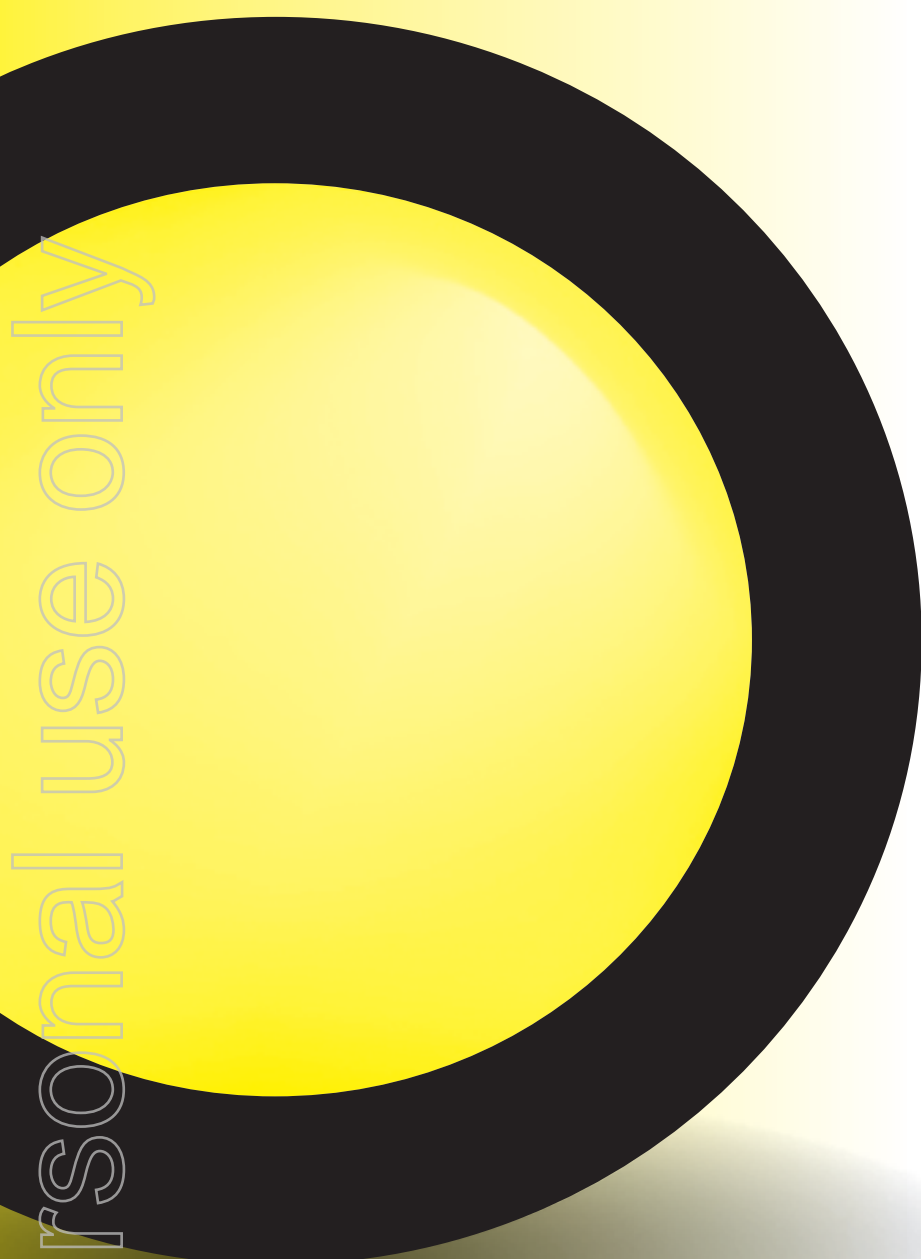


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BLACKGRANGE LIMITED

ABN 61 123 156 089

to be renamed

U R A N I O
L I M I T E D

PROSPECTUS

**FOR THE ISSUE OF 50,000,000 SHARES AT
20 CENTS EACH TO RAISE \$10,000,000**

Directors reserve the right to accept oversubscriptions of up to an additional 10,000,000 shares at 20 cents each to raise up to an additional \$2,000,000.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.

If you do not understand it you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered speculative.

DIRECTORS

Mr Marcello Cardaci (Chairman)
Mr Phil Warren (Executive Director)
Mr David Riekie (Non-Executive Director)

COMPANY SECRETARY

Mr Phil Warren

AUSTRALIAN BUSINESS NUMBER

61 123 156 089

REGISTERED AND PRINCIPAL OFFICE

945 Wellington Street
WEST PERTH WA 6005

Telephone: (08) 9322 7600
Facsimile: (08) 9322 7602

POSTAL ADDRESS

PO Box 1263
WEST PERTH WA 6872

E-MAIL:

admin@uranio.com.au

WEBSITE:

www.uranio.com.au

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
WEST PERTH WA 6000
Telephone: (08) 9323 2000

AUDITORS

BDO Kendalls Audit and Assurance (WA) Pty Ltd
128 Hay Street
SUBIACO WA 6008

INVESTIGATING ACCOUNTANT

BDO Kendalls Corporate Finance (WA) Pty Ltd
Level 8, 256 St Georges Terrace
PERTH WA 6000

SOLICITORS

Blakiston & Crabb
1202 Hay Street
WEST PERTH WA 6005

CORPORATE ADVISERS

Grange Consulting Group Pty Ltd
945 Wellington Street
WEST PERTH WA 6005

INDEPENDENT GEOLOGIST

Peter F. Robinson & Associates Pty Ltd
22 Honeytree Place
MANDURAH WA 6210

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TABLE OF CONTENTS

CORPORATE DIRECTORY	Inside Front Cover
INVESTMENT HIGHLIGHTS AND AND RISKS	2
SUMMARY OF OFFER	3
IMPORTANT INFORMATION	4
MESSAGE FROM THE CHAIRMAN	5
Section 1 DETAILS OF THE OFFER	6
Section 2 OVERVIEW OF THE COMPANY	10
Section 3 DIRECTORS	18
Section 4 INDEPENDENT GEOLOGICAL REPORT	24
Section 5 INVESTIGATING ACCOUNTANT'S REPORT	64
Section 6 SOLICITORS' REPORT ON TENEMENTS	80
Section 7 RISK FACTORS	99
Section 8 ADDITIONAL INFORMATION	105
Section 9 DEFINED TERMS	116

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INVESTMENT HIGHLIGHTS AND RISKS

INVESTMENT HIGHLIGHTS

- A 70% interest in a joint venture with Deep Yellow Limited over three uranium projects.
- A 70% interest in the existing Siccus Joint Venture.
- Highly prospective for uranium based on geological proximity to delineated uranium deposits.
- Experienced Board with a strong resource focus.
- Well funded following completion of the Offer.

SUMMARY OF IMPORTANT DATES

Lodgement of Prospectus with the ASIC	30 July 2007
Opening Date	6 August 2007
Closing Date	3 September 2007
Expected date for dispatch of Holding Statements	10 September 2007

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

KEY RISKS

An investment in the Company has similar general risks to those associated with any share market investment. In addition there are a number of business risks that are specific to an investment in the Company. A description of these risks is set out in Section 7 of this Prospectus. Before deciding to invest in the Company, investors should read the Prospectus in its entirety and consider the risk factors that could affect the operating and financial performance of the Company.

Uranium – Government Regulation and Policy

Currently, uranium mining in Western Australia is prohibited. All mining leases granted since 22 June 2002 have been issued subject to a condition prohibiting the mining of uranium. Unless uranium mining is at some time in the future permitted in Western Australia generally and on the Company's projects in particular, the Company will not be in a position to conduct any uranium mining on its tenements and, as a result, will not be in a position to derive any commercial benefit from any uranium which may be discovered on the Company's projects.

While there is no such restriction on the Company exploring and evaluating its uranium prospects, the development of any discovered uranium deposits will be contingent upon a change of Western Australia State Government policy in relation to uranium production. There can be no assurance that the policy will change in the future and this may adversely affect the long-term prospects of the Company.

SUMMARY OF OFFER**SUMMARY OF OFFER**

Target Subscription (\$10,000,000)	No. of Shares	%
Founders / Directors	5,000,000	7.2%
Seed / Others	7,500,000	10.8%
Shares issued to Vendors ¹	6,790,465	9.8%
Shares issued pursuant to this Prospectus ²	50,000,000	72.2%
Total Issued Capital^{3,5}	69,290,465	100.0%
Market Capitalisation at the offer price of \$0.20 per Share ⁴	\$13,858,093	
Net Cash following completion of Offer	\$8,265,188	

Note 1 - 4:

The number of Shares and percentages may vary depending on the number of Shares subscribed for pursuant to this Prospectus as follows:

- Maximum subscription (\$12,000,000):
 1. 7,876,940 Shares being 9.8%;
 2. 60,000,000 Shares being 74.6%;
 3. 80,376,940 Shares being 100%; and
 4. \$16,075,388.
- Minimum subscription (\$8,000,000):
 1. 5,703,991 Shares being 9.8%;
 2. 40,000,000 Shares being 68.7%;
 3. 58,203,991 Shares being 100%; and
 4. \$11,640,798.

Note 5:

OPTIONS		
Number	Exercise Price	Expiry Date
7,500,000 Founder Options ⁱ	\$0.20	30 June 2010
500,000 Class B Options ⁱⁱ	\$0.30	30 June 2011
500,000 Class C Options ⁱⁱ	\$0.40	30 June 2011
500,000 Class D Options ⁱⁱ	\$0.50	30 June 2011

- i The grant of 2,500,000 of these Founder Options are subject to shareholder approval to be obtained at a meeting of shareholders to be held on 16 August 2007.
- ii The grant of 500,000 Class B, 500,000 Class C and 500,000 Class D Options are subject to shareholder approval to be obtained at a meeting of Shareholders to be held on 16 August 2007.
- iii Further details of Options are set out in Sections 8.6 and 8.7 of this Prospectus.

IMPORTANT INFORMATION

This Prospectus is dated 30 July 2007 and a copy of this Prospectus was lodged with the Australian Securities and Investments Commission (“ASIC”) on that date. The ASIC takes no responsibility for the contents of this Prospectus. No securities will be allotted or issued on the basis of this Prospectus later than the expiry date of this Prospectus being the date which is 13 months after the date of this Prospectus. Securities allotted or issued pursuant to this Prospectus will be allotted or issued on the terms and conditions set out in the Prospectus.

Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects for the Company, investors should consider the risk factors that could affect the financial performance of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). The Shares offered by this Prospectus should be considered speculative. Refer to Section 7 of this Prospectus for details relating to risk factors. Investors should seek professional advice from an accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia.

This Prospectus will be issued as an Electronic Prospectus and may be accessed on the Internet at www.uranio.com.au. The Offer pursuant to an Electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. The Corporations Act prohibits any person from passing to another person the Application Form unless it is attached to or accompanies the complete and unaltered version of this Prospectus. During the Offer period, any person may obtain a hard copy of the Prospectus by contacting the Company.

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an exposure period of 7 days from the date of lodgement with the ASIC. This period may be extended by the ASIC for a further period of up to 7 days. The purpose of this exposure period is to enable this Prospectus to be examined by market participants prior to the raising of funds, which examination may result in the identification of deficiencies in this Prospectus. If this Prospectus is found to be deficient, Applications received during the exposure period will be dealt with in accordance with section 724 of the Corporations Act. Applications received prior to the expiration of the exposure period will not be processed until after the exposure period. No preference will be conferred on Applications received in the exposure period and all Applications received during the exposure period will be treated as if they were simultaneously received on the date on which Applications open.

Figures disclosed in this Prospectus are exclusive of goods and services tax, unless otherwise disclosed.

Unless otherwise stated, items shown in this Prospectus are not assets of the Company.

MESSAGE FROM THE CHAIRMAN

Dear Investor

On behalf of the Board I am pleased to offer you the opportunity to become a shareholder of BlackGrange Limited, which is in the process of seeking shareholder approval to change its name to Uranio Limited.

The Company has reached agreement with Deep Yellow Limited, a company listed on the ASX, to acquire a 70% interest in 4 project areas, comprising the existing Siccus Joint Venture in South Australia, and the Ponton North, Gardner Range and Anketell projects in Western Australia. The Company will sole fund all exploration on the projects up until a decision to mine is made.

These Projects potentially host significant uranium deposits based upon both the geographic proximity to established delineated uranium deposits and the similarity in geological settings to those nearby deposits.

The Siccus Project is found in a prime location within South Australia's Frome Embayment area, close to where uranium is already being exploited using in-situ leaching techniques at the Beverley and Honeymoon deposits, most importantly the Siccus Project lies within a similar geological setting to those established deposits.

The Ponton North, Anketell and Gardner Range projects are located in Western Australia and lie within various geological settings favourable to uranium deposits. Each project has existing uranium mineralisation within or nearby the project area.

We are pleased to have Deep Yellow Limited as a joint venture party and are excited by the opportunities presented by the projects.

I urge you to read this Prospectus in full before considering whether to invest in the Company.

I look forward to welcoming you as a shareholder of the Company.

Yours faithfully



Marcello Cardaci
Chairman

Section 1 DETAILS OF THE OFFER

1.1 Description of the Offer

By this Prospectus, the Company invites investors to subscribe for a total of 50,000,000 fully paid ordinary shares in the Company at an issue price of 20 cents each to raise \$10,000,000.

1.2 Minimum Subscription

The minimum subscription to the Offer is 40,000,000 Shares raising \$8,000,000 before expenses of the Offer. In accordance with the Corporations Act, no Shares will be allotted by the Company until the minimum subscription has been subscribed. If the minimum subscription is not achieved within four months after the date of this Prospectus, the Company will either repay the application monies to the Applicants or issue a supplementary or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their application monies.

1.3 Oversubscriptions

Oversubscriptions of up to 10,000,000 Shares at an issue price of 20 cents each to raise up to an additional \$2,000,000 may be allowed at the Director's discretion.

1.4 Indicative Dates

Opening Date	6 August 2007
Closing Date	3 September 2007

These dates are indicative only and may vary. The Company reserves the right to vary the opening and closing dates of the Offer without prior notice. Applicants are encouraged to apply as soon as possible after the Offer opens as the Offer may close earlier than the date specified above. The Company also reserves the right not to continue with the Offer at any time before the allotment of Shares to Applicants.

1.5 Applications for Shares

If you wish to participate in the Offer, you should complete the Application Form enclosed with this Prospectus.

Applicants may apply for a minimum parcel of 10,000 Shares representing a minimum investment of \$2,000. Applicants requiring additional Shares must apply for Shares in multiples of 2,500 Shares (equivalent to \$500) thereafter.

Applications for less than the minimum application of 10,000 Shares (equivalent to \$2,000) will not be accepted.

1.6 Lodgement of Application Forms

All completed Application Forms, must be lodged at the Company's share registry, on or before the relevant Closing Date:

Post to:	or	Delivered to:
Computershare Investor Services Pty Limited GPO Box D182 Perth WA 6840		Computershare Investor Services Pty Limited Level 2 45 St Georges Terrace Perth WA 6000

Section 1 DETAILS OF THE OFFER

No brokerage or stamp duty is payable by Applicants in respect of their applications for Shares under this Prospectus. The amount payable on application will not vary during the period of the Offer and no further amount is payable on allotment.

Applications must be accompanied by payment in full in Australian currency of \$0.20 for each Share applied for. Payment must be by way of cheque or bank draft drawn on and payable on an Australian bank and should be made payable to “**BlackGrange Limited – Share Issue Account**” and crossed “**Not Negotiable**”.

Application Forms must not be circulated to prospective investors unless accompanied by a copy of this Prospectus.

A duly completed and lodged Application Form together with payment of the application monies will constitute an offer by the Applicant to subscribe for the number of Shares applied for pursuant to the Application Form.

1.7 Allocation

The Company retains an absolute discretion in allocating Shares under the Offer and reserves the right to allot to an Applicant a lesser number of Shares than the number for which the Applicant applies or to reject an Application. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest. The acceptance of Applications and the allocation of Shares are at the absolute discretion of the Directors.

The Company will not be liable to any person not allocated Shares.

1.8 Application Monies held in Trust

All Application monies will be held in trust in a subscription account until allotment. The subscription account will be established and kept by the Company on behalf of the Applicants.

If an Application is not accepted, or is accepted in part only, the relevant part of the Application monies will be refunded. Interest will not be paid on Application monies refunded.

1.9 ASX Listing

Application will be made by the Company to ASX, within seven days after the date of this Prospectus, for the Company to be admitted to the Official List of ASX and for the admission of the Shares offered pursuant to this Prospectus to quotation on ASX. If the Company is not admitted to the Official List of ASX and the Shares are not admitted to quotation within three months after the date of this Prospectus, all Application monies will be refunded without interest. ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may admit the Company to its Official List is not to be taken in any way as an indication of the merits of the Company or the securities offered pursuant to this Prospectus.

1.10 Fees and Commissions

The Company will pay a fee of up to 5% in respect of Applications lodged by any member organisation of ASX, licensed securities dealers or the holder of an Australian Financial Services Licence and accepted by the Company, provided the relevant stamp of the organisation is affixed to the Application Form.

1.11 CHESS

The Company proposes participating in the Clearing House Electronic Subregister System (“**CHESS**”), operated by ASX Settlement and Transfer Corporation Pty Ltd (“**ASTC**”) a wholly owned subsidiary of ASX, in accordance with the Listing Rules and SCH Business Rules.

Section 1 DETAILS OF THE OFFER

Under this system, the Company will not issue certificates to investors. Instead, shareholders will receive a statement of their holdings in the Company. If an investor is broker-sponsored, the ASTC will send them a CHESSE statement.

The CHESSE statement will set out the number of securities allotted to each holder under the Prospectus, give details of the shareholder's Holder Identification Number and give the Participant Identification Number of the sponsor.

If you are registered on the Issuer Sponsored Subregister, your statement will be dispatched by the share registry and will contain the number of securities allotted under the Prospectus and the Shareholder's Securityholder Reference Number.

A CHESSE statement or Issuer Sponsored Statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. A shareholder may request a statement at any other time, however a charge may be made for additional statements.

1.12 Overseas Investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia.

The Offer pursuant to an Electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia.

1.13 Shareholder Approval

A meeting of Shareholders of the Company is scheduled to be held on 16 August 2007 seeking:

- shareholder approval for the change of the Company's name to Uranio Limited;
- the issue and allotment of 750,000 Founder Options to Residuum Nominees Pty Ltd for consulting services;
- the issue and allotment of 1,750,000 Founder Options to Mr Marcello Cardaci (or his nominee);
- the issue and allotment of 250,000 Class B Options, 250,000 Class C Options and 250,000 Class D Options to Mr Warren (or his nominee); and
- the issue and allotment of 250,000 Class B Options, 250,000 Class C Options and 250,000 Class D Options to Mr Riekie (or his nominee).

Further details of the Options are set out in Sections 8.6 and 8.7 of this Prospectus.

1.14 Privacy Act

If you complete an Application, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your Application, service your needs as a shareholder, facilitate distribution payments and corporate communications to you as a shareholder and carry out administration.

Section 1 DETAILS OF THE OFFER

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act* 1988 (Cth) (as amended), the Corporations Act and certain rules such as the SCH Business Rules. You should note that if you do not provide the information required on the Application, the Company may not be able to accept or process your Application.

1.15 Risk Factors

Prospective investors in the Company should be aware that subscribing for Shares the subject of this Prospectus involves a number of risks. These risks are set out in on Section 7 of this Prospectus and investors are urged to consider those risks carefully (and, if necessary, consult their professional adviser) before deciding whether to invest in the Company.

The risk factors set out in Section 7 of this Prospectus and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Shares. Accordingly, an investment in the Company should be considered speculative.

1.16 Financial Forecasts

The Directors have considered the matters set out in ASIC Policy Statement 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

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Section 2 OVERVIEW OF THE COMPANY

2.1 Background

The Company was incorporated on 18 December 2006 and raised \$1,200,500 with the purpose of reviewing and pursuing various acquisition opportunities. On 21 May 2007, the Company entered into an agreement with Deep Yellow Limited, a company listed on the ASX, to secure a 70% interest in the Siccus Joint Venture and to acquire a 70% equity interest in each of three highly prospective uranium projects comprising the Ponton North, Gardner Range and Anketell projects. The Company will fund all exploration costs on the projects until a decision to mine is made in respect of such project.

2.2 Corporate Objectives

The Company's aim is to increase Shareholder wealth through the discovery of economic mineral deposits and the development of profitable mining operations.

The Company's management strategy is to:

- systematically explore the Company's key projects: the Siccus, Ponton North, Gardner Range and Anketell projects in which the Company has a 70% interest; and
- implement an aggressive growth strategy and seek out further exploration, acquisition and joint venture opportunities, both in Australia and overseas.

2.3 Use of Funds

The funds raised from the Offer are primarily for the purpose of funding the exploration and development of the Company's projects and completion of the acquisition costs for the Company. The application of funds raised from the Offer together with existing funds is summarised in the following table.

USE OF FUNDS	Amount (\$)
Pre-Offer Cash	691,748
Total Raised pursuant to this Prospectus	10,000,000
TOTAL FUNDS AVAILABLE	10,691,748
Exploration (spent over 2 years)	6,500,000
Balance of acquisition costs	1,500,000
Balance of Issue Expenses	776,560
Administration and working capital	1,915,188
TOTAL	10,691,748

Further detail with respect to the application of funds to be raised from the Offer is set out in Section 2.5 of this Prospectus and in the Independent Geological Report in Section 4 of this Prospectus. Further details of the balance of the acquisition costs pursuant to the Sale Agreement is summarised in Section 8.4 of this Prospectus.

Any oversubscriptions accepted will be applied towards exploration pro rata across the exploration projects. Subject to the minimum subscriptions being received, if less than \$10,000,000 is raised, the Company's proposed expenditure on exploration will be reduced pro rata across the exploration projects.

Section 2 OVERVIEW OF THE COMPANY

On completion of the Offer, the Directors believe that the Company will have sufficient working capital to carry out its stated objectives.

2.4 Capital Structure

The pro forma capital structure of the Company following successful completion of the Offer is as follows:

SHARES		No. of Shares
Present Issued Capital		12,500,000
To be issued pursuant to this Prospectus ¹		50,000,000
To be issued on ASX Conditional Approval ²		6,790,466
Total Shares^{1,2}		69,290,466

OPTIONS		
Number	Exercise Price	Expiry Date
7,500,000 Founder Options ³	\$0.20	30 June 2010
500,000 Class B Options ⁴	\$0.30	30 June 2011
500,000 Class C Options ⁴	\$0.40	30 June 2011
500,000 Class D Options ⁴	\$0.50	30 June 2011

1. If oversubscriptions are accepted, up to an additional 10,000,000 Shares will be issued.
2. Deep Yellow is entitled to receive Shares equating to 9.8% of the voting power in the Company. If oversubscriptions are accepted, up to an additional 1,086,474 Shares will be issued to Deep Yellow. If minimum subscription is received, Deep Yellow will be issued a total of 5,703,991 Shares. Refer to Section 8.4 for a summary of the Sale Agreement.
3. The grant of 2,500,000 of these Founder Options is subject to shareholder approval to be obtained at a meeting of shareholders to be held on 16 August 2007.
4. The grant of 500,000 Class B, 500,000 Class C and 500,000 Class D Options is subject to shareholder approval to be obtained at a meeting of Shareholders to be held on 16 August 2007.
5. Further details of Options are set out in Sections 8.6 and 8.7 of this Prospectus.

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2.5 The Company's Projects

Overview of Projects

The Company has acquired an interest in four projects:

- The Siccus Joint Venture;
- Ponton North;
- Gardner Range; and
- Anketell.

On 21 May 2007, the Company entered into an Agreement with Deep Yellow to secure a 70% equity interest in the Siccus Joint Venture and in three highly prospective uranium projects comprising the Ponton North, Gardner Range and Anketell projects (refer Figure 1). The Company will be responsible for the funding of exploration on the projects until a decision to mine is made in respect of such project.

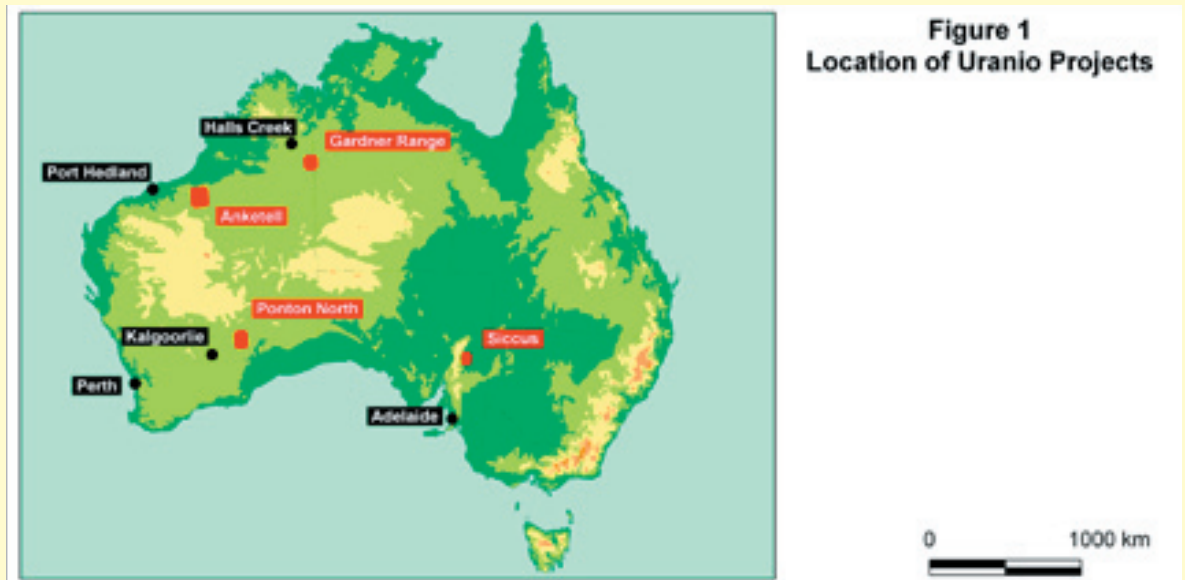


Figure 1
Location of Uranio Projects

The Independent Geological Report confirms that the projects potentially host significant uranium deposits. This assessment has been based on the geographic proximity to established delineated uranium deposits, as set out in Table 1 below and the similarity in geological settings to those nearby deposits.

Section 2 OVERVIEW OF THE COMPANY

The following Table 1 summarises the main exploration models for the projects and lists a number of local and type examples of that style of mineralisation.

Table 1

Project	Exploration Models	Local Examples	Type Examples
Siccus Project	Sandstone Deposit U	Beverley, Honeymoon	Beverley
Ponton North Project	Sandstone or lignite hosted U	Mulga rock	Mulga rock, Beverley
Anketell Project	Sandstone Deposit U	Oobagooma -	Manyingee
Gardner Range Project	Unconformity Related U-Au Proterozoic Au Deposits	Killi, Killi, Mt Mansbridge Coyote	Ranger, Jabiluka, Cigar Lake

The prospective features for uranium deposits include the following characteristics, with some of those being identifiable elements within the projects comprising Uranio's portfolio:

- Redox related Phanerozoic sandstone palaeo-drainage environments – potential exists at the **Siccus, Ponton North** and **Anketell** Projects;
- Redox related lignite hosted Eocene basin environments – potential exists at the **Ponton North** Project;
- Unconformity related Proterozoic environments – potential exists at the **Gardner Range** Project.

Siccus Project (Company 70%; Deep Yellow 20%; Signature Resources NL 10%)

The Siccus Project (represented by one tenement, EL3288) is located approximately 500 kms north of Adelaide, South Australia and some 25 kms to the southwest of the Lake Frome shoreline. The tenement was granted in 2004, and covers an area of 672 km². A native title mining agreement for exploration on EL 3288 was signed on 15 August 2006 and registered on 22 September 2006.

Located in the Frome Embayment of the Great Artesian Basin palaeochannel hosted uranium mineralisation has already been delineated in a number of deposits. Mineralisation occurs amongst Tertiary units deposited within the Callabonna Sub-Basin, a local embayment area of the Lake Eyre Basin bounded to the west, east and south by the Flinders, Barrier and Olary Ranges respectively.

All significant uranium mineralisation within the general area is hosted by valley fill (palaeochannel) fluvial sands in the Eocene Eyre Formation and within overlying shoestring sands of the Miocene Namba Formation.

The interpretation of isopach and isobath maps constructed for the Namba and Eyre Formations has resulted in an assessment of palaeochannel interpretation, believed to contain a thickness of 20 to 80 metres of prospective Eyre Formation covered by 30 to 120 metres of Namba Formation. Oxidisation cells move down the palaeochannels causing lateral and terminal uranium roll-front mineralisation to occur.

Four deposits, all amenable to insitu leach mining have been found in three palaeo-drainage systems within the general area about the Siccus Project: the Beverley and Honeymoon Well mines and the East Kalkaroo and Gould's Dam uranium deposits. The Beverley Four Mile deposit is similarly hosted by Eyre Formation channel sands.

Previous exploration within the Siccus Project tenement, which has included minimal drilling, has identified basic geological characteristics and stratigraphy, but has been insufficient to adequately test for the presence of buried uranium mineralization. An airborne magnetic survey completed in late 2006 has confirmed the presence of a gently dipping conductive unit covering most of the tenement, which may be prospective for uranium mineralisation. It is planned to conduct drilling across the areas of the tenement interpreted to follow the palaeo-drainage channel, with follow up geophysical logging of each hole.

Ponton North Project (Company 70%; Deep Yellow 30%)

The Ponton North Project is located approximately 200 kms northeast of Kalgoorlie on the edge of the Great Victoria Desert.

The project area consists of five Exploration Licences (E39/1140-1144) covering 1,060 km² which were granted in August 2006 following the signing of a heritage agreement with the traditional owners.

The general area, located within the Gunbarrel Basin, comprises Phanerozoic sediments and contains the Mulga Rock palaeochannel. Within the palaeochannel, a thickness of up to 140 metres of flat-lying sand, silt and gravels disconformably overlie mudstone of the Paterson Formation. This palaeochannel, which is considered highly prospective for uranium, connects the neighbouring Mulga Rocks uranium deposit to the north east with the Ponton uranium prospect located to the south west down drainage along the palaeochannel. The Ponton North Project is interpreted to straddle a central position of the Mulga Rock palaeochannel, and the palaeochannel path will be a prime target for seeking similar uranium deposition within Uranio's tenements.

At the neighbouring Mulga Rocks deposit uranium mineralisation is hosted by peat and clayey peat and occurs immediately below the redox boundary at the base of the weathered zone. The mineralised zones are flat lying and are from 20 to 50 metres below surface and average about 2 metres in thickness.

As a precursor to a drill program over the Ponton North Project area, Deep Yellow has already contracted to undertake an airborne electro-magnetic survey over the tenements at a cost of \$200,000 prior to end of 2007. This is expected to provide considerable additional information regarding the major geological and structural units within the project area, and this should provide an ideal basis for developing future drilling programs over the Ponton North Project area.

Anketell Project (Company 70%; Deep Yellow 30%)

The Anketell Project is located 350 km ESE of Port Hedland. The project area comprises eleven Exploration Licence Applications (ELA45/2887-2897) covering 2,332 km². The Company has acquired an effective 70% equity interest in the Anketell Project from Deep Yellow, and will be the manager for future exploration at the project.

