



**BLACK RANGE
MINERALS**

ASX Release

24 May 2010

**BLACK RANGE MINERALS
LIMITED**

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Australia**

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Directors / Officers:

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Mike Haynes
Duncan Coutts
Tim Flavel**

**Issued Capital:
638.1 million shares
100.3 million options**

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

**LETTER OF INTENT TO ACQUIRE THE
HANSEN URANIUM DEPOSIT**

Highlights

- Secured exclusive rights to acquire a 100% interest in the ~30 million pound Hansen Uranium Deposit¹.
- The Hansen Uranium Deposit is located immediately adjacent to the Company's 100% owned +60 million pound Taylor Ranch Uranium Project.
- The combined Taylor Ranch/Hansen Uranium Project comprises more than 90 million pounds of U₃O₈¹.
- The combined Taylor Ranch/Hansen Uranium Project is one of the largest uranium projects within the USA – the world's largest consumer of uranium.

Black Range Minerals Limited (ASX:BLR; "Black Range" and "the Company") is very pleased to advise that it has executed a Letter of Intent with STB Minerals LLC ("STB"), providing the Company the exclusive right to acquire STB's interest in the ~30 million pound Hansen Uranium Deposit¹ in Colorado, USA. Commercial terms for the acquisition are included in the Letter of Intent.

The Company now holds exclusive rights to secure a 100% interest in the Hansen Uranium Deposit, which is located immediately adjacent to the Company's 100% owned +60 million pound Taylor Ranch Uranium Project (see Figure 1).

Approximately 1,000 holes have been drilled to define the Hansen Uranium Deposit, which hosts approximately 30 million pounds of U₃O₈¹. Mineralisation at the Hansen Deposit is hosted by a flat-lying sandstone sequence, with the high grade portion of the deposit being up to 45 metres in thickness (see Figure 2). The deposit was fully permitted for mining in the early 1980s; however mining never eventuated because the global uranium price collapsed shortly after permits were awarded.

The Company's adjacent Taylor Ranch Uranium Project contains JORC Code compliant indicated and inferred resources of more than 60 million pounds of U₃O₈ (see Table 1). **The combined Taylor Ranch/Hansen Uranium Project comprises more than 90 million pounds of U₃O₈¹, making it one of the largest uranium projects within the USA** – a country that annually consumes around 50 million pounds of U₃O₈ per annum (or ~27% of the world's uranium consumption) yet produces less than 5 million pounds of U₃O₈ per year (or <2.5% of total annual global uranium consumption).

The Company intends finalising Definitive Agreements as soon as practicable. Pre-feasibility studies into the development of the combined Taylor Ranch/Hansen Uranium Project will commence shortly thereafter.

Letter Of Intent

Key components of the Letter of Intent are:

- Black Range has paid STB US\$500,000 for the exclusive right to acquire an option over STB's mineral interest in the Hansen Uranium Deposit and immediate surrounds.
- STB and Black Range will work towards finalising and executing Definitive Agreements by August 2010.
- On execution of Definitive Agreements Black Range shall pay STB US\$1.0 million and issue STB US\$2.5 million worth of shares in Black Range (based on Black Range's 5-day VWAP for the period immediately preceding the issue of these shares). 50% of the shares shall be escrowed for six months from the date of their issue.
- On execution of Definitive Agreements, STB shall grant Black Range an option to acquire STB's mineral interest in the Hansen Uranium Deposit at any time until August 6, 2013 (the "Option Period").
- During the Option Period Black Range shall undertake feasibility studies into the development of a commercial scale mining operation at the Taylor Ranch/Hansen Uranium Project, evaluating all potential mining methods.
- In order to exercise its option to acquire STB's mineral interest, Black Range shall pay STB a further US\$2.0 million and issue STB US\$7.5 million worth of shares in Black Range (based on Black Range's 5-day VWAP for the period immediately preceding the issue of these shares) within the Option Period. 50% of the shares shall be escrowed for six months from the date of their issue.
- If Black Range exercises its option to acquire STB's mineral interest, Black Range shall also concurrently purchase the surface rights covering certain parcels of land that will be directly affected by a mining operation, under terms and conditions already agreed between STB and the surface owners.
- If, as a result of the current quiet title action initiated to resolve historic ownership of the Hansen Uranium Deposit, it is found that STB rather than NZ Minerals LLC ("NZ Minerals") holds the disputed 49% interest in the Hansen Deposit, Black Range shall pay additional consideration to STB that shall comprise (i) US\$1.0 million together with US\$1.0 million in shares on resolution of the quiet title action and (ii) US\$2.0 million and US\$2.0 million in shares on commencement of mining – the same consideration that Black Range has previously agreed to pay NZ Minerals for its mineral interest in the Hansen Deposit. By executing the Letter of Intent, Black Range in no way disparages or takes a position regarding NZ Minerals' or STB's claim to the disputed 49% mineral interest.
- If Black Range exercises its option to acquire STB's mineral interest, STB will be entitled to a 1.5% royalty on production from the Hansen Uranium Deposit. The royalty may increase slightly in the event of certain provisions pertaining to possible dilution of Black Range's share capital during the Option Period.

