BLACK RANGE
MINERALS

ABN 86 009 079 047

Financial Report
for the half year ended 31 December 2013

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CORPORATE DIRECTORY

Directors
Mr. Alan Scott (Chairman)
Mr. Michael Haynes (Managing Director)
Mr. Benjamin Vallerine (Non Executive Director)
Mr. Joseph Havlin (Non Executive Director)

Company Secretary
Mr. Ian Cunningham

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Stock Exchange Listing
Black Range Minerals Limited shares
are listed on the Australian Securities
Exchange, the home branch being Perth
ASX Code: BLR

Auditors
Stantons International Audit and Consulting Pty Ltd
Level 2, 1 Walker Avenue
West Perth WA 6005

DIRECTORS' REPORT

The Directors submit their report for the consolidated entity (**the Group**), consisting of Black Range Minerals Limited (**Black Range** or **the Company**) and its controlled entities, for the half-year ended 31 December 2013.

Directors
The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Mr. Alan Scott	Chairman
Mr. Michael Haynes	Managing Director
Mr. Duncan Coutts	Non Executive Director (Resigned 23 January 2014)
Mr. Benjamin Vallerine	Non Executive Director
Mr. Joseph Havlin	Non Executive Director (Appointed 7 February 2014)

Results of Operations
The Group's net loss after taxation for the half-year ended 31 December 2013 was $1,128,352 (2012: $1,357,363).

Review of Operations

Hansen / Taylor Ranch Uranium Project
During the half-year to 31 December 2013, the Company completed a drilling program to install five new water monitoring wells immediately adjacent to its Hansen Uranium Deposit in Colorado. These wells are essential to streamlining the mine permit application and approval process.

Collection of baseline environmental data from these new wells has commenced. It will be integrated with, and be complementary to, data from the Company's ongoing surface and ground-water monitoring programs. The Company anticipates it will have collected sufficient baseline environmental data from these new wells to enable it to apply for mine permits by late 2014.

Ablation Joint Venture
During the half-year Mineral Ablation LLC (**Ablation JV**) initiated testwork with ore in the semi-commercial scale Ablation unit it had been constructing in Casper, Wyoming, which has nominal capacity of 5tph (**5tph Unit**).

Ore from the October stockpile in western Colorado was mixed with water to prepare slurries that comprise 15-20% solids – the optimal slurry density for the 5tph Unit. Multiple batches of slurry were used to run tests in the 5tph Unit; each time modifying specific parameters of the operating system slightly to facilitate performance optimisation.

In all cases preliminary analytical results indicate that greater than 90% (and up to 94.5%) of the uranium in the ore has been separated into the finest size fractions following Ablation. Initial tests suggest that recoveries can be further improved, potentially to 97-98%, with secondary separation. This bodes extremely well for commercial scale Ablation operations.

Furthermore, the initial performance of the 5tph Unit is even more encouraging because the residence time to achieve these results was considerably less than anticipated. Indeed, the Ablation process was so effective in the 5tph Unit that only one of the three available Ablation modules was needed to achieve >90% recoveries (the other two Ablation modules were bypassed). This indicates that, as expected, the higher energy of the 5tph Unit (compared to that available in the pilot plant) is dramatically improving the efficiencies of the Ablation process. As such it is probable that throughputs in excess of the nominal target of 5 tonnes per hour can be achieved with the "5tph Unit". Furthermore it provides the Ablation JV further confidence that it should be possible to commercialise Ablation in the near-term.

Following this initial testwork the Ablation JV has been further refining the design and operation of the 5tph Unit. The design of the piping and hosing is being modified slightly to compensate for increased wear that has been observed when operating the 5tph Unit with high energies.

The potential to commercialise Ablation in the near-term was confirmed during the half-year when an independent third party, GoviEx Uranium Inc., announced that the preferred development plan for its Madaouela Project in Niger, that contains NI 43-101 mineral resources of 39.7 Mt at 0.14% eU_3O_8, for a total of 122.3 million lbs of U_3O_8, includes Ablation. Extensive Ablation testwork on ore samples from the Madaouela Project was overseen by the independent international consulting company, SRK Consulting (UK), further validating the considerable benefits that Ablation affords the conventional uranium mining industry.

As at 31 December 2013, in addition to the Company's cash and cash equivalents of $112,302, the Ablation JV partner held cash and cash equivalents of $332,963 for the purposes of funding commercialisation activities.

Proposed Acquisition Uranium One's Conventional Uranium Assets

On 30 October 2013, the Company announced it had entered into binding agreements to acquire Uranium One Inc's (**Uranium One**) conventional uranium assets in the USA comprising (i) the Shootaring Canyon Mill and related assets (the **Mill Acquisition**); and (ii) other exploration and development assets (the **JV Acquisition**; and collectively the **Acquisition**). Completion of the Acquisition was subject to receipt of shareholder and regulatory approvals on or before 14 March 2014 (**Completion Date**).

