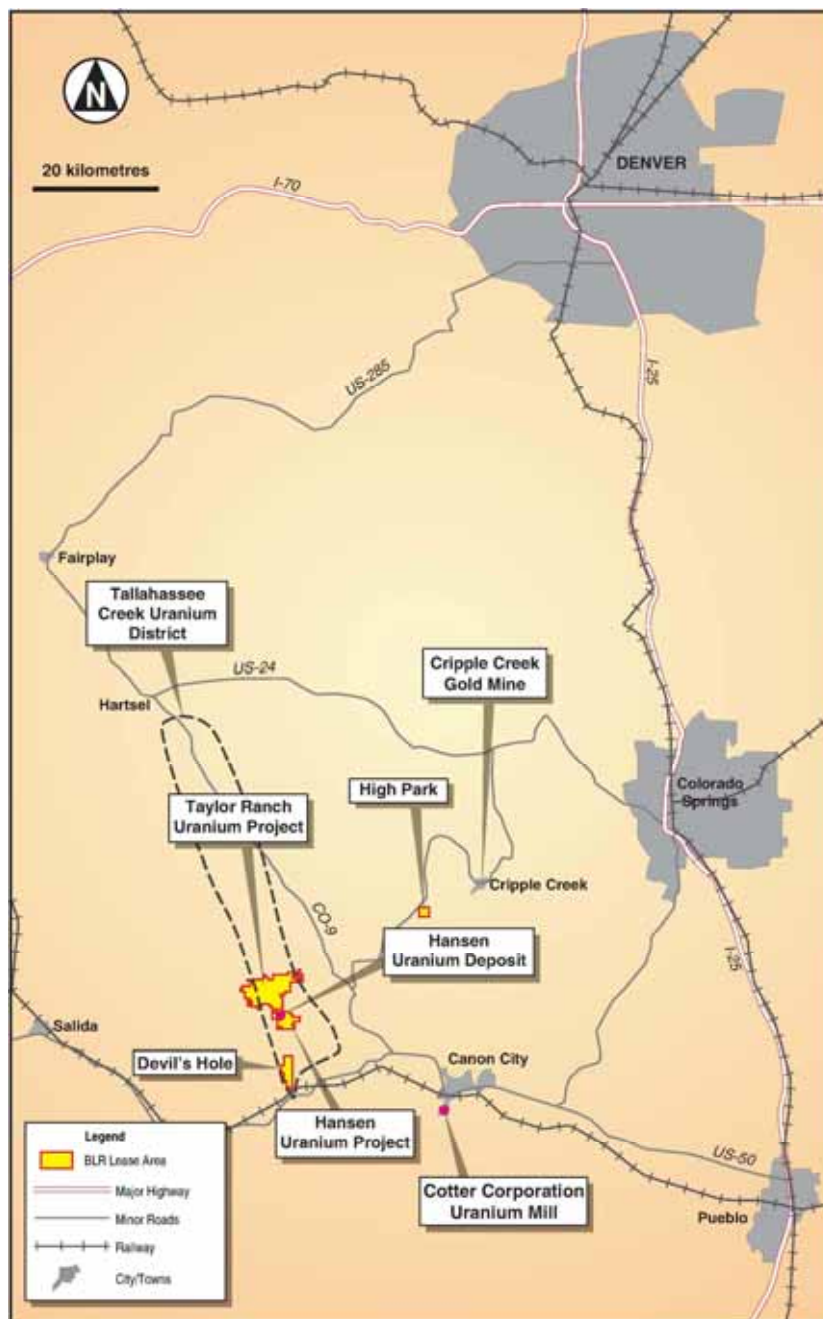
## **JONESVILLE COAL PROJECT, ALASKA**

During the quarter the Company continued to assess numerous opportunities to realise value from this project.

## **CORPORATE**

At 30 June 2011 cash reserves were approximately \$8.2 million. The Company also holds shares in listed entities with an approximate value of ~\$160,000 (based on recent closing prices).

