



**BLACK RANGE
MINERALS**

ASX Release

21 February 2011

**BLACK RANGE MINERALS
LIMITED**

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Directors / Officers:

**Alan Scott
Mike Haynes
Duncan Coutts
Nick Day**

**Issued Capital:
636.39 million shares
97.39 million options**

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

**RIGHT TO ACQUIRE 100% OF THE
HANSEN URANIUM DEPOSIT**

Highlights

- **Definitive agreement executed so the Company now holds exclusive rights to acquire 100% of the ~30 million pound Hansen Uranium Deposit¹.**
- **The Hansen Uranium Deposit is located immediately adjacent to the Company's 100% owned +60 million pound Taylor Ranch Uranium Project.**
- **The combined Taylor Ranch/Hansen Uranium Project is one of the largest uranium projects within the USA.**
- **Positive feasibility studies into development of the Hansen Deposit completed previously.**
- **Hansen Deposit was fully permitted for mining in the 1980s.**
- **Anticipated that economic benefits may be realised by jointly developing the advanced Hansen Uranium Deposit in conjunction with the Taylor Ranch Project.**
- **Update of previous feasibility studies underway.**

Black Range Minerals Limited (ASX: BLR; "Black Range" and the "Company") is very pleased to advise that it has executed a definitive agreement with STB Minerals LLC ("STB") that provides Black Range an exclusive option to acquire the remaining 51% interest in the ~30 million pound Hansen Uranium Deposit¹ in Colorado, USA (see Figure 1).

The Company already holds an exclusive option to acquire NZ Minerals LLC's 49% interest in the Hansen Deposit. Hence the Company now holds exclusive rights to acquire 100% of the Hansen Uranium Deposit.

The Hansen Uranium Deposit is located immediately adjacent to the Company's 100% owned +60 million pound Taylor Ranch Uranium Project (see Table 1 and Figure 2). The combined Taylor Ranch/Hansen Uranium Project is one of the largest uranium projects within the USA.

The Hansen Uranium Deposit was discovered in 1977. Approximately 1,000 holes have been drilled previously to define the deposit. Mineralisation is hosted by a flat-lying sandstone sequence, with the high grade portion of the deposit being up to 45 metres in thickness (see Figure 3). Three feasibility studies were completed and the deposit was fully permitted for mining in the early 1980s; however, mining never eventuated because the global uranium price collapsed shortly after permits were awarded.

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The Company intends acquiring additional metallurgical, geotechnical and hydrological data at the Hansen Deposit in order to update previous feasibility studies. Permits have been obtained to acquire this additional data. Field work is expected to commence during the second quarter of 2011, as soon as a suitable diamond-core drilling rig becomes available.

Terms of the Agreement with STB

Key components of the definitive agreement with STB are:

- Black Range has an exclusive, six-year option to acquire STB's 51% mineral interest in the Hansen Uranium Deposit and immediate surrounds.
- Once conditions precedent are satisfied, which is expected to occur within the next three months, Black Range shall pay STB US\$1.0 million and issue STB US\$2.5 million worth of shares in Black Range (based on Black Range's 5-day VWAP for the period immediately preceding the issue of the shares). These shares will be issued in two tranches, 180 days apart.
- Black Range shall undertake feasibility studies into the development of a commercial scale mining operation, evaluating all potential mining methods.
- To exercise its option to acquire STB's mineral interest, Black Range shall pay STB a further US\$2.0 million and issue STB US\$7.5 million worth of shares in Black Range. These shares would be issued in two tranches, 180 days apart.
- If Black Range has not exercised its option to acquire STB's mineral interest within 3 years of satisfaction of the conditions precedent, it shall have the right to extend its exclusive option for a further three years by paying STB \$1.0 million and issuing STB a further \$1.0 million worth of shares in Black Range. These shares would be issued in two tranches, 180 days apart.
- If Black Range exercises its option to acquire STB's mineral interest, Black Range shall also concurrently purchase the surface rights covering certain parcels of land that will be directly affected by a mining operation, under terms and conditions already agreed between STB and the surface owners.
- If Black Range exercises its option to acquire STB's mineral interest, STB will be entitled to a 1.5% royalty on production from its 51% interest in the Hansen Uranium Deposit.

