

BLACK RANGE MINERALS LIMITED
ABN 86 009 079 047

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Option for every four (4) Shares held by Shareholders registered at 5.00pm (WST) on 17 February 2006 at an issue price of 0.5 cents per Option (**Entitlement Issue**)

**The Entitlement Issue is fully underwritten.
See Section 8.2 for further details.**

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The securities offered by this Prospectus should be considered as speculative.

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1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

TIMETABLE AND IMPORTANT DATES

Lodgement of Prospectus with ASIC	8 February 2006
Ex Date	13 February 2006
Record Date for determining Shareholder entitlements	17 February 2006
Prospectus despatched to Shareholders	20 February 2006
Closing Date of Offer	6 March 2006
Despatch date/Options entered into shareholders security holdings	14 March 2006

* These dates are determined based upon the current expectations of the Directors and may be changed without notice.

IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 8 February 2006 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The expiry date of the Prospectus is 7 March 2007 (**Expiry Date**). No securities will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Options offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

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 of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

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

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

ELECTRONIC PROSPECTUS

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

2. CORPORATE DIRECTORY

Directors

Alan Scott
Michael Haynes
Matthew Wood

Company Secretary

Tim Flavel

Registered Office

Level 2
675 Murray Street
West Perth WA 6005

Telephone (08) 9481 4920
Facsimile (08) 9226 2027

Auditor*

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

Share Registry*

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000

Telephone 1300 557 010
Facsimile (08) 9323 2033

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4
16 Milligan Street
PERTH WA 6000

* These parties are included for information purposes only. They have not been involved in the preparation of this Prospectus.

3. CHAIRMAN'S LETTER

Dear Shareholder

On behalf of the Board of Directors, I have pleasure in offering you the opportunity to participate in this non-renounceable entitlement issue of one Option for every four Shares held by Shareholders in Black Range Minerals Limited (**Black Range**) at 5.00pm (WST) on 17 February 2006.

The Directors view the Entitlement Issue as an opportunity to reward loyal Shareholders for their support of Black Range over the previous 12 months and also as an opportunity to augment the current working capital to enable the Company to continue its stated exploration activities. Principally, these funds will be used to fund the Company's ongoing exploration programmes at the Koonenberry Base Metal Project near Broken Hill in western New South Wales.

The Board of Directors takes this opportunity to thank all Shareholders for your support since the re-listing of Black Range and looks forward to your continued support in the future.

Yours faithfully

Alan Scott
Chairman

4. DETAILS OF THE OFFER

4.1 Offer of Options

The Offer is being made as a non-renounceable entitlement issue of one (1) Option for every four (4) Shares held by Shareholders registered at 5.00pm (WST) on 17 February 2006 at an issue price of 0.5 cents per Option.

Based on the capital structure of the Company (and assuming no existing Options are exercised prior to the Record Date), the maximum number of Options to be issued pursuant to this Offer is approximately 106,654,455. The Offer will raise up to approximately \$533,270. The purpose of the Offer and the use of funds raised are set out in Section 5 of this Prospectus.

The Company currently has 11,825,000 Options on issue. The terms and conditions of these Options do not allow for the participation by those Option holders in new issues of securities. Those Option holders will, however, be entitled to exercise their Options during the time period set out in the ASX Listing Rules in order to participate in the Offer.

The Offer is fully underwritten by each of the directors of the Company in equal proportions. Please refer to Section 8.2 for further details.

4.2 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept part of your Entitlement:
 - (i) fill in the number of Options you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque for the appropriate application monies (at \$0.005 per Option); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Black Range Minerals Limited – Entitlement Offer Account" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5pm WST on the Closing Date.

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

4.3 Australian Stock Exchange Listing

Application for official quotation by ASX of the Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Options and will repay all application monies for the Options within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the Options now offered for subscription.

4.4 Allotment of Options

Options issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date. Where the number of Options issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

4.5 Overseas Shareholders

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 these Options the subject of this Prospectus or otherwise permit a public offering of the Options the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of the Options pursuant to this Prospectus. The return of a completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

4.6 Taxation Implications

The Directors do not consider that it is appropriate to give Applicants advice regarding the taxation consequences of applying for Options under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Applicants. Potential Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Options offered pursuant to this Prospectus.

4.7 Minimum Subscription

The minimum subscription in respect of this Offer is approximately \$533,270 (being the full subscription).

No Options will be allotted or issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

4.8 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing option certificates. The Company will apply to ASX to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number (**HIN**) and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

4.9 Privacy Act

If you complete an application for Options, 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 an Option holder, facilitate distribution payments and corporate communications to you as an Option holder and carry out administration.