**Mike Haynes**  
**Managing Director**



**Figure 1.** Location of Black Range Minerals' Taylor Ranch/Hansen Uranium Project in Colorado, USA.

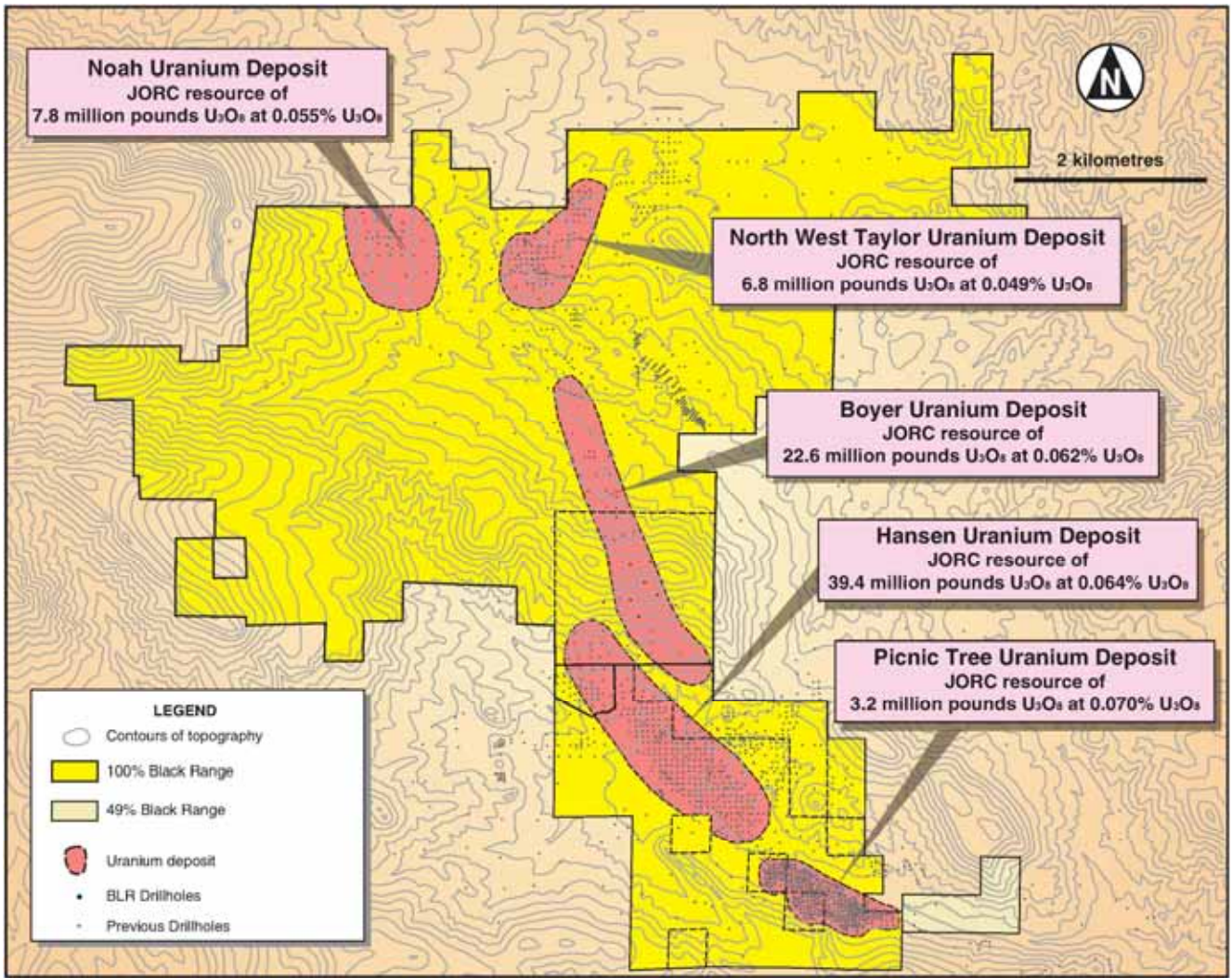


Figure 2. Location of uranium deposits within Black Range's Taylor Ranch/Hansen Uranium Project.