Black Range is very pleased to have reached consensus with STB Minerals LLC which will now allow the Company to advance the adjacent Taylor Ranch and Hansen Uranium Projects towards production. The Company believes that it is now in the best possible position to develop the most efficient mining operation at the Project utilising potential economies of scale that come with developing the two projects jointly.

Mike Haynes
Managing Director

Table 1. JORC Code compliant resources for the Company's 100% owned properties at the Taylor Ranch Uranium Project (not including the Hansen Uranium Deposit).

Using a cut-off grade of 0.025% U₃O₈:

Category	Tonnes	Grade U ₃ O ₈ (%)	Pounds U ₃ O ₈
Indicated	17,910,000	0.057	22,567,741
Inferred	29,898,000	0.057	37,652,173
Total	47,808,000	0.057	60,219,914

Or using a 0.075% U₃O₈ cut-off grade:

Category	Tonnes	Grade U ₃ O ₈ (%)	Pounds U ₃ O ₈
Indicated	4,406,000	0.111	10,781,688
Inferred	6,387,000	0.121	16,982,818
Total	10,793,000	0.117	27,764,506

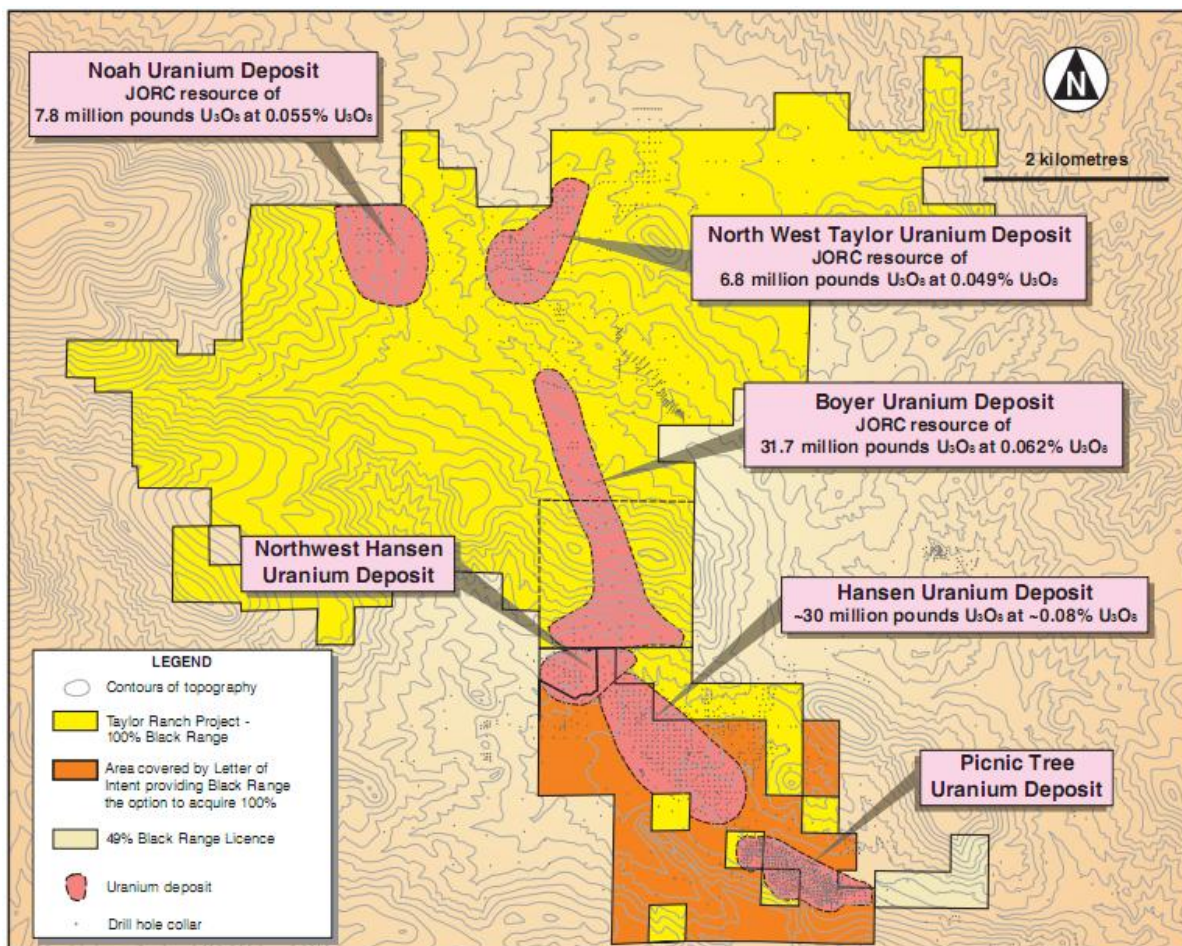


Figure 1. Location of uranium deposits within Black Range's Taylor Ranch/Hansen Uranium Project.