The tenement applications, located within the Waukarlyarly Embayment of the Canning Basin, cover approximately 40 kms strike length of Jurassic Callawa Formation rocks which comprise a fluviatile-fossiliferous sequence of sandstones, conglomerates and minor siltstones, up to 80 metres thick. This formation contains crossbeds and plant fossils which are likely to provide favourable reducing conditions conducive to rollfront uranium mineralisation. The Callawa Formation outcrops within the southern tenements and dips gently to the north within the tenements.

Section 2 OVERVIEW OF THE COMPANY

The north western part of the tenement application area has been drilled at an approximate spacing of 6 x 12 kms, with reported Callawa units over Permian throughout the targeted area. It is envisaged that prior to exploratory drilling a phase of data collection covering historic oil well logging information and remote sensing will be carried out, followed by a program of airborne electromagnetics to identify favourable structural features that will then require follow up drilling.

Gardner Range Project (Company 70%; Deep Yellow 30%)

The Gardner Range Project is located 150 kms south east of Halls Creek and some 130 kms north west of the Tanami Gold Mine. The project area is covered by three separate Exploration Licences, being Slatey Creek E80/1375 (36 km²), Mount Junction E80/3275 (164 km²) and Tent Hill E80/3817(212 km²) for a total of 412 km².

The Gardner Range Project contains a discovery of the unconformity type geological setting at the Don Prospect, and anomalous radioactivity readings have been established at the Deva Prospect, also thought to be associated with a similar geological setting. This style of uranium mineralisation, of unconformity related deposits, currently constitute approximately 33% of the world uranium resources and 20% of Australia's total uranium resources, and predominantly occur in Australia and Canada.

The three main criteria for forming these types of deposits are:

- (1) Proximity to Archean – Palaeoproterozoic crystalline basement highs.
- (2) Favorable Palaeoproterozoic host rock stratigraphy and lithofacies.
- (3) Proximity of the current land surface profile to the base of existing or previous overlying Mesoproterozoic sedimentary cover rocks.

The oldest rocks of basement in the region of the Gardner Range Project are comprised of Archean gneiss and schist of the Billabong complex and Browns Range Metamorphics, and a Palaeoproterozoic sequence comprising mafic volcanics, volcanoclastics and minor clastic sediments, and include turbiditic sediments of the Killi Killi Formation.

The Killi Killi Beds outcrop in a window of the unconformably overlying Mesoproterozoic Gardiner Sandstone in the Mount Junction tenement, E80/3275 and the Slatey Creek tenement, E80/1735. The larger Tent Hill tenement, E80/3817, to the south covers the basement Killi Killi Beds and possibly some granitic phases to the west of the unconformity with the Gardiner Sandstone.

The unconformity surface is generally poorly exposed, being masked by extensive sandstone rubble down slope of the overlying gently dipping Gardiner Sandstone scarp.

First interest in the economic potential of the area for uranium was generated by reconnaissance Government (Bureau of Mineral Resources) mapping surveys in the late 1950's. After limited exploration activity in ensuing years which resulted in nil success, major activity for uranium exploration was regenerated in the late 1970's by the entry of Canadian interests specifically motivated by the unconformity model and the Athabaskan discoveries in Canada. First success of significance in the Gardner Range region was at the graphite-related uranium discovery at the Don Prospect in 1980, this prospect lies within the Uranio Mount Junction Exploration License.

The radiometric anomaly was outlined during follow-up of an airborne electromagnetic anomaly. Reconnaissance rock chipping and leaf geochemistry returned high single point uranium values and the uranium bearing mineral autunite was eventually exposed in chloritic Killi Killi Beds siltstone during trenching.

Section 2 OVERVIEW OF THE COMPANY

A series of six shallow percussion-diamond holes tested a 200 metre strike extent of the fault with which the autunite presence is associated. The first hole drilled under Trench 2, intersected 0.44m of 1.5% U₃O₈ and 1.7 g/t Au at 40.5 metres. Two shallow diamond holes tested the sub-unconformity stratigraphy 300 metres to 400 metres west of Trench 2.

Significant bleaching, hematite alteration and chloritisation are present in the vicinity of the trenches and associated uranium mineralisation.

Following on from this first success at the Don Prospect, investigations to the south consisted of airborne and ground electromagnetics and ground radiometric surveys, and leaf geochemical sampling, resulting in delineation of the Deva Prospect. This prospect lies within the Company's Slatey Creek Exploration Licence.

Percussion drilling intersected several beds of carbonaceous/graphitic material which were the likely cause of the electromagnetic conductor. Background radioactivity in the holes was highest in one hole located closest to a major fault zone but no significant mineralisation was intercepted.

Subsequent exploration, including stream sediment sampling, in 1985 revealed potential for gold mineralisation in the Company's Mount Junction tenement area to the east of the Don Prospect at the Venus Prospect. Rock chip samples were collected from quartz veins and altered Killi Killi Beds with four samples returning gold values of interest, the best assaying 5.54 g/t Au from an anastomosing quartz vein stockwork.

The Don Prospect uranium and gold occurrence within the Mount Junction area and the Deva anomaly within the Slatey Creek area confirms that the unconformity model is a prospective target for the Gardner Range region. The Company's extensive ground holding in the area and the large area of potential host rock basement lithologies in the Killi Killi Beds at or close to the unconformity with the Gardiner Sandstone provides the basis for a concerted exploration program.

In addition, the existence of gold mineralisation at the Venus Prospect in the Mount Junction area in a quartz vein stockwork suggests that follow up gold exploration is also warranted.

It is envisaged that an initial detailed airborne magnetic and radiometric survey, preferably at 100 metre line spacing, will be flown followed by detailed processing and interpretation. The interpretation will be focused on:

- Identifying lithological layering in the lithologies most favourable to hosting potential uranium and gold deposits.
- Identifying linear structures in those most favourable host lithologies, especially where they are close to the mesoproterozoic unconformity.
- Locating uranium gamma anomalies.

This airborne survey will be augmented by the acquisition and interpretation of digital aerial photography and satellite images, assisting in:

- Mapping the distribution of outcropping geology, litho-types and structure.
- Recognising and mapping regolith types.
- Determining access.

Successful targeting of favoured conductive structures and graphitic lithologies in the basement will be the subject of follow up drilling programmes to test for prospective uranium mineralization.

Section 2 OVERVIEW OF THE COMPANY

Proposed Exploration Expenditure

The Company proposes to fund its exploration activities over the first two years, as outlined in the following summary expenditure table, from the proceeds of the Offer. Details of the intended exploration program are outlined in more detail in the Independent Geological Report in Section 4 of this Prospectus.

Project Area	Year 1	Year 2	Total
Siccus Project	\$815,000	\$985,000	\$1,800,000
Ponton North Project	\$700,000	\$900,000	\$1,600,000
Anketell Project	\$300,000	\$1,400,000	\$1,700,000
Gardner Range Project	\$410,000	\$990,000	\$1,400,000
Total	\$2,225,000	\$4,275,000	\$6,500,000

The exploration program and budget outlined above are subject to change and are contingent on circumstances, results and other opportunities. Expenditure may be reallocated as a consequence of such changes or new opportunities and will always be prioritised in accordance with due regard to geological merit and other business decisions related to the Company's activities. Certain expenditures set out above have been determined assuming the grant of title or other relevant permission to explore on the tenements and will be reallocated in the event that such permission to explore is either delayed or denied.

2.6 Independent Geological Report

Further details of the Company's projects are set out in the Independent Geological Report in Section 4 of this Prospectus.

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3.1 Directors

Mr Marcello Cardaci - BJuris, LLB, BCom Non-Executive Chairman

Mr Cardaci is a partner in the Australian legal practice of Blakiston & Crabb. Mr Cardaci holds degrees in law and commerce and is experienced in wide range of corporate and commercial matters with a particular emphasis on public and private equity raisings and mergers and acquisitions. Blakiston & Crabb specialises in the provision of legal advice to companies involved in various industries including resources and manufacturing. Mr Cardaci is also a director of Sphere Investments Limited and Forge Group Limited, companies listed on the ASX.

Mr Phil Warren – BCom, CA Executive Director

Mr Warren is a Senior Executive of Grange Consulting Group Pty Ltd, where he specialises in corporate advisory and financial management services. Mr Warren has considerable corporate experience working in finance, accounting and corporate roles in Australia and Europe.

Mr Warren has spent a number of years working overseas for major International Investment banks. Mr Warren started his career in the Perth office of Arthur Andersen in the Business Consulting Division, having graduated with a Bachelor of Commerce from the University of Western Australia. Mr Warren is currently the Company Secretary of a number of ASX Listed companies including: Reclaim Industries Limited and Empire Beer Group Limited.

Mr David Riekie – BEc, Dip Acc, CA, MAICD Non-Executive Director

Mr Riekie is a chartered accountant and has a significant level of experience in capital raising initiatives (public and private), corporate and strategic development programs. He is an executive director of Grange Consulting Group Pty Ltd, which specialises in capital raisings, mergers and acquisitions and corporate advice. Grange Consulting Group Pty Ltd has been instrumental in developing effective business strategies for restructure and growth in a variety of industries both in Australia and overseas. Mr Riekie is currently a director of Matilda Minerals Limited, chairman of SubSahara Resources NL and has had experience with a number of resource based companies over many years.

3.2 Corporate Governance Statement

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable, the Company has adopted the Ten Essential Corporate Governance Principles and Best Practice Recommendations ("**Recommendations**") as published by ASX Corporate Governance Council.

A summary of the Company's corporate governance practices is set out below.

Summary of Board Charter

The Board is collectively responsible for promoting the success of the Company. The Board supervises the Company's framework of control and accountability systems and ensures the Company is properly managed. The Board also approves and monitors major capital expenditure, capital management, and acquisitions and divestitures. It approves the annual budget and monitors the

Section 3 DIRECTORS

financial performance of the Company as well as its financial and other reporting. The Board provides overall corporate governance to the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company. The Board has agreed to guidelines for assessing materiality.

The Board appoints (with shareholder ratification) and liaises with the external auditor and Audit Committee (if applicable). The Board is also responsible for monitoring and ensuring compliance with all of the Company's legal obligations.

The chairperson is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function. The roles of the Executive Director, independent Directors and management are summarised in the Charter.

Summary of Audit Committee Charter

The role of the Audit Committee is to monitor the integrity of the financial statements of the Company and review significant financial reporting judgments. The Audit Committee also reviews the Company's internal financial control system, risk management systems and any internal audit function.

The Audit Committee monitors and reviews the external audit function including matters concerning appointment and remuneration, independence and non-audit services. The Audit Committee also performs such other functions as assigned by law, the Company's constitution or the Board.

The Audit Committee has the power to conduct or authorise investigations into matters within the committee's scope of responsibilities and has the authority, as necessary, to retain independent legal, accounting or other advisors.

Summary of Nomination Committee Charter

The role of the Nomination Committee is to determine the state of director nominees for election to the Board and to identify and recommend candidates to fill casual vacancies. The Nomination Committee regularly reviews the size and composition of the Board, and makes recommendations to the Board on any appropriate changes.

The Nomination Committee establishes evaluation methods of rating the performance of Board members and implements ways of enhancing the competency levels of directors. The Nomination Committee also provides directors with access to ongoing education relevant to their position in the Company.

Summary of Remuneration Committee Charter

The function of the Remuneration Committee is to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations.

The Remuneration Committee makes decisions (if the full Board carries out the function of Remuneration Committee) or recommendations to the Board with respect to appropriate remuneration and incentive policies for executive Directors and senior executives.

The Remuneration Committee ensures that executive remuneration packages involve a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives.

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The Remuneration Committee ensures that fees paid to non-executive Directors are within the aggregate amount approved by shareholders and makes recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting.

The Remuneration Committee reviews and makes recommendations concerning long term incentive compensation plans and continually reviews and if necessary improves any existing benefit programs established for employees.

Summary of Remuneration Policy

Emoluments of Directors and senior executives are set by reference to payments made by other mining and exploration companies of similar size, and by reference to the skills and experience of the Directors and executives. Details of the nature and amount of emoluments of each Director of the Company will be disclosed annually in the Company's annual report.

Non-executive Directors receive remuneration at market rates (for comparable companies) for time, commitment and responsibilities. Fees for non-executive Directors are not linked to the performance of the Company, however to align Directors' interests with shareholders' interests, directors are encouraged to hold shares in the Company.

Executive pay and reward consists of a base salary and performance incentives. Long term performance incentives to date have comprised options granted at the discretion of the Board in order to align the objectives of executives with shareholders and the Company.

Summary of Code of Conduct

The Company's Code of Conduct sets out the principles and standards which the Board, management and employees of the Company are encouraged to strive towards when dealing with each other, shareholders and the broad community.

The Company is to comply with all legislative and common law requirements which affect its business. The Company will deal with others in a way that is fair and will not engage in deceptive practices.

The Code of Conduct sets out directives for Directors, management and staff relating to conflicts of interests, protection of the Company's assets and confidentiality.

The Company has a policy forbidding bribes. The Company does not support making facilitation payments as a matter of policy, and expects employees and officers to make every effort to avoid them.

Summary of Policy and Procedure for Selection and Appointment of New Directors

The Board considers and selects candidates for the Board by reference to a number of factors. Directors are initially appointed by the full Board, subject to election by shareholders at the next general meeting.

Summary of Process for Performance Evaluation of the Board, Board Committees, Individual Directors and Key Executives

The chairperson is responsible for conducting an annual review of the Board performance.

Section 3 DIRECTORS

Summary of Policy for Trading in Company Securities

The Board has adopted a policy and procedure on dealing in the Company's securities by directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information. It also provides that the written acknowledgement of the chairperson should be obtained prior to trading

Summary of Compliance Procedures

Detailed compliance procedures for Listing Rules disclosure requirements have been adopted by the Company. The Board appoints an officer of the Company to be responsible for compliance. The Company's compliance procedures are detailed in their application covering the following areas:

1. appointment of the responsible officer and description of his/her duties;
2. identifies area of risk for the Company;
3. provides guidelines for:
 - (a) identifying disclosure material; and
 - (b) monitoring share price movements;
4. guide for use of trading halts;
5. guide for decision making process;
6. details on record keeping;
7. education of Board and management;
8. confidentiality;
9. release of disclosure material; and
10. updating of compliance procedures.

Summary of Procedure for the Selection, Appointment and rotation of External Auditor

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as per the recommendations of the Audit Committee with the decision being ratified by shareholders at the next annual general meeting of the Company.

Candidates for the position of external auditor of the Company must be able to demonstrate complete independence from the Company and an ability to maintain independence through the engagement period.

The Audit Committee will review the performance of the external auditor on an annual basis and make any recommendations to the Board.

Summary Shareholder Communication Strategy

The Board aims to ensure that the shareholders are informed of all major developments affecting the Company. All shareholders receive the Company's annual report. The Company maintains a website on which the Company makes certain information available on a regular basis.

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Summary of Risk Management Policy

The Company has established a risk management policy which sets out a framework for a system of risk management and internal compliance and control, whereby the Board delegates day-to-day management of risk to the executive Director. The executive Director, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management. The policy also sets out the Company's risk profile.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

Principle 2 Recommendation 2.1, 2.2

Notification of Departure: Mr Cardaci and Mr Riekie do not satisfy the test of independence as set out in Box 2.1 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations ("Independence Test"). However, for the reasons outlined below, the Board considers both Mr Cardaci and Mr Riekie (in the absence of the relevant director) to be independent Directors, therefore the Board is considered to be comprised of a majority of independent Directors.

Explanation for Departure: Mr Cardaci and Mr Riekie do not fulfil the Independence Test because they are both principals of material professional advisors of the Company. However both Mr Cardaci and Mr Riekie are considered to be independent by the Board for the following reasons:

Mr Cardaci is a principal of the firm Blakiston & Crabb. Blakiston & Crabb have been the main provider of legal services to the Company in respect of matters concerning Australian law. The Company pays legal fees on a normal commercial basis to Blakiston & Crabb.

As a result of Mr Cardaci being a principal of Blakiston & Crabb he does not fit within paragraph 3 of the Independence Criteria. Mr Cardaci passes all other aspects of the Independence Criteria. The Board of the Company (in the absence of Mr Cardaci) considers he is capable of and demonstrates that he consistently makes decisions and takes actions which are designed to be for the best interests of the Company. The Board notes the fees paid to Blakiston & Crabb are not material to the Company and are not of a high enough level to be material to Mr Cardaci's practice or the firm Blakiston & Crabb. Therefore the Board considers Mr Cardaci to be independent.

Mr Riekie is a principal of the firm Grange Consulting Group Pty Ltd. Grange Consulting Group Pty Ltd is the registered office of the Company and provides corporate advisory services to the Company. As a result of being a principal of Grange Consulting Group Pty Ltd, Mr Riekie does not meet the criteria set out in paragraph 3 of the Independence Criteria. The Board of the Company (in the absence of Mr Riekie) considers he is capable of and demonstrates that he consistently makes decisions and takes actions which are designed to be in the best interests of the Company and therefore consider him to possess the characteristics required of a person who would be eligible to take the role of an independent director. The Board notes that the fees paid to Grange Consulting Group Pty Ltd are not high enough to be material to Mr Riekie's practice or the firm Grange Consulting Group Pty Ltd and are also not material to the Company. Therefore the Board considers Mr Riekie to be independent.

Section 3 DIRECTORS

Principle 2 Recommendation 2.4

Notification of Departure: A separate nomination committee has not been formed. However the Company adopted the Nomination Committee Charter on 23 July 2007.

Explanation of Departure: The role of the nomination committee is carried out by the full Board in accordance with the Nomination Committee Charter. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate nomination committee. Prior to 23 July 2007, the full Board reviewed and considered the selection and appointment of directors on an as required basis.

Principle 4 Recommendation 4.2, 4.3

Notification of Departure: A separate audit committee has not been formed.

Explanation for Departure: Based on the fact that the Company is in its early stages of development, the Board does not consider that the Company will gain any benefit from a separate audit committee. The full Board carries out the duties of the audit committee. In so acting, the full Board follows the Audit Committee Charter adopted on 23 July 2007 and disclosed on the Company's website. Prior to 23 July 2007, the full Board conducted a review of the Company's accounts on an informal basis.

Principle 9 Recommendation 9.2

Notification of Departure: There was no separate remuneration committee.

Explanation for Departure: Due to the small size and structure of the Board, a separate remuneration committee was not considered to add any efficiency to the process of determining the levels of remuneration for the directors and key executives. The Board considers that it is more appropriate to set aside time at one Board meeting each year to specifically address matters that would ordinarily fall to a remuneration committee. When considering matters of remuneration, the Board functions in accordance with the Remuneration Committee Charter which was adopted on 23 July 2007.

In addition, all matters of remuneration will continue to be determined in accordance with Corporations Act requirements, especially in respect of related party transactions. That is, no directors participate in any deliberations regarding their own remuneration or related issues.

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Peter F Robinson and Associates Pty Ltd

MINERAL EXPLORATION CONSULTANTS AND MANAGERS

22 Honeytree Place, MANDURAH, WA 6210. Phone 95344777, Fax 95344888, Mob 0419 901 980

Email pfr@bigpond.com.au

20 July 2007

The Directors
BlackGrange Ltd
PO Box 1263
West Perth WA 6872

Dear Sirs,

BlackGrange Ltd (“BlackGrange”) soon to be renamed Uranio Limited, commissioned Peter F Robinson and Associates Pty Ltd (“PFR”) to prepare an Independent Technical Report on mineral exploration properties located in the Western Australia and South Australia in which BlackGrange has an interest. These properties were acquired over uranium targets but some also have potential for gold and other metal deposits. This report forms part of a prospectus to be lodged with the Australian Securities Commission (“ASIC”) on or about 30 July 2007 for the issue of 50 million shares at an issue price of 20 cents each to raise \$10 million, with the right to accept oversubscriptions of an additional \$2 million. “the funds raised will be used for the purpose of exploration and evaluation of the mineral properties plus working capital.

PFR has based its review of the uranium and metalliferous properties on information supplied by BlackGrange, along with technical reports by government agencies and previous tenement holders, and other published and unpublished data. The information sources are listed in the bibliography attached to this report.

The BlackGrange projects included in this report are understood to consist of the Siccus Joint Venture Project in South Australia, and the Ponton North Project, the Anketell Project, the Gardner Project in Western Australia.

The legal status of the properties including native title considerations are the subject of a separate Solicitors Report which appears in Section 6 of the prospectus. The status of the tenements has not been independently verified by PFR. The present status of tenements shown in this report is based on information supplied by BlackGrange and this report has been prepared on the assumption that the tenements will prove lawfully accessible for evaluation. References to tenements or licences in this report includes applications for tenements and licences as the case may be.

This report has been prepared in accordance with the Code of Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports (“The Valmin Code”) which is binding upon Members of the Australasian Institute of Mining and Metallurgy (AusIMM), and the rules and guidelines issued by such bodies as ASIC and Australian Stock Exchange (ASX), which pertain to Independent Expert Reports.

Peter F Robinson and Associates Pty Ltd

MINERAL EXPLORATION CONSULTANTS AND MANAGERS

The mineral properties which BlackGrange is exploring or intends to explore are considered to be "Exploration Projects" which are inherently speculative in nature. PFR considers on the basis of this assessment that the projects have been acquired on the basis of sound technical merit. The properties are considered to be sufficiently prospective, subject to varying degrees of exploration risk, to warrant new or further exploration and assessment of their economic potential, consistent with the proposed programs which are set out in this report.

Exploration and evaluation programs for the granted tenements summarised in this report amount to a total expenditure of approximately \$6,500,000 of which BlackGrange plans to spend \$2,225,000 in the first year of assessment. PFR understands that BlackGrange will have sufficient working capital to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3 (a). PFR at the request of BlackGrange, has prepared staged exploration and evaluation programs for all projects and budgets for the properties, specific to the potential of the properties. PFR considers that the relevant areas have sufficient technical merit to justify the proposed programs and associated expenditure satisfying the requirements of ASX Listing Rule 1.3.3(a).

This report has been prepared from information available up to and including 21 July 2007 PFR has provided consent for the inclusion of this report in section 4 of the Prospectus and has not withdrawn that consent before the lodgement of the Prospectus with ASIC.

The author of this report and the Principal of PFR, Mr Peter Robinson has over 36 years experience in mineral exploration and over 15 years experience specifically in uranium exploration in Australia. He is a Fellow of the Australasian Institute of Mining and Metallurgy, Member of the Mining Industry Consultants Association and a Chartered Professional Geologist. PFR has provided mineral exploration consultancy, advice and management to various Australian and international companies via Mr Peter Robinson since early 1984. Mr Peter Robinson has the appropriate qualifications, experience, competence and independence to be considered an "Expert" as well as a "Uranium Expert" under the definitions provided by the Valmin Code (2005).

Neither PFR nor the author of this report have or have previously had any material interest in BlackGrange or the mineral properties in which BlackGrange has an interest. The relationship with BlackGrange is solely one of professional association between client and consultant. This report was prepared in return for professional fees based on an agreed commercial rates and the payment of fees is in no way contingent upon the results of this report.

Yours Faithfully



Peter F Robinson

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**INDEPENDENT GEOLOGICAL REPORT ON
THE URANIUM PROJECTS OF BLACKGRANGE LIMITED
(to be renamed Uranio Limited)**

Peter F Robinson

BSc., FAusIMM, MMICA, CPGeo.

Consulting Minerals Geologist
22, Honeytree Place, Mandurah WA 6210

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Section 4 INDEPENDENT GEOLOGICAL REPORT

EXECUTIVE SUMMARY

BlackGrange Limited ("BlackGrange ") soon to be renamed Uranio Limited has acquired from Deep Yellow Limited ("Deep Yellow") a 70% equity interest in each project within a portfolio of exploration projects in Western Australia and South Australia that have potential to host substantial uranium deposits in a variety of geological settings.

The Siccus Project in South Australia and the Ponton North and the Anketell Projects in Western Australia are prospective for redox related Phanerozoic sandstone palaeo-drainage uranium deposits.

The Ponton North Project is also prospective for lignite hosted, redox controlled Eocene basin uranium deposits similar to the nearby Mulga Rock deposit.

The Gardner Range Project in Western Australia has geology favorable to host high-grade unconformity style uranium deposits similar to the Alligator Rivers deposits of the Northern Territory and the Canadian Athabasca Basin deposits.

This Independent Geological Report ("IGR") has been compiled to assess the exploration potential of these projects. The following table summarises the main exploration models for the projects and lists a number of local and type examples of that style of mineralisation.

Project	Exploration Models	Local Examples	Type examples
Siccus Project	Sandstone Deposit U	Beverley, Honeymoon	Beverley
Ponton North Project	Sandstone or lignite hosted U	Mulga rock	Mulga rock, Beverley
Anketell Project	Sandstone Deposit U	Oobagooma-	Manyingee
Gardner Range Projec	Unconformity Related U-Au Proterozoic Au Deposits	Killi Killi, Mt Mansbridge Coyote	Ranger, Jabiluka, Cigar Lake

Exploration budgets have been compiled for the first two years only. After rounding, these amount to - Year 1, \$2,225,000 - Year 2, \$4,275,000 for a total of \$6,500,000. Programs and budgets in the following years will depend on the results.

PROJECT	Year 1	Year 2	Total
Siccus	\$815,000	\$985,000	\$1,800,000
Ponton North	\$700,000	\$900,000	\$1,600,000
Anketell	\$300,000	\$1,400,000	\$1,700,000
Gardner Range	\$410,000	\$990,000	\$1,400,000
TOTAL	\$2,225,000	\$4,275,000	\$6,500,000

Section 4 INDEPENDENT GEOLOGICAL REPORT

The Siccus Joint Venture Project is located 500 kilometres north of Adelaide, South Australia and covers an area of 672 square kilometres in the Frome Embayment.

All significant uranium mineralisation in the Frome Embayment is hosted by valley fill (palaeochannel) fluvial sands in the Eocene Eyre Formation and within overlying shoestring sands of the Miocene Namba Formation. Four deposits, all amenable to in situ leaching (“ISL”) mining have been found in palaeo-drainage systems. The Beverley mine containing at least 21,000 tonnes U_3O_8 at 0.18% U_3O_8 (McKay, A.D. & Mieizitis, Y., 2001), occurs in the northeast (refer Note 1 below). To the south, the Yarramba Palaeochannel contains the Honeymoon and East Kalkaroo deposits and the Billeroo Channel includes the Gould’s Dam Deposit all within the Eyre Formation.

Oxidisation cells move down the palaeochannels causing lateral and terminal uranium roll-front mineralisation to occur.

Previous exploration in the Siccus project area was by Mines Administration Pty Ltd, Marathon Petroleum Australia Ltd, and BHP Minerals Ltd. Paladin Energy Ltd also held tenure, however they conducted no exploration.

Scout drilling outlined a palaeo-drainage system

Previous exploration comprised sampling and analysis of groundwater, an airborne scintillometer survey, and a reconnaissance and an open hole rotary drilling program of 11 holes. Anomalous radioactivity was found in two holes, on a possible redox boundary.

NOTE 1: All resource estimates referred throughout this IGR relate to historical resource estimates, which are non-JORC compliant, and none of which form part of the assets of BlackGrange. These are quoted from various sources included within the bibliography at the end of this IGR. These historical resources are referred to in this IGR as they are considered relevant in the context of a review of the assets forming the portfolio of BlackGrange.

To better delineate the palaeochannel an airborne electromagnetic (AEM) survey was flown over the tenement area by Deep Yellow. Interpretation of the preliminary data confirmed the presence of Namba Formation and also outlined the previously interpreted palaeochannels.

BlackGrange plans to initiate drill traverses across the interpreted channels to map the redox facies down and across the channels.

If redox fronts and/or uranium deposition zones are located then more detailed drilling will follow. Further exploration investigations would then depend on the results of the initial program outlined above.

The planned budget is for \$815,000 in Year 1 and \$985,000 in Year 2.

The Ponton North Project is located approximately 200 km northeast of Kalgoorlie, Western Australia on the edge of the Great Victoria Desert. It consists of five exploration licences covering 1,060 km².

The project area is underlain by Tertiary palaeochannels within the Gunbarrel Basin which are considered highly prospective for uranium and which connect the Mulga Rocks Uranium Deposit discovered by PNC Exploration Pty Ltd (“PNC Exploration”) to the north with Paladin Resources Limited’s Ponton Project to the south.

The palaeochannel as outlined by drilling is known over a distance of at least 100 km beneath the Tertiary cover rocks. The western portion of the channel connects with the present day drainage system of Lake Raeside and Ponton Creek which transported uranium and other metals in salty oxidised waters to the depositional site from the Archean source rocks.

The Mulga Rock deposit comprises three separate deposits that occur along the outer margin of a broad

Section 4 INDEPENDENT GEOLOGICAL REPORT

bend in a palaeochannel. Collectively they are estimated to contain 13,000 tonnes U_3O_8 at a grade of 0.12% U_3O_8 (Fulwood and Barwick, 1990 - this estimate is not JORC compliant)

There is excellent potential to locate Mulga Rock style or redox front style uranium mineralisation in the Eocene palaeochannels and palaeoponds within the Ponton North Project area.

BlackGrange plans to use remote airborne electromagnetics to define the bounds and the morphology of lignitic channels and ponds in the base of the Eocene sequence. This will be followed by drilling to map the channels for lignite and for near surface tabular and down drainage discordant redox facies. If redox fronts and /or uranium deposition zones are located then detailed drilling will follow.

Further exploration investigations will depend on the results of the above.

The planned budget is for \$700,000 in Year 1 and \$900,000 in Year 2.

The Anketell Project is located 350 km ESE of Port Hedland, Western Australia. It covers a large area consisting of 11 exploration licence applications over 2,332 square kilometres. The target is roll front uranium mineralisation hosted by Mesozoic sandstones within the Waukarlyarly Embayment structure of the Canning Basin.

The Canning Basin sediments unconformably overlie the Archean Pilbara Craton. The craton contains Archean and Proterozoic granites suitable as uranium source rocks.

Oxidised ground water draining the basement granites and moving through the aquifers may deposit uranium mineralisation where reducing conditions are encountered.

The oldest target host formation is the late Jurassic Wallal Sandstone, which contains sandstones, siltstones and conglomerate with minor lignite and pyrite. Overlying this is the late Jurassic to early Cretaceous Callawa Formation which is a sequence of sandstone, conglomerate and minor siltstone, with crossbeds and plant fossils. It possibly correlates with the Birdrong Sandstone that hosts the Manyingee deposit of the Carnarvon basin to the south. The estimated Manyingee non-JORC compliant mineral resource is approximately 7,860 tonnes U_3O_8 at 0.12% U_3O_8 (Uranium Information Centre June 2005).

The prospective Callawa Sandstone occupies a significant area within the northern part of the tenements. Most of the tenement area is covered by alluvial and aeolian deposits.

BlackGrange plans to collate existing data including well field borehole logs to the north of the tenements which may provide valuable information on the prospectivity of the target sandstones to host in situ leach uranium targets. This would be followed by airborne electromagnetics to define conductive channels in the base of the Jurassic and Cretaceous sequences.

Drilling will follow to map the redox facies down and across the drainage channels. If redox fronts and/or uranium deposition zones are located then further detailed drilling will be pursued.

