Suite 9, 5 Centro Avenue
Subiaco WA 6008
Phone: +61 8 9481 4920
Fax: +61 8 9226 2027
Email: info@blackrangeminerals.com

20 November 2012

Dear Optionholder

BLACK RANGE MINERALS LIMITED – PRO RATA NON-RENOUNCEABLE RIGHTS ISSUE EXERCISE PRICE ADJUSTMENT

As announced on 16 November 2012, Black Range Minerals Limited (ACN (009 079 047)) (**BRL** or **the Company**) is undertaking a 1:2 pro rata non-renounceable rights issue (**Rights Issue** or **Offer**) of approximately 420,467,400 fully paid ordinary shares (**New Share**) to raise approximately $2,102,337. The price of New Shares under the Offer is $0.005 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 16 November 2012.

The Offer is partially conditionally underwritten by MQB Ventures Pty Ltd (**Underwriter**). The Underwriter will not be paid a fee nor will it receive a commission for its services. In addtion, directors Alan Scott, Ben Vallerine and Duncan Coutts and Senior Managers Beverley Nichols and Nick Day (together, the **Sub-underwriters**) have entered into separate conditional sub-underwriting agreements with MQB Ventures Pty Ltd to sub-underwrite a total of $130,000 worth of Underwritten Shares under the Offer as follows:

(a) Mr Alan Scott – $50,000 (10,000,000 Underwritten Shares);

(b) Mr Ben Vallerine - $25,000 (5,000,000 Underwritten Shares);

(c) Mr Duncan Coutts - $15,000 (3,000,000 Underwritten Shares);

(d) Ms Beverley Nichols - $30,000 (6,000,000 Underwritten Shares); and

(e) Mr Nick Day - $10,000 (2,000,000 Underwritten Shares).

Neither the Sub-Underwriters nor the Underwriter will end up holding a post-Offer relevant interest in the Company that will exceed 20%.

It is anticipated that the proceeds of the Offer which will be allocated as follows:

Expenditure Area	**Approximate Allocation**	
	Minimum Subscription $	**Maximum Subscription $**
Hansen/Taylor Ranch Project	200,000	1,667,960
Expenses of the Offer	29,946	34,377
Working capital	170,054	400,000
Total	**400,000**	**2,102,337**

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5.00pm (WST) on 27 November 2012, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 420,467,400 New Shares resulting in total Shares on issue of approximately 1,261,402,200.

Optionholders

The terms and conditions of the options you currently hold do not entitle you to participate in the Rights Issue unless you exercise your options in time for New Shares to be allotted and to be entered on BRL's register of members on or before 5.00pm (WST) on 27 November 2012 (**Record Date**).

To exercise your options and thereby participate in the Rights Issue, you will need to deliver the following to the Company at Suite 9, 5 Centro Avenue, Subiaco WA 6008:

a) a notice of exercise of options (copy attached);

b) an option certificate in respect of those options to be exercised; and

c) payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "Black Range Minerals Limited".

You must also ensure that you are permitted to exercise your options under their terms. BRL will not accept a notice of exercise of options if you are not permitted to exercise them under their terms.

To ensure that your New Shares are allotted prior to the Record Date, the above must be received by BRL **no later than 23 November 2012.** If received after this date, allotment of New Shares prior to the Record Date cannot be assured.

If you choose not to exercise your options, the exercise price of your unexercised options will be reduced in accordance with the formula set out in the ASX Listing Rules.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Mr Nicholas Day, BRL's Company Secretary, on +61 9481 4920.

Yours sincerely

MICHAEL HAYNES
MANAGING DIRECTOR

NOTICE OF EXERCISE OF OPTIONS

To: **Black Range Minerals Limited** (ACN 009 079 047) of Suite 9, 5 Centro Avenue, Subiaco WA 6008

I/We……

Of…….....

Registered address of Optionholder/s

SRN / HIN…….....

Being the registered holder/s of…… (number) Options each to acquire a Share in the Company at the Exercise price of $..... per Share payable in full on exercise of the Options, HEREBY GIVE NOTICE OF THE EXERCISE of …… (number) Options and attach my/our cheque in the sum of $……

I/We authorise you to register me/us as the holders of the Shares to be allotted to me/us and agree to be bound by the Constitution of the Company.

DATED……

SIGNED……

This notice may be signed as follows:

- If the holding is held in the name of one person (individual holding), that person must sign.
- If the holding is held by more than one person (jointly) each joint holder must sign.
- If you are signing as an Attorney, then the Power of Attorney must have either been noted by the registry or be duly stamped and accompany this form.

THIS NOTICE OF EXERCISE OF OPTIONS, WITH THE APPRORIATE REMITTANCE, SHOULD BE LODGED AT THE COMPANY'S REGISTERED OFFICE:

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Phone: +61 8 9481 4920
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20 November 2012

Dear Optionholder

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NO EXERCISE PRICE ADJUSTMENT

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Yours sincerely

MICHAEL HAYNES
MANAGING DIRECTOR

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