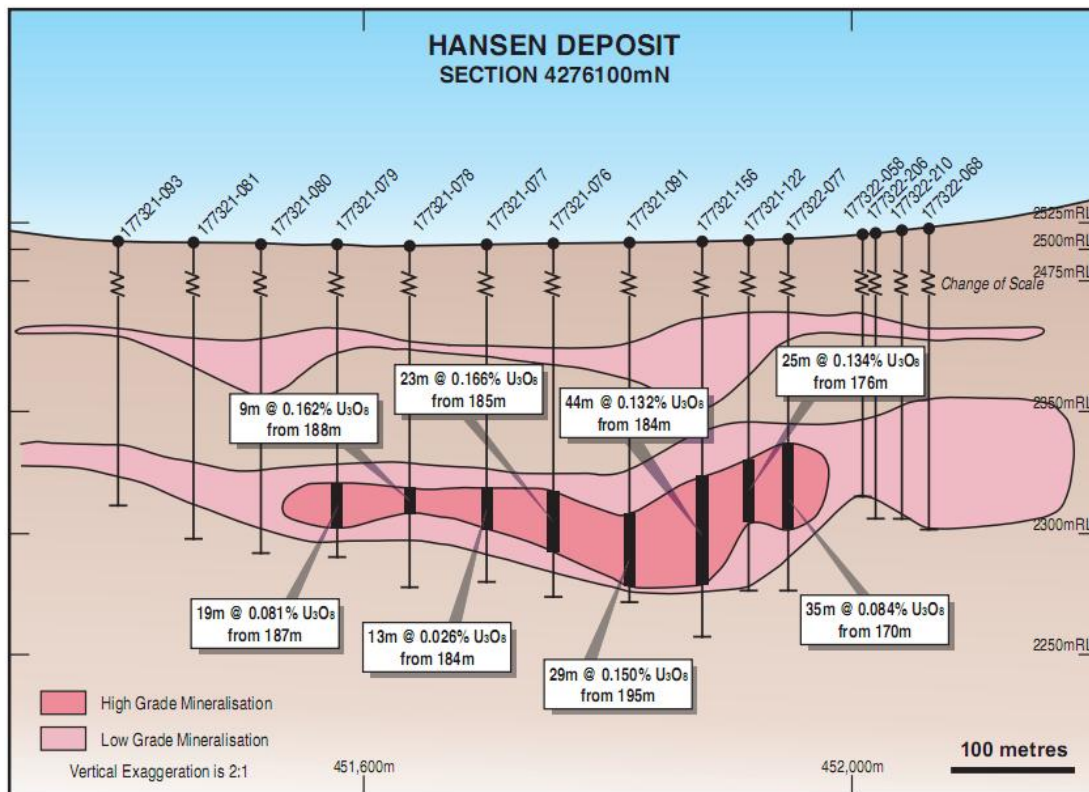


Figure 2. Schematic cross-section through the Hansen Uranium Deposit.

Background - The Hansen Uranium Deposit

The Hansen Uranium Deposit was discovered in 1977. It is a large sandstone-type uranium deposit that is approximately 1400 metres long and 500 metres wide, elongated northwest-southeast within an Eocene aged palaeovalley. Approximately 1,000 holes have been drilled in the project area to define the deposit.

Mineralisation delineated at the deposit comprises approximately 17 Mt at a grade of ~0.08% U_3O_8 for circa 30 million pounds of U_3O_8 ¹. A bankable feasibility study into the development of the deposit was completed in 1981. Mining was to comprise an open cut operation followed by underground mining. Planned mining rate was 1Mt per annum. Metallurgical recoveries of +95% were anticipated by using conventional acid leach processing.

All permits were in place to commence mining and to build a processing facility on the Taylor Ranch property, just as the uranium market collapsed in 1982. Mining never eventuated.

¹ From the abundance of work undertaken at the Hansen Uranium Deposit previously, including approximately 1,000 drill holes and mining feasibility studies, it was reported that the deposit hosts the order of 15-20 Mt of mineralised material at a grade of 0.06-0.08% U_3O_8 for circa 30 million pounds of U_3O_8 . As a mineral resource is yet to be calculated for the deposit under the JORC Code, this quantity and grade of mineralisation is conceptual in nature and is an exploration target, and it is uncertain if further exploration will result in the determination of a mineral resource of this size.

Competent Person Statement:

The information in this report that relates to Mineral Resources at the Taylor Ranch Uranium Projects is based on information compiled by Mr. John Rozelle who is a member of the American Institute of Professional Geologists. Mr John Rozelle is the Principal Geologist of Tetra Tech. Mr. John Rozelle has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. John Rozelle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.