Further exploration investigations will then depend on the results of the above.

The planned budget is for \$300,000 in Year 1 and \$1,400,000 in Year 2.

The Gardner Range Project is located 150 km southeast of Halls Creek, Western Australia. The primary target in this project is unconformity related uranium (+-gold) deposits.

The basement geology consists of gneiss and schist of the Billabong complex and Browns Range Metamorphics and the Palaeoproterozoic MacFarlane Peak Group. These are overlain by clastic sediments of the Tanami Group of which the oldest lithologies, the Killi Killi Beds, represent the favored uranium host rocks. Metamorphism and intrusion of a suite of granites at about 1840 (million years or

mega-annum - "Ma") makes them comparable to the host rocks of the East Alligator uranium province of the Northern Territory.

Starting at ca 1700 Ma, a thick unconformable cover sequence of the Mesoproterozoic Birrindudu Group was deposited over the basement rocks. The Birrindudu Group contains the Gardiner Sandstone. The Gardiner Sandstone comprises arenite, shale, conglomerate, glauconitic sandstone and dolomitic sandstone and compares with the Kombolgie Formation cover rocks of the East Alligator uranium province and the Athabasca Sandstone of the Canadian uranium deposits. The overall dip of the Gardiner Sandstone is gentle.

The unconformity surface is generally poorly exposed, being masked by extensive sandstone rubble down slope of the overlying Gardiner Sandstone scarp. Very little basal conglomerate is evident near the unconformity.

Past exploration for unconformity-related uranium deposits has been along the unconformable contact between the deformed Archean-Palaeoproterozoic basement rocks and the overlying sandstones and conglomerates of the Birrindudu Group.

Major interest in uranium exploration was regenerated by the entry of Canadian interests in the late 1970's specifically motivated by the unconformity model and the Athabaskan discoveries. The first graphite-related uranium discovery at the Don Prospect in the eastern Gardner Range was made in 1980. Autunite was exposed in chloritic Killi Killi Beds siltstone during trenching. This prospect lies within the BlackGrange Mt Junction exploration license. Drilling under a mineralised trench intersected 0.44m of 1.5% U₃O₈ and 1.7 g/t Au.

To the south of this, investigations cover the Deva Prospect. This prospect lies within BlackGrange's Slatey Creek exploration license.

BHP Minerals formed the Billiluna Joint Venture with Canadian Energy Resources in 1985 which at that time held the Don and Deva prospects.

A review of the previous exploration work associated with the Billiluna Joint Venture revealed potential for gold mineralisation in the Mount Junction area to the east of the Don. A stream sediment program in the area of BlackGrange's Mount Junction area located the Venus gold prospect where rock chip samples from quartz veins and altered Killi Killi Beds gave a best value of 5.54 g/t Au from an anastomosing quartz vein stockwork associated with the core of an antiform.

Drilling was planned at the Don and Deva Prospects but unseasonal rain delayed the drilling program twice and the Billiluna Joint Venture was terminated prior to any drilling.

The three main criteria for forming of unconformity related uranium deposits appear to be satisfied, viz:

- 1) Proximity to Archean – Lower Proterozoic crystalline basement highs – regionally, these are represented by the Archean gneiss and schist of the Billabong complex and Browns Range Metamorphics in the nearby Browns Range Dome to the north.
- 2) Favorable Palaeoproterozoic host rock stratigraphy and lithofacies - represented by Tanami Complex lithologies and in particular the Killi Killi Beds metasedimentary lithofacies with ages > 1840 Ma.
- 3) Proximity of the current land surface profile to the base of existing or previous overlying Mesoproterozoic sedimentary cover rocks - the cover rocks are represented by the Birrindudu Group and more specifically the basal Gardiner Sandstone with ages ca 1700 Ma.

The Don uranium and gold occurrence within the Mt Junction area and the Deva anomaly within the

Section 4 INDEPENDENT GEOLOGICAL REPORT

Slatey Creek area confirms that the unconformity model is a prospective target for this region. The extensive ground holdings in this region by BlackGrange and the large area of potential host rock basement lithologies in the Killi Killi Beds at or close to the unconformity with the Gardiner Sandstone provides the basis for a concerted exploration program principally for uranium but also for gold.

The location of gold mineralisation at the Venus Prospect in the Mt Junction area in a quartz vein stockwork by BHP suggests that gold prospectivity is good and warrants exploration in the immediate area and elsewhere within the Killi Killi beds.

BlackGrange plans to conduct a detailed airborne magnetic and radiometric survey at 100 meter line spacing followed by detailed processing and interpretation. The interpretation will be focused on identifying lithological layering and linear structures in the potential uranium and gold host lithologies especially where they are close to the Mesoproterozoic unconformity. This may also generate new uranium radiometric anomalies.

Digital aerial photography and satellite images will be acquired and interpreted.

Following this, a sophisticated airborne electromagnetic survey over target areas developed from the above will be flown to locate conductive structures and graphitic lithologies in the basement that may host uranium.

Target areas determined from the above will be tested by RAB drilling traverses for geochemistry and bedrock mapping prior to determining the location of reverse circulation drill holes.

Further exploration investigations will then depend on the results of the above outlined program.

The planned budget is estimated at \$410,000 in Year 1 and \$990,000 in Year 2.

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CONTENTS

1	INTRODUCTION	2.2	PROJECTS WITH POTENTIAL FOR UNCONFORMITY RELATED DEPOSITS
2	PROJECT DESCRIPTIONS	2.2.1	GARDNER RANGE PROJECT
2.1	PROJECTS WITH POTENTIAL FOR PHANEROZOIC SANDSTONE HOSTED DEPOSITS	2.2.1.1	Introduction
2.1.1	SICCUS PROJECT	2.2.1.2	Tenements
2.1.1.1	Introduction	2.2.1.3	Geological Setting
2.1.1.2	Tenements	2.2.1.3.1	Regional Setting
2.1.1.3	Geological Setting	2.2.1.3.2	Local Setting
2.1.1.3.1	Regional Setting	2.2.1.4	Previous Exploration
2.1.1.3.2	Local Setting	2.2.1.5	Exploration Potential
2.1.1.4	Previous Exploration	2.2.1.6	Exploration Strategy
2.1.1.5	Exploration Potential	2.2.1.6	Exploration Budget
2.1.1.6	Exploration Strategy	TABLES	
2.1.1.7	Exploration Budget	Table 1	Exploration Models and Local Deposit Types.
2.1.2	PONTON NORTH PROJECT	Table 2:	BlackGrange Ltd Proposed Staged Exploration Expenditure Years 1 and 2
2.1.1.1	Introduction	Table 3:	Siccus Project Proposed Exploration Expenditure
2.1.2.2	Tenements	Table 4:	Ponton North Project Tenement List
2.1.2.3	Geological Setting	Table 5:	Ponton North Project Proposed Staged Exploration Expenditure.
2.1.2.4	Previous Exploration	Table 6:	Anketell Project Tenement List
2.1.2.5	Exploration Potential	Table 7:	Anketell Project Proposed Exploration Expenditure
2.1.2.6	Exploration Strategy	Table 8:	Gardner Range Project Tenement List
2.1.2.7	Exploration Budget	Table 9:	Gardner Range Project Proposed Exploration Expenditure
2.1.3	ANKETELL PROJECT		
2.1.3.1	Introduction		
2.1.3.2	Tenements		
2.1.3.3	Geological Setting		
2.1.3.4	Previous Exploration		
2.1.3.5	Exploration Potential		
2.1.3.6	Exploration Strategy		
2.1.3.7	Exploration Budget		

FIGURES

- Figure 1: Location of BlackGrange Projects
- Figure 2: Siccus Joint Venture South Australia General Location
- Figure 3: Siccus Joint Venture South Australia Regional Location EL 3288
- Figure 4: Siccus JV Project Interpreted Palaeochannel and Previous Drilling
- Figure 5: Siccus JV Project Interpreted Palaeochannel and Planned Drilling
- Figure 6: Siccus JV Project Current Exploration Groups.
- Figure 7: Ponton North Project Ternary Radiometrics and Drainage
- Figure 8: Ponton North project – Topography
- Figure 9: Ponton North project –Elevation
- Figure 10: Ponton North project – Aeromagnetics
- Figure 11: Ponton North Project Current Exploration
- Figure 12: Anketell Project Regional Overview
- Figure 13: Anketell Project Gravity in TMI
- Figure 14: Anketell Project, Distribution of Canning Basin Units
- Figure 15: Anketell Project Current Exploration Groups
- Figure 16: Anketell Project Outcrop Distribution of Canning Basin Units.
- Figure 17: Gardner Range Project Tenement Location
- Figure 18: Gardner Range Project Geology
- Figure 19: Gardner Range Project Current Exploration Groups

Section 4 INDEPENDENT GEOLOGICAL REPORT

1 INTRODUCTION

BlackGrange Limited (“BlackGrange”) has acquired from Deep Yellow Limited (“Deep Yellow”) a 70% equity interest in each project within a portfolio of exploration projects in Western Australia and South Australia that have potential to host substantial uranium deposits in a variety of geological settings. These include:

- Redox related Phanerozoic sandstone palaeo-drainage uranium deposits – the Siccus Project in South Australia and the Ponton North and the Anketell Projects in Western Australia.
- Lignite hosted, redox controlled Eocene basin uranium deposits - the Ponton North Project in Western Australia, similar to the geological setting for the Mulga Rock uranium deposit nearby.
- High-grade unconformity style uranium deposits – The Gardner Range Project in Western Australia.

The locations of the projects are shown on Figures 1 and 2.

This Independent Geological Report has been compiled to assess the exploration potential of these projects. The following table summarises the main exploration models for the projects and lists a number of local and type examples for that style of mineralisation.

Table 1 Exploration Models and Local Deposit Types.

Project	Exploration Models	Local Examples	Type examples
Siccus Project	Sandstone Deposit U	Beverley, Honeymoon	Beverley
Ponton North Project	Sandstone or lignite hosted U	Mulga rock	Mulga rock, Beverley
Anketell Project	Sandstone Deposit U	Oobagooma-	Manyingee
Gardner Range Projec	Unconformity Related U-Au Proterozoic Au Deposits	Killi Killi, Mt Mansbridge Coyote	Ranger, Jabiluka, Cigar Lake

All resource estimates referred throughout this IGR relate to historical resource estimates which are non-JORC compliant, and none of which form part of the assets of BlackGrange. These are quoted from various sources included within the bibliography at the end of this IGR. These historical resources are referred to in this IGR as they are considered relevant in the context of a review of the assets forming the portfolio of BlackGrange.

The tenement package forms a coherent portfolio that is practical to explore, containing a mix of under explored, or poorly explored, geological settings holding promise of similarities or prospectivity to that reflected in other locations containing existing major deposits. These are described below in the same order as the above table.

Section 4 INDEPENDENT GEOLOGICAL REPORT

Figure 1: Location of BlackGrange Projects

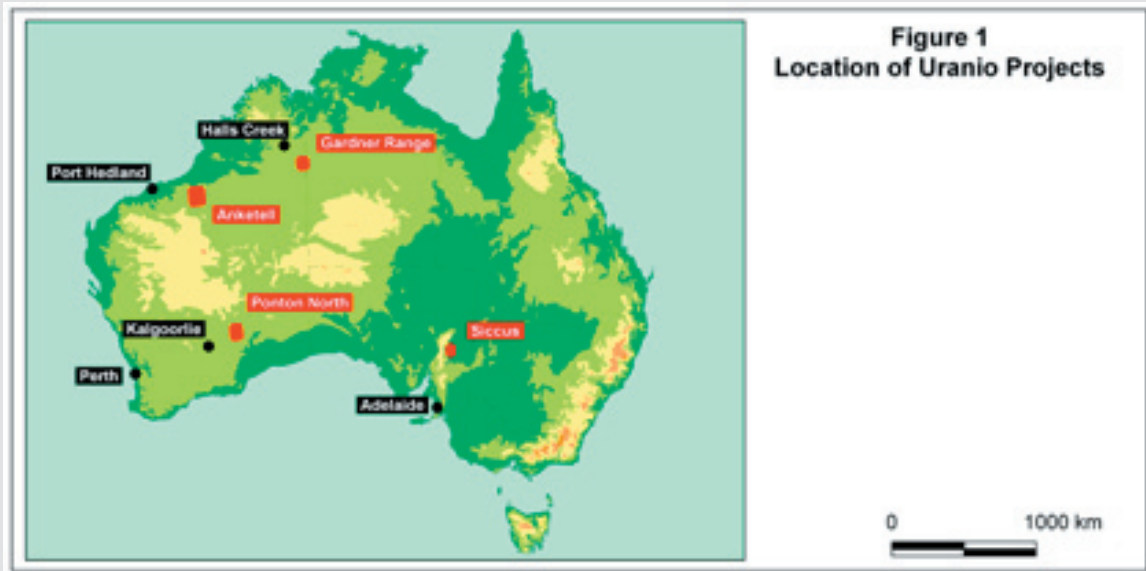


Figure 2: Siccus Joint Venture South Australia General Location



The planned exploration strategy has been given for each project.

Exploration budgets have been compiled for each of projects, with cognizance of whether they are currently granted tenements or not, and if not then consideration made to the timing of their likely granting. This covers a period of the first two years only. After rounding this amounts to - Year 1 \$2,225,000 - Year 2 \$4,275,000 for a total of \$6,500, 000. Programs and budgets that would follow in the years after this will depend on the results received for the initial programs.

Section 4 INDEPENDENT GEOLOGICAL REPORT

Table 2: BlackGrange Limited Proposed Exploration Expenditure Years 1 and 2 (Rounded)

PROJECT	Year 1	Year 2	Total
Siccus	\$815,000	\$985,000	\$1,800,000
Ponton North	\$700,000	\$900,000	\$1,600,000
Anketell	\$300,000	\$1,400,000	\$1,700,000
Gardner Range	\$410,000	\$990,000	\$1,400,000
TOTAL	\$2,225,000	\$4,275,000	\$6,500,000

2 PROJECT DESCRIPTIONS.

2.1 PROJECTS WITH POTENTIAL FOR PHANEROZOIC SANDSTONE HOSTED DEPOSITS

The projects with potential for Phanerozoic sandstone hosted deposits are all related to redox changes in Paleozoic, Mesozoic and Cainozoic host sediments. They are mostly transgressive – roll fronts but can also be tabular – peneconcordant.

These younger sandstone uranium deposits are contained in fluvial or marginal-marine sandstone. The host rocks are medium to coarse-grained, poorly sorted, and contain pyrite and organic (plant) matter.

Uranium is mobile under oxidising conditions and precipitates under reducing conditions, and thus the presence of a reducing environment is essential for the formation of uranium deposits in sandstone.

Hydrogen sulphide, which is an effective reductant and uranium precipitant, can be generated by anaerobic decomposition of organic matter or it can be introduced from underlying or overlying oil or gas horizons, thereby creating a favorable environment in an otherwise unfavorable host rock.

Sandstone with a slight dip, such as on the margins of continental basins and coastal plains, is more favorable than sandstone that dips steeply, because the rates of groundwater movement and oxygen intake are slowed enough to preclude destruction of reducing environments. Beds with low dips also provide large surface areas for the capture and introduction of uraniumiferous groundwater.

Based on *shape* of the orebody and relationship to the depositional or structural environment, sandstone uranium deposits can be subdivided into three types (these may be gradational into each other)

- *Tabular deposits* consist of tabular or elongate lenticular zones of uranium mineralisation within selectively reduced sediments. The mineralised zones are oriented parallel to the direction of groundwater flow, but on a smaller scale the ore zones may cut across sedimentary features of the host sandstone.
- *Roll-front deposits* are crescent-shaped in cross-section, and mineralisation cuts across the bedding and extends from the overlying to the underlying impervious mudstone/siltstone layers. The mineralised zone is convex down the hydraulic gradient. Mineralisation usually has a diffuse boundary with reduced sandstone on the down-gradient side and sharp contacts with the oxidised sands on the up-gradient side.
- *Tectonic– stack deposits* occur along permeable fault zones which cut the sandstone mudstone sequence. Mineralisation forms tongue-shaped ore zones along the permeable sandstone layers adjacent to the fault. Often there are a number of mineralised zones, stacked vertically on top of each other within sandstone units adjacent to the fault zone.

Sandstone deposits contain a large proportion of the world's known uranium resources, although they are commonly of low to medium grade (0.05 to 0.4% U_3O_8). In each province or basin there are usually many small to medium-size deposits, some of which can contain up to 50,000 t U_3O_8 . The cumulative tonnage in the province or basin is often very large, up to several hundred thousand tonnes.

Phanerozoic sandstone deposits comprise approximately 5% of Australia's total uranium resources.

Deposits of this type in Australia occur in various but specific stratigraphic ages. These are:

Upper Devonian – Carboniferous

The Canning Basin WA

Oobagooma Deposit

Ngalia Basin NT

Bigrlyi Deposit

Amadeus Basin

Pamela and Angela Deposits

Cretaceous

The Carnarvon Basin WA –

Manyingee Deposit

Bennett's Well Channel

Eocene

Frome Embayment SA -

Beverley, Beverley Four Mile, Honeymoon, East Kalkaroo and Gould's Dam.

Eucla Basin in the Eyre Peninsula region (SA).

Warrior deposit near Tarcoola, and the Yarranna deposit east of Ceduna.

The largest known deposit of this type in Australia is the Beverley mine containing at least 21,000 tonnes U_3O_8 at 0.18% U_3O_8 (Heathgate 1988, Australia's Uranium Resources, Geology, and Development of Deposits. AGSO-Geoscience Australia Mineral Resources Report 1 Page 100), much of which is recoverable by insitu leaching. Manyingee is next containing approximately 7,860 tonnes U_3O_8 at 0.12% U_3O_8 (Uranium Information Centre June 2005).

Major global sandstone uranium provinces include the Powder River Basin in Wyoming, Colorado Plateau and Gulf Coastal Plain of the USA, and the Tim Mersoï Basin of Niger.

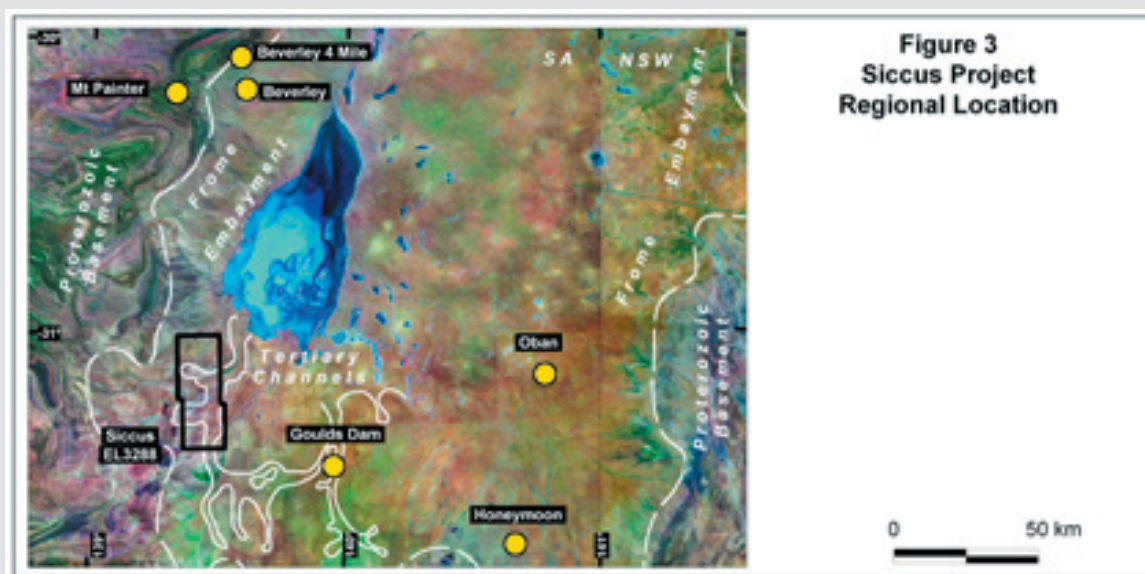
2.1.1 SICCUS PROJECT

2.1.1.1 INTRODUCTION

The Siccus Joint Venture Project is located 500 kilometres north of Adelaide, and some 25 kilometres to the southwest of the Lake Frome shoreline. The tenement has been managed by Deep Yellow on behalf of the Siccus Joint Venture. Under the terms of the Siccus Joint Venture Deep Yellow holds 90% interest, with the remaining 10% interest held by Signature Resources. BlackGrange has acquired an effective 70% equity interest in the Siccus Joint Venture project from Deep Yellow.

The regional location is shown on Figure 3 below

Figure 3: Siccus Joint Venture South Australia Regional Location EL 3288



2.1.1.2 TENEMENTS

EL3288 was granted to Paladin Energy Minerals NL ("Paladin") in 2004 over an area of 672 square kilometres;

Following the transfer of EL 3288 from Paladin to Deep Yellow on 17 July 2006, Deep Yellow immediately commenced negotiations with the registered Native Title Claimants the Adnyamanthanha No. 1 Native Title Claim Group to put in place a Native Title Mining Agreement for exploration on EL 3288 which was signed on 15 August 2006 and registered on 22 September 2006.

2.1.1.3 GEOLOGICAL SETTING

2.1.1.3.1 Regional Setting

The tenement is located in the Frome Embayment of the Great Artesian Basin (Cretaceous). Palaeochannel hosted uranium mineralisation occurs within Tertiary units deposited within the Collarbone Sub-Basin, a local embayment area of the Lake Eyre Basin bounded to the west, east and south by the Flinders, Barrier and Olary Ranges respectively.

The Frome Basin essentially forms a foreland basin where the Mount Painter Complex is being overthrust from the west.

All significant uranium mineralisation is hosted by valley fill (palaeochannel) fluvial sands in the Eocene Eyre Formation and within overlying shoestring sands of the Miocene Namba Formation.

The Eyre Formation was deposited in two phases. Carbonaceous sands of the Lower Eyre Formation were deposited during the Late Paleocene – Middle Eocene as palaeovalley fills. These sands contain abundant carbonaceous material and host roll-front mineralisation at the Four-Mile Deposit. The Upper Eyre Formation was deposited in response to regional uplift during the Late Eocene and resulted in deposition of widespread 'blanket' or sheet sands by broad, braided channels.

The interpretation of isopach and isobath maps constructed for the Namba and Eyre Formations resulted in an updated palaeochannel interpretation. The palaeochannels contain 20 to 80m of prospective Eyre Formation covered by 30 to 120m of Namba Formation.

Oxidisation cells move down the palaeochannels causing lateral and terminal uranium roll-front mineralisation to occur. Generally the oxidisation did not reach the main Basin sediments and is contained mainly within the palaeochannels.

2.1.1.3.2 Local Setting

EL 3288 covers the distal southwestern edge of the Frome Embayment, where a local embayment in the basin margin exists. In general, a sequence of 10-35m of Quaternary alluvial fan deposits of the Willawortina Formation overlies approximately 125m of Namba Formation mudstones with minor sands. The Namba Formation unconformably overlies sandstones of the Eyre Formation or Cretaceous mudstones of the Bulldog Shale that are considered to be 'basement'.

Characteristics of the main target Eyre and Namba Formations are summarised as follows:

Eyre Formation (Eocene)

The Eyre Formation ("Fm") has been deposited with a marked unconformity upon a basement of older rocks including Mesozoic, Cambrian and Adelaidean sediments and on Lower Proterozoic metamorphic and granitic rocks.

The Eyre Fm can be divided into three broad units.

Basal Unit: Pebbly, organic rich, pyrite bearing coarse to very coarse sand.

Middle Unit: Mudstone-siltstones with minor sand lenses.

Upper Unit: fine to coarse sands (occasionally pebbly) interbedded with mudstone.

Namba Formation (Miocene)

The Namba Fm is dominated by low energy mud and siltstones. It comprises several stacked fining-upwards depositional sequences. Sandstones occur at the base of each depositional sequence where they disconformably overlie the mudstones.

This unit disconformably overlies well-developed, clean to carbonaceous coarse sands of the Upper Eyre Formation (Late Eocene)

The Namba Formation is thickly developed within EL3288 and, unlike the Beverley Region, is not overlain by significant thicknesses of Willawortina Formation making drilling considerably more cost effective. If bounded to the west by faulting, as suggested by the recent AEM imagery, then the structural setting can be considered to be very similar to that at Beverley.

2.1.1.4 PREVIOUS EXPLORATION

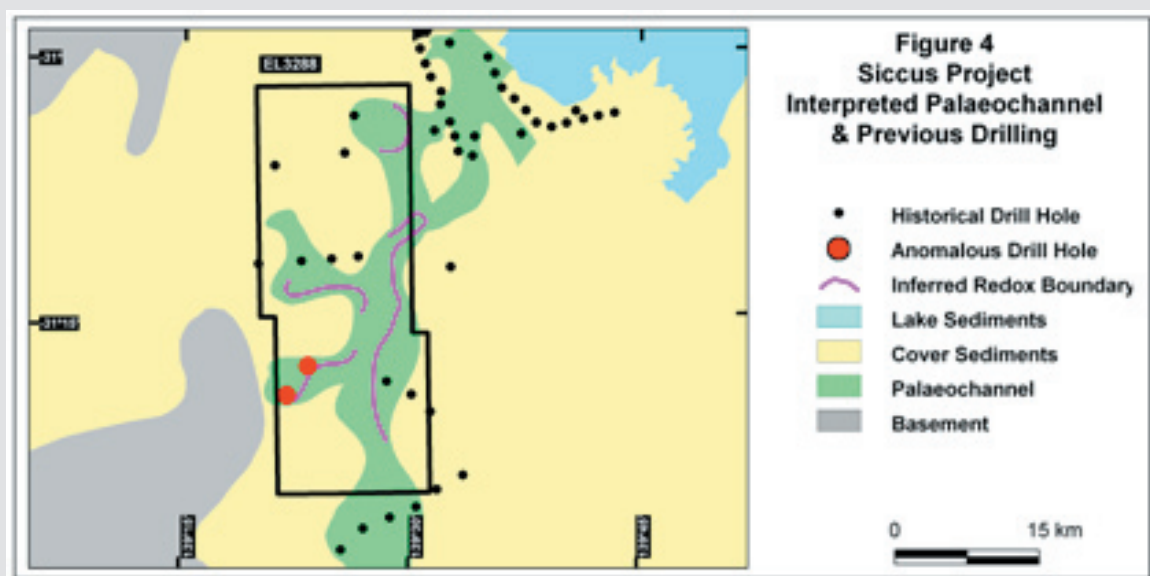
Documented previous exploration in the area of EL 3288 covers the period 1970 to present. Exploration companies holding previous tenure over the area include: Mines Administration Pty Ltd, Marathon Petroleum Australia Ltd, and BHP Minerals Ltd. Paladin Energy Ltd also held tenure, however they conducted no exploration.

Mines Administration Pty Ltd explored the area for uranium in 1970 and 1971.

Exploration comprised sampling and analysis of groundwater, an airborne scintillometer survey, and a reconnaissance open hole rotary drilling and geophysical wireline logging program (11 holes, total 2,100 m). Results of the water sampling and aerial surveying were negative, but anomalous radioactivity was found in two holes, as shown on Figure 4. The anomalies are associated with thin silty partings in Tertiary claystones that contain carbonaceous material, and coming from sources present on a possible redox boundary surface that is shown up by the change in colour of the claystone.

Marathon Petroleum Australia Ltd explored the area for uranium under the tenure EL337 from 1977 to 1978. They drilled only 2 holes within EL3288. Both holes intersected Namba Formation overlying sandstone of the Lake Frome Group.

Figure 4: Siccus JV Project Interpreted Palaeochannel and Previous Drilling



2.1.1.5 EXPLORATION POTENTIAL

Uranium mineralisation in the Frome Basin occurs in reduced fluvial valley-fill sands in the Tertiary Namba and Eyre Formations. At this stage four deposits all amenable to ISL mining have been found in three palaeo-drainage systems. The Beverley mine containing at least 21,000 tonnes U_3O_8 at 0.18% U_3O_8 (McKay, A.D. & Mieztis, Y., 2001), occurs in the northeast. The Yarramba Palaeochannel contains the Honeymoon and East Kalkaroo deposits and the Billeroo Channel includes the Gould's Dam Deposit all within the Eyre Formation. The Beverley Four-Mile Deposit (grade and tonnage to be released shortly) is similarly hosted by Eyre Formation channel sands. Beverley is hosted by the Beverley Sands; an intraformational sand unit contained within the otherwise mudstone dominated Namba Formation.

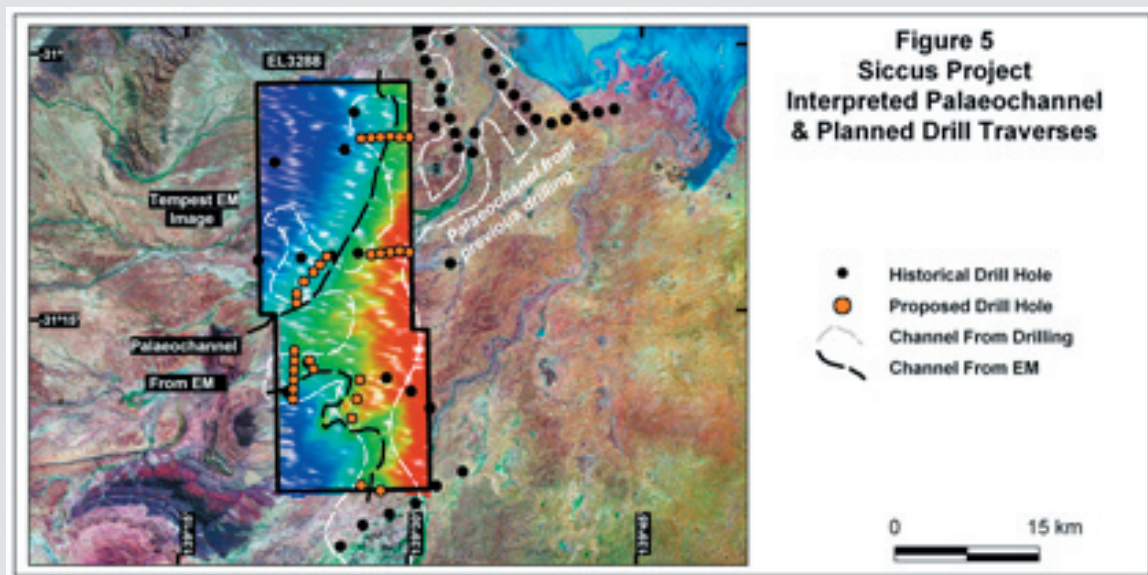
Classical 'roll-front' uraninite mineralisation associated with terminal redox fronts occurs at the Four-Mile West deposit, whilst coffinite mineralisation at Beverley is tabular in nature and associated with entirely reduced sediments. Mineralisation at Honeymoon is likely to be similar in nature. The mineralisation is controlled by lateral and terminal redox boundaries caused by oxidised cells migrating downwards into the Basin.

Previous exploration within the Siccus tenement is very limited yet sufficient enough to delineate the basic geology, but insufficient to test for the presence of buried uranium mineralisation. In particular two anomalous holes on the edge of the channel system were not adequately followed up. In addition the main channel, which drains uranium rich source rocks to the south, had only been tested by a single hole.

