

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 (9/6/17) **148M**

Options: Listed **47M**

Market Cap (undiluted at 2.6cps) **\$3.84M**

Broken Hill Prospecting Ltd

ARBN 003 453 503

Registered and Head Office
Suite 1002 Level 10, 171 Clarence St,
Sydney NSW 2000
GPO BOX 1546, Sydney NSW 2001
Tel +61 2 9238 1170
Email info@bhpl.net.au
Web: www.bhpl.biz

Highlights

Murray Basin Heavy Mineral Sands Expansion Plans Confirmed

- Three new tenements granted giving BPL the 3rd largest tenement portfolio in the Murray Basin, NSW after industry leaders Iluka Resources and Cristal Mining
- Multiple, shallow, mineralised strandlines identified comprising high value heavy mineral assemblages
- Quality of strandline targets sufficient to enable resource estimation prior to commencement of field activities
- BPL aims to establish a portfolio of high grade, low tonnage deposits across the Murray Basin, ideal for processing by mobile plant technology
- BPL aims to become a significant heavy mineral sands producer
- Market confidence improving after Zircon and Titanium pigment price increases in past 12 months

Trangie Johnston commented:

"The expansion of BPL's tenement portfolio is based on an extensive, proprietary data compilation and prospectivity analysis within the world-class Heavy Mineral Sands province covered by the Murray Basin. The recently granted tenements contain high value mineralised strandlines that will support resource estimates without the need to conduct field activities. The immediate aim is to define combined Mineral Resources of 100Mt in shallow, high-grade deposits. BPL is strategically placed to take advantage of improving HMS market conditions."

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 and 18 April 2017).

100% OWNED PROJECTS - MURRAY BASIN HEAVY MINERAL SANDS PROJECT

ELs 8308, 8309, 8310, 8558, 8559 & 8560¹

Murray Basin Minerals Pty Ltd, a wholly owned BPL subsidiary, is pleased to announce the granting of three new tenements known as Central Para (EL8559), Tararra (EL8558) and Budgerie (EL8560). The tenements are located between Broken Hill and Mildura (Figure 2). Combined with six exploration licences already owned wholly or in joint venture, BPL holds 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 in mineralogy but physically distinct to those already identified at the Copi North and Magic deposits. The Copi North and Magic deposits, which comprise Mineral Resources of 14.2 Mt at 6.6% total heavy mineral (THM)² and 15 Mt at 3.7% THM³ 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 the Company's expanded exploration and management team. This analysis of publicly available data has equipped BPL with a unique proprietary database comprising approximately 13,000 drill holes and 550,000 metres of drilling. The database reflects a total exploration replacement value of approximately \$20 million (drilling and assay only) in today's terms. Ongoing data analysis is currently being directed at the eastern and southern sectors of the Murray Basin.

Detailed assessment of the new tenement areas has indicated existing drilling will support Mineral Resource estimation with modelling currently focussed on three priority targets:

- **Jaws (EL8559):** The Jaws strand is characterised by a shallow, well-developed foreshore horizon comprising medium - coarse mineral sands persistent over some 17km strike. The strand is approximately 200m wide and 6m thick with cover between 9 - 39m.

- **500 (EL8310):** The 500 strand comprises a coarse, high-value mineral assemblage defined over 10km and up to 75m wide. The mineralisation is shallow with an average 18m of overburden intersected during historical drilling.

- **Gilligans:** The Gilligans strand is located approximately 6.5km south of the 500 strand with extensive mineralisation occurring up to 350m wide and over 15km of strike. Overburden is variable though averages 22m shallowing at the peripheries.

The above strandline targets all occur within a radius of 20km, supporting the Company's exploration and project development strategy; targeting the establishment of a sustainable pipeline of high grade, low tonnage deposits amenable to processing through mobile plant equipment.