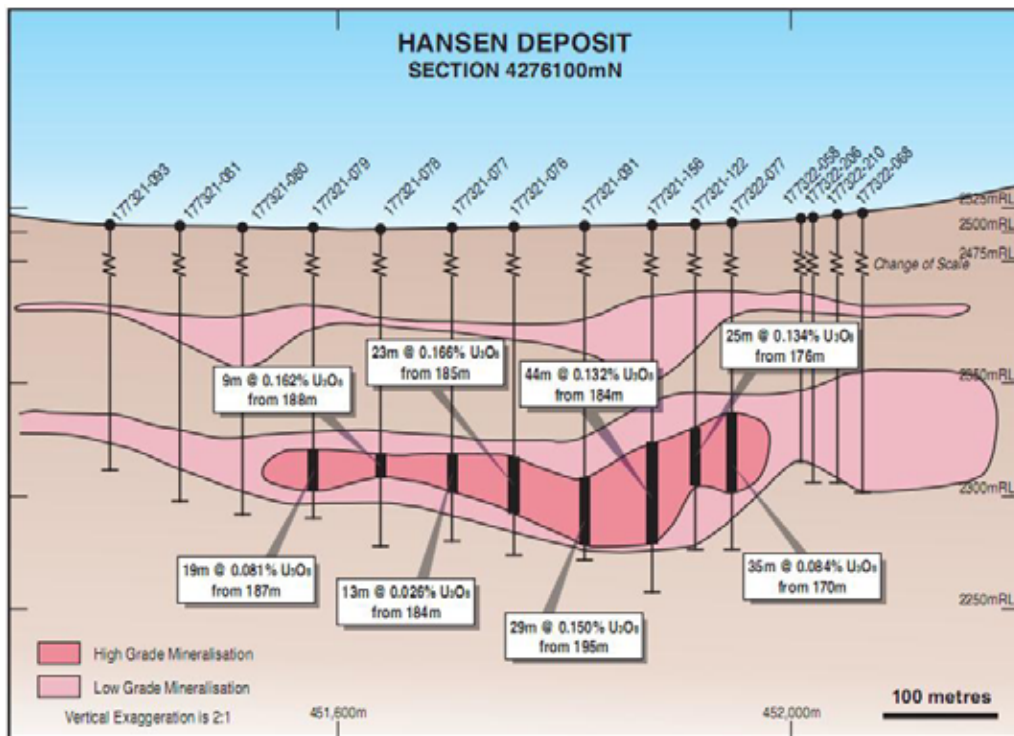


Figure 3. Schematic cross-section through the Hansen Uranium Deposit.

**Table 1.** JORC Code compliant resources for the Company's 100% controlled Hansen/Taylor Ranch Uranium Project at different cut-off grades.

Using a cut-off grade of 0.025% U<sub>3</sub>O<sub>8</sub>:

