



ASX Release

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**BLACK RANGE MINERALS
LIMITED**

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Issued Capital:

438 million shares
110 million options

Australian Stock Exchange

Symbol: **BLR**

JOINT VENTURE IN TWO ADVANCED URANIUM PROJECTS IN WYOMING, USA

Black Range Minerals (the “Company”) is very pleased to announce that it has signed an agreement with Uranerz Energy Corporation (“Uranerz”) of the USA to form a joint venture to explore and develop the advanced Cyclone Rim and Eagle Uranium Projects located in the Red Desert area of southwest Wyoming.

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

No exploration has been undertaken at either project since the 1970’s. Under the terms of the agreement Black Range shall be primarily responsible for managing and conducting exploration programmes on the projects. The Company has commenced compilation and assessment of historic data from the projects and intends mobilising a drill rig to the area as soon as it obtains government drilling permits.

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

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

Cyclone Rim Project

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



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

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

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

Eagle Project

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

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



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

These targets will all be evaluated during the Company's forthcoming drilling programme.

Joint Venture Terms

Under the terms of the joint venture Black Range shall have the right to initially earn a 50% equity interest in the joint venture by managing and meeting the first US\$750,000 in exploration expenditures on the Cyclone Rim and Eagle Projects, at no cost to Uranerz. During this first phase of exploration Black Range will be obliged to spend at least US\$100,000 per year on exploration on the projects and to spend the first US\$750,000 on exploration within three (3) years of inception of the joint venture agreement. Once Black Range has spent US\$750,000 on the projects its interest shall increase to 50%.

On completion of the first phase exploration program, should either party elect not to contribute to the costs of the second phase of expenditure on a pro-rata basis, then the other party shall have the right to earn a further 1% interest in the joint venture for every US\$25,000 spent on the Projects to earn a maximum interest in the joint venture of 70% (by spending US\$500,000).

On completion of the second phase of expenditure, should either party elect not to contribute to all further expenditure on a pro-rata basis, then the other party shall have the right to earn a further 1% interest in the joint venture for every US\$25,000 spent on the projects to a maximum interest in the joint venture of 100% (by spending US\$750,000). Should one of the parties to the joint venture earn a 100% interest in the Projects the non-contributing party will be awarded a 6% royalty for their participation to that point.



Global Uranium Industry

Today some 30 countries produce electricity using nuclear power. Worldwide 441 nuclear power plants are in operation and a further 27 are being built. Of these, 103 are located within the USA.

The combined capacity of these plants is 77,000 tonnes (169 million pounds) of uranium-oxide concentrate per year. Globally production from uranium mines now supplies only 55% of the requirements of nuclear power utilities. The remainder of supply is provided by secondary sources such as the downgrading of nuclear weapons and reprocessing spent fuel. This indicates that there will probably be increasing demand for supplies from new uranium mines in future.

Uranium in Wyoming

Uranium has been mined in Wyoming since 1920. Wyoming has been the USA's leading producer of uranium ore since 1995. In early 2005, two in-situ mining operations were producing uranium in Wyoming - Cameco's Highland / Morton Ranch and Cameco's Smith Ranch in-situ leach operations. These properties were recently consolidated into one. As of February 2005, the only other large-scale production of uranium in the USA was from the Crow Butte in-situ operation in Nebraska, also operated by Cameco.

Current production of uranium in Wyoming is approximately 1.5 million pounds of U_3O_8 per year. Wyoming also contains the largest reserves of uranium in the USA.

As part of the Company's growth strategy Black Range has identified certain jurisdictions in North America that are highly amenable to uranium exploration and mining. The State of Wyoming in the USA is considered to be one such particularly favourable jurisdiction.

The Company has since been working aggressively to build a portfolio of high-quality, advanced uranium projects within these favourable domains. This agreement with Uranerz Energy provides the Company with an excellent opportunity to begin to realise its growth objectives. It allows the Company to participate in the exploration and development of two advanced uranium projects, both containing sizeable resource bases, and both of which have had little or no exploration conducted on



them for over 20 years. The resource bases at both projects can potentially be increased substantially. Both projects can also potentially be brought to production rapidly. The Company recently formed an alliance with Uranerz so that it has ready access to considerable expertise and experienced personnel who can bring uranium deposits into production.

While the addition of these new projects are a very important step in the growth of the Company, Black Range continues to aggressively explore its 100% owned Koonenberry Base Metal Project in New South Wales. It is anticipated that the current drilling programme at this project will be completed in 2-3 weeks time. The Company anticipates announcing an upgraded JORC resource for the project shortly thereafter.

The Company also continues to aggressively pursue the acquisition of numerous additional advanced projects both within Australia and overseas.

Michael Haynes
Managing Director