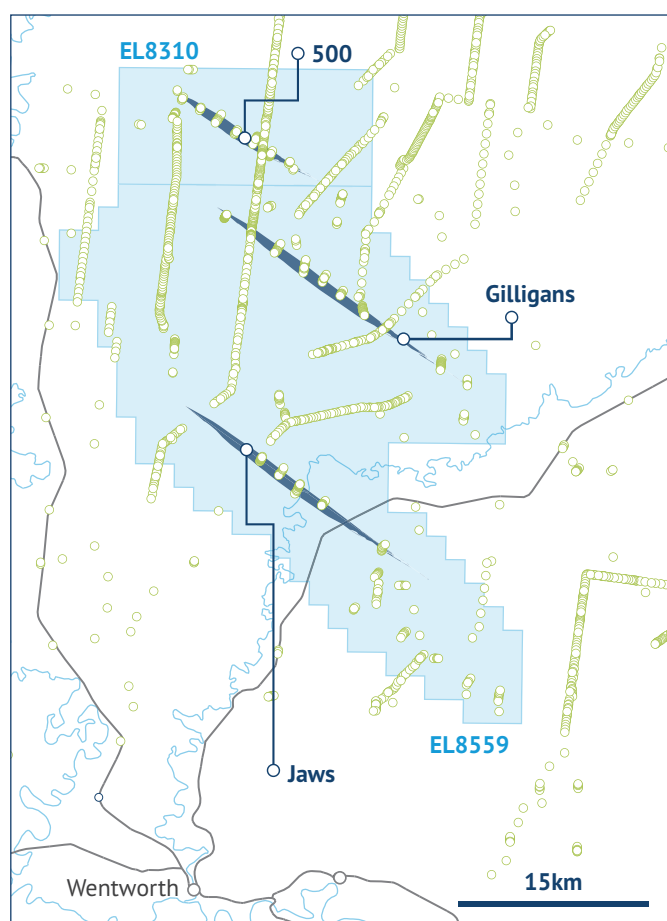


Figure 1. EL8559 (Central Para) illustrating proximity of high priority strandline targets defined by extensive historical drilling (green ellipses).

¹ Note comments on page 3 under header '50% owned projects – HMS Joint Venture'.

² 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.

³ The Magic Inferred Mineral Resource estimate is as released [10 September 2015](#) under JORC 2012 at a 2% THM cut-off grade.

50% OWNED PROJECTS - HMS JOINT VENTURE

EL's 8311, 8312 & 8385

Joint Venture between Broken Hill Minerals Pty Ltd (BHM), a wholly owned subsidiary of BPL and Relentless Resources Limited (RRL).

BPL's ASX announcements of [8 February 2017](#), [18 April 2017](#) and [10 May 2017](#) provide details of a dispute with RRL regarding the HMS Joint Venture. The dispute is scheduled for hearing in the Supreme Court of NSW in late February 2018.

RRL has recently sought to include BPL's 100% owned tenements subject of the Murray Basin Heavy Mineral Sands Project in the dispute. That claim and the initial dispute will be vigorously challenged by BPL. Senior counsel has been engaged to protect the Company's interests in all the projects.

In the interim period until the hearing in February 2018, BHM has passed the management of the day-to-day implementation of activities on the HMS Joint Venture tenements to RRL (although BHM retains its full 50% voting rights at the management committee level, so it's rights to set the programmes of work remain unaltered). This outcome allows BPL to focus on exploring its 100% owned Murray Basin Heavy Mineral Sands Project in a time and manner of its choosing and to advance a number of other advanced, value adding acquisitions that are under consideration.

SUMMARY

BPL plans to conduct additional drilling during 2017 on other mineral sands prospects within the 100% owned Murray Basin Heavy Mineral Sands Project. The immediate aim is to define combined Mineral Resources of 100Mt 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. The Company'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 recent price increases announcement by Iluka.