Section 4 INDEPENDENT GEOLOGICAL REPORT

To better delineate palaeochannel development within the tenement, a 747 line km AEM survey was flown over the tenement area in November 2006. Interpretation of the preliminary data confirmed the presence of a flat lying to east dipping conductive unit over the entire tenement area. From previous exploration this unit was interpreted as Namba Formation, the host unit to uranium mineralisation elsewhere in the Frome Basin. The AEM data also outlined the previously interpreted Wyambana and Erudina channels. The results are summarised on Figure 5.

Figure 5: Siccus JV Project Interpreted Palaeochannel and Planned Drilling

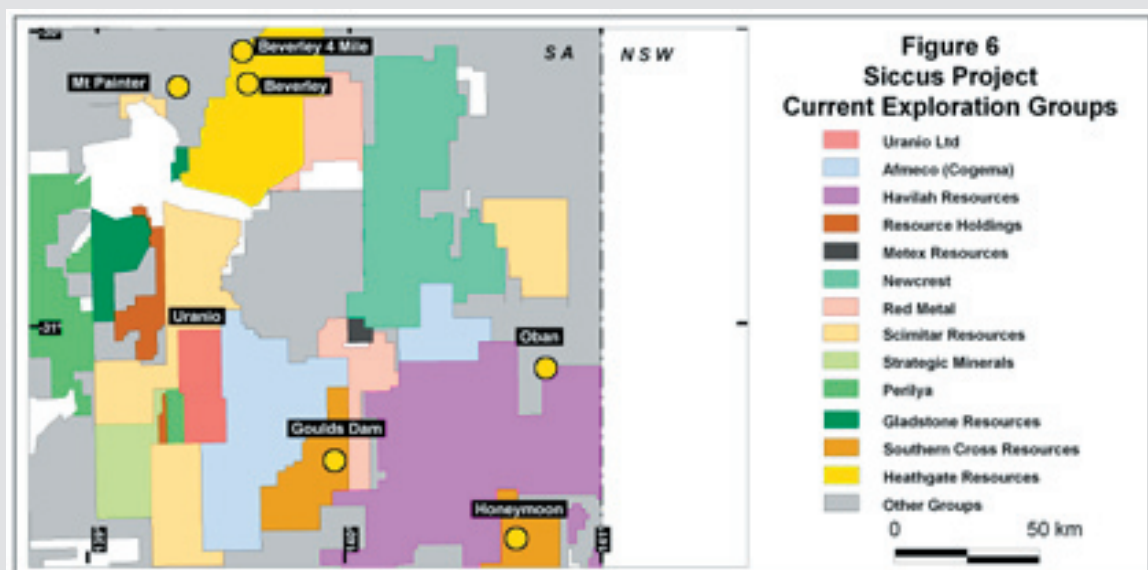


Nearby Exploration

Neighbors of significance are shown on Figure 6.

Uranium explorer Cogema Australia Pty Ltd (Cogema) holds the ground to the east of the Siccus JV area, and Scimitar Resources Ltd (Scimitar) abuts to the north, west and south.

Figure 6: Siccus JV Project Current Exploration Groups.



2.1.1.6 EXPLORATION STRATEGY

Year 1

The next exploration step is to initiate drill traverses across the interpreted channel to map the redox facies down and across the drainage channels as shown on Figure 5. Holes will be geophysically logged for gamma, SP and resistivity to locate mineralisation and give detailed sandstone, shale, mudstone profiling. The groundwater will be sampled in each hole to track increasing uranium contents.

If redox fronts and/or uranium deposition zones are located then more detailed drilling will follow.

Year 2

Further exploration investigations will involve further drilling and would depend on the results of the above.

2.1.1.7 EXPLORATION BUDGET

The proposed budget for the above planned program is given below.

Table 3: Siccus JV Project Proposed Exploration Expenditure Years 1 and 2

Investigation	Year 1	Year 2	Total
Drilling, Logging, Analyses	\$500,000	\$600,000	\$1,100,000
Field Supervision, Support and Logistics	\$220,000	\$275,000	\$495,000
Tenement and Heritage Costs	\$20,000	\$30,000	\$50,000
Administration	\$75,000	\$80,000	\$155,000
Total	\$815,000	\$985,000	\$1,800,000

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2.1.2 PONTON NORTH PROJECT

2.1.2.1 INTRODUCTION

The Ponton North Project is located approximately 200 km northeast of Kalgoorlie on the edge of the Great Victoria Desert.

The project area is underlain by Tertiary palaeochannels which are considered highly prospective for uranium and which connect the Mulga Rocks Uranium Deposit discovered by PNC Exploration to the north with Paladin's Ponton Project to the south as shown on Figure 7.

2.1.2.2 TENEMENTS

The five exploration licences covering 1,060 km² were granted in August 2006 following the signing of a Heritage Agreement with the Traditional Owners.

The tenements are listed below.

Table 4: Ponton North Project Tenement List

Tenement	Name	Area (km ²)
E 39/1140	Poynton North 1	212
E 39/1141	Poynton North 2	212
E 39/1142	Poynton North 3	212
E 39/1143	Poynton North 4	212
E 39/1144	Poynton North 5	212
Total		1,060

2.1.2.3 GEOLOGICAL SETTING

The project lies within the Gunbarrel Basin, which comprises Phanerozoic sediments previously considered to be part of the Officer Basin. The Officer Basin comprises the underlying deformed Neoproterozoic sediments.

It contains the continuations of the Mulga Rock palaeochannel.

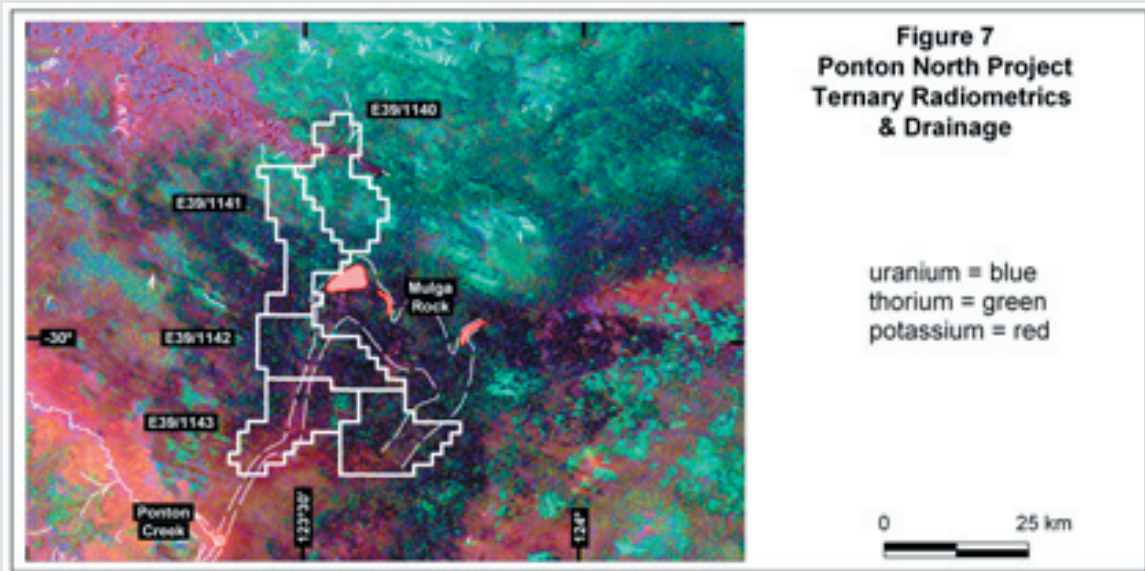
The Mulga Rock palaeochannel was eroded into mudstone of the Paterson Formation (Carboniferous to Permian) in the southwestern extremity of the Gunbarrel Basin.

The Paterson Formation unconformably overlies granitoids and metamorphics of the Archean Yilgarn Block to the west and Proterozoic Albany Fraser Province to the east.

The palaeochannel as outlined by drilling in the region is known to exist beneath the younger cover rocks and extend for a distance of at least 100 km. The western portion of the channel connects with the present day drainage system of Lake Raeside to the northwest and Ponton Creek to the south as shown in Figure 7. These watercourses transported the uranium and other metals in salty oxidised waters to the depositional site from the Archean source rocks.

Section 4 INDEPENDENT GEOLOGICAL REPORT

Figure 7: Ponton North Project Ternary Radiometrics and Drainage (uranium - blue, thorium - green and potassium - red)



The figures below show the detailed location of the project and the Mulga Rock deposits on topography, digital elevation and aeromagnetics.

Figure 8: Ponton North project – Topography

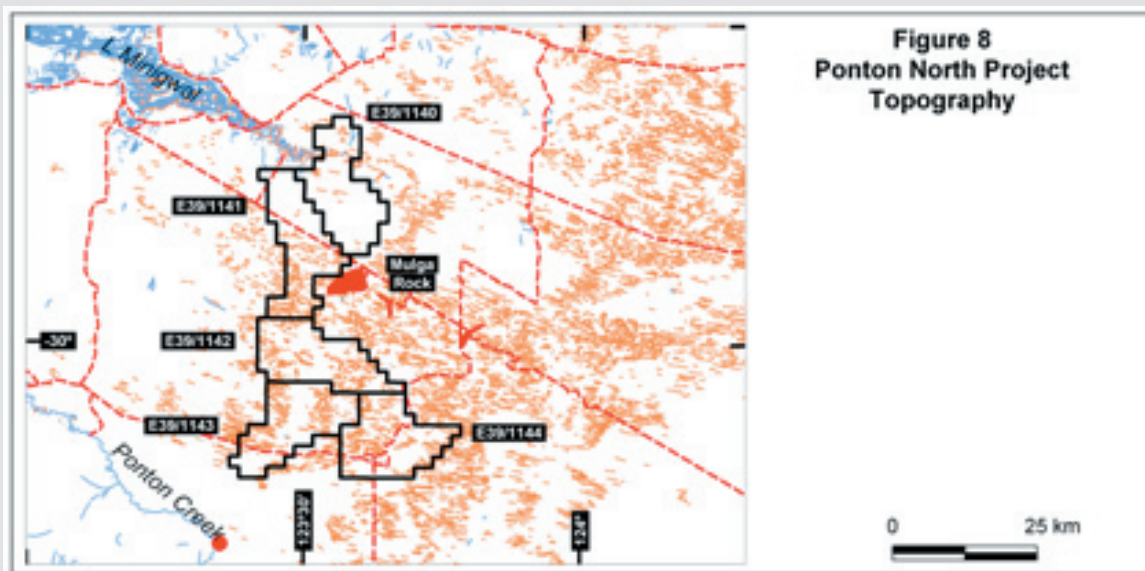


Figure 9: Ponton North project –Elevation

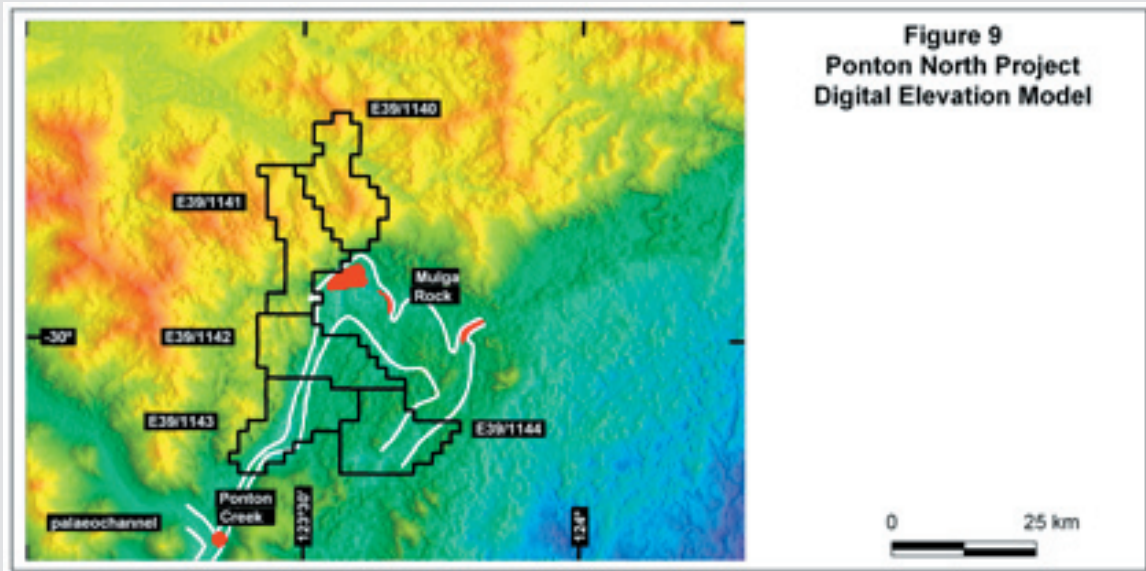
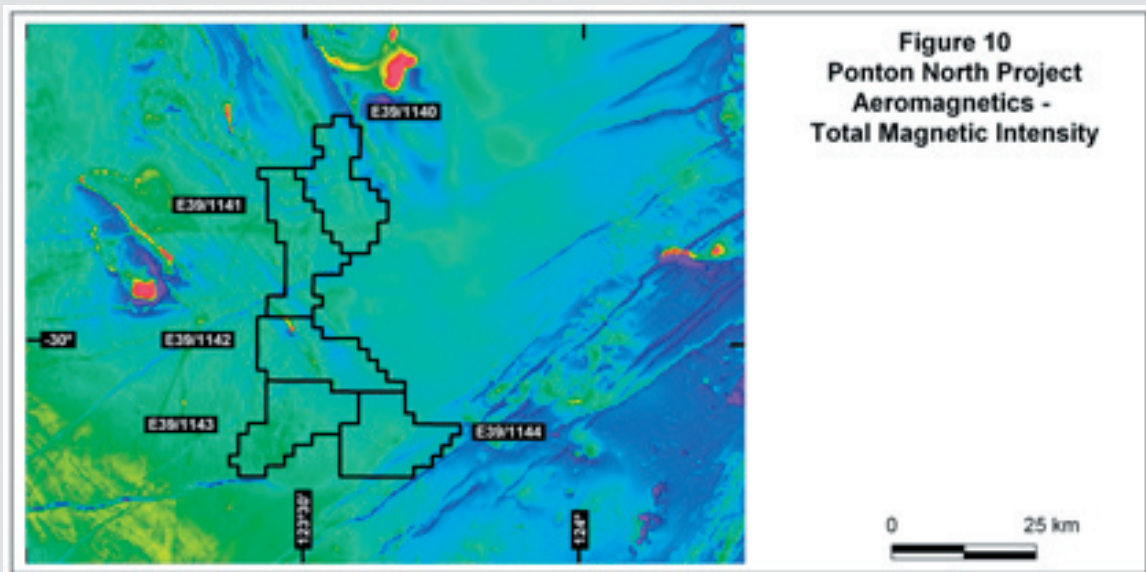


Figure 10: Ponton North project –Aeromagnetics



2.1.2.4 PREVIOUS EXPLORATION

After a lengthy exploration program, uranium mineralisation was intersected at Mulga Rock by PNC Exploration in 1979. Drilling from 1980 to 1988 delineated three deposits hosted by Eocene palaeochannel sediments. Since 1978 a total of 2,041 holes have been drilled within an area of 2,500 km².

The mineralisation does not crop out and in 1983 a 30 m deep open cut was excavated and large samples of higher grade material were collected for metallurgical tests. Trial leaching tests were carried out on-site. The deposit is described below.

Nearby Deposits

To the northeast of the tenements, the Mulga Rock deposit (now held by Eaglefield Holdings Pty Ltd (Eaglefield)) comprises three separate zones of mineralisation. These deposits occur along the outer margin of a broad bend in a palaeochannel.

Within the palaeochannel, up to 140 m of flat-lying sand, silt and gravels disconformably overlie mudstone of the Paterson Formation. These sediments range from Cretaceous to Tertiary in age. In places the mudstone has been removed by erosion and the younger sediments directly overlie metamorphics of the Albany - Fraser Province.

The sedimentary sequence within the palaeochannel is summarised as follows:

- at the bottom, *Cretaceous lacustrine sediments* (approximately 60 m thick), with a pebble gravel unit 2 to 3 m thick at their base, grades upwards into a sequence of quartz sand and sandy clays;
- at the top, *Tertiary fluvial-lacustrine sediments* (approximately 80 m thick) disconformably overlie the Cretaceous sands.

The Tertiary sediments consist of a sequence of interbedded clay, peaty clay and peat that is Middle Eocene in age. The uranium mineralisation is hosted by peat layers within this sequence. Conformably overlying this is a sequence of quartz sand, silt and clay up to 30 m thick, which has been completely oxidised.

The Mulga Rocks deposits comprise three separate zones of mineralisation - Shogun, Emperor and Ambassador deposits.

The uranium mineralisation is hosted by peat and clayey peat and occurs immediately below the redox boundary at the base of the weathered zone. The mineralised zones are flat lying and are from 20 to 50 m below surface and average about 2 m thick.

Uranium has been adsorbed onto the organic matter within the peat. Uranium minerals are generally not present. However, rare discrete grains of coffinite and uraninite have been identified.

The total resources within the Emperor, Shogun and Ambassador deposits were estimated to contain 13,000 tonnes U_3O_8 at a grade of 0.12% U_3O_8 . The resource was calculated using a cut-off grade of 0.03% U_3O_8 and a minimum grade x thickness factor of 0.1 m% U_3O_8 (Fulwood and Barwick, 1990, Australia's Uranium Resources, Geology, and Development of Deposits. AGSO - Geoscience Australia Mineral Resources Report 1)

Genesis

During Tertiary weathering, uranium was leached out of granitoids and metamorphics of the Yilgarn and Albany Fraser Provinces. Oxidising groundwaters within the sediments transported dissolved uranium (as hexavalent uranyl ion) along the palaeochannel. Uranium was fixed by adsorption when it came into contact with organic material in the peat layers. The peat accumulated in an organic-rich paludal environment during the Eocene.

During the Cainozoic, weathering resulted in oxidation of the surface sediments down to a depth of approximately 30 m; the uranium within these sediments was dissolved by oxidising groundwaters. The mobilised uranium was later re-adsorbed onto peat layers at the base of the oxidised zone. Repeated oxidation, downward movement and re-adsorption of the uranium were also assisted by seasonal fluctuations in the height of the water table. Consequently, low-grade mineralisation of originally deposited organic-rich sediments, was later concentrated by supergene processes that resulted in uranium accumulating within peat layers at the base of surface oxidation. This generally corresponded to the level of the water table.

Section 4 INDEPENDENT GEOLOGICAL REPORT

The grade of mineralisation and thickness are controlled by permeability and organic matter content of the host sediments. The highest grades and thickest zones of mineralisation are developed within the more organic-rich and more permeable sediments.

The Mulga Rock mineralisation is in a state of radiometric disequilibrium that varies with depth below the surface. Oxidised sands and silts above the redox boundary are depleted in uranium compared to daughter products. In contrast, reduced sediments immediately below the redox boundary are enriched in uranium relative to daughter products.

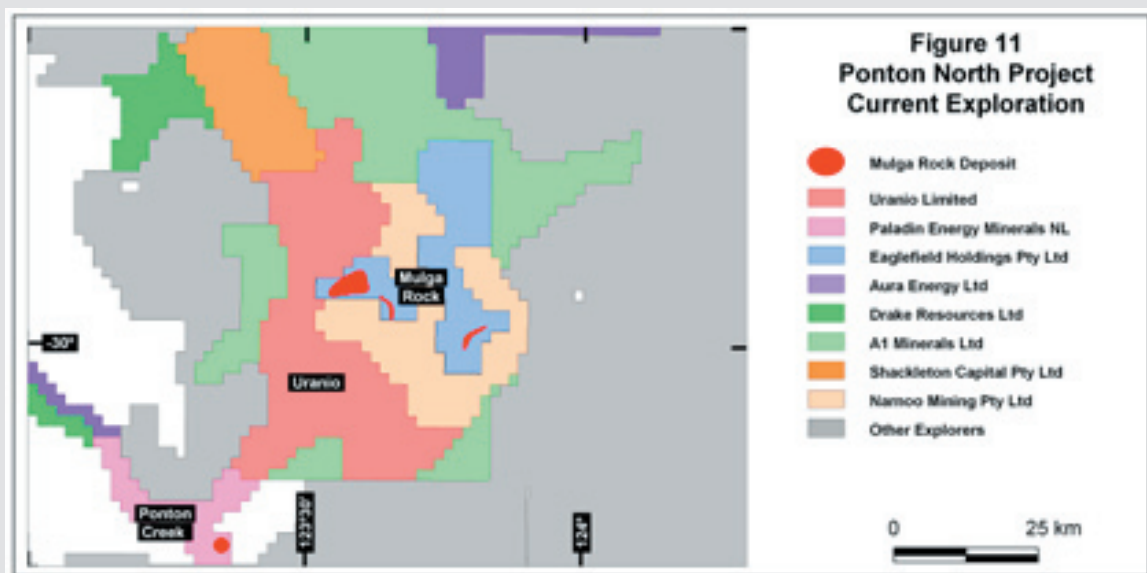
Uranerz Australia Ltd drilled the Ponton Creek area about 50 kms down drainage from Mulga Rocks in the 1980's and outlined a well-defined Tertiary Palaeochannel drainage system. This work outlined the Driller's Corner Prospect at which uranium mineralisation up to 0.14% was detected from wide spaced drilling. In addition, two 2 x 50 km anomalous areas containing greater than 0.02% U_3O_8 were delineated during work confirming that highly uraniferous waters flowed through these channel systems.

Nearby Exploration

The neighboring tenement holders and uranium explorers are shown on Figure 10.

The Eagle Field tenements cover the Mulga Rock deposits. These are flanked by Narnoo Pty Ltd on all sides except to the west where the BlackGrange tenements are located. Paladin Energy Minerals NL holds the Raeside drainage channel to the southwest of BlackGrange. Aura Energy is located further up along the drainage system. Shakleton Capital Pty Ltd and Drake Resources Ltd hold the ground over the Mingiwal drainage northwest of BlackGrange. A1 Minerals Ltd ground lies to the north and east.

Figure 11: Ponton North Project Current Exploration



2.1.2.5 EXPLORATION POTENTIAL

There is excellent potential to locate Mulga Rock style or redox front style uranium mineralisation in the Eocene palaeochannels and palaeoponds within the BlackGrange project area.

It is important to delineate the morphology of the Eocene sediments to target bends, junctions and ponds within the palaeo-drainage.

2.1.2.6 EXPLORATION STRATEGY

Year 1

It is planned to use remote airborne electromagnetics such as Hoist or Tempest EM or similar to define the bounds and the morphology of lignitic channels and ponds in the base of the Eocene sequence. Lines will be east-west spaced at 1 kilometre apart for a total of 1,225 line kilometres.

This will be followed by drilling to map the channels for lignite, near surface tabular and down drainage discordant redox facies.

Holes will be geophysically logged for gamma, SP and resistivity to locate mineralisation and give detailed sandstone, shale and permeability profiling. The groundwater will be sampled in each hole to track increasing uranium contents.

Year 2

If redox fronts and /or uranium deposition zones are located then detailed drilling will follow.

Further exploration investigations will depend on the results of the above outlined program.

2.1.2.7 EXPLORATION BUDGET

The proposed budget for the above planned program is given below.

Table 5: Ponton North Project Proposed Exploration Expenditure Years 1 and 2

Investigation	Year 1	Year 2	Total
Geophysics- Aeromagnetics, Radiometrics AEM	\$200,000	-	\$200,000
Drilling, Logging, Analyses	\$200,000	\$500,000	\$700,000
Field Supervision, Support and Logistics	\$200,000	\$250,000	\$450,000
Tenement and Heritage Costs	\$30,000	\$70,000	\$100,000
Administration	\$70,000	\$80,000	\$150,000
Total	\$700,000	\$900,000	\$1,600,000

2.1.3 ANKETELL PROJECT

2.1.3.1 INTRODUCTION

The Anketell Project is located 350 km ESE of Port Hedland. The target is roll front uranium mineralisation hosted by Mesozoic sandstones within the Waukarlyarly Embayment structure.

The Anketell tenement block was taken up based on the concept of a uranium in sandstone target on the northern edge of the Pilbara Craton. The area between the edge of the Canning Basin to the west and the Anketell Gravity Ridge to the east formed a sub-basin that might have channelled uranium derived from the weathering of granitic gneiss terrains to the south.

2.1.3.2 TENEMENTS

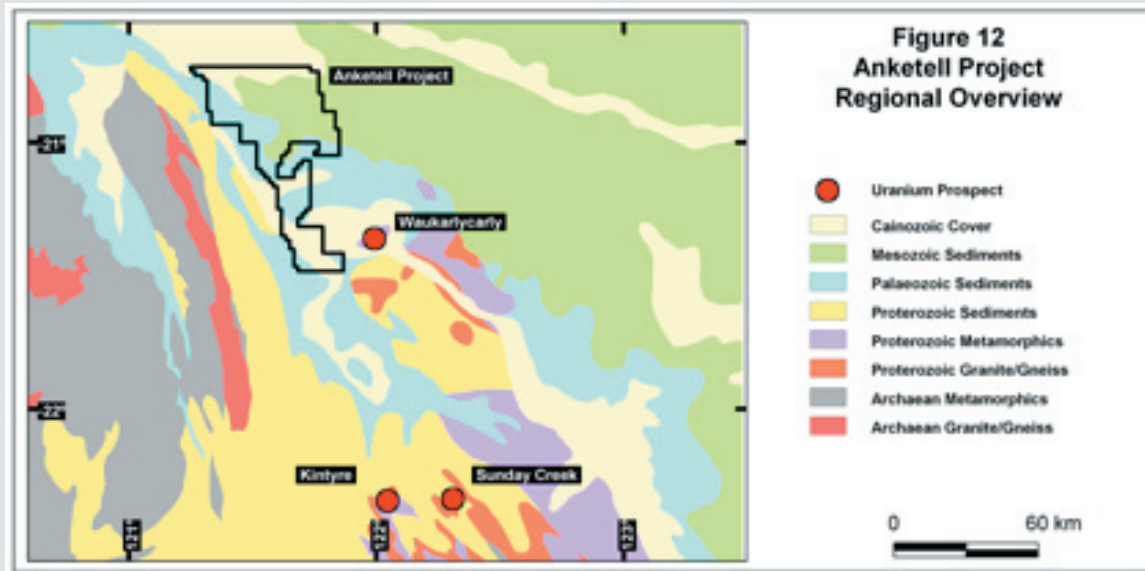
The project area is covered by eleven exploration licence applications covering 2,332 square kilometers.

The tenements are listed below.

Table 6: Anketell Project Tenement List

Tenement	Name	Area (km²)
E 45/2887	Anketell 1	212
E 45/2888	Anketell 2	212
E 45/2889	Anketell 3	212
E 45/2890	Anketell 4	212
E 45/2891	Anketell 5	212
E 45/2892	Anketell 6	212
E 45/2893	Anketell 7	212
E 45/2894	Anketell 8	212
E 45/2895	Anketell 9	212
E 45/2896	Anketell 10	212
E 45/2897	Anketell 11	212
TOTAL		2,332

Figure 12: Anketell Project Regional Overview



2.1.3.3 GEOLOGICAL SETTING

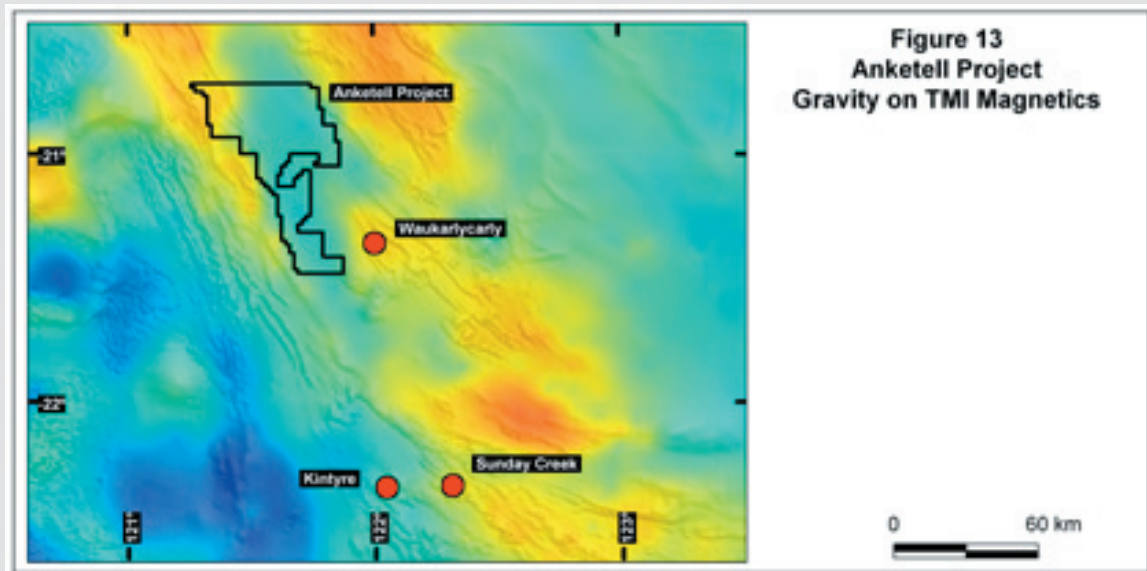
The Canning Basin sediments unconformably overlie the Archean Pilbara Craton. The craton contains Archean and Proterozoic granites suitable as uranium source rocks.

The Waukarlycarly Embayment is a fault bounded NNW trending trough of approximately 200 km strike with its headwaters below the Proterozoic Kintyre uranium deposit. It is bounded to the east by the Anketell Gravity Ridge (Telfer Gold Mine) and to the west by the Pilbara Archean Craton and the Proterozoic Paterson Orogenic Belt (Nifty Mine area). The trough opens to the NNW into the North West Shelf oil and gas fields.

The tenements cover approximately 40 km strike of Jurassic Callawa Formation rocks which comprise fluvial-fossiliferous sandstones – a preferred host for rollfront uranium mineralisation. The Callawa Formation outcrops within the southern tenements and dips gently to the north within the tenements.

The Waukarlycarly Embayment structure can be seen as a deepening of the basin on the gravity outline superimposed on the total magnetic intensity image in Figure 13.

Figure 13: Anketell Project Gravity on TMI



The base of the sequence comprises early Devonian, fine sandstone with amounts of lesser siltstone, shale and limestone followed by Permian glacial, fluvio-glacial and shallow marine sequences which are not prospective for uranium.

Unconformably overlying this sequence is the more prospective continental and marginal marine Mesozoic sequences as described below.