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's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share 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 ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Options, the Company may not be able to accept or process your application.

4.10 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary, Tim Flavel, on (08) 9481 4920.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise approximately \$533,270. The proceeds from the Offer (after expenses) will be used to augment the current working capital to enable the Company to continue its stated exploration activities at the Koonenberry Base Metal Project at Broken Hill in western New South Wales. Refer to Section 8.6 of this Prospectus for further details relating to the expenses of the Offer.

5.2 Effect of the Offer and Pro Forma Statement of Financial Position

The principal effect of the Issue will be to:

- (a) increase the cash reserves by approximately \$506,652 immediately after completion of the Issue after deducting the estimated expenses of the Issue; and
- (b) increase the number of Options on issue from 11,825,000 Options as at the date of this Prospectus, to 118,479,455 Options, on the basis that the Offer is fully subscribed.

5.3 Statement of Financial Position

The unaudited Statement of Financial Position as at 31 December 2005 and the unaudited Pro Forma Statement of Financial Position as at 31 December 2005 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared on the assumption that all Options pursuant to this Prospectus are issued.

Pro Forma Statement of Financial Position

	Unaudited	Proforma Unaudited
	31 December 2005	31 December 2005
CURRENT ASSETS		
Cash	1,481,386	1,988,039
Receivables	73,914	73,914
Other	0	0
Total Current Assets	1,555,300	2,061,953
NON-CURRENT ASSETS		
Property, plant & equipment	3,321	3,321
Exploration	1,132,868	1,132,868
Total Non-current Assets	1,136,190	1,136,189
TOTAL ASSETS	2,691,490	3,198,142
CURRENT LIABILITIES		
Creditors and borrowings	67,927	67,927
Total Current Liabilities	67,927	67,927
TOTAL LIABILITIES	67,927	67,927
NET ASSETS	2,623,563	3,130,215
SHAREHOLDERS' EQUITY		
Share Capital	31,230,744	31,230,744
Reserves	0	506,652
Retained Loss	-28,607,181	-28,607,181
TOTAL SHAREHOLDERS' EQUITY	2,623,563	3,130,215

5.4 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below, assuming that the Offer is fully subscribed.

Shares

The Company currently has 426,617,819 Shares on issue. No Shares will be issued under the Offer.

Options

125,000		Exercisable at \$0.20 on or before 29/10/2007
11,700,000		Exercisable at \$0.01 on or before 31/12/2007
106,654,455*		Options offered pursuant to the Prospectus
118,479,455		Total options on issue

Notes:

* The Company intends to apply to ASX for these Options issued under this Prospectus to be listed as a separate class of securities on ASX.

6. RIGHTS AND LIABILITIES ATTACHING TO THE OPTIONS

6.1 Terms and Conditions of Options

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

- (a) the Options will be exercisable at any time prior to 5.00pm WST on 28 February 2011 (**Option Expiry Date**). Options not exercised on or before the Option Expiry Date will automatically lapse;
- (b) the Options may be exercised wholly or in part by completing an application form for Shares (**Notice of Exercise**) delivered to the Company's share registry and received by it any time prior to the Expiry Date;
- (c) each Option will entitle the holder to subscribe (in respect of each Option held) for a Share with an exercise price of 4.5 cents;
- (d) upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking pari passu with the then issued Shares. The Company will apply to ASX to have the Shares granted Official Quotation;
- (e) a summary of the terms and conditions of the Options, including the Notice of Exercise, will be sent to all holders of Options when the initial holding statement is sent;
- (f) any Notice of Exercise received by the Company's share registry on or prior to the Expiry Date will be deemed to be a Notice of Exercise as at the last Business Day of the month in which such notice is received;
- (g) there will be no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, holders of Options will be notified by the Company and will be afforded 7 Business Days before the record date (to determine entitlements to the issue), to exercise Options;
- (h) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option Holder are to be changed in a manner consistent with the ASX Listing Rules. Subject to the Corporations Act, the ASX Listing Rules and the Constitution, the Options may be transferred at any time prior to the Expiry Date; and
- (i) Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of the Notice of Exercise.

6.2 Rights Attaching to Shares upon Conversion of Options

The rights attaching to Shares in the Company are set out in the Constitution of the Company, a copy of which is available for inspection during normal business hours at the registered business office of the Company.