The Mill Acquisition gives Black Range the exclusive right, on completion, to take 100% ownership of the Shootaring Canyon uranium processing facility in Utah (the "Mill"), which is one of only three licensed conventional uranium mills in the USA, together with surface stockpiles of uranium ore, with a historic mineral resource estimate of approximately 250,000 lbs of U_3O_8 at a grade of 0.13% U_3O_8[(1)].

The JV Acquisition provides the Company the right to earn up to 100% interest in all of Uranium One's other "conventional mining" assets in the US, comprising a highly prospective portfolio of exploration and development projects that encompass approximately 77,000 acres. This includes mineral resource estimates, prepared in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), of 8.9 million pounds of U_3O_8 at a grade of 0.19% U_3O_8[(2)] and surface stockpiles of uranium ore with a historic mineral resource estimate of approximately 165,000 lbs of U_3O_8 at a grade of 0.09% U_3O_8[(1)].

In order to secure financing for the Acquisition, the Company entered into the following agreements with its major shareholder, Azarga Resources Limited (**Azarga**):

1) convertible note agreement pursuant to which Azarga would provide a $11.5 million secured convertible note facility, with an interest rate of 10% per annum and convertible to shares at $0.017, being a 35% premium to the 30-day VWAP immediately preceding the announcement of the Acquisition; and

2) underwriting agreement pursuant to which Azarga would fully underwrite an equity raising of $6.0 million at an issue price of $0.014, being a 15% premium to the 30-day VWAP immediately preceding the announcement of the Acquisition.

(collectively the **Acquisition Financing**)

In addition, the Company advised that it was advancing discussions with a US surety bond provider whom had expressed interest in providing finance terms to partially cover the reclamation bond over the Mill.

Corporate

During the half-year the Company entered into the following unsecured convertible loan agreements with Azarga to finance its operations:

1) in July 2013, the Company secured a $2 million facility (**CL Facility**), which was repayable in cash or in shares at $0.01 per share. The term of the loan was 24 months and was only convertible to shares at maturity, if not redeemed prior. In conjunction with securing the Acquisition Financing, the Company subsequently agreed to restructure the CL Facility such that the Company issued Azarga 63.8 million new shares, representing partial conversion of the outstanding CL Facility loan balance; and

2) in October 2013, the Company secured a further $1.5 million facility (**Bridging Facility**), which was repayable in cash or shares at $0.012 per share. The term of the loan was 24 months and was only convertible to shares at maturity, if not redeemed prior,

(collectively the **2013 Facilities**).

Events after Reporting Date

On 23 January 2014, the Company announced the resignation of non-executive director Mr. Duncan Coutts.

On 10 February 2014, the Company announced the appointment of non-executive director Mr. Joseph Havlin.

On 13 February 2014, the Company entered into voluntary suspension pending the release of an update on the Acquisition. On 20 February 2014 the Company advised that it had confirmed that it would not be possible to obtain all requisite regulatory approvals in the USA by the Completion Date and accordingly, it had commenced negotiations in relation to securing (i) an extension of the Completion Date; (ii) financing required to complete the Acquisition; and (iii) additional bridging finance. As these negotiations were incomplete, the Company resolved to extend its voluntary suspension whilst it progressed these negotiations.

On 27 February 2014, the Company announced that it had entered into agreements with Azarga:

1) to restructure the 2013 Facilities such that, subject to receipt of shareholder approval, the Company will be deemed to have elected to convert the outstanding balance of the 2013 Facilities to shares. In the event that shareholder approval is not obtained on or before 27 June 2014, the Company will be required to pay the applicable redemption amount within 30 days of such redemption event; and

2) for a new unsecured convertible loan facility of up to $2 million, with a minimum required draw down of $1 million (**2014 Facility**). The term of the 2014 Facility is 12 months and subject to shareholder approval, Azarga may convert the applicable redemption amount to shares at any time up to the maturity date and the Company will be deemed to have elected to convert any outstanding redemption amount to shares on the maturity date. In the event that shareholder approval is not obtained on or before 27 June 2014, the Company will be required to pay the applicable redemption amount within 30 days of such redemption event.

Auditor's Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Stantons International Audit and Consulting Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 6 and forms part of this directors' report for the half-year ended 31 December 2013.

This report is signed in accordance with a resolution of the Board of Directors.

Mr Michael Haynes
Managing Director

Perth, Western Australia
14 March 2014

Footnotes to Review of Operations

(1) This is a historic mineral resource estimate and has not been reported in accordance with the JORC Code and a Competent Person has not yet undertaken sufficient work to classify this estimate as a mineral resource to the JORC standard. It is uncertain whether further work will reclassify this estimate to be reported as a mineral resource in accordance with the JORC Code. ASX Listing Rule 5.12 specifies that additional information must be provided to the market in any announcement containing foreign estimates and Black Range has previously provided this in Schedule D to its ASX announcement of 30 October 2013.