The finalisation of agreements to acquire 100% of the advanced Hansen Uranium Deposit puts the Company in a very good position to develop a mining operation at the Taylor Ranch/Hansen Uranium Project. The Company anticipates that considerable economic benefits will be realised by jointly developing the advanced circa 30 million pound Hansen Uranium Deposit in conjunction with the adjacent 60 million pound resource base at the Taylor Ranch Project.

Mike Haynes
Managing Director

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

Using a cut-off grade of 0.025% U₃O₈:

Category	Tonnes	Grade U ₃ O ₈ (%)	Pounds U ₃ O ₈
Indicated	17,910,008	0.057	22,567,741
Inferred	29,897,723	0.057	37,652,173
Total	47,807,731	0.057	60,219,914

Or using a 0.075% U₃O₈ cut-off grade:

Category	Tonnes	Grade U ₃ O ₈ (%)	Pounds U ₃ O ₈
Indicated	4,406,192	0.111	10,781,688
Inferred	6,386,543	0.121	16,982,818
Total	10,792,735	0.117	27,764,506

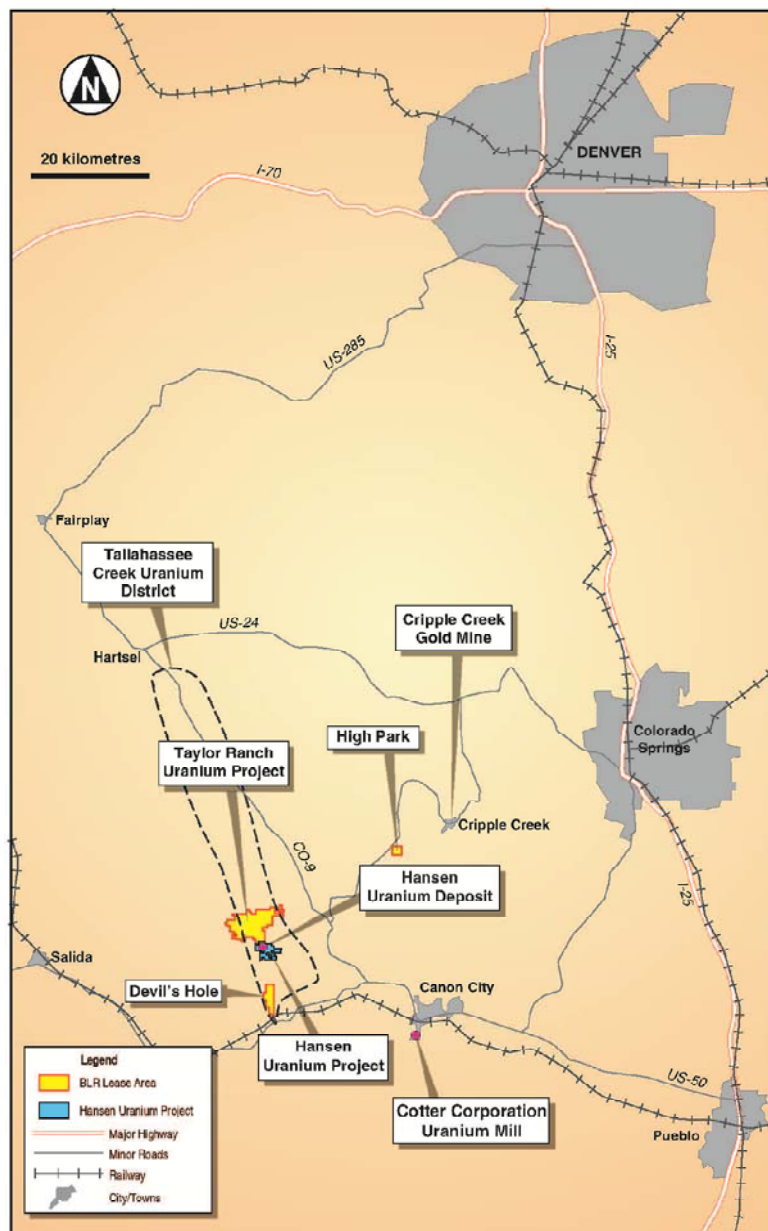


Figure 1. Location of Black Range Minerals' Taylor Ranch/Hansen Uranium Project in Colorado, USA.

