



Broken Hill Prospecting Ltd
(ASX: BPL)

An Australian Exploration company focussed on the discovery & development of strategic technology mineral resources

Commodity Exposure

Heavy Mineral Sands
Cobalt

Directors & Management

Creagh O'Connor
Non-Executive Chairman

Geoff Hill
Non-Executive Director

Matt Hill
Non-Executive Director

Denis Geldard
Non-Executive Director

Trangie Johnston
Chief Executive Officer

Ian Morgan
Company Secretary

Capital Structure

Ordinary Shares on Issue (18/4/17) **148M**

Options: Listed **47M**

Market Cap (undiluted at 3.5cps) **\$5.2M**



Highlights

Murray Basin Heavy Mineral Sands Expansion Plans

- BPL has refocused its corporate strategy towards becoming a significant heavy mineral sands producer focusing on the world class Murray Basin, New South Wales
- Extensive data compilation and prospectivity analysis identifies three new areas for tenement applications
- Targets identified include multiple, shallow, mineralised strandlines comprising high value heavy mineral assemblages
- BPL aims to establish a chain of high grade low tonnage deposits across the Murray Basin, ideal for processing by mobile plant technology
- BPL now has the third largest tenement portfolio in the Murray Basin, after industry leaders Iluka Resources and Cristal Mining
- Market confidence is high after sustained Titanium pigment price increases in past 12 months
- Exploration drilling is to commence shortly, with an initial 1,500m program on BPL's 100% owned tenements

Trangie Johnston commented:

“Broken Hill Prospecting’s new exploration team has undertaken an extensive data compilation and prospectivity analysis within the world-class Heavy Mineral Sands province covered by the Murray Basin. Based on this analysis, new tenement applications containing high value mineralised strandlines will strategically expand BPL’s significant tenement portfolio to take advantage of improving HMS market conditions.”

Broken Hill Prospecting Ltd

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BPL has refocused its corporate strategy towards becoming a significant Heavy Mineral Sands (HMS) producer focusing on the world-class Murray Basin in western New South Wales (ASX Announcement: [8 February 2017](#)).

100% OWNED PROJECTS

Murray Basin Minerals Pty Ltd, a wholly owned BPL subsidiary, applied for exploration licences for three new tenements known as Central Para (ELA 5450), Tararra (ELA 5451) and Budgereee (ELA 5449). The tenement applications are located between Broken Hill and Mildura and adjacent to current project areas (Figure 1). Together with six exploration licences already owned wholly or in joint venture, BPL has the third largest tenement portfolio in the Murray Basin after industry leaders Iluka Resources Ltd and Cristal Mining.

The new tenements cover shallow, high-grade HMS strandlines similar to those already identified by BPL at the Copi North and Magic deposits. These deposits, which hold resources of 14.2 Mt at 6.6% total heavy mineral (THM)¹ and 15 Mt at 3.7% THM² respectively, are owned in joint venture with Relentless Resources Limited (RRL).

The expansion of BPL's interests in the Murray Basin is the result of extensive data compilation and prospectivity analysis undertaken in recent months by BPL's expanded exploration and management team located in its new Sydney office. This analysis has armed BPL with a unique proprietary database comprising approximately 13,000 drill holes and 550,000 meters of drilling undertaken in the western sector of the Murray Basin. The database contains a total exploration replacement value of approximately \$20m (drilling and assay only) in today's terms. Ongoing data analysis is now being directed at the eastern sector of the Basin.

An initial exploration program comprising 1,500m of shallow drilling will focus on the 100% owned Springwood tenement (EL 8309). Drilling at Springwood is expected to commence late April 2017. To accelerate resource expansion, additional exploration programs are currently being defined on BPL's 100% owned tenements.

Initial assessment of the tenement application areas identifies numerous high value strandlines defined by previous explorers. BPL is excited about ELA 5450 (Central Para) which contains three mineralised strands identified as Jaws, Gilligans and Mullet (Figure 1 inset). Similar to the 500 strandline

defined in adjacent EL 8310 (Milkengay), each of these strands is characterised by relatively high value HMS assemblages rich in rutile and zircon. Iluka Resources has historically spent several million dollars assessing these areas.

50% OWNED PROJECTS

Joint Venture between Broken Hill Minerals Pty Ltd (BHM), a wholly owned subsidiary of BPL and Relentless Resources Limited (RRL). This is a 50/50 joint venture between BHM and RRL in respect of EL8311, EL8385 and EL8312.

BPL's ASX announcement on [8 February 2017](#) referred to RRL disputing the continued management by BHM of this joint venture. The dispute has not yet been resolved and is to be dealt with by the Supreme Court of NSW in a hearing commencing on 16 May 2017. While a commercial solution is preferred, BPL has rejected RRL's claims and retained senior counsel to protect its interest in the joint venture and assert its rights.