(2) *These are foreign estimates reported in accordance with NI 43-101 and not the JORC Code and a Competent Person has not yet done sufficient work to classify these estimates as mineral resources to the JORC standard. It is uncertain whether further work will reclassify these estimates to be reported as mineral resources in accordance with the JORC Code. ASX Listing Rule 5.12 specifies that additional information must be provided to the market in any announcement containing foreign estimates and Black Range has previously provided this in Schedule C to its ASX announcement of 30 October 2013.*

Caution Regarding Forward Looking Statements

This report contains forward looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this report. The forward looking statements are made as at the date of this report and the Company disclaims any intent or obligation to update publicly such forward looking statements, whether as the result of new information, future events or results or otherwise.

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14 March 2014

Board of Directors
Black Range Minerals Limited
Suite 9, 5 Centro Avenue
SUBIACO, WA, 6000

Dear Directors

RE: BLACK RANGE MINERALS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Black Range Minerals Limited.

As Audit Director for the review of the financial statements of Black Range Minerals Limited for the half year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely
STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik

Martin Michalik
Director

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2013

	Notes	Consolidated 31/12/2013 $	Consolidated 31/12/2012 $
Revenues from operations			
Interest revenue		146,845	25,143
Revenue		**146,845**	**25,143**
Other income	3(a)	-	69,964
Expenses			
Foreign exchange losses		-	(3,266)
Marketing expenses		(9,677)	(15,763)
Public company costs		(47,215)	(77,559)
Consulting and directors fees		(363,184)	(360,499)
Legal fees		(145,356)	(32,242)
Staff costs		(111,582)	(75,360)
Serviced office and outgoings		(77,780)	(69,897)
Travel expenses		(58,285)	(110,523)
Loss on sale of held for trading investment		-	(23,347)
Loss on disposal of asset		-	(1,008)
Other expenses	3(b)	(301,612)	(136,917)
Exploration expenditure written off		(30,000)	-
Share of loss from joint venture entity	9	(58,923)	(517,747)
Share based payment expenses	10(a)	(71,583)	(28,342)
Net Loss from continuing operations before income tax		(1,128,352)	(1,357,363)
Income tax expense		-	-
Loss from continuing operations after income tax		**(1,128,352)**	**(1,357,363)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations		825,261	(370,912)
Share of foreign currency translation reserve of equity accounted joint venture entity		7,332	2,518
Other comprehensive income/(loss) for the period		**832,593**	**(368,394)**
Loss from continuing operations attributable to members		**(1,128,352)**	**(1,357,363)**
Total comprehensive loss for the period that is attributable to members		**(295,759)**	**(1,725,757)**
Loss per share from continuing operations attributable to the ordinary equity holders of the parent			
Basic loss per share (cents per share)		(0.07)	(0.16)
Diluted loss per share (cents per share)		(0.07)	(0.16)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the company's condensed notes.

Condensed Consolidated Statement of Financial Position as at 31 December 2013

	Notes	Consolidated 31/12/2013 $	Consolidated 30/06/2013 $
ASSETS			
Current assets			
Cash and cash equivalents		112,302	469,323
Trade and other receivables		55,205	37,589
Total current assets		**167,507**	**506,912**
Non-current assets			
Other receivables		432,646	349,921
Plant and equipment		15,784	18,966
Investment in joint venture entity	9	7,660,152	5,556,327
Exploration and evaluation expenditure	6	21,590,799	20,047,561
Total non-current assets		**29,699,381**	**25,972,775**
TOTAL ASSETS		**29,866,888**	**26,479,687**
LIABILITIES			
Current liabilities			
Trade and other payables		561,810	193,238
Other liabilities	8	500,000	500,000
Interest bearing liability	13	2,538,805	-
Total current liabilities		**3,600,615**	**693,238**
TOTAL LIABILITIES		**3,600,615**	**693,238**
NET ASSETS		**26,266,273**	**25,786,449**
EQUITY			
Contributed equity	7	67,519,098	66,815,098
Reserves		2,771,706	1,867,530
Accumulated losses		(44,024,531)	(42,896,179)
TOTAL EQUITY		**26,266,273**	**25,786,449**

The consolidated statement of financial position should be read in conjunction with the company's condensed notes.

Condensed Consolidated Statement of Changes in Equity for the half year ended 31 December 2013