Deposit	Indicated (0.025% Cut-Off)				Inferred (0.025% Cut-Off)				Total (0.025% Cut-Off)			
	Tonnes	Grade U <sub>3</sub> O <sub>8</sub> (%)	Tonnes of U <sub>3</sub> O <sub>8</sub>	Pounds of U <sub>3</sub> O <sub>8</sub>	Tonnes	Grade U <sub>3</sub> O <sub>8</sub> (%)	Tonnes of U <sub>3</sub> O <sub>8</sub>	Pounds of U <sub>3</sub> O <sub>8</sub>	Tonnes	Grade U <sub>3</sub> O <sub>8</sub> (%)	Tonnes of U <sub>3</sub> O <sub>8</sub>	Pounds of U <sub>3</sub> O <sub>8</sub>
Hansen	11,600,262	0.067	7,768	17,124,620	16,399,487	0.062	10,101	22,269,792	27,999,749	0.064	17,869	39,394,412
Boyer	9,102,294	0.059	5,403	11,912,352	7,577,863	0.064	4,871	10,737,856	16,680,157	0.062	10,274	22,650,208
Picnic Tree	1,703,693	0.073	1,248	2,750,840	337,473	0.054	183	403,308	2,041,166	0.070	1,431	3,154,148
NW Taylor	2,385,649	0.058	1,388	3,061,003	3,940,027	0.043	1,710	3,769,842	6,325,676	0.049	3,098	6,830,845
Noah	1,438,200	0.055	784	1,728,025	4,956,582	0.055	2,736	6,031,920	6,394,782	0.055	3,520	7,759,945
High Park	1,954,983	0.053	1,028	2,267,000	433,634	0.077	333	734,000	2,388,617	0.057	1,361	3,001,000
Other (Taylor)	409,627	0.031	126	278,146	4,398,939	0.039	1,729	3,811,314	4,808,565	0.039	1,855	4,089,460
Other (Hansen Area)	333,771	0.085	285	627,955	2,020,228	0.077	1,552	3,421,397	2,353,999	0.078	1,837	4,049,351
<b>Total</b>	<b>28,928,480</b>	<b>0.062</b>	<b>18,030</b>	<b>39,749,941</b>	<b>40,064,232</b>	<b>0.058</b>	<b>23,215</b>	<b>51,179,428</b>	<b>68,992,711</b>	<b>0.060</b>	<b>41,244</b>	<b>90,929,369</b>

Or using a 0.075% U<sub>3</sub>O<sub>8</sub> cut-off grade:

Deposit	Indicated (0.075% Cut-Off)				Inferred (0.075% Cut-Off)				Total (0.075% Cut-Off)			
	Tonnes	Grade U <sub>3</sub> O <sub>8</sub> (%)	Tonnes of U <sub>3</sub> O <sub>8</sub>	Pounds of U <sub>3</sub> O <sub>8</sub>	Tonnes	Grade U <sub>3</sub> O <sub>8</sub> (%)	Tonnes of U <sub>3</sub> O <sub>8</sub>	Pounds of U <sub>3</sub> O <sub>8</sub>	Tonnes	Grade U <sub>3</sub> O <sub>8</sub> (%)	Tonnes of U <sub>3</sub> O <sub>8</sub>	Pounds of U <sub>3</sub> O <sub>8</sub>
Hansen	3,126,521	0.129	4,041	8,908,599	3,909,667	0.125	4,904	10,811,979	7,036,188	0.127	8,945	19,720,578
Boyer	3,010,039	0.103	3,097	6,828,444	2,951,979	0.100	2,964	6,534,032	5,962,018	0.102	6,061	13,362,476
Picnic Tree	532,517	0.141	749	1,650,994	55,338	0.123	68	149,744	587,856	0.139	817	1,800,738
NW Taylor	373,571	0.154	574	1,265,849	346,530	0.098	338	745,633	720,101	0.127	912	2,011,481
Noah	259,397	0.114	295	649,647	806,233	0.125	1,010	2,227,132	1,065,630	0.122	1,305	2,876,779
High Park	326,587	0.114	372	820,000	130,635	0.163	212	468,000	457,221	0.128	584	1,288,000
Other (Taylor)	-	-	-	-	234,961	0.105	246	542,864	234,961	0.105	246	542,864
Other (Hansen Area)	84,368	0.213	180	396,180	428,191	0.196	839	1,849,296	512,559	0.199	1,019	2,245,476
<b>Total</b>	<b>7,713,001</b>	<b>0.121</b>	<b>9,308</b>	<b>20,519,713</b>	<b>8,863,534</b>	<b>0.119</b>	<b>10,581</b>	<b>23,328,680</b>	<b>16,576,535</b>	<b>0.120</b>	<b>19,889</b>	<b>43,848,392</b>

"The term eU<sub>3</sub>O<sub>8</sub> refers to an equivalent uranium oxide grade that is based on the conversion of a radiometric gamma log determination of radioactive mineral abundance to a calculated uranium content. True U<sub>3</sub>O<sub>8</sub> values are obtained from direct chemical assay results."

**Competent Person Statement:**

*The information in this report that relates to Mineral Resources at the Hansen and 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 compiled this information in his capacity as a 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.*