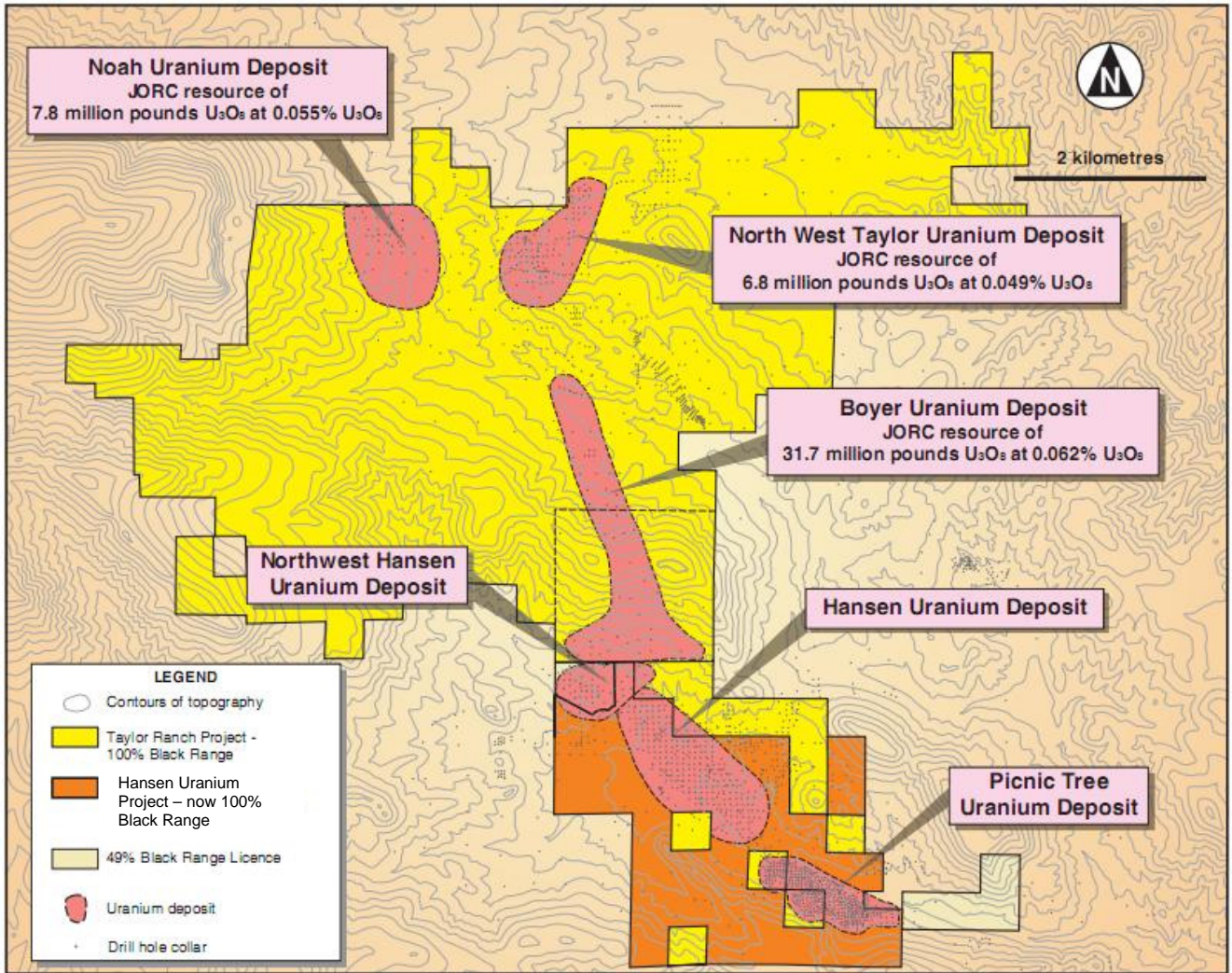


Figure 2. Location of uranium deposits within Black Range's Taylor Ranch/Hansen Uranium Project.