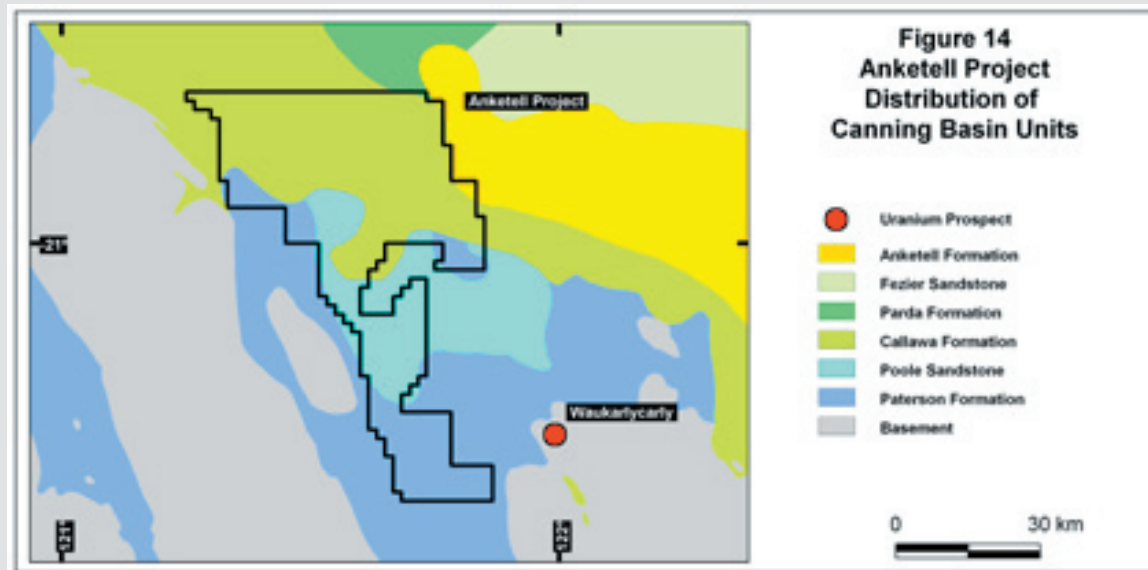
The Wallal Sandstone (does not outcrop) is the basal sandstone unit of the early to late Jurassic in the Canning Basin. It contains transitional marine and continental facies. The sandstone is mainly fine to very coarse grained, poorly to well sorted, unconsolidated and contains minor lignite. This is interbedded with conglomerates and siltstones. When oxidized the sands are orange to yellow limonite stained and where reduced are light grey, carbonaceous and pyritic. Favorable conditions exist within the near basal facies of the Wallal Sandstone for deposition of uranium mineralisation at redox interfaces.

Overlying this is the Callawa Formation which is a late Jurassic to early Cretaceous sequence of sandstone, conglomerate and minor siltstone, with crossbeds and plant fossils. It is a fluvial sequence up to 80 m thick and is transgressive in part over basement. Plant fossils indicate potential for reduced facies. The project covers approximately 40 km strike of Callawa Formation rocks, which comprise fluvial-fossiliferous sandstones. It outcrops within the central area of the project and dips gently to the north within the tenements. It possibly correlates with the Birdrong Sandstone that hosts the Manyingee deposit of the Carnarvon basin to the south.

Overlying the above are the Cretaceous Broome Sandstone, Parda Fm Frezier Sandstone), and the Anketell Sandstone Together, these are a layered fine-medium sandstone and mudstone sequence with lesser coarse sandstone & conglomerate with plant and animal fossils. They are a transitional marine-continental sequence up to 300 m thick

Figure 14 shows the distribution of the basin sediments.

Figure 14: Anketell Project, Distribution of Canning Basin Units



2.1.3.4 PREVIOUS EXPLORATION

The NW part of the tenement area has been drilled at an approximate spacing of 6 x 12 km with reported Callawa units over Permian. This is shown on the Yarrie 1:250,000 sheet as exploration holes. They are unlikely to have been gamma logged unless drilled for oil exploration purposes.

It has so far been identified that there are

- good terrestrial host rock with plant fossils,
- basinal channel features,
- reduced and oxidised facies in the potential host rocks
- indications of uranium mobilization and
- source rocks up drainage in the hinterland.

Redox facies interfaces are yet to be located

2.1.3.5 EXPLORATION POTENTIAL

The primary exploration target at the Anketell Project is for sandstone hosted mineralisation within the Mesozoic sequence.

Oxidised ground water draining the basement granites and moving through the aquifers, would deposit uranium mineralisation where reducing conditions are encountered. Fig 12 shows the distribution of granitic source rocks (shown in red hatching).

Exploration will target sedimentary redox front and peneconcordant type uranium mineralisation within basal sediments of the Jurassic and Cretaceous sequences in the Canning Basin. The best potential host lithologies are the sands of the basal Jurassic Wallal Sandstone and the Callawa Formation. It is important to note that the Callawa Formation may be stratigraphically equivalent to the Birdrong Sandstone that hosts the Manyingee in situ leachable deposit to the south in the Carnarvon Basin.

It can be seen that the prospective host unit Callawa Sandstone occupies a significant part of the northern part of the tenements.

Section 4 INDEPENDENT GEOLOGICAL REPORT

The presence in the adjacent area of the Waukarlyarly calcrete uranium showing does indicate the mobilization of uranium from basement rocks during the current weathering cycle and also suggests that it may also have functioned in the recent past.

Nearby Known Deposits

The Oobagooma Deposit occurs on the northern side of the Canning Basin in upper Devonian sandstones and the Horse Prospect (<300 t) occurs in Devonian basal sandstones within a faulted remnant of the Ord Basin. The main characteristic is an association with sharply defined regional redox fronts.

The Manyingee deposit in the Cretaceous Birdrong of the Carnarvon Basin was found during the initial exploration phase and was more precisely delineated by gravity surveys and closely spaced drilling. The Birdrong Sandstone may equate with the Callawa Formation in the Anketell Project area.

Where the mineralisation occurs, the base of the channel is 160 to 180 metres below the surface and the channel is 2 to 3 km wide. Proterozoic granite forms the basement.

The Birdrong Sandstone is less than 50 m thick and the main rock types in the mineralised areas are poorly sorted coarse and medium-grained feldspathic sandstone.

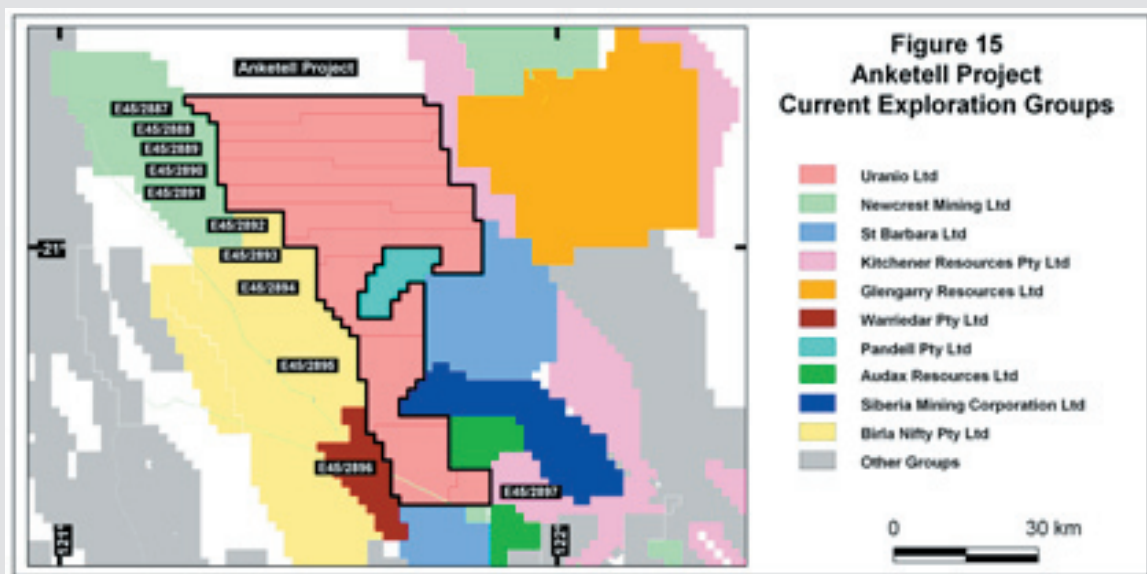
The main minerals within the layers and rollfronts are uraninite and coffinite. Minor amounts of phosphuranylite, meta-autunite, siderite and limonite are also present.

Total mineral resources are approximately 7,860 tonnes U_3O_8 at 0.12% U_3O_8 (Uranium Information Centre June 2005).

Nearby Exploration

The project area is surrounded by gold and base metal explorers searching in the basement rocks. The main players are Newcrest Operations Ltd, Birla Nifty Pty Ltd, St. Barbara Ltd and Glengarry Resources Ltd.

Figure 15: Anketell Project Current Exploration Groups



2.1.3.6 EXPLORATION STRATEGY

Most of the tenement area is covered by alluvial and aeolian deposits as shown on Figure 16 and only a limited amount of outcrop (<10%) shows through. Consequently detailed close spaced airborne radiometric surveys are not likely to be successful.

Year 1

Prior to further exploration, it is proposed to assess historic data, especially well field borehole logs to the north of the tenements, which may provide valuable information on the prospectivity of the target sandstones to host in situ leach uranium targets.

It is envisaged that airborne electromagnetics such as Hoist or Tempest EM or similar will be flown to define conductive channels in the base of the Jurassic and Cretaceous sequences.

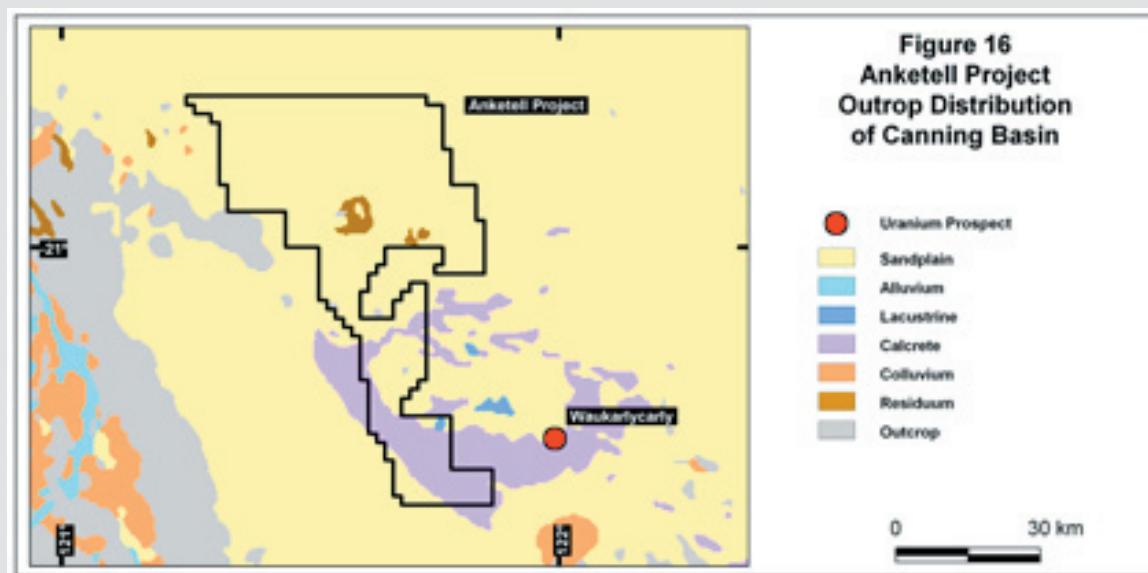
Year 2

The year 1 program will be followed by drilling to map the redox facies down and across the drainage channels. Holes will be geophysically logged for gamma, SP and resistivity to locate mineralisation and give detailed sandstone and shale profiling. The groundwater will be sampled in each hole to track increasing uranium contents.

If redox fronts and/or uranium deposition zones are located then detailed drilling will follow.

Further exploration investigations will depend on the results of the above.

Figure 16: Anketell Project Outcrop Distribution of Canning Basin Units.



Section 4 INDEPENDENT GEOLOGICAL REPORT

2.1.3.7 EXPLORATION BUDGET

The proposed budget for the above planned program is given below.

Table 7: Anketell Project Proposed Exploration Expenditure Years 1 and 2

Investigation	Year 1	Year 2	Total
Geophysics-Hoist EM or similar	\$200,000	-	\$200,000
Drilling, Logging, Analyses		\$800,000	\$800,000
Field Supervision, Support and Logistics		\$350,000	\$350,000
Tenement and Heritage Costs	\$80,000	\$120,000	\$200,000
Administration (10%)	\$20,000	\$130,000	\$150,000
Total	\$300,000	\$1,400,000	\$1,700,000

2.2 PROJECTS WITH POTENTIAL FOR UNCONFORMITY RELATED DEPOSITS

Unconformity related deposits currently constitute approximately 33% of the world uranium resources and mostly occur in Australia and Canada. They constitute approximately 20% of Australia's total uranium resource. BlackGrange's Gardner Range Project already contains a discovery of the unconformity type geological setting at the Don Prospect.

The three main criteria for forming these types of deposits are:

- 1) Proximity to Archean – Palaeoproterozoic crystalline basement highs.
- 2) Favorable Palaeoproterozoic host rock stratigraphy and lithofacies
- 3) Proximity of the current land surface profile to the base of existing or previous overlying Mesoproterozoic sedimentary cover rocks.

Age criteria is also important. The basement host lithologies should be ideally >1840 Ma to equate with the East Alligator River mineralisation. The main primary mineralising event here was 1616Ma to 1640 Ma. There were several younger remobilisation events especially around 900 Ma.

The sedimentation of the overlying sandstones of the Kombolgie Subgroup in the Alligator Rivers Region and in the Athabasca and Thelon Basins in Canada commenced before 1650 Ma.

For this reason the stratigraphic and tectonic ages are importantly discussed for each of the projects. The distributions of the grades and sizes of the deposits are related to their setting with respect to the unconformity and type of host rocks.

Large high-grade uranium or polymetallic deposits occur directly at or slightly above the unconformity (e.g. Cigar Lake, McArthur River (Canada)). Large but medium to high grade uranium deposits are found below the unconformity (e.g. Rabbit Lake (Canada), Jabiluka 2 (Australia)). Low-grade small deposits may be up to 200 m above the unconformity (e.g. Maurice Bay (Canada) and possibly Westmoreland, Killi Killi deposits in the Paterson Province and Turee Creek in the Ashburton Province (Australia)).

The largest known deposit of this type in Australia is Jabiluka with around 67,000 tonnes of U₃O₈ reserves and a further 96,000 tonnes U₃O₈ resources all at a grade around 0.5% U₃O₈.

Unconformity related deposits are certainly the most sought after deposits.

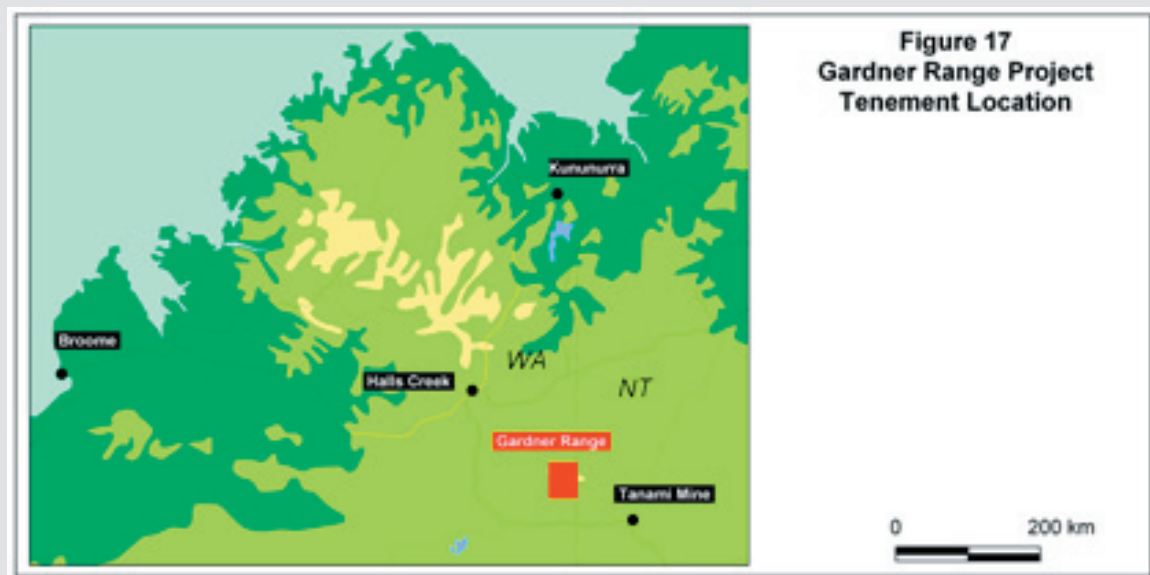
2.2.1 GARDNER RANGE PROJECT

2.2.1.1 INTRODUCTION

The Gardner Range Project is located 150 km southeast of Halls Creek and some 130 km northwest of the Tanami Gold Mine. Access by road is limited to station and exploration tracks.

Figure 17 shows the location of the project.

Figure 17: Gardner Range Project Tenement Location



2.2.1.2 TENEMENTS

The project area is covered by three separate exploration Licenses. These are - Slatey Creek E80/1375 (36 square kilometers), Mt Junction EL80/3275 (164 square kilometers) and Tent Hill E80/3817(212 square kilometers) for a total of 412 square kilometres.

The tenements are listed below.

Table 8 Gardner Range Project Tenement List

Tenement	Name	Area (km ²)	Uranium Occurrence
E80/1735	Slatey Creek	36	Diva
E80/3275	Mt Junction	164	Don
E80/3817	Tent Hill	212	
Total		412	

2.2.1.3 GEOLOGICAL SETTING

2.2.1.3.1 Regional Setting

The geological framework of the region is still being reinterpreted.

The oldest rocks of basement in the region are comprised of Archean gneiss and schist of the Billabong complex and Browns Range Metamorphics. The oldest Palaeoproterozoic sequence is the MacFarlane Peak Group, which comprises mafic volcanic and volcanoclastic rocks, minor clastic sediments and calc-silicate rocks.

These are overlain by clastic sediments of the Tanami Group. The lower part of the sequence contains carbonaceous siltstone with minor banded iron formation and calc-silicate rocks of the Dead Bullock Formation succeeded by turbiditic sediments of the Killi Killi Formation. The above were intruded by dolerite sills followed by a major deformation, greenschist to amphibolite facies metamorphism and intrusion of a suite of granites at about 1840 Ma. During 1830 to 1810 Ma the region was intruded by at least three suites of granite accompanied by two phases of volcanism. Deformation of these rocks was followed by the intrusion of another suite of granites ca 1790 Ma.

Around 1700 Ma, a 2 km thick unconformable cover sequence of quartz arenite with minor carbonate of the Birrindudu Group was deposited over the basement rocks. The Birrindudu Group consists of three formations, the Gardiner Sandstone, the Talbot Well Formation and the Coomarie Sandstone

2.2.1.3.2 Local Setting

Figure 18 shows the geology in the project area

The oldest lithologies, the Killi Killi Beds of the Palaeoproterozoic (>1,840 ma) Tanami Complex outcrop in a window of the unconformably overlying Mesoproterozoic Gardiner Sandstone in the Mt Junction tenement, E80/3275. The Slatey Creek tenement, E80/1735 is in two separate areas and both also cover the unconformity between the Killi Killi Beds and the Gardiner Sandstone. The larger Tent Hill tenement, E803817 to the south covers the basement Killi Killi Beds and probably some granitic phases just to the west of the unconformity with the Gardiner Sandstone.

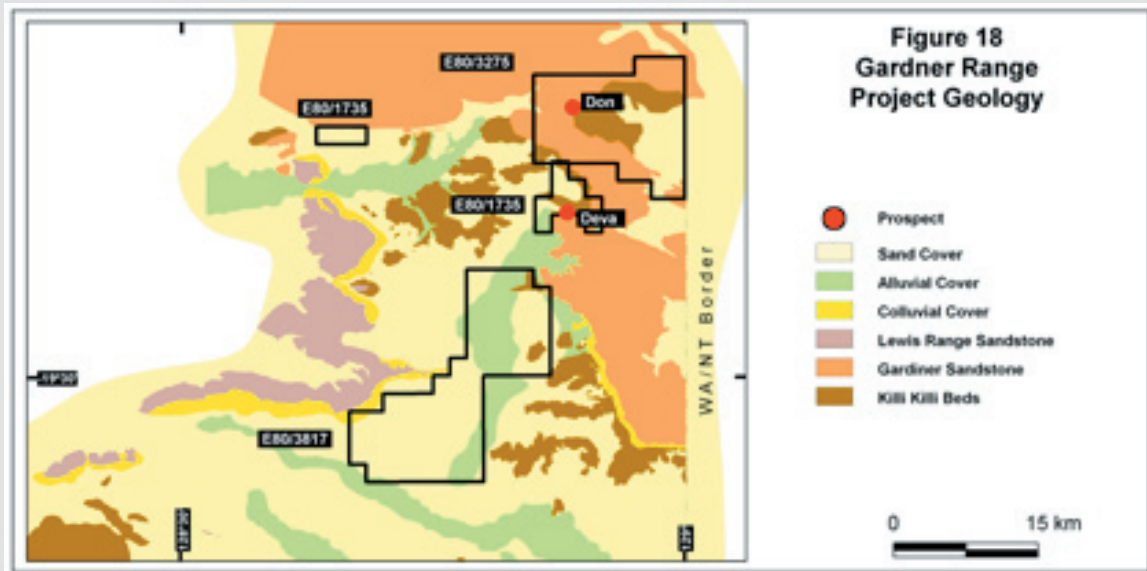
Lithologies of the basement Palaeoproterozoic Killi Killi Beds comprise schistose greywacke, lithic sandstone, chert and felsic volcanics. The overall dip of the Killi Killi Beds in the Mt Junction area is steep northerly while cleavages dip moderately to the southeast. Thin bedding-parallel quartz veins with conspicuous hematite vugs are common within the basal unit. Fault planes in the Killi Killi Beds are marked by quartz veins, breccias and minor alteration.

The unconformity surface is generally poorly exposed, being masked by extensive sandstone rubble down slope of the overlying Gardiner Sandstone scarp. Very little basal conglomerate is evident near the unconformity.

The overall dip of the Gardiner Sandstone is gentle. It comprises arenite, shale, conglomerate, glauconitic sandstone and dolomitic sandstone. The basal conglomerate is derived from the Tanami Complex and consists of rounded pebbles, cobbles and boulders.

Much of the basement is covered by Quaternary sands and gravels.

Figure 18: Gardner Range Project Geology



2.2.1.4 PREVIOUS EXPLORATION

Past exploration for unconformity-related uranium deposits has been along the unconformable contact between the deformed Archean-Palaeoproterozoic basement rocks and the overlying sandstones and conglomerates of the Birrindudu Group.

Exploration in the pre – 1976 period

First interest in the economic potential of the area was generated by reconnaissance BMR mapping surveys in the late fifties. New Consolidated Goldfields discovered two uranium shows in the Killi Killi Hills and Watts Rise areas in 1960. They flew a low level airborne radiometric survey over these areas in 1961. The Killi Killi Hills area was later reinvestigated in more detail and drilled by Queensland Mines in 1969; the radiometric response there was dismissed as reflecting low grade uranium-bearing, xenotime cement-related mineralisation within the basal 6m of the Gardiner Sandstone.

In 1973-74, Esso undertook extensive augering and percussion drilling in the Killi Killi Beds in the area east of Bramall Hills, investigating probable granite/dolerite intrusive-related uranium and copper in cordierite-biotite schists. Concurrently, Pechiney (Australia) Pty Ltd completed some first pass airborne radiometrics and very limited ground follow-up in the Mount Stubbins area.

Exploration in the post – 1976 period

Alcoa Ltd carried out the first serious systematic regional work in the area within six Temporary Reserves during the period 1976-1978; major stream sediment sampling, airborne radiometrics and drilling programs were undertaken in the Killi Killi Hills, Lewis Creek, Slaty Creek and Mount Stubbins areas.

Meanwhile, the Cultus Pacific-Uranex-E and B Exploration Joint Venture, working mostly in the western Gardner Range, generated the first interest in the Mansbridge and Jaimani areas as a result of an airborne radiometric survey. Many of the radiometric anomalies were apparently not followed up.

Major interest in uranium exploration was regenerated by the entry of Canadian interests specifically motivated by the unconformity model and the Athabaskan discoveries. The Mineral Reserves Group Incorporated ("MRG") started work in late 1979 in the eastern Gardner Range and subsequently made the first graphite-related uranium discovery at the Don Prospect in 1980. This prospect lies within the BlackGrange Mt Junction exploration license.

Section 4 INDEPENDENT GEOLOGICAL REPORT

The radiometric anomaly was outlined during follow-up of a priority 1 airborne electromagnetic (AEM) INPUT anomaly. Reconnaissance rock chipping and leaf geochemistry returned high single point uranium values and the autunite show was eventually exposed in chloritic Killi Killi Beds siltstone during trenching.

A series of six shallow percussion-diamond holes tested a 200m strike extent of the fault with which the autunite show is associated. The first hole drilled under Trench 2, intersected 0.44m of 1.5% U_3O_8 and 1.7 g/t Au at 40.5m. Two shallow diamond holes, BIR-6 and BIR-8, tested the sub-unconformity stratigraphy 300m to 400m west of Trench 2.

Significant bleaching, hematite alteration and chloritisation is present in the vicinity of the trenches and associated uranium mineralisation.

To the south previous investigations consisted of AEM INPUT, airborne and ground radiometric, EM and leaf geochemical surveys had located the Deva Prospect. This prospect lies within BlackGrange's Slatey Creek exploration license.

Percussion drilling intersected several beds of carbonaceous/graphitic, material which were the likely cause of the EM conductor. Background radioactivity in the holes was highest in one hole located closest to a major fault zone but no significant mineralisation was intercepted.

The structure is dominated by the east southeast-trending Buffalo Creek Fault which brings the Gardiner Sandstone into contact with the Killi Killi Beds. Faulting in the Killi Killi is marked either by hematite veining and extensive iron oxide replacement or by pervasive silicification.

MRG dropped all the ground in April 1984.

At the same time Sigma Resources Group Inc.(SRG), later Canadian Energy Resources Pty Ltd (CER) explored the unconformity in the western part of the Range. They completed AEM INPUT, airborne radiometrics and helicopter-borne "rim-fly" radiometrics programs with ground follow-up in 1981-82. The ground follow-up included EM-16 traversing, ground radiometrics, pitting and reconnaissance leaf geochemistry; these programs precipitated the Mount Mansbridge discovery during the 1982 field season

BHP Minerals Pty Ltd (BHP) first became interested in the Gardner Range area through tenure of seven titles for diamond exploration during 1984. They later formed the Billiluna Joint Venture with CER in 1985 which then held the Don and Deva prospects.

A review of the previous exploration work associated with the Billiluna Joint Venture revealed potential for gold mineralisation in the Mount Junction area to the east of the Don.

A stream sediment program was carried out in the Mount Junction area during 1985. The results from this program warranted considerable follow-up work and a second exploration program was carried. One area, given the name of "Venus" produced consistently high values.

As a result of the anomalous gold values in the Mount Junction area, a more regional stream sediment sampling program was carried out along the western edge of the Gardner Range during 1986.

The results were generally disappointing with most of the samples at or close to the detection limit of 0.005 ppm. No follow-up work was warranted.

At the Venus area, rock chip samples were collected from quartz veins and altered Killi Killi Beds. Four samples returned gold values of interest, the best of which was 5.54 g/t Au from an anastomosing quartz vein stockwork associated with the core of an antiform.

The detailed sampling indicated that the gold was restricted to quartz veins with a low tonnage potential.

Unseasonal rain delayed the drilling program twice and the Billiluna Joint Venture was terminated prior to any drilling.

The proposed 1986 program at Billiluna comprised regional stream sediment and detailed rock chip sampling for gold as well as geological mapping, geochemical surveys and percussion drilling on areas with uranium potential.

At the Don Prospect the program was designed to drill test the concealed unconformity between the Killi Killi Beds and Gardiner Sandstone in the vicinity of major faults.

At the Deva Prospect it was planned to drill a series of percussion holes through the Gardiner Sandstone immediately south of the Buffalo Creek Fault to test the concealed unconformity with the underlying Killi Killi Beds.

Access tracks were cleared and pads prepared. The Billiluna program was terminated prior to drilling.

2.2.1.5 EXPLORATION POTENTIAL

The primary target in this project is unconformity related uranium (+-gold) deposits.

The three main criteria for forming these deposits appear to be satisfied here:

- 1) Proximity to Archean – Lower Proterozoic crystalline basement highs – regionally, these are represented by the Archean gneiss and schist of the Billabong complex and Browns Range Metamorphics in the nearby Browns Range Dome to the north.
- 2) Favorable Palaeoproterozoic host rock stratigraphy and lithofacies - here these are the Tanami Complex lithologies and more preferably the Killi Killi Beds meta sedimentary lithofacies with ages > 1,840 Ma
- 3) Proximity of the current land surface profile to the base of existing or previous overlying Mesoproterozoic sedimentary cover rocks - the cover rocks here are the Birrindudu Group and more specifically the basal Gardiner Sandstone with ages ca 1700 Ma.

The Don uranium and gold occurrence within the Mt Junction area and the Deva anomaly within the Slaty Creek area confirms that the unconformity model is a prospective target for this region. The extensive ground holding in this region by BlackGrange and the large area of potential host rock basement lithologies in the Killi Killi Beds at or close to the unconformity with the Gardiner Sandstone provides the basis for a concerted exploration program here.

Current exploration in the area by significant uranium explorers as shown in Figure 19 below confirm the area to be considered one of the few under explored potential unconformity related uranium provinces in the world.

The location of gold mineralisation at the Venus Prospect in the Mt Junction area in a quartz vein stockwork by BHP suggests that more gold exploration is required here and elsewhere within the Killi Killi beds.

Nearby Known Deposits

The Browns Range Dome uranium prospect lies near the unconformity between the Gardiner Sandstone and underlying metamorphosed arkoses of the basement Tanami Complex.

The Killi Killi No. 1 and No. 2 uranium prospects are in coarse lithic arenite and conglomerate within the basal 6 m of the Gardiner Sandstone at the base of the Birrindudu Group. At the No. 1 prospect, anomalous radioactivity persists along strike for about 1350 m. Samples showing maximum radioactivity gave analytical results of 0.18% and 0.23% U_3O_8 . The main uranium-bearing mineral is xenotime, a rare-earth uranium phosphate.

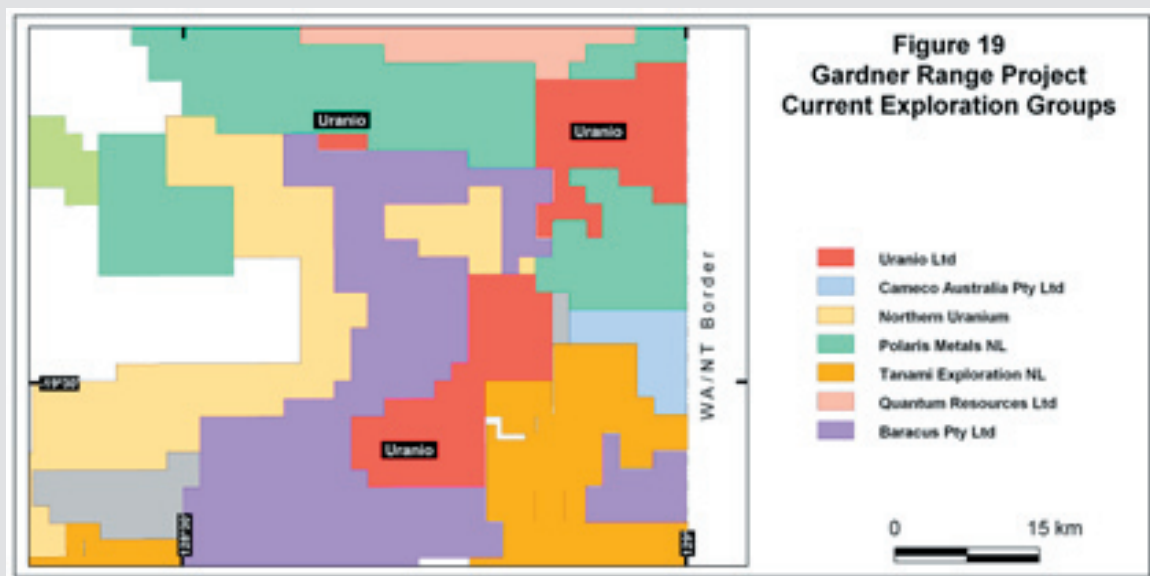
Section 4 INDEPENDENT GEOLOGICAL REPORT

Other uranium occurrences in the Granites Tanami Inlier include Mount Mansbridge, Birrindudu 2, Jaimani and Oracle

Nearby Exploration

The neighboring explorers with large land holdings surrounding the Gardner Range Project are Cameco Australia Pty Ltd, Eclipse Minerals Pty Ltd, Northern Uranium Ltd, Polaris Metals NL and Quantum Resources Ltd.

