



ASX Release

Friday 1 September 2006

BLACK RANGE MINERALS LIMITED

Level 2 / 675 Murray Street
WEST PERTH
Australia

Tel: +61 8 9481 4920

Fax: +61 8 9226 2027

Contact:

Michael Haynes
Managing Director

E-mail:
info@blackrangeminerals.com

Tel: +61 8 9481 4920

Directors / Officers:

Alan Scott
Michael Haynes
Matthew Wood
Timothy Flavel

Issued Capital:

438 million shares
110 million options

Australian Stock Exchange
Symbol: **BLR & BLRO**

\$3.12M PLACEMENT AND IMPLEMENTATION OF SHARE PURCHASE PLAN

- Placement to raise \$3.12 million successfully arranged.
- Share Purchase Plan to raise up to a further \$4.8 million.
- Funds to be used to fast-track aggressive exploration programmes.
- Drilling to commence at the advanced Eagle and Cyclone Rim Uranium Projects this month.
- Initial exploration target of 5 million pounds U₃O₈.
- JORC-compliant resource expected later this year.
- Strike extensions to known mineralisation secured with a further 113 mineral claims covering 2260 acres.
- High-grade intersections in previous reconnaissance drilling evident in these new claims.
- No exploration since the 1970's.
- Scoping study at Koonenberry Base Metal Project progressing well.
- Airborne EM survey to be completed to rapidly evaluate 75km of extensions of prospective horizon.
- Further drilling to follow EM survey and complete technical review of project data.
- Acquisition of new advanced uranium and base metal projects progressing well.

Placement

The Company is pleased to announce that it has successfully arranged a placement of approximately 65 million ordinary shares at \$0.048 per share to raise approximately \$3.12 million with domestic and overseas sophisticated and institutional investors. Patersons Securities Limited acted as the Lead Manager to the placement.

Share Purchase Plan

The Company is also pleased to announce that all shareholders will be entitled to participate in a Share Purchase Plan for the issue of up to a further 100 million shares at \$0.048 per share to raise up to an additional \$4.8 million (the SPP). The SPP will enable all existing shareholders to participate in the continuing growth and development of the Company. The Company reserves the right to accept oversubscriptions of up to a further 30 million shares in the SPP.



The record date for the SPP will be 13 September 2006. All shareholders registered on the record date will be entitled to subscribe for approximately \$2,000, \$3,000, \$4,000 or \$5,000 of ordinary shares at an issue price of 4.8 cents per share, subject to the provisions of the SPP.

Eligible shareholders will receive written notification of the SPP offer, which will detail how to participate in the offer and the timetable.

Funds raised in the placement and the SPP will be used to fast-track aggressive exploration programmes at the Company's Koonenberry Base Metal Project in New South Wales and its Cyclone Rim and Eagle Uranium Projects in Wyoming, USA.

Cyclone Rim and Eagle Uranium Projects, Wyoming, USA

The Company will commence its inaugural drilling programme at the advanced Cyclone Rim and Eagle Uranium Projects later this month. The Company's exploration target at these projects is initially 5 million pounds of U_3O_8 . This target is based on historic exploration results, including those from approximately 200 previous drill holes. No exploration has been conducted at either project since the 1970's.

The Company has recently completed compilation of all previous exploration data into a digital database. This has highlighted the substantial untested along-strike potential at the project. The Company has subsequently increased its land-holding by more than 300% by securing an additional 113 mineral claims covering 2260 acres. High-grade intersections of uranium mineralisation (including 1 metre at 0.18% U_3O_8 from 65 metres) are recorded in several wide-spaced reconnaissance drill holes within these new claims. The extent of this mineralisation has not been previously followed-up.

Funds raised in the placement and SPP will be used to aggressively evaluate the potential of these new claims. New drilling will also facilitate the calculation of a JORC-compliant resource, which should be completed within weeks of the completion of the drilling programme later this year.

Koonenberry Base Metal Project, NSW

The Company recently announced that it had increased the resource base at its 100% owned Koonenberry Base Metal Project ten-fold, to **5.75Mt at 1.03% copper, 0.35% zinc, 2.30g/t silver and 0.05g/t gold**. It has commenced a scoping study to evaluate the economics of developing a commercial operation at this project. This study is progressing well.



To date the Company's exploration efforts have been focused on just 4km of more than 75km of the prospective horizon that hosts mineralisation at the Koonenberry Base Metal Project. An extensively mineralised system has already been delineated over the 4km of strike. There is considerable potential to delineate a world-class deposit along this horizon. Electromagnetic surveying has proven to be exceptionally useful in identifying mineralisation within this terrain. The Company intends fast-tracking evaluation of this prospective horizon by conducting a high-resolution airborne electromagnetic (EM) survey over the entire 75km long horizon later this year.

An extensive drilling programme will immediately follow completion of the airborne EM survey. This programme will evaluate new targets generated by the EM survey and will also comprise infill and extensional drilling at the Grasmere and Peveril copper deposits.

New Project Acquisition

Negotiations to acquire several additional advanced uranium projects as well as an advanced, high-grade base metal deposit are progressing well. Funds raised through the placement and SPP will enhance the Company's ability to complete these transactions. They will also allow the Company to immediately implement aggressive exploration and development programmes at the projects as soon as the acquisitions are finalised.

The planned use of funds raised in the Placement is summarised below:

Use of Placement Funds	
<u>Koonenberry Base Metal Project, NSW</u>	
Airborne EM Survey	\$500,000
Follow-up ground EM Survey	\$50,000
Scoping Studies	\$100,000
Drilling	<u>\$1,000,000</u>
	\$1,650,000
<u>Cyclone Rim and Eagle Uranium Projects, Wyoming, USA</u>	
Drilling	\$900,000
Resource/Reserve Calculations	\$70,000
Licensing	<u>\$80,000</u>
	\$1,050,000
Working Capital	\$250,000
Expenses of the placement	\$170,000
TOTAL	\$3,120,000



The planned use of funds raised from the SPP, assuming full acceptance is summarised in the table below:

Use of SPP Funds	
<u>Koonenberry Base Metal Project, NSW</u>	
Drilling	\$750,000
Feasibility Studies	<u>\$500,000</u>
	\$1,250,000
<u>Cyclone Rim and Eagle Uranium Projects, Wyoming, USA</u>	
Drilling	\$400,000
Resource/Reserve Calculations	\$80,000
Licensing	\$50,000
Feasibility Studies	<u>\$500,000</u>
	\$1,030,000
<u>New Projects</u>	
Acquisition Expenses	\$250,000
Drilling	\$500,000
Resource/Reserve Calculations	\$50,000
Licensing	\$50,000
Feasibility/Development Studies	<u>\$500,000</u>
	\$1,350,000
Working Capital	\$1,100,000
Expenses of the SPP	\$70,000
TOTAL	\$4,800,000

In the event that shareholders subscribe for an amount less than \$4.8 million in the SPP the use of funds from the SPP will be reallocated to the Company's projects by the directors.

On completion of the placement and the SPP the Company will be in a strong technical and financial position to rapidly advance its high-quality uranium and base metals and to acquire and develop additional projects.

Mike Haynes
Managing Director