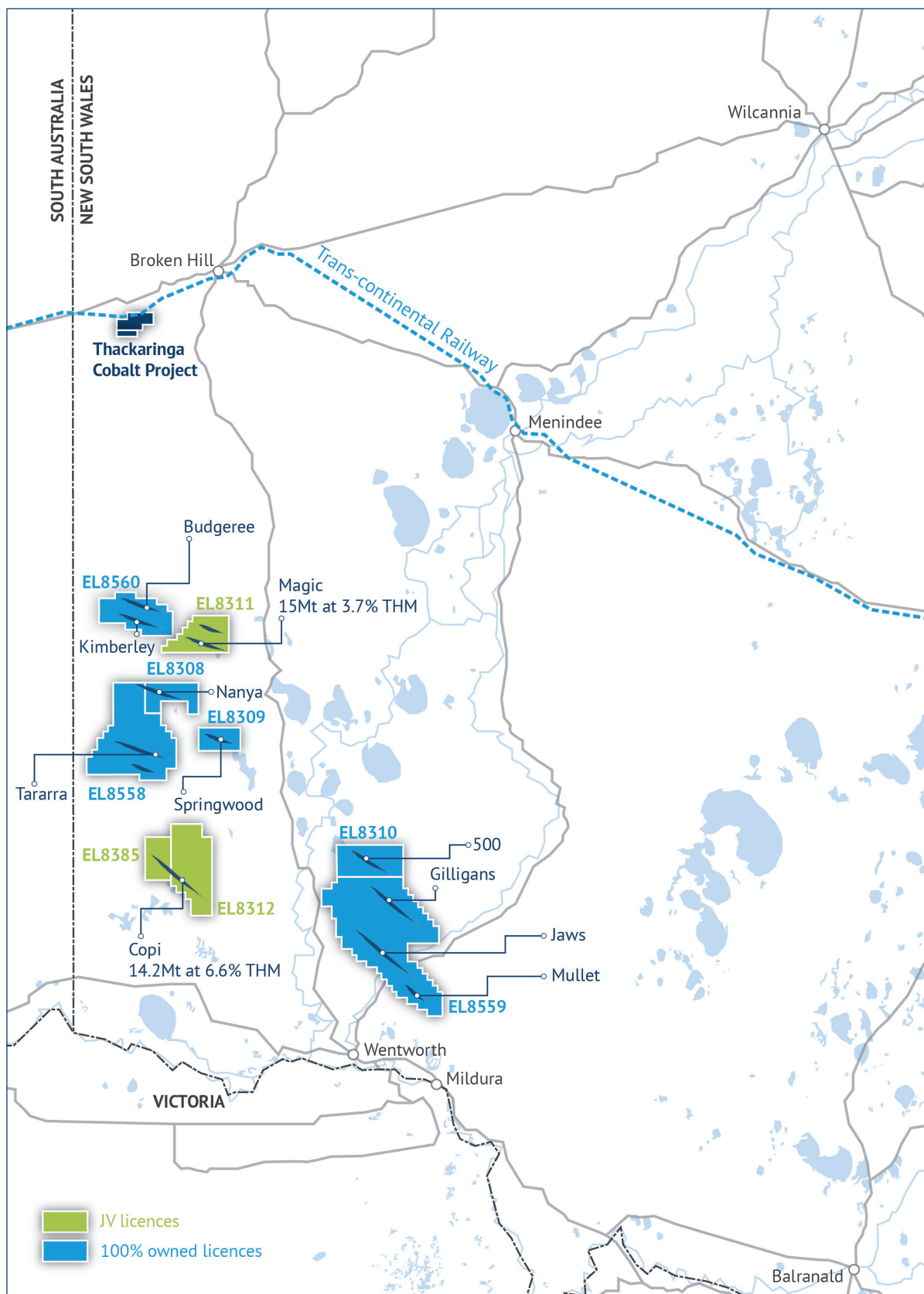


Figure 1. BPL's extensive HMS tenement portfolio within the world-class Murray Basin, western New South Wales. Newly granted tenements include: EL 8558 (Tararra), EL 8559 (Central Para) & EL 8560 (Budgerie) which all contain mineralised HMS strandlines, strategically located adjacent to current projects areas.



Anthony (Trangie) Johnston
Chief Executive Officer

**For further information,
please contact**

Broken Hill
PROSPECTING

Tel: +61 2 9238 1170
Email: info@bhpl.net.au

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](#)
- [18 April 2017 Murray Basin Heavy Mineral Sands Expansion Plans](#)
- [10 May 2017 CEO 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 amenable 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
EL 8558	100% Murray Basin Minerals Pty Ltd
EL 8559	100% Murray Basin Minerals Pty Ltd
EL 8560	100% Murray Basin Minerals Pty Ltd

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