Figure 19: Gardner Range Project Current Exploration Groups



2.2.1.6 EXPLORATION STRATEGY

The local and regional potential uranium and gold mineralisation means that passive remote investigations, followed by detailed surface and subsurface testing is necessary to thoroughly explore the potential of this highly rated project .

The following geological and geophysical investigations are envisaged:

Year 1

- 1) A detailed airborne magnetic and radiometric survey preferably at 100 metre line spacing will be flown followed by detailed processing and interpretation. The interpretation will be focused on:
 - Identifying lithological layering in the potential host uranium and gold lithologies.
 - Identifying linear structures in the potential host lithologies especially where they are close to the mesoproterozoic unconformity.
 - Locating uranium gamma anomalies.
- 2) Digital aerial photography and satellite images will be acquired and interpreted. This will assist:
 - Mapping the distribution of outcropping geology, litho-types and structure.
 - Recognising and mapping regolith types.
 - Determining access.

Section 4 INDEPENDENT GEOLOGICAL REPORT

- 3) A sophisticated airborne electromagnetic survey carried out over target areas developed from the above to locate conductive structures and graphitic lithologies in the basement.

Year 2

- 4) Target areas delineated from the above program should be tested by RAB drilling traverses for geochemistry and bedrock mapping.
- 5) The results of the RAB drilling will determine the location of reverse circulation drill holes both for mineralisation and stratigraphy.

Further exploration investigations will depend on the results of the above.

2.2.1.7 EXPLORATION BUDGET

The proposed budget for the above planned program is given below

Table 9: Gardner Range Project Proposed Exploration Expenditure Years 1 and 2

Investigation	Year 1	Year 2	Total
Satellite Imagery and Interpretation	\$20,000	-	\$20,000
Geophysics- Aeromagnetics, Radiometrics AEM	\$300,000	-	\$300,000
Drilling, Logging, Analyses	\$10,000	\$600,000	\$610,000
Field Supervision, Support and Logistics	\$30,000	\$250,000	\$280,000
Tenement and Heritage Costs	\$10,000	\$40,000	\$50,000
Administration	\$40,000	\$100,000	\$140,000
Total	\$410,000	\$990,000	\$1,400,000

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Section 5 INVESTIGATING ACCOUNTANT'S REPORT



BDO Kendalls

BDO Kendalls Corporate Finance (WA) Pty Ltd
Level 8, 256 St Georges Terrace PERTH WA 6000
PO Box 7426 Cloisters Square Perth WA 6850
Phone 61 9360 4200
Fax 61 9481 2524
bdo@bdo.com.au
www.bdo.com.au

Our ref: PT:STM

23 July 2007

The Directors
BlackGrange Limited
945 Wellington Street
WEST PERTH WA 6005

ABN 27 124 031 045

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

We have prepared this Investigating Accountant's Report ("**Report**") on historical financial information of BlackGrange Limited to be renamed Uranio Limited ("**BlackGrange**" or "**the Company**") for inclusion in the Prospectus. Broadly, the Prospectus will offer up to 50 million ordinary shares at an issue price of \$0.20 each to raise \$10 million before costs ("**The Offer**") and reserve the right to accept oversubscriptions of up to an additional 10 million shares to raise an additional \$2 million. The minimum subscription is for the issue of 40 million ordinary shares to raise \$8 million before costs.

Expressions defined in the Prospectus have the same meaning in this Report.

2. Basis of Preparation

This Report has been prepared to provide investors with information on the Income Statement, Statement of Changes in Equity and the Balance Sheet and the pro-forma Balance Sheet as noted in Appendices 1, 2 and 3.

This Report does not address the rights attaching to the shares to be issued in accordance with the Prospectus, nor the risks associated with the investment, and has been prepared based on the complete Offer being achieved. BDO Kendalls Corporate Finance (WA) Pty Ltd ("**BDO Kendalls**") has not been requested to consider the prospects for the Company, the shares on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly has not done so, and does not purport to do so. BDO Kendalls accordingly takes no responsibility for these matters or for any matter or omission in the Prospectus, other than responsibility for this Report. Risk factors are set out in the Prospectus.

Expressions defined in the Prospectus have the same meaning in this Report.

3. Background

The Company was incorporated on 18 December 2006 as BlackGrange Limited and is to be renamed Uranio Limited after issue of the Prospectus.

The Company is a registered Australian Public Company limited by shares. As at 30 June 2007 the company had 12.5 million ordinary shares on issue.

The principal activity of the Company is to explore mining tenements for uranium and develop tenements to production. On 21 May 2007 the Company entered into an agreement with ASX listed, Deep Yellow Limited to secure a 70% interest in the existing Siccus Joint Venture and to acquire a 70% equity interest in each of the three highly prospective uranium projects comprising Ponton North, Gardner Range and Anketell.

Section 5 INVESTIGATING ACCOUNTANT'S REPORT

4. Scope

You have requested BDO Kendalls to prepare an Investigating Accountant's Report covering the following financial information:

- BlackGrange's Balance Sheet as at 30 June 2007;
- BlackGrange's Income Statement and Statement of Changes in Equity for the period ended 30 June 2007;
- the proforma Balance Sheet as at 30 June 2007 reflecting the actual position as at that date, major transactions between that date and the date of our report and the proposed capital raising under the Prospectus; and
- the accounting policies applied by BlackGrange in preparing its financial statements.

The historical financial information set out in the appendices to this Report has been extracted from the financial statements of the Company for the period from incorporation to 30 June 2007.

The Directors are responsible for the preparation of the historical financial information including determination of the adjustments.

We have conducted our review of the historical financial information in accordance with the Australian Auditing and Assurance Standard AUS 902 "Review of Financial Reports". We made such inquiries and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a review of work papers, accounting records and other documents pertaining to balances in existence at 30 June 2007;
- a review of the assumptions used to compile the pro-forma Balance Sheet;
- a review of the adjustments made to the pro-forma historical financial information;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company disclosed in the appendices to this Report; and
- enquiry of Directors and others.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Our review was limited primarily to an examination of the historical financial information, the pro-forma financial information, analytical review procedures and discussions with both management and directors. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the historical information or pro-forma financial information included in this Report or elsewhere in the Prospectus.

In relation to the information presented in this Report:-

- support by another person, corporation or an unrelated entity has not been assumed;
- the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report; and
- the going concern basis of accounting has been adopted.

Section 5 INVESTIGATING ACCOUNTANT'S REPORT

5. *Conclusion*

Statement on Historical Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the historical financial information as set out in the Appendices to this report does not present fairly the financial performance for the period ended 30 June 2007 or the financial position as at 30 June 2007 in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

Statement of Pro-forma Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the pro-forma financial information does not present fairly the financial position of the Company as at 30 June 2007, in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the pro-forma transactions had occurred on that date.

6. *Subsequent Events*

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief, no other material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. *Assumptions Adopted in Compiling the Pro-forma Balance Sheet*

The pro-forma balance sheet post issue is shown in Appendix 2. This has been prepared based on the reviewed financial statements as at 30 June 2007 and the transactions and events relating to the issue of shares under this Prospectus. They are as follows:

- The maximum issue of 50,000,000 ordinary fully paid shares to raise \$10,000,000, pursuant to the Public Offer;
- The payment of expenses associated with the preparation and issue of the Prospectus and the listing of the Company amounting to \$807,553. These have been netted off against the share capital raised;
- The issue of 2,500,000 Founder options to directors at an exercise price of 20 cents and expiry date of no earlier than 30 June 2010 subject to shareholder approval;
- The issue of 500,000 Class B options to directors at an exercise price of 30 cents and expiry date of no earlier than 30 June 2011 subject to shareholder approval;
- The issue of 500,000 Class C options to directors at an exercise price of 40 cents and expiry date of no earlier than 30 June 2011 subject to shareholder approval;
- The issue of 500,000 Class D options to directors at an exercise price of 50 cents and expiry date of no earlier than 30 June 2011 subject to shareholder approval; and
- The issue of 6,790,465 ordinary fully paid shares for the value of \$1,358,093 and payment of \$1,500,000, plus associated transaction costs of approximately \$150,000 to acquire 70% of interests in the Siccus Joint Venture from Deep Yellow Limited.

Section 5 INVESTIGATING ACCOUNTANT'S REPORT

8. Disclosures


BDO Kendalls Corporate Finance (WA) Pty Ltd is the licensed corporate advisory arm of BDO Kendalls in Perth.

Neither BDO Kendalls Corporate Finance (WA) Pty Ltd nor BDO Kendalls, nor any director or executive or employee thereof, has any financial interest in the outcome of the proposed transaction except for the normal professional fee due for the preparation of this Report.

Consent to the inclusion of the Independent Accountant's Report in the Prospectus in the form and context in which it appears, has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully

BDO Kendalls Corporate Finance (WA) Pty Ltd

BDO Kendalls


Peter Toll

Director

BLACKGRANGE LIMITED
INCOME STATEMENT**For the Period from
Incorporation to
30 June 2007
\$**

Revenue from ordinary activities	-
Interest Income	11,509
	<hr/>
Total Revenue	11,509
	<hr/>
Administration fees	(3,383)
Legal fees	(9,454)
	<hr/>
Profit/(Loss) from ordinary activities before income tax expense	(1,328)
	<hr/>
Income tax expense relating to ordinary activities	-
	<hr/>
Net Profit/(loss) from ordinary activities after income tax expense attributable to members	(1,328)
	<hr/>

The Income Statement is to be read in conjunction with the notes to and forming part of the financial statements set out in Appendix 4.

BLACKGRANGE LIMITED**BALANCE SHEETS**

	Notes	30 June 2007 \$	Pro-forma Adjustments \$	Pro-forma After Issue \$
CURRENT ASSETS				
Cash and cash equivalents	2	691,748	7,573,440	8,265,188
Other receivables		54,876	-	54,876
TOTAL CURRENT ASSETS		746,624	7,573,440	8,320,064
NON-CURRENT ASSETS				
Exploration and Evaluation Expenditure	3	500,000	3,008,093	3,508,093
Capital Raising Costs	4	30,993	(30,993)	-
TOTAL NON-CURRENT ASSETS		530,993	2,977,100	3,508,093
TOTAL ASSETS		1,277,617	10,550,540	11,828,157
CURRENT LIABILITIES				
Trade and other payables		78,445	-	78,445
TOTAL CURRENT LIABILITIES		78,445	-	78,445
TOTAL LIABILITIES		78,445	-	78,445
NET ASSETS		1,199,172	10,550,540	11,749,712
EQUITY				
Share Capital	5	1,200,500	10,550,540	11,751,040
Reserves	6	-	195,500	195,500
Accumulated losses	7	(1,328)	(195,500)	(196,828)
TOTAL EQUITY		1,199,172	10,550,540	11,749,712

The pro-forma Balance Sheet after Issue is as per the Balance Sheet before Issue adjusted for the transactions relating to the issue of shares pursuant to this Prospectus. The Balance Sheet is to be read in conjunction with the notes to and forming part of the financial statements set out in Appendix 4.

BLACKGRANGE LIMITED

STATEMENT OF CHANGES IN EQUITY

	30 June 2007	Pro-forma Adjustments	Pro-forma After Issue
	\$	\$	\$
Total equity at the beginning of the period	-	-	-
Loss for the period	(1,328)	(195,500)	(196,828)
Total recognised for the period	(1,328)	(195,500)	(196,828)
Contributions of equity, net of transaction costs	1,200,500	10,550,540	11,751,040
Issue of share based payments	-	195,500	195,500
TOTAL EQUITY	1,199,172	10,550,540	11,749,712

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the financial statements set out in Appendix 4.

BLACKGRANGE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

(a) Basis of preparation of financial statements

The historical financial information which has been prepared in accordance with the measurement, but not all of the disclosure requirements of Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and Corporations Act 2001.

The financial report has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal groups held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

Compliance with Australian equivalents to International Financial Reporting Standards (AIFRS) ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(b) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances relating to amounts recognised directly in equity are also recognised directly in equity.

BLACKGRANGE LIMITED**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 30 JUNE 2007

(c) Foreign Currency Translation

The functional and presentation currency of Uranio Limited is Australian dollars (A\$).

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in the income statement, except for differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

(d) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(e) Cash and Cash Equivalents

"Cash and cash equivalents" includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(f) Acquisition of Assets

Assets including exploration interests acquired are initially recorded at their cost of acquisition or the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value, except where the notional price at which they could be placed in the market is a better indication of fair value.

BLACKGRANGE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2007

(g) Exploration and evaluation expenditure

Exploration and evaluation expenditure encompasses expenditures incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Exploration and evaluation expenditure incurred by the Company is accumulated for each area of interest and recorded as an asset if:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (1) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
 - (2) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. Exploration and evaluation expenditure incurred by the Company subsequent to acquisition of the rights to explore is expensed as incurred.

A provision for unsuccessful exploration and evaluation is created against each area of interest by means of a charge to the income statement.

The recoverable amount of each area of interest is determined on a bi-annual basis and the provision recorded in respect of that area adjusted so that the net carrying amount does not exceed the recoverable amount. For areas of interest that are not considered to have any commercial value, or where exploration rights are no longer current, the capitalised amounts are written off against the provision and any remaining amounts are charged against profit.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(h) Impairment of Assets

At each reporting date the Company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the income statement where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

BLACKGRANGE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2007

(i) Payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms.

(j) Contributed Equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

(l) Revenue Recognition

Revenue from the sale of goods or services is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for each contract. Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenue from the sale of goods or services is recognised when the service is provided.

Sale of Goods and Services

Revenue from sale of goods or services is recognised when the significant risks and rewards of ownership have passed to the buyer and can be reliably measured. Risks and rewards are considered passed to the buyer when goods have been delivered to the customer.

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(m) Share Based Payments

The Company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or options over shares ("equity-settled transactions").

The fair value of options is recognised as an expense with a corresponding increase in equity (share option reserve). The fair value is measured at grant date and recognised over the period during which the holder become unconditionally entitled to the options. Fair value is determined by an independent valuer using a Black-Scholes option pricing model. In determining fair value, no account is taken of any performance conditions other than those related to the share price of BlackGrange ("market conditions"). The cumulative expense recognised between grant date and vesting date is adjusted to reflect the directors best estimate of the number of options that will ultimately vest because of internal conditions of the options, such as the employees having to remain with the company until vesting date,

BLACKGRANGE LIMITED**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 30 JUNE 2007

or such that employees are required to meet internal sales targets. No expense is recognised for options that do not ultimately vest because internal conditions were not met. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to the income statement. However, if new options are substituted for the cancelled options and designated as a replacement on grant date, the combined impact of the cancellation and replacement options are treated as if they were a modification.

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BLACKGRANGE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2007

	30 June 2007	Pro-forma After Issue
	\$	\$
NOTE 2. CASH		
Cash at bank	<u>691,748</u>	<u>8,265,188</u>
Adjustments arising in the preparation of the pro-forma cash balance are summarised as follows:		
Reviewed balance at 30 June 2007		691,748
Proceeds from shares issued under this Prospectus		10,000,000
Share issue costs		(776,560)
Final cash payment for the acquisition of exploration assets and associated transaction costs		(1,650,000)
Proforma Balance		<u>8,265,188</u>
NOTE 3. EXPLORATION AND EVALUATION EXPENDITURE		
Exploration and Evaluation Expenditure	<u>500,000</u>	<u>3,508,093</u>
Adjustments arising in the preparation of the pro-forma balance is summarised as follows:		
Reviewed balance at 30 June 2007		500,000
Final cash payment for the acquisition of exploration assets and associated transaction costs		1,650,000
Mining asset acquired for 6,790,465 shares at \$0.20 each		1,358,093
Pro-forma Balance		<u>3,508,093</u>
NOTE 4. CAPITAL RAISING COSTS		
Capital raising costs	<u>30,993</u>	<u>-</u>
Adjustments arising in the preparation of the pro-forma balance is summarised as follows:		
Reviewed balance at 30 June 2007		30,993
Reallocated against issued capital		(30,993)
Pro forma balance		<u>-</u>

BLACKGRANGE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2007

	30 June 2007	Pro-forma After Issue
	\$	\$
NOTE 5. CONTRIBUTED EQUITY		-
Contributed equity	<u>1,200,500</u>	<u>11,751,040</u>

Adjustments arising in the preparation of the pro-forma balance is summarised as follows:

	Number of Shares	\$
Reviewed balance at 30 June 2007	12,500,000	1,200,500
Issue of 6,790,465 shares for exploration and evaluation assets	6,790,465	1,358,093
50 million shares at \$0.20 each issued pursuant to the Prospectus	50,000,000	10,000,000
Share issue expenses	-	(807,553)
Pro forma balance	<u>69,290,465</u>	<u>11,751,040</u>

NOTE 6. SHARE BASED PAYMENTS RESERVE

Share based payments reserve	-	<u>195,500</u>
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Adjustments arising in the preparation of the pro-forma balance is summarised as follows:

	Number of Options	\$
As at 30 June 2007	5,000,000	-
Unlisted options issued	4,000,000	195,500
Pro forma balance	<u>9,000,000</u>	<u>195,500</u>

The following options were issued during the period:

Class	Number	Exercise Price	Exercise Date	Value	\$
Founder	<u>5,000,000</u>	\$0.20	30 June 2010	-	-

BLACKGRANGE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2007

The following options are to be issued subject to shareholder approval:

Class	Number	Exercise Price	Exercise Date	Value	\$
Founder	2,500,000	\$0.20	30 June 2010	\$0.0513	128,250
Class B	500,000	\$0.30	30 June 2011	\$0.0510	25,500
Class C	500,000	\$0.40	30 June 2011	\$0.0443	22,150
Class D	500,000	\$0.50	30 June 2011	\$0.0392	19,600
TOTAL	4,000,000				195,500

Using the Black and Scholes option valuation methodology, the fair value of the options were calculated. The following inputs were used:

Input	Founder Options	Class B	Class C	Class D
Share Price	\$0.20	\$0.20	\$0.20	\$0.20
Exercise Price	\$0.20	\$0.30	\$0.40	\$0.50
Expected Volatility	75%	75%	75%	75%
Expiry Date	30 June 2010	30 June 2011	30 June 2011	30 June 2011
Expected Dividends	Nil	Nil	Nil	Nil
Risk free interest rate	6.15%	6.15%	6.15%	6.15%
Value per option	\$0.0513	\$0.0510	\$0.0443	\$0.0392

NOTE 7. ACCUMULATED LOSSES

Accumulated losses

Adjustments arising in the preparation of the pro-forma balance is summarised as follows:

	30 June 2007	Pro-forma After Issue
	\$	\$
Accumulated losses	(1,328)	(196,828)
Reviewed balance at 30 June 2007		(1,328)
Issue of 4,000,000 unlisted options to directors		(195,500)
Pro forma balance		(196,828)

BLACKGRANGE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2007

NOTE 8: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 9: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the prospectus.

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BLAKISTON & CRABB
SOLICITORS

Our Ref: SVS.CB.BLAG/14479
Email: ssmith@blakcrab.com.au

25 July 2007

The Directors
BlackGrange Limited
945 Wellington Street
WEST PERTH WA 6005

Dear Sirs

SOLICITORS' REPORT ON TENEMENTS

This report is prepared for inclusion in a prospectus to be dated on or about 30 July 2007 to be issued by BlackGrange Limited (to be renamed Uranio Limited) ("**Company**") for the issue of 50,000,000 shares at 20 cents each to raise \$10,000,000 million. Oversubscriptions of 10,000,000 shares at 20 cents each to raise an additional \$2 million will be accepted.

The report relates to mining tenements and applications for mining tenements held in Western Australia and South Australia as listed in the Schedule of Mining Tenements in which the Company holds an interest ("**Tenements**"). That Schedule, together with the Notes to the Schedule, forms part of this report. To the extent that this report relates to the South Australian mining tenement we have relied on the advice of our agent in South Australia, Kelly & Co. Lawyers.

1. **Searches**

We have arranged for the following searches to be conducted for the purpose of this report:

- (a) searches of the Western Australian Tenements in the Register maintained by the Department of Industry and Resources ("**Department**") pursuant to the *Mining Act 1978* of Western Australia ("**WA Mining Act**") on 14 June 2007;
- (b) quick appraisal searches of the Western Australian Tenements obtained on-line from the Department dated 14 June 2007;
- (c) searches of the relevant South Australian Tenement ("**SA Exploration Licence**") in the Register maintained by the Department of Primary Industries and Resources South Australia ("**PIRSA**") pursuant to the *Mining Act 1971* (SA) ("**SA Mining Act**") on 25 June 2007;
- (d) searches of the online native title application summaries and native title determination summaries maintained by the National Native Title Tribunal ("**NNTT**") on 15 June 2007 in relation to those native title claims which affect the Western Australian Tenements; and

Section 6 SOLICITORS' REPORT ON TENEMENTS

- (e) searches of the native title application summaries maintained by the NNTT on 26 June 2007 in relation to those native title claims which affect the SA Exploration Licence.

On the basis of the above searches we consider that this report provides an accurate statement as to the status of the Tenements as at the date of the searches and of the interests of the Company therein.

2. Mining Tenements Generally

Western Australia

The Tenements comprise exploration licences granted or applied for under the WA Mining Act.

An exploration licence which was granted or applied for before 10 February 2006 remains in force for a period of 5 years and may, in prescribed circumstances, at the discretion of the Minister, be extended over the whole or part of the exploration licence by a further period or periods of one or two years on application. An exploration licence which is applied for after 10 February 2006 will, once granted, remain in force for a period of 5 years and may, in prescribed circumstances, at the discretion of the Minister, be extended over the whole or part of the exploration licence for a period of 5 years, followed by 2 year periods. In either case, the prescribed circumstances include where the Minister is satisfied that planned exploration could not be carried out due to delay in obtaining necessary approvals or due to the land being unworkable for at least a significant part of one year of the term, or where the Minister is satisfied that work carried out justifies further exploration.

At the end of the third and fourth years of the term of an exploration licence which was granted or applied for before 10 February 2006 the holder must relinquish an area which constitutes not less than half of the area of the licence as at each relinquishment date.

In respect of an exploration licence applied for after 10 February 2006 the holder must relinquish an area which constitutes not less than 40% of the area of the licence at the end of 5 years and the earlier relinquishments are not required.

No legal or equitable interest in or affecting an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. No fee is payable for the obtaining of such consent. In determining a request for consent the Minister will consider whether the exploration programme planned for the first 12 months following grant and lodged by the tenement holder at the time of applying for the tenement has been complied with.

The WA Mining Act confers on the holder of an exploration licence which is in force, the right to apply for and, subject to the WA Mining Act, have granted one or more mining leases over any part of the land the subject of that licence. The exploration licence will continue in force beyond its term if the holder has made an application for mining lease over the area of the licence.

The holder of an exploration licence may apply for a mining lease over all or part of the area of the licence where the Director, Geological Survey is satisfied that

Section 6 SOLICITORS' REPORT ON TENEMENTS

significant mineralisation exists or where a mining proposal has been prepared. "Significant mineralisation" is defined in the Mining Act as a deposit of minerals where there is a reasonable prospect of those minerals being obtained by mining operations. A mining proposal is a document which sets out in detail the mining operations proposed to be carried out on the area of the application.

A mining lease remains in force for a period of 21 years and may be renewed for successive periods of 21 years, with the tenement holder entitled to the first renewal as of right. In the case of mining leases the period of 21 years commences from the date of notification by the Minister. No legal interest in a mining lease can be transferred or mortgaged without the prior written consent of the Minister.

Mining tenements in Western Australia are granted subject to various standard conditions prescribed by the WA Mining Act including payment of rent, expenditure and reporting requirements and standard environmental conditions, as well as any conditions that may be imposed by the Minister in respect of a particular mining tenement. If a tenement holder fails to comply with the annual minimum expenditure requirement it can apply to the Department for an exemption from expenditure. If an exemption application is refused or if a tenement holder fails to comply with any other term or condition of grant of a tenement it is open to the Minister to impose a fine or seek an order for forfeiture. In addition, a third party can object to an application for exemption for expenditure and/or institute plaintiff proceedings in the Warden's Court. Plaintiffs by a third party, if successful, can result in either the imposition of a fine or an order for forfeiture. An order for forfeiture will only be made by the Warden in circumstances where he or she considers the circumstances to be sufficiently serious as to warrant forfeiture.

Mining tenements in Western Australia are also subject to statutory requirements of certain other Acts including the *Aboriginal Heritage Act 1972*, *Environmental Protection Act 1986*, *Rights in Water and Irrigation Act 1914* and *Conservation and Land Management Act 1984*.

South Australia

The Tenements also include the SA Exploration Licence granted under the SA Mining Act, as set out in the Schedule.

Under the SA Mining Act an exploration licence is granted for a term not exceeding 5 years. It may be renewed at the discretion of the Minister but not so that the aggregate term of the licence exceeds 5 years. If the licence is renewed, the terms and conditions may be varied, revoked or added to and the licence area may be reduced. The area of an exploration licence must not exceed 1,000 square km unless the Minister believes there are justifiable reasons to allow a larger area.

An exploration licence may be granted subject to such conditions as the Minister determines, as well as standard conditions which relate to:

- reporting the discovery of minerals potentially capable of economic production to PIRSA;
- preventing the pollution of surface and underground waters;

Section 6 SOLICITORS' REPORT ON TENEMENTS

- minimising damage to the surface of the land;
- ensuring that drilling and other underground investigations do not cause interconnection between ground water aquifers;
- obtaining approval before constructing major campsites or constructing or upgrading tracks;
- keeping the use of vehicles other than on existing tracks to a minimum;
- providing written particulars of any proposed airborne survey or ground water investigation survey to the Director and allowing an inspector to enter, survey or examine the land.

An exploration licence or an interest in an exploration licence must not be assigned, sub-let or be subject to any other dealing, either directly or indirectly, without the written consent of the Minister.

3. Uranium Mining

Western Australia

In June 2002 the then Minister announced that the mining of uranium would be banned in accordance with the State Government's policy. To date, this ban has been imposed by utilising section 110 of the WA Mining Act pursuant to which the Minister may grant mining leases without including authorisation to mine for uranium. Accordingly, all mining leases granted since 22 June 2002 have been issued subject to an endorsement that the mining lease does not authorise mining for uranium.

This policy and the other regulations relating to uranium mining are dealt with in more detail elsewhere in the prospectus, in particular in section 7 of the prospectus.

South Australia

The SA Exploration Licence allows for the exploration of radioactive minerals, including uranium. Mining operations and the handling of uranium triggers specific South Australian legislation. An overview of these laws is given below.

Mining Act 1971 (SA)

Mining operations with respect to uranium (as opposed to mere exploration for uranium) is restricted to those persons that hold a mining lease or retention lease that is endorsed by the Minister for that purpose. Further Ministerial authorization is required for the sale and disposal of uranium.

Radiation Protection and Control Act 1992 (SA)

Any operations involving the mining or milling of radioactive ores (including uranium) must be authorized by a licence issued under this Act. The licence imposes certain conditions relating to the handling, storage and transportation of uranium, including safety processes.

Section 6 SOLICITORS' REPORT ON TENEMENTS

Codes of Practice

Various codes of practice apply to the mining of uranium including:

Code of Practice on Radiation Protection on the Mining and Milling of Radioactive Ores 1987; Code of Practice on the Management of Radioactive Waste from the Mining and Milling of Radioactive Ores 1982; and Code of Practice for the Safe Transport of Radioactive Substances 1990.

4. **Aboriginal Heritage**

There may be sites of Aboriginal heritage or significance located on the land the subject of the Tenements.

The *Aboriginal Heritage Act 1972* (WA) ("**WA Heritage Act**") applies to the Tenements and makes it an offence to, among other things, alter or damage an Aboriginal site or object on or under an Aboriginal site. A site is defined to include any sacred, ritual or ceremonial site which is of importance and special significance to persons of Aboriginal descent. There is no requirement or need for a site to be registered in any public manner or, indeed, be in any way acknowledged as an Aboriginal site for it to qualify as an Aboriginal site for the purposes of the WA Heritage Act.

The *Aboriginal Heritage Act 1988* (SA) ("**SA Heritage Act**") applies to the SA Exploration Licence. Under the SA Heritage Act, damage to Aboriginal sites or objects of significance to Aboriginal tradition, archaeology, anthropology or history or to Aboriginal remains is prohibited. A register of Aboriginal sites and objects is maintained, but it is incomplete and protection is extended to Aboriginal sites and objects whether or not they are noted on the register. The register is confidential and is not available for public inspection. Prior to commencing operations, it is prudent to determine the existence of any Aboriginal site or object by obtaining a clearance survey, which may involve lengthy research and consultation with local communities.

The *Aboriginal and Torres Strait Islander Heritage Act 1984* (Cth) ("**Commonwealth Heritage Act**") also applies to the Tenements and is aimed at the preservation and protection from desecration of significant Aboriginal areas and significant Aboriginal objects. An area or object is found to be desecrated if it is used or treated in a manner inconsistent with Aboriginal tradition.

We have not undertaken searches to ascertain if any Aboriginal sites have been registered in the vicinity of the Tenements under these Acts as there is no obligation, in those Acts, to register sites, objects or relics. In any event, their exact location is not ascertainable from such searches. Further, these enquiries are generally done by the mining company after the mining tenure applied for is granted and once a particular work programme has been determined. In those cases it may be necessary to enter into separate arrangements with the traditional owners of the sites. To ensure that that it does not contravene these Acts while carrying out operations on the Tenements, the Company would, in the normal course of events, need to conduct prior heritage surveys to determine if any Aboriginal sites exist within the area of the Tenements. If so, the Company would also need to ensure that any interference with

Section 6 SOLICITORS' REPORT ON TENEMENTS

such Aboriginal sites is in strict conformity with the provisions of the WA Heritage Act, the SA Heritage Act and the Commonwealth Heritage Act.

5. **Environment and Rehabilitation**

The Commonwealth and the States of Western Australia and South Australia have legislated for the protection of the environment.

In Western Australia the *Environmental Protection Act 1986*, the *Environmental Protection (Clearing of Native Vegetation) Regulations 2004*, the *Wildlife Conservation Act 1950*, the *Conservation and Land Management Act 1984* and the WA Mining Act regulate exploration and mining operations to the extent that those operations impact on threatened species, ecological communities and the environment generally.