Consolidated	Contributed Equity $	Accumulated Losses $	Share Based Payment Reserves $	Foreign Currency Translation Reserves $	Total $
At 1 July 2012	61,807,018	(41,040,340)	741,837	(1,829,309)	19,679,206
Loss for the period	-	(1,357,363)	-	-	(1,357,363)
Other comprehensive loss	-	-	-	(368,394)	(368,394)
Total comprehensive loss for the period	-	(1,357,363)	-	(368,394)	(1,725,757)
Transactions with owners in their capacity as owners					
Rights issue 1:2	2,102,339	-	-	-	2,102,339
Share placement	226,170	-	-	-	226,170
Share issue to acquire interest in joint venture entity	250,000	-	-	-	250,000
Deferred shares to be issued to acquire interest in joint venture entity	250,000	-	-	-	250,000
Transaction costs on share issue	(97,853)	-	-	-	(97,853)
Share based payment	-	-	28,342	-	28,342
Balance at 31 December 2012	**64,537,674**	**(42,397,703)**	**770,179**	**(2,197,703)**	**20,712,447**
At 1 July 2013	66,815,098	(42,896,179)	1,137,784	729,746	25,786,449
Loss for the period	-	(1,128,352)	-	-	(1,128,352)
Other comprehensive gain	-	-	-	832,593	832,593
Total comprehensive loss for the period	-	(1,128,352)	-	832,593	(295,759)
Transactions with owners in their capacity as owners					
Share issue for October stockpile	30,000	-	-	-	30,000
Share issue for partial conversion of convertible loan	638,000	-	-	-	638,000
Share issue for consulting services	36,000	-	-	-	36,000
Share based payment	-	-	71,583	-	71,583
Balance at 31 December 2013	**67,519,098**	**(44,024,531)**	**1,209,367**	**1,562,339**	**26,266,273**

The consolidated statement of changes in equity should be read in conjunction with the company's condensed notes.

Condensed Consolidated Statement of Cash Flows for the half-year ended 31 December 2013

	Notes	Consolidated 31/12/2013 $	31/12/2012 $
Cash flows from operating activities			
Payments to suppliers and employees		(565,168)	(593,174)
Interest received		2,616	25,143
Net cash flows used in operating activities		(562,552)	(568,031)
Cash flows from investing activities			
Receipts from refundable tenement expenditure guarantees		-	144,362
Proceeds from sale of asset		-	802
Proceeds from sale of equity investments		-	36,653
Loans to joint venture entity		(1,876,964)	(1,474,721)
Payments for expenditure on exploration		(917,506)	(828,400)
Net cash flows used in investing activities		(2,794,470)	(2,121,304)
Cash flows from financing activities			
Transaction costs of issue of shares		-	(97,853)
Proceeds from convertible loan facility		3,000,000	-
Proceeds from issue of shares		-	2,328,509
Net cash flows from financing activities		3,000,000	2,230,656
Net decrease in cash and cash equivalents		(357,022)	(458,679)
Cash and cash equivalents at beginning of period		469,323	2,413,427
Foreign exchange variances on cash		1	(3,266)
Cash and cash equivalents at end of period		**112,302**	**1,951,482**

The consolidated statement of cash flows should be read in conjunction with the company's condensed notes.

Condensed Notes to the Financial Statements for the half-year ended 31 December 2013

1. Corporate Information

The financial report of the Group for the half-year ended 31 December 2013 was authorised for issue in accordance with a resolution of the directors on 14 March 2014.

Black Range is a public company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

During the half year ended 31 December 2013, the principal activity was mineral exploration and development. The Group currently holds uranium and coal projects in the United States and a 50% interest in the Ablation technology joint venture.

2. Basis of Preparation and Accounting Policies

(a) Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2013, together with any public announcements made during the following half-year.

This interim financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The directors recognise the need to raise additional finance for future exploration and development activities. The directors have reviewed the Group's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate given (i) its existing working capital facility; (ii) the Company's market capitalisation; and (iii) on the basis that the Group has been successful to date in securing required funding and the directors are of the opinion that it will continue to do so through a combination of debt and equity.

Should the Group not be able to secure additional funds, there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(b) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to some of the matters discussed at Note 2(c) below.

(c) New and Revised Accounting Requirements Applicable to the Current Half Year Reporting Period

(i) *Consolidated financial statements, joint arrangements and disclosure of interests in other entities*

The Group has adopted the following new and revised Australian Accounting Standards from 1 July 2013 together with consequential amendments to other Standards:

- AASB 10: Consolidated Financial Statements;
- AASB 11: Joint Arrangements;
- AASB 128: Investments in Associates and Joint Ventures (August 2011);
- AASB 12: Disclosure of Interests in Other Entities;
- AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards; and

- AASB 2012-10: Amendments to Australian Accounting Standards — Transition Guidance and Other Amendments.

These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Group for the first time in the current half-year reporting period 1 July 2013 to 31 December 2013. The Group has applied these Accounting Standards retrospectively in accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors and the specific transition requirements in AASB 10 and AASB 11. The effects of initial application of these Standards in the current half-year reporting period are as follows:

- *Consolidated financial statements*:

AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. Revised AASB 127 facilitates the application of AASB 10 and prescribes requirements for separate financial statements of the parent entity. On adoption of AASB 10, the assets, liabilities and non-controlling interests related to investments in businesses that are now assessed as being controlled by the Group, and were therefore not previously consolidated, are measured as if the investee had been consolidated (and therefore applied acquisition accounting in accordance with AASB 3: Business Combinations) from the date when the Group obtained control of that investee on the basis of the requirements in AASB 10.