The following is a summary of the more significant rights and liabilities attaching to Shares upon conversion of Options to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of

the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

Dividend Rights

The Directors may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a share, all dividends will be declared and paid according to the proportion which the amount paid is of the total amount paid and payable in respect of the Shares is paid (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time pay or credit to the Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

The Directors may from time to time grant to Shareholders or any class of shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares in the Company on such terms and conditions as the Directors think fit. The Directors may, at their discretion, resolve in respect of any dividend which it is proposed to pay or to declare on any Shares of the Company, that holders of such Shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead an issue of Shares credited as fully paid to the extent and on the terms and conditions of the Constitution. The Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

Future Increase In Capital

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

Variation of Rights

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

7. RISK FACTORS

This Section identifies 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 much higher than the risks associated with an investment in other companies. The Company is a mining exploration company and the risks are therefore very substantial. The securities offered by the Prospectus should be considered highly speculative. The securities offered by this Prospectus carry no guarantee whatsoever with respect to return on capital investment, payment of dividends or the future value of the securities. Intending subscribers 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 subscribe for securities. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from an accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There are also a range of specific risks noted below and elsewhere in this Prospectus which may materially affect the financial performance of the Company and the market price of the Options.

7.1 Securities Investment

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

The securities allotted under this Prospectus carry no guarantee whatsoever in respect of profitability, dividends, return of capital, or the price at which the securities may trade on the ASX.

7.2 Economic Conditions

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as currency fluctuation, inflation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices, including copper, gold and uranium prices, and share market prices. The Company's future possible revenue and share price can be affected by these factors all of which are beyond the control of the Company and the Directors. In addition, the Company's ability to raise additional capital, should it be required, may be affected.

7.3 Operational Risk

By its nature, the business of exploration, mineral development and production which the Directors intend the Company to undertake, contains risks. Prosperity depends on the successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and efficient financial management. For its part, exploration (particularly for copper, nickel and cobalt) is a speculative endeavour, while

mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

7.4 Native Title

The Native Title Act 1993 (Commonwealth) may affect the Company's ability to gain access to prospective exploration areas or obtain production titles. Compensatory obligations may be necessary in settling native title claims lodged over the Company's tenements.

7.5 Environmental Risks

Exploration programmes impact on the environment. These impacts are minimised by the Company's application of best practice principles.

7.6 Government Policy

Industry profitability can be affected by changes in government policy relating to mineral exploration and production which are beyond the control of the Company.

7.7 Commodity Prices

The prices that the Company may obtain for mineral commodities may fluctuate due to market conditions.

7.8 No Profit to Date and Uncertainty of Future Profitability

The Company has incurred losses and it is therefore not possible to evaluate the future prospects based on past performance. The Directors anticipate making further losses in the foreseeable future.

Factors that will determine the Company's profitability are its ability to manage its costs, to execute its development and growth strategies, economic conditions in the markets the Company operates, competitive factors and regulatory developments. Accordingly, the extent of future profits, if any, and the time required to achieve a sustained profitability is uncertain. Moreover, the level of such profitability cannot be predicted and may vary significantly from quarter to quarter.

7.9 Investment Speculative

The 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 risk 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 securities offered under this Prospectus.

Therefore, the securities 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 securities.

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

8. ADDITIONAL INFORMATION

8.1 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Options which will be issued pursuant to this Prospectus are in the same class of Options that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus". In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the financial statements of the Company for the financial year ended 30 June 2005 being the last financial statements for a

financial year, of the Company lodged with the ASIC before the issue of this Prospectus; and

- (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2005 audited financial statements:

Date	Description of Announcement
31/01/2006	Second Quarter Activities Report
31/01/2006	Second Quarter Cashflow Report
24/01/2006	Ceasing to be a substantial holder from SAR
23/01/2006	High Grade Copper Intersected
12/01/2006	Change in substantial holding
20/12/2005	Response to ASX Query re Share Price
15/12/2005	Drilling Programme Successfully Completed – Koonenberry
28/11/2005	Results of 2005 AGM
28/11/2005	2005 AGM Presentation
02/11/2005	Appendix 3B – Conversion of 1.5m unlisted options
31/10/2005	First Quarter Activities Report
31/10/2005	First Quarter Cashflow Report
27/10/2005	Chairman's Review to Shareholders
24/10/2005	Drilling Commences at the Grasmere Copper Deposit
24/10/2005	Notice of Annual General Meeting
20/10/2005	Change in substantial holding
20/10/2005	Change in substantial holding
17/10/2005	Appendix 3B
13/10/2005	Change in substantial holding
11/10/2005	Completion of Placement
11/10/2005	Appendix 3B
30/09/2005	2005 Financial Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

8.2 Material Contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

Underwriting Agreement

Each of the directors has entered into an Underwriting Agreement with the Company on the same terms to underwrite the Offer in equal proportions (representing a maximum subscription of \$158,822 respectively, after accounting for the individual Entitlement of each director). None of the directors will receive a fee for underwriting the Offer. Please refer to the table in Section 8.3 for details of the directors Entitlements under the Offer.