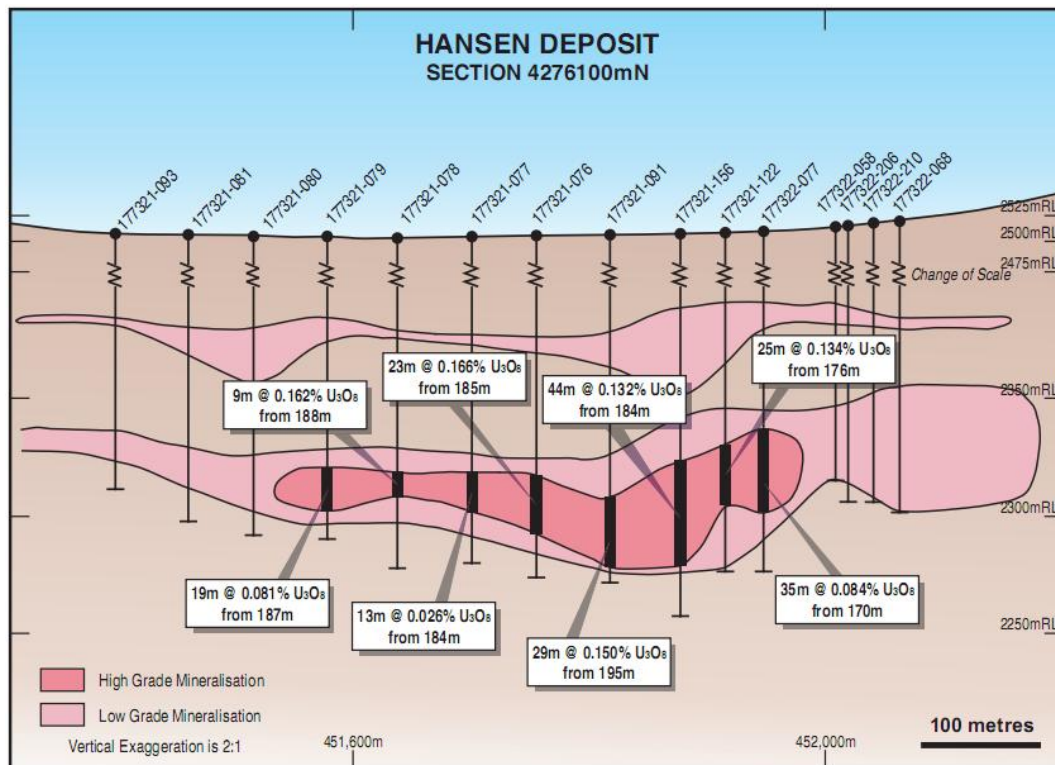


Figure 3. Schematic cross-section through the Hansen Uranium Deposit.

¹ From the abundance of work undertaken at the Hansen Uranium Deposit previously, including approximately 1,000 drill holes and mining feasibility studies, it was reported that the deposit hosts the order of 15-20 Mt of mineralised material at a grade of 0.06-0.08% U₃O₈ for circa 30 million pounds of U₃O₈. As a mineral resource is yet to be calculated for the deposit under the JORC Code, this quantity and grade of mineralisation is conceptual in nature and is an exploration target, and it is uncertain if further exploration will result in the determination of a mineral resource of this size.

Competent Person Statement:

The information in this report that relates to Mineral Resources at the 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 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 “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.