Upon the initial application of AASB 10, retrospective restatement of financial statement amounts of the year that immediately precedes the date of initial application (ie 2012-2013) is necessary. When control is considered to have been obtained earlier than the beginning of the immediately preceding year (ie pre-1 July 2012), any difference between the amount of assets, liabilities and non-controlling interests recognised and the previous carrying amount of the investment in that investee is recognised as an adjustment to equity as at 1 July 2012.

Although the first-time application of AASB 10 (together with the associated Standards) caused certain changes to the Group's accounting policy for consolidation and determining control, it did not result in any changes to the amounts reported in the Group's financial statements as the "controlled" status of the existing subsidiaries did not change, nor did it result in any new subsidiaries being included in the Group as a consequence of the revised definition.

- *Disclosure of interest in other entities:*

AASB 12 is the Standard that addresses disclosure requirements of AASB 10, AASB 11, AASB 127 and AASB 128. Disclosures that are material to this interim financial report and associated with the Group's interests in joint arrangements as prescribed by AASB 12 have been set out in Note 9.

(ii) *Joint arrangements*:

AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Revised AASB 128 facilitates the application of AASB 11 and incorporates guidance relating to the equity method of accounting. Joint ventures will generally be required to be accounted for using the equity method under AASB 11. The proportionate consolidation method is no longer permitted. However, this will not have any impact on the Group's financial statements as the Group's interest in joint ventures is currently accounted for using the equity method of accounting.

When changing from the proportionate consolidation method to the equity method upon initial application of AASB 11, investments in joint ventures are required to be recognised as at the beginning of the immediately preceding year (ie as at 1 July 2012) and measured as the aggregate of the carrying amounts of the assets and liabilities that the investor had previously proportionately consolidated, including any goodwill arising from acquisition. This amount is regarded as the deemed cost of the investment at initial recognition, and is subject to impairment testing at that point in time. If aggregating all previously proportionately consolidated assets and liabilities results in a negative net asset amount, the investor recognises a liability to the extent that it has a legal or constructive obligation with respect to the negative net assets, and recognises any balance of the negative net assets as an adjustment to opening retained earnings.

Although the first-time application of AASB 11 (together with the associated Standards) caused certain changes to the Group's accounting policy for accounting for joint ventures and classification of joint arrangements, the directors have determined that such changes did not have any significant impact on the amounts reported in the Group's financial statements, mainly because the Group's classification of joint arrangements did not change and the Group's interest in joint ventures is currently accounted for using the equity method.

(iii) *Other*
Other new and amending Standards that became applicable to the Group for the first time during this half-year reporting period are as follows:

AASB 2012-2: Amendments to Australian Accounting Standards — Disclosures — Offsetting Financial Assets and Financial Liabilities and AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle.

These Standards make changes to presentation and disclosure requirements, but did not affect the Group's accounting policies or the amounts reported in the financial statements.

AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011).

These Standards did not affect the Group's accounting policies or the amounts reported in the financial statements, mainly because the Group does not have defined benefit plan assets or obligations.

	Consolidated	
	31/12/2013	31/12/2012
	$	$
3. Other Income and Expenses		
(a) Other income		
Oil and gas lease – Keota	-	69,964
(b) Other expenses		
Accounting and audit fees	60,748	36,307
Bank fees	2,714	2,107
Computer expenses	3,782	4,994
Insurance	9,294	53,786
Printing and stationery	25,363	11,835
Postage and courier	585	481
Subscriptions and memberships	3,913	3,373
Telephone	4,979	7,727
Depreciation	3,595	2,230
Convertible notes redemption interest	176,805	-
Other	9,834	14,077
Total Other Expenditure	**301,612**	**136,917**

4. Dividends
No dividends have been paid or provided for during the half-year (2012: $Nil).

5. Segment Reporting
For management purposes, the Company is organised into one main operating segment, which involves mining exploration and development for uranium and other minerals. All of the Company's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

6. Deferred Exploration and Evaluation Expenditure

Exploration and evaluation		
At cost, net of accumulated impairment	21,590,799	20,047,561
Total exploration and evaluation	**21,590,799**	**20,047,561**
Carrying amount at beginning of the period	20,047,561	16,583,310
Exploration expenditure during the period	955,797	499,974
Net exchange differences on translation	587,441	2,464,277
Transfer of non-current assets held for sale	-	500,000
Carrying amount at end of period	**21,590,799**	**20,047,561**

The recoverability of the carrying amount of the deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

7. Contributed Equity

	Consolidated	
	31/12/2013	30/06/2013
	$	$
(a) Issued and paid up capital		
Ordinary shares fully paid	67,519,098	66,815,098