8.3 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, 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 of securities pursuant to this Prospectus; or
- (c) the Offer of securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Offer of securities pursuant to this Prospectus.

On 27 June 2005, the Company announced that it had entered into a conditional agreement with the shareholders of Turon Gold Pty Ltd (**Turon**) to purchase 100% of the issued capital of Turon. Turon holds 100% of the advanced Grasmere Base Metals Project which lies within the Company's Koonenberry Base Metals project located at Broken Hill in western New South Wales. The consideration for the acquisition was 50,000,000 Shares and this transaction was approved by Shareholders on 19 August 2005. Turon is a company associated with Michael Haynes and Matthew Wood (both directors of the Company).

The Company currently leases its office premises from MQB Ventures Pty Ltd. Matthew Wood and Michael Haynes are both directors of MQB Ventures Pty Ltd. The lease agreement is on commercial leasing terms.

Directors' interests in securities of the Company at the date of this Prospectus are:

Name	Shares	Existing options	Entitlement to Options
Matthew Wood	22,471,910	-	5,617,978
Michael Haynes	22,471,910	-	5,617,978
Alan Scott	500,000	-	125,000

Notes:

1. Each of the directors has indicated that it is their present intention to take up their full Entitlement under the Offer.
2. Each of the directors has agreed to underwrite the Offer in the event that Shareholders do not take up their Entitlement. Please refer to Section 8.2 for further details.

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares.

The directors were appointed on 28 June 2005 and since that date \$140,290 has been paid to the directors by the Company by way of remuneration for services provided by all directors (executive, non-executive and alternate), companies associated with those directors or their associates in their capacity as directors, employees, consultants or advisers (and including superannuation payments). Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

8.4 Interests and Consents of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any 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, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, underwriter, promoter or any 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 this Prospectus, or

to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer of securities pursuant to this Prospectus.

Pursuant to Section 716 of the Corporations Act, Steinepreis Paganin has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Steinepreis Paganin has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

Steinepreis Paganin act as solicitors to the Company. Steinepreis Paganin will be paid approximately \$6,000 for services in relation to this Prospectus.

8.5 Legal Proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

8.6 Estimated Expenses of Offer

In the event that the Offer is fully subscribed, the estimated expenses of the Offer are as follows:

	\$
ASIC fees	2,010
Listing fees	15,015
Legal expenses	6,000
Printing and other expenses	3,593
Total	<u>26,618</u>

8.7 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: 4.9 cents on 23 January 2006

Lowest: 2.3 cents on 16 November 2005

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was 4 cents on 8 February 2006.

8.8 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act 2001 to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form. If you have not, please phone the Company on (08) 9481 4920 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance 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.

9. AUTHORITY OF DIRECTORS

9.1 Directors' Consent

Each of the Directors of Black Range Minerals Limited has consented to the lodgement of this Prospectus with the ASIC in accordance with Section 720 of the Corporations Act.

Dated the 8th day of February 2006

Signed for and on behalf of
BLACK RANGE MINERALS LIMITED
by Michael Haynes

10. DEFINITIONS

Applicant means a Shareholder or Underwriter who applies for Options pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASTC Settlement Rules means the settlement rules of the securities clearing house which operates CHESS.

ASX means the Australian Stock Exchange Limited (ACN 008 624 691).

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date of the Offer, being 5pm (WST) on 6 March 2006 (unless extended).

Company or **Black Range** means Black Range Minerals Limited (ABN 86 009 079 047).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Dollar or "\$" means Australian dollars.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the application form either attached to or accompanying this Prospectus.

Issue means the issue of Options offered by this Prospectus.

Listing Rules or **ASX Listing Rules** means the Listing Rules of the ASX.

Offer means the non-renounceable entitlement offer of one (1) Option for every four (4) Shares to Shareholders on the Record Date, further details of which are included in the "Details of the Offer" section of this Prospectus.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the official list of ASX.

Option means an option to acquire a Share on the terms outlined in Section 6.1.

Option Holders means those parties holding options to acquire Shares.

Prospectus means this prospectus.

Quotation and **Official Quotation** means official quotation on ASX.

Record Date means 5pm (WST) on 17 February 2006.

Related Corporation has the meaning given to that term in the Corporations Act.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Underwriter means MQB Ventures Pty Ltd (ACN 110 548 233).

Underwriting Agreement means the underwriting agreement entered into by the Directors on the date of this Prospectus.

WST means Western Standard Time.