In South Australia, the *Environment Protection Act 1993*, the *Native Vegetation Act 1991* and the SA Mining Act itself regulate exploration and mining operations to the extent that those operations impact on threatened species and ecological communities.

The Commonwealth *Environmental Protection and Biodiversity Conservation Act 1999* similarly regulates certain exploration and mining operations to the extent that they relate to matters of national environmental significance (as defined in that Act).

6. **Petroleum Pipelines Act 1969 (WA)**

One of the Tenements, being application for exploration licence 45/2896, is over land which is also the subject of a title granted to a third party under the Petroleum Pipelines Act 1969, being an onshore pipeline licence, as shown in the Notes to this report. Additional conditions are imposed by the Department in respect of these tenements to ensure that there is no interference with the pipeline.

7. **Petroleum Act 2000 (SA)**

The SA Exploration Licence is situated over land which is also partially or wholly the subject of a title granted to a third party under the Petroleum Act 2000 (SA). Any activities which may significantly deleteriously affect the potential for coal seam methane drainage or insitu gasification of coal require agreement of the third party licensee or the Minister.

8. **Native Title - Generally**

On 3 June 1992 the High Court of Australia held in *Mabo v Queensland* that the common law of Australia recognises a form of native title. In order to maintain a native title claim the persons making such claim must show that they enjoyed certain customary rights and privileges in respect of a particular area of land and that they have maintained their traditional connection with that land. Such a claim will not be recognised if the native title has been extinguished, either by voluntary surrender to the Crown, death of the last survivor of a community entitled to native title, abandonment of the land in question by that community or the granting of an "inconsistent interest" in the land by the Crown. An example of inconsistent interest would be the granting of a freehold or some types of leasehold interest in the land.

Section 6 SOLICITORS' REPORT ON TENEMENTS

The granting of a lesser form of interest will not extinguish native title unless it is wholly inconsistent with native title.

The Commonwealth Parliament responded to the Mabo decision by passing the *Native Title Act 1993* (Cth) ("**Commonwealth Act**"). Among other things, the Commonwealth Act:

- (a) regulates the recognition and protection of native title;
- (b) confirms the validity of titles granted by the Federal Government prior to the commencement of that Act on 1 January 1994;
- (c) specifies the procedures to be complied with for certain future acts which affect native title; and
- (d) specifies the procedures by which Aboriginal peoples can claim native title and by which people determined to hold native title can claim compensation.

The Commonwealth Act was extensively amended in 1998 by the *Native Title Amendment Act 1998*. These amendments include the validation of any titles that may have been invalidly granted over pastoral leases and certain other leasehold interests during the period 1 January 1994 to 23 December 1996. Other significant amendments include a revised threshold test for the acceptance of native title claims, confirmation of extinguishment of native title by the grant of "exclusive possession" pastoral leases and certain other leasehold interests and provisions intended to deal with overlapping claims.

The Western Australian Parliament has enacted the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995* which adopts the Commonwealth Act in Western Australia.

The majority of the High Court concluded in the Ward decision (8 August 2002) that, among other things:

- native title has been wholly extinguished in respect of land the subject of freehold, public works or other previous "exclusive possession" acts, and in respect of minerals and petroleum which are vested in the Crown, as well as various other grants and vestings; and
- native title has been partially extinguished as a result of the grant of "non-exclusive possession" pastoral leases and mining leases, and also as a result of the creation of certain reserves.

We have not researched the underlying land tenure in respect of the Tenements in order to determine the extent of extinguishment for the purposes of this report.

9. Native Title – Native Title Claims

Persons claiming to hold native title may lodge an application for determination of native title (being a native title claim) with the Federal Court. Applications which are lodged with the Federal Court will be referred to the NNTT for the purposes of registration of the claim.

Section 6 SOLICITORS' REPORT ON TENEMENTS

If the Native Title Registrar is satisfied that a claim meets the registration requirements set out in the Commonwealth Act ("**Registration Test**") it will be entered on the Register of Native Title Claims maintained by the NNTT ("**Register**"). Claimants of registered claims are afforded certain procedural rights under the Commonwealth Act including the "right to negotiate" discussed further below.

Claims which fail to meet the Registration Test are recorded on the Schedule of Applications Received maintained by the NNTT. Such claims may be entered on the Register at a later date if additional information is provided by the claimant that satisfies the Registration Test. Claims which are deregistered will lose the right to negotiate from the date of deregistration but will still remain on foot in the Federal Court until such time as they are determined by the Court. We have not undertaken searches to determine whether any unregistered claims affect the Tenements.

The majority of the Tenements relate to land which is currently the subject of one or more registered native title claims. These claims are identified in the Notes to the Schedule of Mining Tenements attached to this report. The fact that a claim has been lodged does not necessarily mean that native title exists over the area claimed, nor does the absence of a claim necessarily indicate that no native title exists over that area. The existence of native title will be established in due course as the claims are determined by the Federal Court. We have not undertaken the considerable historical, anthropological and ethnographic work that would be required to determine the possibility of any further claims in respect of the area of the Tenements being made in the future.

10. **Native Title – Validity of Titles**

(a) **Granted Tenements**

The grant of a mining tenement is an act that is capable of affecting, and which may affect, native title. The future act processes of the Commonwealth Act provide a mechanism for achieving the valid grant of a mining tenement in terms of native title. The validity of a mining tenement granted in Western Australia and South Australia is dependent on its date of grant.

Western Australia

(i) **Tenements granted prior to 1 January 1994**

Under the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995* the grant of mining tenements granted in Western Australia prior to 1 January 1994 has been validated to the extent that the grant may have been invalid as a result of the existence of native title.

(ii) **Tenements granted between 1 January 1994 and 23 December 1996**

The Western Australian Parliament passed the *Titles Validation Amendment Act 1999* which confirmed the validity of certain acts made by the State of Western Australia between 1 January 1994 and 23 December 1996, provided such acts had met various conditions set out in the Commonwealth Act. None of the Tenements were granted during this period.

(iii) **Tenements granted after 23 December 1996**

Tenements granted since 23 December 1996 which are affected by native title rights and interests will be valid provided the applicable processes prescribed by the Commonwealth Act were complied with. Those of the Tenements which are granted were all granted after 23 December 1996. We understand that it has been the practice of the Western Australian Government to comply with these processes but we have not undertaken any independent enquiries to confirm that this is the case.

South Australia

(i) **Tenements granted prior to 1 January 1994**

The South Australian Parliament has enacted the *Native Title (South Australia) Act 1994*, which confirms the validity of titles granted by the South Australian Government at any time prior to 1 January 1994. The SA Exploration Licence was not granted prior to this date.

(ii) **Tenements granted between 1 January 1994 and 23 December 1996**

This Act was amended by the *Native Title (South Australia) (Miscellaneous) Amendment Act 2000*, which imposes more demanding requirements on applicants seeking registration of a native title claim. The Act was also amended by the *Native Title (South Australia) (Validation and Clarification) Amendment Act 2000* to clarify the extent to which titles granted between 1 January 1994 and 23 December 1996 extinguish native title. The SA Exploration Licence was not granted during this period.

(iii) **Tenements granted after 23 December 1996**

Tenements granted since 23 December 1996 which are affected by native title rights and interests will be valid provided the applicable processes prescribed by the Commonwealth Act were complied with. The Commonwealth Act provides that, in relation to the future grant of mining tenements in certain areas, a State law can operate in lieu of the right to negotiate process of the Commonwealth Act tenements. Part 9B of the SA Mining Act enacts such alternative procedures, which are described further below. The SA Exploration Licence was granted after 23 December 1996.

(b) **Future Tenement Grants**

Western Australia

As stated above, the valid grant of any of the Tenements which may affect native title requires full compliance with the provisions of the Commonwealth Act in addition to compliance with the usual procedures under the State's mining legislation. The primary procedure prescribed under the Commonwealth Act is the "right to negotiate" process. An expedited

Section 6 SOLICITORS' REPORT ON TENEMENTS

procedure generally applies to low-impact titles (such as prospecting and exploration licences) or infrastructure titles.

The right to negotiate process involves the publishing of a notice of the proposed grant ("**Future Act Notice**") of a tenement followed by a minimum 6 month period of negotiation between the relevant State Government, the tenement applicant and the relevant registered native title claimant. If agreement is not reached to enable the grant to occur, the matter may be referred to arbitration before the NNTT, which has a further 6 months to reach a decision. The decision of the NNTT may be reviewed by the relevant Federal Minister.

The Commonwealth Act provides that, in relation to the grant of mining tenements in certain areas, a State law can operate in lieu of the right to negotiate process of the Commonwealth Act. These areas are principally areas covered by pastoral leases. The Western Australian State Government has not yet introduced such a law.

The right to negotiate process does not have to be pursued in cases where an indigenous land use agreement ("**ILUA**") is negotiated with the relevant Aboriginal people and registered with the NNTT. In such cases, the procedures prescribed by the ILUA must be followed to obtain the valid grant of the tenement. These procedures will vary depending on the terms of the relevant ILUA.

If the expedited procedure is to be used, the Future Act Notice must include a statement that the expedited procedure applies. If no objection is lodged by a native title party within 4 months of the Future Act Notice being issued then the tenement will be granted without any further steps being taken in relation to native title. The Department has issued a policy whereby, in relation to those regions where the Government, industry and native title representative bodies have developed a regional standard heritage agreement ("**RSHA**"), the Government will only refer a grant of a low-impact title through the expedited procedure if the applicants execute an RSHA and deliver it to the native title party, which may then choose to enter into the RSHA with the applicant. If a native title party objects to the expedited procedure applying and a negotiated agreement cannot be reached, the NNTT will conduct a formal inquiry to determine whether the expedited procedure should apply or not. If it does not apply then the "right to negotiate" process will apply.

South Australia

As noted above, in South Australia, Part 9B of the SA Mining Act contains procedures which operate in lieu of the right to negotiate process contained in the Commonwealth Act. Under Part 9B, a mining tenement granted since 23 December 1996 confers no right to carry out mining operations on native title land, being land in respect of which native title exists or may exist. Mining operations on native title land can only be carried out if they are not inconsistent with native title rights existing over the land, an agreement is reached with the registered native title claimants ("**native title mining agreement**") or a determination has been made by the Environment Resources

and Development Court of South Australia ("**ERD Court**") authorising the operations.

The fact that no such agreement has been reached and no such determination has been made in accordance with the SA Mining Act does not mean that there is an automatic suspension of minimum labour and expenditure conditions attached to the mining tenement. However, PIRSA will take into consideration bona fide efforts to negotiate such an agreement in its review of any non-compliance with conditions attached to the mining tenement.

Part 9B sets out a process for negotiating agreements authorising mining operations on native title land. Part 9B also provides for an expedited procedure where the impact of the proposed exploratory operations is minimal. If no written objection against reliance on the expedited procedure is made within 2 months of notice being given by the proponent, the proponent can seek a summary determination from the ERD Court authorising the proposed exploratory mining operations.

Again, the right to negotiate process under Part 9B, as under the Commonwealth Act, does not have to be pursued in cases where an ILUA is negotiated with the relevant Aboriginal people and registered with the NNTT. The procedures prescribed by the ILUA must be followed in order to conduct exploration activities.

(c) **Renewals**

As with the grant of mining tenements, renewals of mining tenements granted prior to 1 January 1994, to the extent the renewals were invalid due to native title, have been validated by legislation. Renewals granted between 1 January 1994 and 23 December 1996 have been similarly validated provided certain statutory criteria have been met.

Renewals made after 23 December 1996 of tenements validly granted before that date will not be subject to the right to negotiate process provided:

- (i) the area to which the earlier grant was made is not extended;
- (ii) the term of the new grant is not longer than the term of the earlier grant; and
- (iii) the rights to be created are not greater than the rights conferred by the earlier grant.

There is doubt as to whether the right to negotiate process applies to second and subsequent renewals but this matter is yet to be determined by the courts. Other than as stated above, renewals of mining tenements are subject to the same right to negotiate process (or, pending legislation, alternative State process) as is described above.

Section 6 SOLICITORS' REPORT ON TENEMENTS

11. Risk Factors

The existence of native title and/or native title claims in relation to the land the subject of the Tenements may have an adverse impact on the activities of the Company, and its ability to fund those activities. It is noted that the SA Exploration Licence is subject to a registered native title claim and a native title mining agreement has been registered in respect of the SA Exploration Licence. No ILUA has been registered in respect of the SA Exploration Licence area.

It is impossible at this stage to quantify the impact that these matters may have, but the main risks include:

- (a) delays in obtaining the grant of some of the Tenements which are still at application stage, renewals or conversions of the Tenements, or further applications, as a result of the right to negotiate process (or alternative State process) as this process can take as long as 2 years. Further, if the parties to the right to negotiate process cannot reach agreement the matter may be referred to the NNTT for arbitration. The NNTT may determine that the application cannot be granted or only granted on conditions unacceptable to the Company, as applicable;
- (b) compensation may be payable by the Company as a result of agreements made pursuant to the right to negotiate or alternative process or as a result of a compensation order made by the Federal Court in the event native title has been determined to exist. The amount of such compensation is not quantifiable at this stage;
- (c) if native title is found to exist the nature of the native title may be such that consent to mining is required from the native title holders but is withheld or only granted on conditions unacceptable to the Company, as applicable; and
- (d) the risk that Aboriginal sites and objects exist on the land the subject of the Tenements, the existence of which sites and objects may preclude or limit mining activities in certain areas of the Tenements. Further, the disturbance of such sites and objects is likely to be an offence under the applicable legislation, exposing the Company to fines and other penalties.

12. Qualifications

While the status of the Tenements is dealt with in detail in the Schedule and the Notes, we point out by way of summary, that:

- (a) we have assumed the results of the searches which we have made or caused to be made of the Register established and maintained pursuant to the WA Mining Act and the SA Mining Act are accurate;
- (b) we have relied on the accuracy of the Registers and records maintained by the Department, PIRSA and the NNTT;
- (c) the holding of the Tenements is subject to compliance with their terms and conditions and the provisions of the WA Mining Act and the SA Mining Act;

Section 6 SOLICITORS' REPORT ON TENEMENTS

- (d) we have not undertaken independent surveys of the land the subject of the Tenements and consequently, we cannot verify the accuracy of the area of the Tenements; and
- (e) in relation to native title, whilst we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court and intersect the areas of the Tenements, we have not conducted any historical or anthropological investigations regarding the likely existence or non-existence of native title rights and interests in respect of those areas.

Yours faithfully



Blakiston & Crabb

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Section 6 SOLICITORS' REPORT ON TENEMENTS

TENEMENT SCHEDULE BLACKGRANGE LIMITED SOLICITORS REPORT

Tenement No.	Holder/ Applicant	Grant Date	Expiry Date	Registered Encumbrances & Interests	Registered Native Title Claims	Notes
E 39/1140	Deep Yellow	24/08/06	23/08/11	Nil	Nil	8, 9
E 39/1141	Deep Yellow	24/08/06	23/08/11	Nil	Nil	8, 9, 10
E 39/1142	Deep Yellow	24/08/06	23/08/11	Nil	Nil	
E 39/1143	Deep Yellow	24/08/06	23/08/11	Nil	Nil	11
E 39/1144	Deep Yellow	24/08/06	23/08/11	Nil	Nil	12
E 45/2887	Deep Yellow	Pending application lodged 29/03/06		Nil	Nyangumarta WC98/065 Martu WC96/078 (Determined)	1
E 45/2888	Deep Yellow	Pending application lodged 29/03/06		Nil	Nyangumarta WC98/065 Martu WC96/078 (Determined)	
E 45/2889	Deep Yellow	Pending application lodged 29/03/06		Nil	Martu WC96/078 (Determined)	
E 45/2890	Deep Yellow	Pending application lodged 29/03/06		Nil	Martu WC96/078 (Determined)	
E 45/2891	Deep Yellow	Pending application lodged 29/03/06		Nil	Martu WC96/078 (Determined)	
E 45/2892	Deep Yellow	Pending application lodged 29/03/06		Nil	Martu WC96/078 (Determined)	
E 45/2893	Deep Yellow	Pending application lodged 29/03/06		Nil	Martu WC96/078 (Determined)	
E 45/2894	Deep Yellow	Pending application lodged 29/03/06		Nil	Martu WC96/078 (Determined)	
E 45/2895	Deep Yellow	Pending application lodged 29/03/06		Nil	Martu WC96/078 (Determined)	
E 45/2896	Deep Yellow	Pending application lodged 29/03/06		Objection MB168/056	Martu WC96/078 (Determined)	2, 3
E 45/2897	Deep Yellow	Pending application lodged 29/03/06		Nil	Martu WC96/078 (Determined)	2
E 80/3817	Deep Yellow	Pending application lodged 05/12/06		Nil	Tjurabalan No.2 WC95/074 (Determined)	4
E 80/3275	Tanami	11/11/05	10/11/10	Nil	Tjurabalan No.2 WC95/074 (Determined)	4, 13, 14

Section 6 SOLICITORS' REPORT ON TENEMENTS

Tenement No.	Holder/Applicant	Grant Date	Expiry Date	Registered Encumbrances & Interests	Registered Native Title Claims	Notes
E 80/1735	Tanami	15/03/94	14/03/07	Extension/ Renewal 144/067	Tjurabalan No.2 WC95/074 (Determined)	5, 6, 7, 15
EL 3288	Deep Yellow (90% Interest) Signature (10% Interest)	02/12/2004	01/12/2007	Nil	Adnyamathanha No. 1 SC 99/1 Registered Native Title Mining Agreement between Deep Yellow and the registered representatives of SC99/1 dated 15/08/2006.	16

Key:

Deep Yellow	=	Deep Yellow Limited (ACN 006 391 948)
E	=	Exploration Licence
EL	=	Exploration Licence (SA)
Tanami	=	Tanami Exploration NL (ACN 063 213 598)
Signature	=	Signature Resources NL (ACN 077 307 012)

Objections:

Objection MB168/056	Lodged on 7 April 2006 by Birla Nifty Pty Ltd
Extension/Renewal of Term 144/067 sought, not yet granted or rejected	Lodged on 12 March 2007 – renewal of 1 year

NOTES:

Encroachments:

- 13.4% of the tenement is covered by onshore exploration permit EP 448 granted under the Petroleum Act 1967.
- Miscellaneous Licences in favour of third parties cover less than 4% of the tenement.

Section 6 SOLICITORS' REPORT ON TENEMENTS

3. Less than 1% of the tenement is covered by A State Onshore Pipeline Licence.
4. Less than 12% of the tenement is subject to Proposed Nature Reserve PNR/219.
5. 17.3% of the tenement is covered by Historical Lease 396/422.
6. 100% of the tenement is subject to Proposed Nature Reserve PNR/219.
7. Less than 9% of the tenement is covered by prior Exploration Licences in favour of third parties.
8. Less than 1% of the tenement is covered by prior Exploration Licence 39/876.

Endorsements and Conditions:

9. The grant of this licence does not include the land the subject of prior Exploration Licence 39/876. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".
10. The land the subject of this licence affects a Rare Flora Site/s (including Rare Flora Site/s DRF/15632) declared under the Wildlife Conservation Act 1950. The licensee is advised to contact the Department of Conservation and Land Management for detailed information on the management of Declared Rare Flora present within the tenement area.
11. The land the subject of this licence affects a Rare Flora Site/s (including Rare Flora Site/s DRF/15619) declared under the Wildlife Conservation Act 1950. The licensee is advised to contact the Department of Conservation and Land Management for detailed information on the management of Declared Rare Flora present within the tenement area.
12. The land the subject of this licence affects a Rare Flora Site/s (including Rare Flora Site/s DRF15629 and DRF19408) declared under the Wildlife Conservation Act 1950. The licensee is advised to contact the Department of Conservation and Land Management for detailed information on the management of Declared Rare Flora present within the tenement area.
13. No interference with Geodetic Survey Station NMF 1 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
14. In respect of the area of land designated PNR/219 (Proposed Nature Reserve), hereinafter referred to as the designated area, the following shall apply:
 - (a) Prior to accessing the licence area, the licensee shall consult with the Regional Environmental Officer, Department of Industry and Resources (DoIR), and ensure that where required all vehicles and equipment entering the designated area are washed down to remove soil and plant propagules and adhering to such conditions specified for the prevention of the spread of soil-borne diseases.

Section 6 SOLICITORS' REPORT ON TENEMENTS

(b) Prior to any activity involving disturbances to vegetation and soils including:-

- exploration access; and/or
- exploration sampling;

the licensee preparing a detailed program for each phase of the proposed exploration for written approval of the State Mining Engineer. The State Mining Engineer to consult with the Regional/District Manager, Department of Conservation and Land Management or the Department of Environmental Protection or other government agency (as relevant) prior to approval. This program to describe the environmental impacts and programs for their management and is to include:-

- maps and/or aerial photographs showing the proposed locations of all ground disturbing activities and disturbances;
- the purpose, specifications and extent of each activity and disturbance;
- descriptions of all vegetation types (in general terms), land forms, and unusual features likely to be disturbed by such proposed disturbances;
- details on proposals that may disturb sensitive terrestrial habitats including any declared flora and fauna if applicable;
- procedures to protect the integrity of special ecosystems such as wetland systems, mangal communities and rainforest areas (and/or associated rainforest monitoring sites) if applicable;
- techniques, prescriptions and timetable for rehabilitation of all proposed disturbances;
- undertaking for corrective measures for failed rehabilitation;
- details of water requirements from within the designated area;
- details of refuse disposal; and
- proposals for instruction and supervision of personnel and contractors in respect to environmental conditions.

(c) Access to and from and the movement of vehicles within the licence area being restricted to ground or seasonal conditions and routes approved under the program or otherwise agreed by the Regional Environmental Officer, DoIR.

(d) At agreed intervals, not greater than 12 monthly, the licensee providing a brief report to the Director, Environment, DoIR outlining the progress of the operation and rehabilitation program and the proposed operations and rehabilitation programs for the next 12 months.

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Section 6 SOLICITORS' REPORT ON TENEMENTS

- (e) Prior to the cessation of the exploration/prospecting activity in the designated area, the licensee notifying the Regional Environmental Officer, DoIR and arranging an inspection as required.
15. In respect to the area outlined in turquoise on the Public Plan Billiluna 1:250,000 hereinafter referred to as the designated area, the following shall apply:
- (a) Prior to any environmentally significant activity, as defined by the State Mining Engineer, the licensee providing a detailed programme for each phase of proposed exploration for approval of the State Mining Engineer. This Programme to include:-
- maps and/or aerial photographs showing the proposed locations of all ground activities and disturbances;
 - the purpose, specifications and life of such roads, tracks, disturbances, etc;
 - descriptions of all vegetation types (in general terms), land forms, and unusual features likely to be disturbed by such proposed disturbances;
 - proposals that may disturb any declared rare geographically restricted flora and fauna;
 - techniques, prescriptions and timetable for rehabilitation of all proposed disturbances;
 - undertaking for corrective measures for failed rehabilitation;
 - details of water requirements from within the designated area;
 - details of refuse disposal; and
 - proposals for instruction and supervision of personnel and contractors in respect to environmental conditions.
- (b) At agreed intervals, not greater than 12 monthly, the licensee providing a brief report to the Director, Environment, DoIR outlining the progress of the operation and rehabilitation program and the proposed operations and rehabilitation programs for the next 12 months.
- (c) Prior to accessing the licence area, the licensee shall consult with the Regional Environmental Officer, Department of Industry and Resources (DoIR), and ensure that where required all vehicles and equipment entering the designated area are washed down to remove soil and plant propagules and adhering to such conditions specified for the prevention of the spread of soil-borne diseases.
- (d) Prior to the cessation of the exploration/prospecting activity in the designated area, the licensee notifying the Regional Environmental Officer, DoIR and arranging an inspection as required.

Section 6 SOLICITORS' REPORT ON TENEMENTS

- (e) The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled:-
- “Barrick Gold of Australia Technical Report No. 1039” dated May 2002 and retained on Department of Mineral and Petroleum Resources File No. 11884/93;
 - “Ground Disturbance Approval Application E80/1735” dated 6 September 2005 (EXP 3546), “Environmental Management Plan for Mineral Exploration on E80/1735” dated December 2005 and email “FW:EMP for Mineral Exploration on E80/1735” from Alicial Graham dated 30 December 2005 and retained on Department of Industry and Resources File No. 4445/03.

Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.

- (f) The licensee arranging lodgement of a Bond in favour of the Minister for State Development for due compliance with the environmental conditions of the lease in the sum of \$10,000.
- (g) The licensee submitting to the State Mining Engineer, a brief annual report outlining the project operations, minesite environmental management and rehabilitation work undertaken in the previous 12 months and the proposed operations, environmental management plans and rehabilitation programmes for the next 12 months. This report to be submitted each year in February.

16.

- (a) The licence permits exploration for all minerals except extractive minerals or precious stones.
- (b) The licence is subject to an expenditure commitment of \$285,000 over the term of the EL.
- (c) The licence area is wholly or partially situated in a Petroleum Tenements Area.
- Any activities which may significantly or deleteriously affect the potential for coal seam methane drainage or insitu gasification of coal within any overlapping Exploration Licence under the Petroleum Act 2000 (SA) require the agreement of the relevant licensee or the Minister.

Section 7 RISK FACTORS

7.1 Introduction

There are a number of risk factors which may affect the financial performance of the Company and the value of the Shares. While some of these risks can be minimised some are outside the control of the Company. There are also specific risks associated with the Company's business and investment in the uranium industry.

This Section identifies certain, but not all of the areas the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Intending investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for Shares.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business and its involvement in the exploration and mining industry. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the proposed business of the Company. The following summary, which is not exhaustive, represents some of the major risk factors of which potential investors need to be aware.

7.2 General Risk Factors

Share Market Risks

There are risks associated with investment in equities generally. The trading price of the Company's Shares may fluctuate with movements in equity capital markets in Australia and internationally, which in turn are driven by factors including investor sentiment, general economic conditions, interest rates and federal government monetary and fiscal policies. Returns from an investment in the Company's securities will depend on general share market and economic conditions as well as the specific performance of the Company. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Economic Conditions

General economic conditions may affect interest rates, inflation rates and other economic variables. Movements in these factors may benefit or adversely affect the Company's earnings. Movement in general economic conditions may also affect companies with which the Company conducts its business which may also affect the Company's earnings.

7.3 Business Risk Factors

Limited History

The Company has only a limited history of operations with no earnings and the overall success of the Company will be affected by its future successful business activities.

General Operating Risk

The business may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, industrial accidents, technical failures, processing deficiencies, labour disputes, severe seismic activity, flooding and extended interruptions due to inclement or hazardous weather conditions, fire, explosions, customs and port delays.

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Reliance on Key Personnel

The loss of any one or more of the Directors could have an adverse impact on the performance and prospects of the Company.

Uranium Mining – Australian Government Regulation and Policy

Uranium mining in Australia is subject to extensive regulation by Commonwealth and State Governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. Accordingly, the approval processes for uranium mining are more rigorous than for the mining of other metals. Compliance with such laws and regulations will increase the costs of exploring, drilling, developing, constructing, operating and closing mines and other production facilities.

Australian Federal Government Policy

The Federal Government currently permits the mining and export of uranium under strict international agreements designed to prevent nuclear proliferation. The export of uranium is tightly controlled by the Federal Government through its licensing process and Australian uranium can only be exported to those countries who undertake to use it for peaceful purposes.

Western Australian Government Policy

Although Western Australia currently has no legislation that prohibits uranium mining, there is a State Government policy prohibiting uranium mining. All mining leases granted since 22 June 2002 have been issued subject to a condition prohibiting the mining of uranium. Except for E 80/1735 which was granted on 15 March 1994, all of the Company's granted tenements were granted after 22 June 2002. Notwithstanding the fact that E 80/1735 was granted prior to 22 June 2002 it is subject to the Western Australian Government's ban on uranium mining. While this does not restrict the Company exploring and evaluating its uranium prospects, the development of any discovered uranium deposits will be contingent upon a change of Western Australia State Government policy in relation to uranium production. There can be no assurance that the policy will change in the future and this may adversely affect the long-term prospects of the Company.

South Australian Government Policy

The South Australian State Government permits the mining of uranium provided strict conditions are adhered to.

Changes in Policy

Future changes in governments, regulations and policies may have an adverse impact on the Company.

Section 7 RISK FACTORS

Exploration and Mining Risks

The mineral tenements of the Company as described in this Prospectus are in the early stages of exploration and potential investors should understand that mineral exploration and development are high-risk undertakings. The future viability and profitability of the Company as an exploration and mining company will be dependent on a number of factors, including, but not limited to, the following:

- the mining tenements in which the Company has an interest, as described in this Prospectus, are at various stages of exploration, and potential investors should understand that mineral exploration and development are high risk undertakings;
- there can be no assurance that exploration of the tenements/projects described in this Prospectus, or any other tenements that may be acquired in the future, will result in the discovery of an economic mineral deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited;
- the exploration costs of the Company described in the Independent Geological Report and Section 2.3 of this Prospectus are based on certain estimates and assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability;
- in the event that exploration on an exploration tenement owned by the Company, or in which the Company has an interest, results in an economic deposit being discovered, the Company's ability to mine such deposit will be subject to, amongst other things, obtaining a mining lease conferring the right to conduct uranium mining. Investors should understand that the WA State Government has stated publicly that its current prohibition on the mining of uranium in Western Australia will remain in force during its term in office. No assurance can be given as to when or if the current policy will change;
- it may not always be possible for the Company to participate in the exploitation of any successful discoveries that may be made in any areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. Further, the decision to proceed to further exploration may require the participation of other companies or individual whose interests and objectives may not be the same as the Company. Such further work may also require the Company to meet or commit to financing obligations to which it may not have planned;
- commodity prices and exchange rates;
- risks inherent in exploration and mining including, among other things, successful exploration and identification of ore reserves, satisfactory performance of mining operations and competent management;
- risks associated with obtaining grant of any mining tenements which are applications or renewal of tenements upon expiry of their current term;
- risks arising because of native title and aboriginal land rights which may affect the Company's ability to gain access to prospective exploration areas to obtain production titles. Compensatory obligations may be necessary in settling native title claims of lodged over any of the tenements held or acquired by the Company. The level of impact of these matters will depend, in part, on the location and status of the tenements acquired by the Company;

- the risk of material adverse changes in the government policies or legislation of Australia affecting the level of mining and exploration activities;
- environmental management issues with which the Company may be required to comply from time to time;
- poor weather conditions over a prolonged period which might adversely affect mining and exploration activities and the timing of earning revenues; and
- unforeseen major failures, breakdowns or repairs required to key items of mining plant and equipment or mine structure resulting in significant delays, notwithstanding regular programs of repair, maintenance and upkeep.

Native Title and Land Access

The Company's activities in Australia are subject to the *Native Title Act 1993* (Cth), and its interpretation, which are discussed in the Solicitor's Report on Tenements in Section 6 this Prospectus. Uncertainty associated with Native Title issues may impact on the Company's future plans.

Risks Associated with grant of Exploration Licences

Any application for a mining tenement may be subject to the right to negotiate process under the Native Title Act in which case the grant of a valid tenement may require either the successful negotiation of an agreement with the native title claimants or holders or alternatively a successful application to the National Native Title Tribunal for a determination that the production tenement be granted. Compliance with the right to negotiate process can result in significant delays to the implementation of any project. Negotiated native title agreements may adversely impact on the economics of projects depending on the nature of any commercial terms agreed.