(b) Movements in ordinary shares on issue	**Number of shares**	**$**	**Number of shares**	**$**
Balance at beginning of period	1,667,631,551	66,815,098	840,934,800	61,807,018
26 November 2012 issue of shares at $0.02	-	-	12,500,000	250,000
21 December 2012 rights issue 1:2 at $0.005	-	-	420,467,751	2,102,339
27 December 2012 share placement at $0.005	-	-	45,234,000	226,170
13 February 2013 issue of shares at $0.02	-	-	12,500,000	250,000
14 March 2013 share placement at $0.007	-	-	327,995,000	2,295,965
14 March 2013 issue of shares at $0.007	-	-	7,500,000	52,500
14 March 2013 issue of shares at $0.016	-	-	500,000	8,000
31 July 2013 issue of shares at $0.015	2,000,000	30,000	-	-
30 October 2013 issue of shares at $0.01	63,800,000	638,000	-	-
4 November 2013 issue of shares at $0.012	3,000,000	36,000	-	-
Transaction costs on share issue	-	-	-	(176,894)
	1,736,431,551	67,519,098	1,667,631,551	66,815,098

8. Other Liabilities

Deferred, contingent consideration[1]	500,000	500,000
	500,000	500,000

[1] Contingent consideration payable on the investment in Mineral Ablation LLC (see note 9). This liability can be settled with either cash or through an issue of equity and is due within 60 days of commercial application of the Ablation technology.

9. Investment in joint venture entity

The Group continued to own a 50% interest in Mineral Ablation LLC, a jointly controlled entity involved in the development of ablation technology. The carrying amount of the investment is accounted for using the equity method.

Mineral Ablation LLC is a Wyoming limited liability company that is not listed on any public exchange. The following table illustrates summarised financial information of Black Range's investment in Mineral Ablation LLC (including the effects of Black Range's fair value adjustments).

The investment is made up of:		Consolidated	
		31/12/13	30/06/13
		$	$
Equity accounted investment	9 (a)	924,132	975,723
Loan receivable – Mineral Ablation JV	9 (b)	6,736,020	4,580,604
Total		7,660,152	5,556,327

(a) Share of joint venture entity assets and liabilities

Current assets	16,149	84,427
Non-current assets	3,179,878	2,345,452
	3,196,027	2,429,879
Current liabilities	(76,371)	(223,296)
Non-current liabilities	(3,205,048)	(2,233,056)
	(3,281,419)	(2,456,352)
Net Liabilities	**(85,392)**	**(26,473)**

Share of joint venture entity's statement of profit or loss and other comprehensive income	**31/12/2013**	**31/12/2012**
	$	**$**
Loss for the period	(58,923)	(517,747)
Foreign currency translation reserve	7,332	2,518
Total comprehensive loss	(51,591)	(515,229)

Reconciliation of movement in carrying amount of investment in joint venture entity

		31/12/2013	30/06/2013
		$	$
Balance at beginning of period		975,723	-
Cost of investment in joint venture entity; being:			
Shares issued on 26 November 2012	250,000		
Shares issued on 13 February 2013	250,000		
Deferred contingent consideration[1]	500,000	-	1,000,000
Share of joint venture entity loss		(58,923)	(26,581)
Share of foreign currency translation reserve of joint venture entity		7,332	2,304
Carrying amount of investment in joint venture		**924,132**	**975,723**

[1] This consideration can be settled with either cash or through an issue of equity and is due within 60 days of commercial application of the ablation technology.

(b) Loan receivable

The loan receivable from Mineral Ablation LLC is denominated in US dollars. It is unsecured and repayable out of future net revenue from Mineral Ablation LLC when the entity achieves commercial scale application of the ablation process. The loan accrues interest at the Applicable Federal Rate for short term obligations published by the Internal Revenue Service.

10. Share Based Payment Plans

(a) Recognised share based payment expenses

Total expenses arising from share based payment transactions recognised during the period as part of share based payment expense were as follows:

	Consolidated	
	31/12/2013	31/12/2012
	$	$
Operating expenditure		
Options vested during the period	71,583	28,342

(b) Options

The Group has established an employee share option plan (**Plan**) and also issues options to executive officers, directors, consultants and employees outside the Plan (collectively the **Options**). The objective of the Options is to assist in the recruitment, reward, retention and motivation of the recipients. An eligible person may receive the Options or nominate a relative or associate to receive the Options.

Grant Date	Expiry date	Exercise price	Balance at start of the period Number	Granted during the period Number	Lapsed during the period Number	Expired during the period Number	Balance at end of the period Number	Exercisable at end of the period Number
13/03/2009	12/03/2014	$0.035	1,500,000	-	-	-	1,500,000	1,500,000
15/07/2011	15/07/2014	$0.05	1,750,000	-	-	-	1,750,000	1,750,000
11/01/2013	10/01/2018	$0.012	30,000,000[1]	-	-	-	30,000,000	22,500,000
14/03/2013	12/03/2018	$0.02	10,000,000[2]	-	-	-	10,000,000	5,000,000
14/03/2013	12/03/2018	$0.02	7,500,000	-	-	-	7,500,000	7,500,000
			50,750,000	-	-	-	50,750,000	38,250,000
Weighted average exercise price			$0.02	-	-	-	$0.02	$0.02
Weighted remaining contractual life (years)			4.36				3.85	3.51

[1] 15,000,000 have vested with a further (i) 7,500,000 to vest upon the Company reaching a market capitalisation of $30,000,000; and (ii) 7,500,000 to vest upon the Company reaching a market capitalisation of $50,000,000.