BHM are committed to completing the Pre-feasibility Study (PFS) on the Copi North Deposit. BHM has obtained final quotations from consultants whose work is necessary for completion of the PFS. BHM has submitted those quotations to RRL for approval.

SUMMARY

BPL's strong cash position enables it to conduct additional drilling during 2017 on other strandline prospects in the new tenements. The immediate aim is to define combined mineral resources of 100 Mt in shallow, high grade deposits.

BPL's strategy is to investigate the feasibility of mining these resources using dry mining techniques and mobile treatment plants. Multiple operations could be feasible if sufficient resources are identified in different locations. BPL's ability to undertake this work is enhanced by the knowledge gained in recent years on BPL's other projects in the Murray Basin.

The market outlook for HMS, including zircon and titanium dioxide, shows signs of improving. While some prices remain low, producers have been matching production to demand, reducing stockpiles and shutting operations to better match supply and demand. Titanium dioxide prices have increased since 2015, and that trend is expected to continue. The zircon market has remained steady with price increases forecast in coming years.

1 The Copi North Indicated and Inferred Mineral Resource estimate is as released [27 May 2016](#) under JORC 2012 at a 2.5% THM cut-off grade.

2 The Magic Inferred Mineral Resource estimate is as released [10 September 2015](#) under JORC 2012 at a 2% THM cut-off grade.

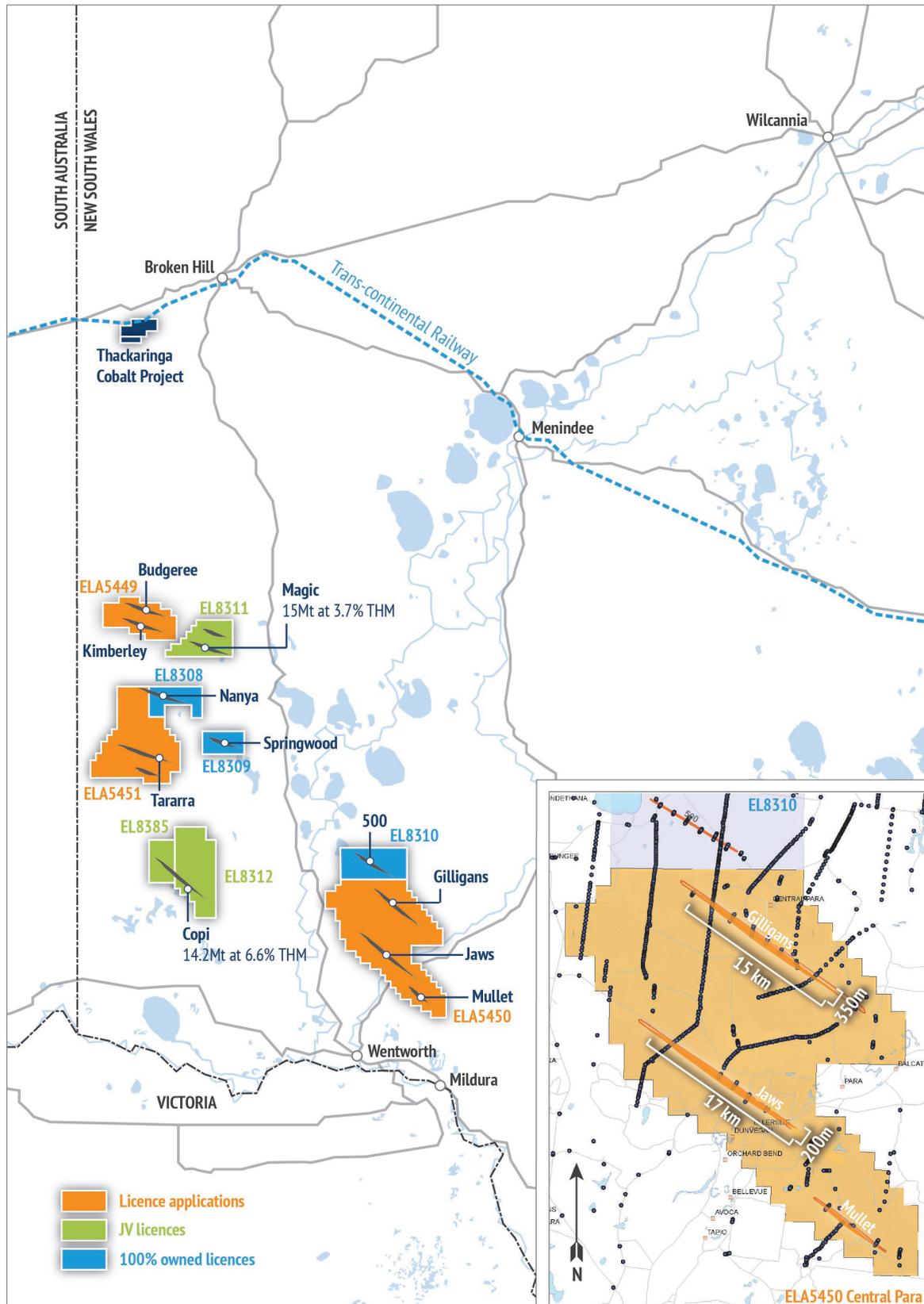


Figure 1. BPL's extensive HMS tenement portfolio within the world-class Murray Basin, western New South Wales. New tenement applications (ELA 5449, ELA 5450 and ELA 5451) contain mineralised HMS strandlines, strategically located adjacent to current projects areas.