The Company has a number of exploration licence applications. If there are no objections to an application, then grants can occur in approximately ten months from application. However delays of more than 12 months can occur if objections are lodged, under either the Mining Act or Native Title Act.

Further information regarding the native title regime are set out in the Solicitors Report in Section 6 of this Prospectus.

Environmental Risks

The operations and proposed activities of the Company are subject to laws and regulations in Australia concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Many of the activities and operations of the Company are environmentally sensitive and cannot be carried out without prior approval from and compliance with all relevant authorities.

It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, the Company may be liable for environmental rehabilitation, damage control and losses due to risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances. Breaches of environmental requirements could result in fines or closure of the Company's operations.

Section 7 RISK FACTORS

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact on the environment. There can be no guarantee that such approvals will be granted. Failure to obtain such approvals will prevent the Company from undertaking its desired activities.

Title Risks

Certain of the tenements referred to in this Prospectus are applications awaiting grant and are not granted licences. There is a risk that these applications will not be granted.

Interests in tenements in Australia are governed by the legislation of the State in which they are located and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, tenements if native title agreements are not reached, licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

Insurance Risks

The Company intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

Payment Obligations

Under the exploration tenements and certain other contractual agreements to which the Company is or may in the future become party, the Company is or may become subject to payment and other obligations. In particular, tenement holders are required to expend the funds necessary to meet the minimum work commitments attaching to the exploration tenements. Failure to meet these work commitments will render the tenement liable to be cancelled. Further, if any contractual obligations are not complied with when due, in addition to any other remedies which may be available to the other parties, this could result in dilution or forfeiture of interests held by the Company (for example, in the Tenements or the Joint Venture Agreements).

The Company may not have, or be able to obtain, financing for all such obligations as they arise.

In the future, the Company may seek to reduce its financing obligations by granting options over or farming-out part of its interest in its tenements/projects. Failure to achieve any proposed option or farm-out may affect the Company's ability to fund its further operations on its Projects.

Additional Capital Requirements

Future capital requirements will depend on many factors, including the Company's exploration results. Additional funds may be needed to fully drill-out and exploit any mineralisation that may be discovered, to commence mining, to farm into, or to purchase other mining projects. The Directors will also investigate the most appropriate manner in which to obtain further funds at the relevant times.

Any additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Contractual Agreements

The Company is acquiring its interest in the tenements through agreement with a third party. If such third party fails to meet its obligations under such agreement (including but not limited to any funding or financing obligations), this could adversely affect the Company's ongoing operations.

7.4 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares in the Company.

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Section 8 ADDITIONAL INFORMATION

8.1 Registration

The Company was registered on 18 December 2006.

8.2 Company Tax Status and Financial Year

The Directors expect the Company will be taxed in Australia as a public company.

The financial year of the Company ends on 30 June annually.

8.3 Legal Proceedings

The Directors are not aware of any litigation of a material nature pending or threatened which may significantly affect the Company.

8.4 Material Contracts

Set out below is a brief summary of certain contracts which have been entered into by the Company and which have been identified as material and relevant to potential investors.

Agreement to Acquire the Tenements

Deep Yellow Limited ACN 006 391 948 ("**Deep Yellow**") is the holder or is entitled to be the holder of 100% interests in the tenements listed in the tenement schedule attached to the Solicitor's Report in section 6 of this Prospectus ("**Tenements**") except for EL 3288 located in South Australia which is held jointly by Deep Yellow (90%) and Signature Resources NL (10%) (refer to the below summary of the Siccus Joint Venture).

By a mining tenement sale agreement ("**Sale Agreement**") dated 21 May 2007 the Company has agreed to purchase from Deep Yellow a 70% interest in the Tenements. The consideration payable by the Company to Deep Yellow under the Sale Agreement consists of the payment of \$2,000,000 in cash ("**Cash Consideration**") to Deep Yellow and the issue to Deep Yellow of ordinary fully paid shares in the Company equivalent to 9.8% of the total issued share capital of the Company at the time of admission of the Company to the official list of the ASX ("**Share Consideration**"). The Cash Consideration is to be paid in instalments of:

- (a) \$250,000 on execution of the Sale Agreement (which amount has been paid by the Company);
- (b) \$250,000 on execution of the Exploration Joint Venture Agreement (which amount has been paid by the Company); and
- (c) \$1,500,000 two business days after satisfaction of the last of the conditions (summarised below).

The Share Consideration is to be issued 2 business days after the satisfaction of the last of the conditions.

The Sale Agreement is conditional on the receipt of all necessary Ministerial and governmental authority approvals and consents to the transfer to the Company and on the Company obtaining conditional approval to admission to the official list of the ASX ("**Conditions**"). All Conditions must be satisfied or waived on or before 23 November 2007 or such later date as agreed between the parties. If the conditions are not satisfied or waived by 23 November 2007 or such other date as agreed by the parties then either party may elect to terminate the Sale Agreement and any monies paid to Deep Yellow in accordance with points (a) and (b) above up to the time of termination will be forfeited to Deep Yellow.

Exploration Joint Venture Agreement

The Company has entered into an Exploration Joint Venture Agreement with Deep Yellow dated 29 June 2007 ("**JV**"). The Company has a 70% interest in the JV and Deep Yellow has a 30% interest in the JV ("**Joint Venture Interests**"). The purpose of the JV is to explore the Tenements in an attempt to locate an economic resource capable of exploitation by the parties. Under the terms of the JV the Company shall be manager of the JV and shall sole fund the JV up to the completion of a definitive feasibility study (should a resource be located within the Tenements) at which point the parties will contribute to the costs of the JV in proportion to their Joint Venture Interests. While the Company is sole funding the JV it is entitled to determine, acting reasonably, all exploration programmes and expenditure and will act as the attorney for Deep Yellow in respect of all activities carried out under the JV. The Company, as manager, will be responsible for all exploration activities, keeping of all exploration information, maintaining the Tenements in good standing and keeping proper accounts and records of all exploration activities and expenditure. Where necessary for the Company to carry out the activities of the Manager, Deep Yellow will transfer to the Company all legal title in the JV property, including the Tenements, which property will then be held on trust for Deep Yellow in proportion to its Joint Venture Interest. The relationship between the parties is limited to the objects of the JV and does not create any new entity or partnership.

The term of the JV is 80 years from 29 June 2007 or until the JV is terminated by agreement of the parties or there remains only one party to the JV whichever is the earliest to occur. The parties are entitled to assign their Joint Venture Interests to related bodies corporate without the consent of the other party. The parties are also entitled to assign their Joint Venture Interests to third parties provided they first offer that interest to the other party to the JV on the same terms and conditions of the proposed offer to the third party.

Should a definitive feasibility study be completed in respect of a resource located within one or more of the Tenements and a decision is made to mine that resource then, under the terms of the JV, the parties have agreed to enter into a production joint venture to govern such mining and, until the production joint venture is executed, any such mining will be governed by the terms of the JV.

Under the JV should any party decline to take part in a decision to mine ("**Non-Mining Party**") then the JV provides that the remaining party ("**Mining Party**") shall acquire the Non-Mining Party's interest in the area the subject of the decision to mine. To acquire the Non-Mining Party's interest the Mining Party must pay to the Non-Mining Party an amount equal to:

The Non-Mining Party's Joint Venture Interest multiplied by 15% of the 'In Ground Value' ("**Earn-out Consideration**") where:

The 'In Ground Value' is equal to the JORC compliant tonnage of each Mineral Resource (as defined in the JORC Code) calculated in pounds multiplied by the uranium spot price as published on the Ux Consulting Company LLC website www.uxc.com.

The Earn-out Consideration may be paid in cash and or listed shares in the Mining Party at the election of the Mining Party.

The parties will form an Operating Committee whose function will be to review the exploration programmes and budgets prepared by the manager, approve those programmes and budgets and give direction to the manager. However, while the Company is sole funding the JV, Deep Yellow shall not be entitled to vote on any resolution to approve a programme and budget but the Company, as manager, must still prepare those budgets and programmes and submit them

Section 8 ADDITIONAL INFORMATION

to the Operating Committee. The Operating Committee is also entitled to give directions to the parties as to how to vote on the operating committee formed under the Siccus Joint Venture (summarised below). The Operating Committee will also determine, by majority vote, the manner in which the parties will exercise their votes on the Operating Committee formed under the Siccus Joint Venture (summarised below) and the exercise of all other rights and elections the parties are entitled to make under the Siccus Joint Venture.

Siccus Farmin and Joint Venture Agreement

The Siccus Project in South Australia comprises one exploration licence EL 3288 details of which are given in the Tenement Schedule to the Solicitor's Report in Section 6 of this Prospectus ("**Siccus Tenement**"). The Siccus Tenement is currently held jointly by Deep Yellow (90%) and Signature Resources NL ACN 077 307 012 (10%) ("**Signature**"). Upon completion of the Sale Agreement (summarised above) Deep Yellow will transfer a 70% interest in the Siccus Tenement to the Company at which point the respective interests in the Siccus Tenement will be the Company (70%), Deep Yellow (20%) and Signature (10%).

The Siccus Tenement is currently subject to the Siccus Farmin and Joint Venture Agreement dated 11 June 1997 ("**Siccus JV**"). The current parties to the Siccus JV are Deep Yellow and Signature.

Background to Siccus JV

The Siccus JV was originally entered into between Paladin Energy Minerals NL ACN 073 700 393 ("**PEM**"), Brightstar Power Corporation Pty Ltd ACN 076 987 329 ("**Brightstar**"), Paladin Resources NL ACN 061 681 098 ("**Paladin**") and Signature. The joint venture interests of the parties, after the Earning Period and Carried Period (defined terms in the Siccus JV, which periods have now expired), were PEM (45%), Brightstar (45%) and Signature (10%) (Paladin was not entitled to earn an interest under the Siccus JV). The interest of Brightstar in the Siccus JV was acquired by PEM pursuant to a sale agreement dated 3 November 2000. The interest of PEM was acquired by Paladin by a deed of assignment dated 1 February 2002. The interest of Paladin was acquired by Deep Yellow pursuant to a sale agreement dated 15 July 2005 and a deed of assignment dated 26 October 2005.

Pursuant to the Siccus JV, Paladin was the manager of the Siccus JV and was entitled to remain so as long as PEM and Brightstar together held a joint venture interest of 50% or greater. By virtue of the various sale agreements and assignments referred to above Paladin's role of manager under the Siccus JV has been assigned to Deep Yellow. Pursuant to the Sale Agreement between Deep Yellow and the Company, Deep Yellow has, among other things, sold its rights in respect of a 70% interest in the Siccus JV. Under the terms of a deed of assignment between Deep Yellow, the Company and Signature dated 23 July 2007 the Company has covenanted with Deep Yellow and Signature to be bound by the terms of the Siccus JV and 77.8% of Deep Yellow's 90% interest in the Siccus JV as well as the role of manager of the Siccus JV has been assigned to the Company.

On completion of the Sale Agreement the joint venture interests in the Siccus JV will be held by the Company (70%), Deep Yellow (20%) and Signature (10%). Pursuant to the Terms of the Siccus JV (as assigned) the Company is the manager of the Siccus JV. The Company is entitled to remain the manager so long as the Company holds at least a 50% joint venture interest or until the Company resigns as the manager or is removed by resolution of the Operating Committee referred to below. The purpose of the Siccus JV is to explore the Siccus Tenement in accordance with exploration programmes and budgets prepared by the manager. The Siccus JV provides for the creation of an Operating Committee on which the parties each have a nominated representative to vote on all decisions of the Operating Committee and each party's representative has one vote

for each percentage point of that party's joint venture interest. The Operating Committee's chief responsibility is to review and approve the exploration programmes and budgets prepared and submitted by the manager.

Each party is required to contribute toward joint venture expenditure, including but not limited to exploration costs, rates and taxes, in proportion to their respective interests. The Company is sole funding Deep Yellow's 20% joint venture interest until a decision to mine is made. The manager is entitled to make cash calls on the other parties in respect of each party's respective contribution to joint venture expenditure incurred in the previous month. Interest is chargeable on cash calls that have not been paid by a party within 14 days of receipt by that party of a cash call from the manager. If a party defaults on a cash call for more than 10 days then the other parties may elect to dilute that defaulting party's joint venture interest.

Any party may assign its interest in the Siccus JV to a related body corporate without the consent of the other parties. The Company and Deep Yellow may assign their respective joint venture interests to third parties without the consent of Signature however, Signature may not assign its joint venture interest to third parties unless and until Signature has first offered its interest to the other parties on the same terms and conditions as the proposed assignment to the third party and the Company and Deep Yellow have not taken up such offer.

The Siccus JV does not provide a definite term for the agreement, however, any party may withdraw from the Siccus JV by giving the other parties 30 days written notice of its intention to withdraw and thereupon will forfeit to the remaining parties its joint venture interest. Furthermore, a party will be deemed to have withdrawn from the Siccus JV if its joint venture interest reduces to less than 10%.

8.5 Rights Attaching to Shares

There is only one class of shares on issue in the Company being fully paid ordinary shares. The rights attaching to Shares in the Company are:

- (a) set out in the constitution of the Company, a copy of which is available for inspection at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules of ASX, the SCH Business Rules and the general law.

The following is a summary of the principal rights of the holders of Shares in the Company.

- (c) subject to any special rights or restrictions for the time being attached to any class or classes of Shares in the Company (at present there are none), at a general meeting every Shareholder present in person or by proxy, representative or attorney will have a vote on a show of hands and, on a poll, one vote for each share held;
- (d) each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Constitution or the Corporations Act;
- (e) subject to any special rights of the holders of any Shares as to a dividend (at present there are none), any dividend declared shall be payable on all Shares in proportion to the number of Shares held by the Shareholders irrespective of the amount paid up or credited as paid up in respect of such Shares;
- (f) subject to the rights of holders of Shares with special rights in a winding-up (at present there are none), on a winding-up of the Company all monies and property that are to be legally

Section 8 ADDITIONAL INFORMATION

distributed among holders of Shares will be distributed so that, to the greatest extent possible, the amount distributed is in proportion to the Shares held by Shareholders respectively, irrespective of the amounts paid up or credited as paid up in respect of the Shares. At the commencement of the winding up, Shares classified by ASX as Restricted Securities shall rank on a return of capital after all other Shares; and

(g) subject to the Constitution and the Corporations Act, Shares are freely transferable.

ASX Listing Rules

If the Company is admitted to the Official List of ASX, then despite anything in the constitution of the Company, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the constitution to contain a provision or not to contain a provision the constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the constitution is or becomes inconsistent with the Listing Rules, the constitution is deemed not to contain that provision to the extent of the inconsistency.

8.6 Rights Attaching to Founder Options

The terms and conditions of the Founder Options are as follows:

- (a) each option entitles the holder to one 1 Share in the Company;
- (b) the options are exercisable at any time on or prior to 5.00pm (Western Standard Time) on 30 June 2010 (“**Expiry Date**”) by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the options are exercised to the registered office of the Company;
- (c) the option exercise price is \$0.20 per option;
- (d) an option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised;
- (e) subject to the Corporations Act and the Company’s constitution, the options are freely transferable;
- (f) all Shares issued upon exercise of the options will rank *pari passu* in all respects with the Company’s then issued Shares;
- (g) there are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give option holders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue; and
- (h) if at any time the issued capital of the Company is reconstructed, all rights of an option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules (if applicable).

8.7 Rights attaching to Class B, Class C and Class D Options

The terms and conditions of the Class B, Class C and Class D Options are:

- (a) Each option shall be issued for no consideration.
- (b) Each option entitles the holder to subscribe for one ordinary share in the Company upon the payment of:
 - (i) in the case of Class B Options, \$0.30;
 - (ii) in the case of Class C Options, \$0.40
 - (iii) in the case of Class D Options, \$0.50.
- (c) The options will lapse at 5.00 pm, Western Standard Time on 30 June 2011 ("Expiry Date").
- (d) The options are transferable and will not be listed for official quotation on the ASX.
- (e) There are no participating rights or entitlements inherent in these options and holders of the options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the option.
- (f) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (g) The options:
 - (i) in the case of Class B Options, shall be exercisable at any time during the period commencing on the date the Company's ordinary shares are admitted to quotation on ASX;
 - (ii) in the case of Class C Options, shall be exercisable at any time during the period commencing on 1 July 2008;
 - (iii) in the case of Class D Options, shall be exercisable at any time during the period commencing on 1 July 2009,and ending on or before the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the optionholder to exercise all or a specified number of options held by them accompanied by an Option Certificate and a cheque made payable to the Company for the subscription monies for the shares. The Notice must be received by the Company during the Exercise Period. An exercise of only some options shall not affect the rights of the optionholder to the balance of the options held by him.
- (h) The Company shall allot the resultant shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the options.
- (i) The shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
- (j) There are no rights to change the exercise price or the number of underlying Shares.

Section 8 ADDITIONAL INFORMATION

8.8 Directors' Interests

Except as disclosed in this Prospectus, no Director or proposed Director holds, or during the last two years has held, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director or proposed Director to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

Shareholding Qualifications

The Directors are not required to hold any shares in the Company under the constitution of the Company.

Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the securities of the Company as at the date of this Prospectus:

Director	No. of Shares Held	No. of Options ¹ Held
Marcello Cardaci	1,250,000 ²	3,000,000 Founder Options ²
David Riekie	2,537,500 ³	2,500,000 Founder Options ⁴ 250,000 Class B Options ⁵ 250,000 Class C Options ⁵ 250,000 Class D Options ⁵
Philip Warren	62,500 ⁶	250,000 Class B Options ⁷ 250,000 Class C Options ⁷ 250,000 Class D Options ⁷

Note:

1. See Sections 8.6 and 8.7 of this Prospectus for further details of these Options.
2. The Shares and Options are (or will be) held by Marcello Cardaci as trustee for the MD Cardaci Family Trust. The grant of 1,750,000 Founder Options is subject to shareholder approval being sought at a shareholders' meeting being held on 16 August 2007.
3. 2,500,000 Shares are held by Grange Consulting Group Pty Ltd of which Mr Riekie is a director and shareholder. 12,500 Shares are held by Wilhaja Pty Ltd of which Mr Riekie is a beneficiary. 12,500 Shares are held by Mr Riekie. 12,500 Shares are held by Mr Riekie and Mrs Riekie as trustee for the Riekie Superannuation Fund of which Mr Riekie is a beneficiary.

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4. The Founder Options are held by Grange Consulting Group Pty Ltd of which Mr Riekie is a director and shareholder.
5. The grant of the Class B, Class C and Class D Options is subject to shareholder approval being sought at a shareholders' meeting being held on 16 August 2007 and will be held by Mr Riekie.
6. 37,500 Shares are held by Mr Warren. 25,000 Shares are held by Concept Biotech Pty Ltd, a related entity to Mr Warren.
7. The grant of the Class B, Class C and Class D Options is subject to shareholder approval being sought at a shareholders' meeting being held on 16 August 2007 and will be held by Philuchna Pty Ltd of which Mr Warren is a director and shareholder.

The Directors may subscribe for Shares under this Prospectus.

Remuneration of Directors

The constitution of the Company provides that the non-executive directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting (currently \$200,000 per annum).

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The Company has engaged Grange Consulting Group Pty Ltd to provide the services of Mr Phil Warren as an executive Director of the Company. The Company pays an amount of \$5,000 per month for these services. The consultancy agreement is terminable by the Company by giving three months notice.

Other Interests

The Company has entered into Deeds of Insurance, Indemnity and Access with each of the Directors under which the Company agrees to indemnify the Directors against certain liabilities incurred by the Directors while acting as Director of the Company, to insure the Directors against certain risks to which the Directors are exposed to as a Director of the Company and to grant to the Director a right of access to certain records of the Company for a period up to 7 years after the Director ceases to be a Director.

Grange Consulting Group Pty Ltd, of which Mr Riekie is a director and shareholder and Mr Warren is a senior executive, has agreed to provide company secretarial and financial accounting services to the Company at a rate of \$7,500 per month.

8.9 Interests of Named Persons

Except as disclosed in this Prospectus, no promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus holds, or during the last two years has held, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

Section 8 ADDITIONAL INFORMATION

(c) the Offer,

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to a promoter or any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Blakiston & Crabb have acted as solicitors to the Offer and prepared the Solicitor's Report on Tenements included in Section 6 of this Prospectus. The Company will pay approximately \$50,000 to Blakiston & Crabb for these services. Blakiston & Crabb have provided other professional services to the Company during the last two years for which the Company has or will pay fees totalling approximately \$15,000.

Kelly & Co. Lawyers have assisted in the preparation of sections of the Solicitor's Report on Tenements included in Section 5 of this Prospectus. The Company will pay approximately \$2,000 to Kelly & Co. Lawyers for these services.

BDO Kendalls Corporate Finance (WA) Pty Ltd has prepared the Investigating Accountant's Report included in Section 5 of this Prospectus. In respect of this work the Company will pay approximately \$7,000.

BDO Kendalls Audit and Assurance (WA) Pty Ltd has been appointed as auditor to the Company for which they will be paid their usual commercial rates.

Peter F Robinson has prepared the Independent Geological Report included in Section 4 of this Prospectus. In respect of this work the Company has agreed to pay approximately \$14,000 for these services.

Grange Consulting Group Pty Ltd has acted as corporate advisor to the Company. In respect of this work, it will be paid a fee of \$40,000. It will also be paid ongoing fees for consultancy, company secretarial and financial accounting services as noted in Section 8.8 of this Prospectus.

The amounts disclosed above are exclusive of any amount of goods and services tax payable by the Company in respect of those amounts.

8.10 Consents

Computershare Investor Services Pty Limited has given, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

Each of the following parties referred to in this Section 8.10:

- (a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Peter F. Robinson & Associates Pty Ltd has given its written consent to the inclusion in this Prospectus of its Independent Geological Report, and all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with the ASIC.

BDO Kendalls Corporate Finance (WA) Pty Ltd has given its written consent to the inclusion in this Prospectus of its Investigating Accountant's Report and all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with the ASIC.

Blakiston & Crabb have given their written consent to the inclusion in this Prospectus of its Solicitor's Report on Tenements and all statements referring to that report in the form and context in which they appear and have not withdrawn such consent before lodgement of this Prospectus with the ASIC.

Kelly & Co. Lawyers have given their written consent to the inclusion in the Solicitor's Report on Tenements of all their statements, or statements said to be based on statements made by them, in the form and context in which they appear and have not withdrawn such consent before lodgement of this Prospectus with the ASIC.

Each of the following has consented to being named in the Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- (a) Blakiston & Crabb as solicitors to the Company;
- (b) BDO Kendalls Audit and Assurance (WA) Pty Ltd as auditor to the Company;
- (c) BDO Kendalls Corporate Finance (WA) Pty Ltd as Investigating Accountants;
- (d) Peter F. Robinson & Associates Pty Ltd as Independent Geologist; and
- (e) Grange Consulting Group Pty Ltd as Corporate Advisors.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

8.11 Costs of the Issue

The total estimated costs of the Issue, including legal fees incurred, registration fees, underwriting fees, fees for other advisers, Prospectus design, printing and advertising expenses and other miscellaneous expenses, will be approximately \$800,000 (exclusive of any goods and services tax which may be payable on that amount).

8.12 Electronic Prospectus

Pursuant to Class Order 00/44 the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with the ASIC and the issue of Shares and Options in response to an electronic application form, subject to compliance with certain provisions.

If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company at admin@uranio.com.au and the Company will send to you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

Section 8 ADDITIONAL INFORMATION

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application moneys received will be dealt with in accordance with section 722 of the Corporations Act.

8.13 Issue to Deep Yellow

This Prospectus is also for the issue of up to 7,876,940 Shares to Deep Yellow pursuant to the Sale Agreement.

8.14 Grant of Options

Subject to shareholder approval, this Prospectus is also for the grant of 750,000 Founder Options to a consultant, 1,750,000 Founder Options to Mr Marcello Cardaci (or his nominee), 250,000 Class B Options, 250,000 Class C Options and 250,000 Class D Option to Mr Warren (or his nominee) and 250,000 Class B Options, 250,000 Class C Options and 250,000 Class D Option to Mr Riekie (or his nominee).

8.15 Directors Responsibility Statement and Consent

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of Shares pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated 30 July 2007

Signed for and on behalf of
BlackGrange Limited by



Chairman

Section 9 DEFINED TERMS

The following definitions apply throughout this document unless the context requires otherwise.

Applicant(s)	Person(s) who submit valid Application Forms pursuant to this Prospectus.
Application	A valid application made to subscribe for a specified number of Shares pursuant to this Prospectus.
Application Form	The application form relating to the Offer which accompanies this Prospectus.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691, and where the context permits the Australian Securities Exchange operated by ASX Limited.
Board	The board of Directors.
Class B Option	An option to subscribe for a Share at an exercise price of 30 cents and an expiry date of 30 June 2011 on the terms and conditions set out in Section 8.7 of this Prospectus.
Class C Option	An option to subscribe for a Share at an exercise price of 40 cents and an expiry date of 30 June 2011 on the terms and conditions set out in Section 8.7 of this Prospectus.
Class D Option	An option to subscribe for a Share at an exercise price of 50 cents and an expiry date of 30 June 2011 on the terms and conditions set out in Section 8.7 of this Prospectus.
Closing Date	3 September 2007.
Company	BlackGrange Limited ABN 61 123 156 089 to be renamed Uranio Limited.
Corporations Act	<i>Corporations Act</i> 2001 (Cth).
Deep Yellow	Deep Yellow Limited ACN 006 391 948.
Directors	The Directors of the Company.
Electronic Prospectus	An electronic version of the Prospectus.
Founder Option	An option to subscribe for a Share at an exercise price of 20 cents and an expiry date of 30 June 2010 on the terms and conditions set out in Section 8.6 of this Prospectus.
Issue	The issue of Shares pursuant to this Prospectus.
Joint Venture Agreement	The joint venture agreement made 29 June 2007 between the Company and Deep Yellow summarised in Section 8.4 of this Prospectus.
Listing Rules	The official listing rules of ASX.
Offer	The invitation to the public made in this Prospectus to subscribe for Shares.
Official List	The official list of ASX.

Section 9 DEFINED TERMS

Option	Either the Founder Options, the Class B Options, the Class C Options and/or the Class D Options as the context requires, the terms of which are set out in Sections 8.6 and 8.7 of this Prospectus.
Prospectus	This Prospectus and includes the Electronic Prospectus.
Sale Agreement	The Sale Agreement made 21 May 2007 between the Company and Deep Yellow summarised in Section 8.4 of this Prospectus.
SCH Business Rules	Has the same meaning as in the Corporations Act.
Section	A section of this Prospectus.
Share(s)	Fully paid ordinary share(s) in the Company.
Shareholder	The registered holder of Shares.

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**BLACKGRANGE LIMITED ACN 123 156 089
APPLICATION FORM**

Please read all instructions on reverse of this form

A Number of Shares applied for (minimum 10,000 Shares and then multiples of 2,500 Shares). **B** Total amount payable cheque(s) to equal this amount

at \$0.20 per Share = A\$

you may be allocated all of the Shares above or a lesser number

C Full name details title, given name(s) (no initials) and surname or company name

Name of applicant 1

Name of joint applicant 2 or <account name>

Name of joint applicant 3 or <account name>

E Full postal address

Number/street

Suburb/town

State/postcode

G CHESS HIN (if applicable)

H Cheque payment details please fill out your cheque details and make your cheque payable to "BlackGrange Limited- Share Issue Account"

Drawer	Cheque number	BSB number	Account number	Total amount of cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

I Return of the Application Form with your cheque for the Application monies will constitute your offer to subscribe for Shares in the Company. I/We declare that:

- (a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company; and
- (b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

No signature is required.

You should read the Prospectus dated 30 July 2007 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

Share Registrars use only	
Broker reference – stamp only	
Broker code	Adviser Code

D Tax file number(s)
Or exemption category

Applicant 1/company

Joint applicant 2/ trust

Joint applicant 3/exemption

F Contact details

Contact name

Contact daytime telephone number
()

Contact email address

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Guide to the BlackGrange Application Form

This Application Form relates to the Offer of 50,000,000 Shares in BlackGrange at \$0.20 per Share pursuant to the Prospectus dated 30 July 2007. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and a Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars and the correct forms of registrable titles to use on the Application Form are contained below.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares.
- B** Insert the relevant amount of Application monies. To calculate your Application monies, multiply the number of Shares applied for by the sum of \$0.20.
- C** Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that are presently registered in the CHES system.
- D** Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application.
- E** Please enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- F** Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- G** The Company will apply to ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to Application in respect of securities allotted.

If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHES subregister, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For further information refer to the relevant section of the Prospectus.

- H** Please complete cheque details as requested:
Make your cheque payable to "**BlackGrange Limited – Share Issue Account**" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

- I** Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares and Options in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual Use names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of late John Smith
Partnerships Use partners personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

Lodgment of Applications

Return your completed Application Form with cheque(s) attached to:

By Post to:
Computershare Investor Services Pty Ltd
GPO Box D182
Perth, Western Australia 6840

Or delivered to:
Computershare Investor Services Pty Ltd
Level 2
45 St Georges Terrace
Perth, Western Australia 6000

Application Forms must be received no later than 5 pm *WST* time on 3 September 2007.

BLACKGRANGE LIMITED ACN 123 156 089
APPLICATION FORM

Please read all instructions on reverse of this form

A Number of Shares applied for (minimum 10,000 Shares and then multiples of 2,500 Shares). **B** Total amount payable cheque(s) to equal this amount

at \$0.20 per Share = A\$

you may be allocated all of the Shares above or a lesser number

C Full name details title, given name(s) (no initials) and surname or company name

Name of applicant 1

Name of joint applicant 2 or <account name>

Name of joint applicant 3 or <account name>

E Full postal address

Number/street

Suburb/town

State/postcode

G **CHESS HIN** (if applicable)

H Cheque payment details please fill out your cheque details and make your cheque payable to "**BlackGrange Limited– Share Issue Account**"

Drawer	Cheque number	BSB number	Account number	Total amount of cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

I Return of the Application Form with your cheque for the Application monies will constitute your offer to subscribe for Shares in the Company. I/We declare that:

- (a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company; and
- (b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

No signature is required.

You should read the Prospectus dated 30 July 2007 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

Share Registrars use only	
Broker reference – stamp only	
Broker code	Adviser Code

D Tax file number(s)
Or exemption category

Applicant 1/company

Joint applicant 2/ trust

Joint applicant 3/exemption

F Contact details

Contact name

Contact daytime telephone number
()

Contact email address

For personal use only

Guide to the BlackGrange Application Form

This Application Form relates to the Offer of 50,000,000 Shares in BlackGrange at \$0.20 per Share pursuant to the Prospectus dated 30 July 2007. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and a Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars and the correct forms of registrable titles to use on the Application Form are contained below.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares.
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- H** Please complete cheque details as requested:
Make your cheque payable to "**BlackGrange Limited – Share Issue Account**" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

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Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of late John Smith
Partnerships Use partners personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

Lodgment of Applications

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By Post to:
Computershare Investor Services Pty Ltd
GPO Box D182
Perth, Western Australia 6840

Or delivered to:
Computershare Investor Services Pty Ltd
Level 2
45 St Georges Terrace
Perth, Western Australia 6000

Application Forms must be received no later than 5 pm *WST* time on 3 September 2007.