[2] 50% to vest immediately and the remainder to vest on 14 March 2014, subject to the recipients providing continuous service up until that date.

During the period, no Options were issued or exercised.

11. Events after Reporting Date

On 23 January 2014, the company announced the resignation of non-executive director Mr. Duncan Coutts.

On 10 February 2014, the company announced the appointment of non-executive director Mr. Joseph Havlin.

On 13 February 2014, the Company entered into voluntary suspension pending the release of an update on the Acquisition. On 20 February 2014 the Company advised that it had confirmed that it would not be possible to obtain all requisite regulatory approvals in the USA by the Completion Date and accordingly, it had commenced negotiations in relation to securing (i) an extension of the Completion Date; (ii) financing required to complete the Acquisition; and (iii) additional bridging finance. As these negotiations were incomplete, the Company resolved to extend its voluntary suspension whilst it progressed these negotiations.

On 27 February 2014, the Company announced that it had entered into agreements with Azarga Resources Limited:

1) to restructure the 2013 Facilities such that, subject to receipt of shareholder approval, the Company will be deemed to have elected to convert the outstanding balance of the 2013 Facilities to shares. In the event that shareholder approval is not obtained on or before 27 June 2014, the Company will be required to pay the applicable redemption amount within 30 days of such redemption event; and

2) for the 2014 Facility, which provides up to $2 million of working capital, with a minimum required draw down of $1 million. The term of the 2014 Facility is 12 months and subject to shareholder approval, Azarga may convert the applicable redemption amount to shares at any time up to the maturity date and the Company will be deemed to have elected to convert any outstanding redemption amount to shares on the maturity date. In the event that shareholder approval is not obtained on or before 27 June 2014, the Company will be required to pay the applicable redemption amount within 30 days of such redemption event.

12. Contingent Commitments

Proposed Acquisition Uranium One's Conventional Uranium Assets

On 30 October 2013, the Company announced the Mill Acquisition and the JV Acquisition (refer *Review of Operations*), which was subject to receipt of requisite regulatory and shareholder approvals on or before 14 March 2014.

The Mill Acquisition is being undertaken pursuant to an asset purchase agreement (**APA**). Under the APA, the Company, is required to pay US$10 million on or before the Completion Date. Approximately US$8.9 million of this amount will be used to replace long-term government reclamation bonds that are currently in place over the Mill. The remainder will be paid in cash to Uranium One. Black Range will assume ownership of 100% of the Mill and associated assets. Completion is subject to receipt of requisite regulatory and shareholder approvals.

The JV Acquisition is being undertaken pursuant to an exploration, development and mine operating agreement (**JV Agreement**). Implementation of the JV Agreement is contingent upon completion of the Mill Acquisition. Under the JV Agreement, the Company shall have the exclusive right to:

- initially earn a 51% interest in the JV Assets by spending US$10 million on the exploration, development and operation of these assets and by paying Uranium One US$3 million within 5 years of completion (**Initial Contribution**); then

- increase its equity interest in the JV Assets to 80% by spending a further US$10 million on exploration, development and operations within 5 years of completing its Initial Contribution (**Phase 2 Contribution**); and

- move to 100% ownership of the JV Assets by spending a further US$10 million on exploration, development and operations within 5 years of completing the Phase 2 Contribution.

Once the Company has earned a 51% interest in the JV Assets, if it elects not to move to 80% and/or 100% ownership, both Black Range and Uranium One will contribute to agreed expenditures proportionate to their interests in the joint venture. Black Range will be the manager of the joint venture.

Agreements over the Hansen Uranium Deposit

Pursuant to a definitive agreement with STB Minerals LLC (**STB**) the Group has an exclusive option to acquire STB's 51% interest in the Hansen Uranium Deposit in the USA. The key components of the definitive agreement with STB are as follows:

- the Group has an exclusive, six-year option to acquire STB's 51% mineral interest in the Hansen Uranium Deposit and immediate surrounds. The conditions precedent for the option were settled in July 2011 and:
    - on 28 July 2011 the Group paid STB US$1 million and issued STB 30,585,140 shares in the Group,
    - on 31 January 2012 the Group issued a further 43,970,888 shares to STB in accordance with the option;
- the Group 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, the Group shall pay STB a further US$2 million and issue STB US$7.5 million worth of shares in the Group. These shares would be issued in two tranches, 180 days apart;
- if the Group has not exercised its option to acquire STB's mineral interest within three years of satisfaction of the conditions precedent, being 28 July 2014, it shall have the right to extend its exclusive option for a further three years by paying STB US$1 million and issuing STB a further US$1 million worth of shares in the Group. These shares would be issued in two tranches, 180 days apart; and
- if the Group 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.

