



10 February 2006

Dear Security Holder

NON-RENOUNCEABLE RIGHTS ISSUE

On 8 February 2006, Black Range Minerals Limited (**Company**) lodged a prospectus (**Prospectus**) with Australian Stock Exchange Limited (**ASX**) and the Australian Securities & Investments Commission (**ASIC**) for a pro-rata non-renounceable rights issue of approximately 106,654,455 options to acquire shares in the Company (**Options**), on the basis of one (1) Option for every four (4) shares held on 17 February 2006 (**Record Date**), to be issued at 0.5 cents each to raise up to approximately \$533,270 (**Rights Issue**). Fractional entitlements will be rounded up to the nearest whole Option. Shareholder approval is not required in relation to the Rights Issue.

A full copy of the Prospectus will be mailed to all Shareholders who held shares on the Record Date on or about 20 February 2006. However, the Prospectus will not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer. Accordingly, it is the responsibility of non-resident applicants to obtain all necessary approvals for the allotment and issue to them of Shares pursuant to the Prospectus.

The Prospectus is available on the ASX website at www.asx.com.au.

It is intended that the proceeds from the Rights Issue will be used to augment the Company's current working capital to enable the Company to continue its stated exploration activities, principally being the ongoing exploration of the Koonenberry Base Metals Project near Broken Hill in western New South Wales.

The quoted securities on issue in the Company following completion of the Rights Issue, assuming no existing options are exercised prior to the Record Date, are as follows:

| Number | Class |
|---------------|--|
| 426,617,819 | Fully paid ordinary shares |
| 106,654,455 | Options exercisable at \$0.045 on or before 28 February 2011 |

The unquoted securities on issue in the Company following completion of the Rights Issue are as follows:

| Number | Class |
|---------------|---|
| 125,000 | Options exercisable at \$0.20 each on or before 29 October 2007 |

| | |
|------------|---|
| 11,700,000 | Options exercisable at \$0.01 on or before 31 December 2007 |
|------------|---|

The terms and conditions of the unlisted options do not allow for the participation by those option holders in new issues of securities. Holders of the unlisted option already on issue will, however, be entitled to exercise their options prior to the Record Date in order to participate in the Rights Issue.

The Company will apply for the listing of the Options on ASX.

The timetable for the Rights Issue is as follows:

| | |
|---|------------------|
| Lodgement of Prospectus with ASIC | 8 February 2006 |
| Ex Date | 13 February 2006 |
| Record Date for determining Shareholder entitlements | 17 February 2006 |
| Prospectus despatched to Shareholders | 20 February 2006 |
| Closing Date of Offer | 6 March 2006 |
| Despatch date/Options entered into shareholders security holdings | 14 March 2006 |

Note: These dates are determined based upon the current expectations of the Directors and may, subject to the Listing Rules, be changed without notice. The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary.

The directors of the Company have agreed to underwrite the Rights Issue in equal proportions. The directors will not be paid a fee for underwriting the Rights Issue.

Yours faithfully



Mike Haynes
Director