Anthony (Trangie) Johnston
Chief Executive Officer

**For further information,
please contact**

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PROSPECTING

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PREVIOUSLY RELEASED INFORMATION

This ASX announcement refers to information extracted from the following report, which is available for viewing on BPL's website <http://www.bhpl.biz>

■ [8 February 2017 Broken Hill Prospecting Update](#)

BPL confirms it is not aware of any new information or data that materially affects the information included in the original market announcement, and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. BPL confirms that the form and context in which the Competent Person's findings presented have not been materially modified from the original market announcement.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Mineral Resources and Exploration Targets is based on information compiled by Mr Anthony Johnston, BSc (Hons), who is a Member of the Australian Institute of Mining and Metallurgy and is a full time employee of the Company. Mr Johnston

has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 & 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Johnston consents to the inclusion in the announcement of the matters based on his information in the form and context that the information appears.

ABOUT BROKEN HILL PROSPECTING LIMITED

Broken Hill Prospecting Limited (BPL) is an Australian Exploration company focussed on the discovery and development of strategic mineral resources across two primary projects the Murray Basin Heavy Mineral Sands Project and the Thackaringa Cobalt Project.

MURRAY BASIN HEAVY MINERAL SANDS PROJECT

BPL has built a substantial portfolio of Heavy Mineral Sands (HMS; titanium & zircon) Projects within the world-class Murray Basin, NSW. Recent drilling activities focused on the Copi North and Magic deposits have been funded by a joint venture with Relentless Resources Limited (RRL). The Copi North project is currently undergoing a Pre-feasibility Study due for completion in 2017.

BPL is targeting the establishment of a sustainable pipeline of high grade, low tonnage deposits amendable to processing through mobile plant equipment that could be deployed across the broader project area.

THACKARINGA COBALT PROJECT

The Thackaringa Cobalt Project is strategically located 25km south-west of Broken Hill, New South Wales, adjacent to the main transcontinental railway line. Mineralised outcrop extends for over 10km, with less than a quarter of this trend having been drill tested. The large, near-surface deposits at Thackaringa make the project suitable for large-scale, open cut mining methods.

Cobalt is a necessary metal for the production of the latest generation, high density Lithium-ion batteries. Due to its high run-time properties, the use of cobalt has risen dramatically as portable Li-ion battery usage accelerates and electric vehicles become a reality.

The Thackaringa Cobalt Project is under a Farm In and Royalty Agreement with Cobalt Blue Holdings Ltd (COB). COB can earn 100% of the project if it completes a 4 stage farm-in by committing \$9.5 million project expenditure by 30 June 2020, and pays BPL \$7.5 million in cash.

In addition, BPL will receive a 2% net smelter royalty on all cobalt produced from the Thackaringa tenements for the life of mine. BPL retains the base and precious metal exploration rights over the Thackaringa tenements, where it has previously actively explored for Broken Hill style mineralisation.

TENEMENT HOLDING

The interests in tenements held by Broken Hill Prospecting Limited (and fully owned subsidiaries) and the related percentage of ownership:

Thackaringa Cobalt Project

EL 6622	100% Broken Hill Prospecting Ltd
EL 8143	100% Broken Hill Prospecting Ltd
ML 86	100% Broken Hill Prospecting Ltd
ML 87	100% Broken Hill Prospecting Ltd

Murray Basin Heavy Mineral Sands (HMS) Project

EL 8308	100% Broken Hill Minerals Pty Ltd
EL 8309	100% Broken Hill Minerals Pty Ltd
EL 8310	100% Broken Hill Minerals Pty Ltd
ELA 5449	100% Murray Basin Minerals Pty Ltd (application)
ELA 5450	100% Murray Basin Minerals Pty Ltd (application)
ELA 5451	100% Murray Basin Minerals Pty Ltd (application)

HMS Joint Venture

EL 8311	50% Broken Hill Minerals Pty Ltd 50% Relentless Resources Ltd
EL 8312	50% Broken Hill Minerals Pty Ltd 50% Relentless Resources Ltd
EL 8385	50% Broken Hill Minerals Pty Ltd 50% Relentless Resources Ltd