Pursuant to an option agreement with NZ Minerals, LLC (**NZ**) the Group has an exclusive option to acquire its 49% of the mineral interest in the Hansen Uranium Deposit. The consideration for the grant of the NZ option is as follows:

- the Group issued NZ with US$1 million worth of ordinary shares in the Company on 22 July 2009. The number of shares issued was determined using a 90 day volume weighted average price of $0.06816;
- if the Group is successful in either (i) purchasing the outstanding 51% interest in the Hansen Deposit or (ii) in securing a joint venture or similar arrangement with the successful purchaser of the 51% interest then the Group will be required to issue a further US$1 million worth of ordinary shares in the Company and pay NZ US$1 million in cash. Accordingly, as a result of entering into the above agreements with STB the Group paid to NZ US$1 million cash and issued 27,996,857 shares to STB on 28 July 2011;
- on or before the Group reaches commercial scale production at the Hansen Deposit, the Group will issue a further US$2 million worth of ordinary shares in the Company and pay NZ US$2 million in cash; and
- NZ shall retain a 1.47% royalty interest in production from the Hansen Uranium Deposit.

Other

There have been no material changes to the (i) rental and service agreements commitments; and (ii) remuneration commitments, which were previously disclosed in the most recent annual financial report.

13. Interest Bearing Liability

	Consolidated	
	31/12/13	30/06/13
	$	$
Convertible loan facility[1]	2,420,000	-
Convertible loan facility redemption interest	118,805	-
	2,538,805	-

[1] Comprises the (i) CL Facility ($1.42 million) which is repayable in cash or in shares at $0.01 per share. In October 2013, the Company issued 63,800,000 new shares valued at $638,000 as partial conversion of the CL Facility (inclusive of a 10% redemption premium); and (ii) the Bridging Facility ($1 million) which is repayable in cash or in shares at $0.012 per share. The term of the 2013 Facilities is 24 months and they are only convertible to shares at maturity, if not redeemed prior.

The CL Facility has the following redemption amounts:

- 110% of the amount being redeemed where the date of the advance was up to but not including 6 months before the redemption date;
- 115% of the amount being redeemed where the date of the advance was not less than 6 months before the redemption date and not more than 12 months before the redemption date; or
- 130% of the amount being redeemed where the date of the advance was more than 12 months before the redemption date.

The redemption event occurs when the Company raises an aggregate of more than $13,000,000 in debt and equity, other than any financing where no proceeds are received by the Company (eg surety bond financing).

The Bridging Facility has the following redemption amounts:

- 110% of the amount being redeemed where the date of the advance was up to but not including 6 months before the redemption date;
- 115% of the amount being redeemed where the date of the advance was not less than 6 months before the redemption date and not more than 12 months before the redemption date; or
- 130% of the amount being redeemed where the date of the advance was more than 12 months before the redemption date.

The redemption event occurs on or after the execution date, the Company raises an aggregate of more than $11,500,000 in debt and equity in addition to any funds advanced under the convertible loan agreement, other than any financing where no proceeds are received by the Company (eg surety bond financing).

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Black Range Minerals Limited, I state that:

In the opinion of the directors:

1. The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including;

    (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

    (b) complying with Australian Accounting Standards AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*;

2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Michael Haynes
Managing Director
Perth
14 March 2014

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BLACK RANGE MINERALS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Black Range Minerals Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2013, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Black Range Minerals Limited (the consolidated entity). The consolidated entity comprises both Black Range Minerals Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Black Range Minerals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Black Range Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Black Range Minerals Limited on 14 March 2014.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Black Range Minerals Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material Uncertainty Regarding Going Concern and Carrying Value of Investment in the Joint Venture Entity and Capitalised Exploration Costs

Without qualification to the conclusion expressed above, attention is drawn to the following matters:

As referred to in note 2 to the half year financial report, the financial statements have been prepared on the going concern basis. As at 31 December 2013, the consolidated entity had cash and cash equivalents of $112,302, a working capital deficiency of $3,433,108 and had incurred a loss of $1,128,352 for the half year then ended. In the event that the consolidated entity is unable to raise additional funding as described in note 2 to the financial report, and based on the current commitments and planned expenditure, there is a material uncertainty whether the consolidated entity will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to recoverability and classification of recorded assets amounts, or to the amounts and classification of liabilities, that might be necessary should the consolidated entity not continue as a going concern.

The recoverability of the consolidated entity's carrying value of its investment in the Joint Venture entity of $7,660,152 and its exploration assets with a carrying value of $21,590,799 as at 31 December 2013 respectively, is dependent on the successful commercialisation of the Ablation Technology, the successful exploitation of its exploration assets or the sale of the Ablation Technology and exploration assets to generate amounts in excess of the book values. In the event that the consolidated entity is not successful in the commercial exploitation and/or sale of the Ablation Technology and exploration assets, the realisable value of the investment in the Joint Venture entity and exploration assets may be significantly less than the current carrying values.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director

West Perth, Western Australia
14 March 2014