



ASX ANNOUNCEMENT

10 NOVEMBER 2016

DRILLING COMMENCES AT THE THACKARINGA COBALT PROJECT

- 1000m diamond drill program underway to support metallurgical test work
- Planning is well advanced for a major Resource infill and expansion program

Broken Hill Prospecting (ASX:BPL) today announced that drilling had commenced at the Thackaringa Cobalt Project near Broken Hill to support metallurgical test work programs.

The 1000m diamond drilling program consists of eight holes at the three significant locations of cobalt mineralisation - Pyrite Hill, Big Hill and Railway deposits (Figure 1). Total Inferred Mineral Resource of **35.7Mt at 841ppm cobalt** (at a 500ppm Co cut-off)¹ has previously been defined in these areas.

The Thackaringa deposits remain under-explored. Detailed geological mapping has delineated more than 10km of mineralised outcrop, of which approximately 75% remains untested. Planning for a major resource infill and expansion program aimed to test outcropping mineralisation along strike and at depth from known resource locations is well advanced. Resource expansion will focus on the high-grade zones within the mineralised trend.

All drilling activities are designed to support a resource upgrade to JORC 2012 standard.

BPL announced earlier this week that it would spin-off its stake in Thackaringa into a new ASX-listed company, Cobalt Blue Holdings Ltd (COB), which is planning a \$8m to \$10m initial public offering. BPL shareholders will receive an in specie distribution of the company's shares in COB, plus loyalty options and priority entitlements.

For more information on Cobalt Blue please refer to the following ASX Announcements:

¹ The total Inferred Mineral Resource estimate is as released under JORC 2004, comprising the following:
Railway Deposit | 14.9Mt at 1.83lb/t (831ppm) (at a 500ppm Co cut-off and as released 27 July 2012 under JORC 2004) Pyrite Hill Deposit | 16.4Mt at 1.83lb/t (830ppm) (at a 500ppm Co cut-off and as released 14 November 2011 under JORC 2004) Big Hill Deposit | 4.4Mt at 2.00lb/t (910ppm) (at a 500ppm Co cut-off and as released 12 November 2010 under JORC 2004). The Railway, Pyrite Hill and Big Hill Mineral Resource estimates were first disclosed under JORC 2004 and have not been updated to JORC 2012 requirements. The company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and that all material assumptions and technical parameters underpinning these mineral resource estimates in the relevant market announcement continue to apply and have not materially changed.

- [BPL to Unlock the Value of its Thackaringa Cobalt Project](#)
- [COB Prospectus](#)



Commencement of diamond drilling at Pyrite Hill with outcropping mineralisation exposed along ridge in background.



Mineralisation intersected by the first drill hole at Pyrite Hill.

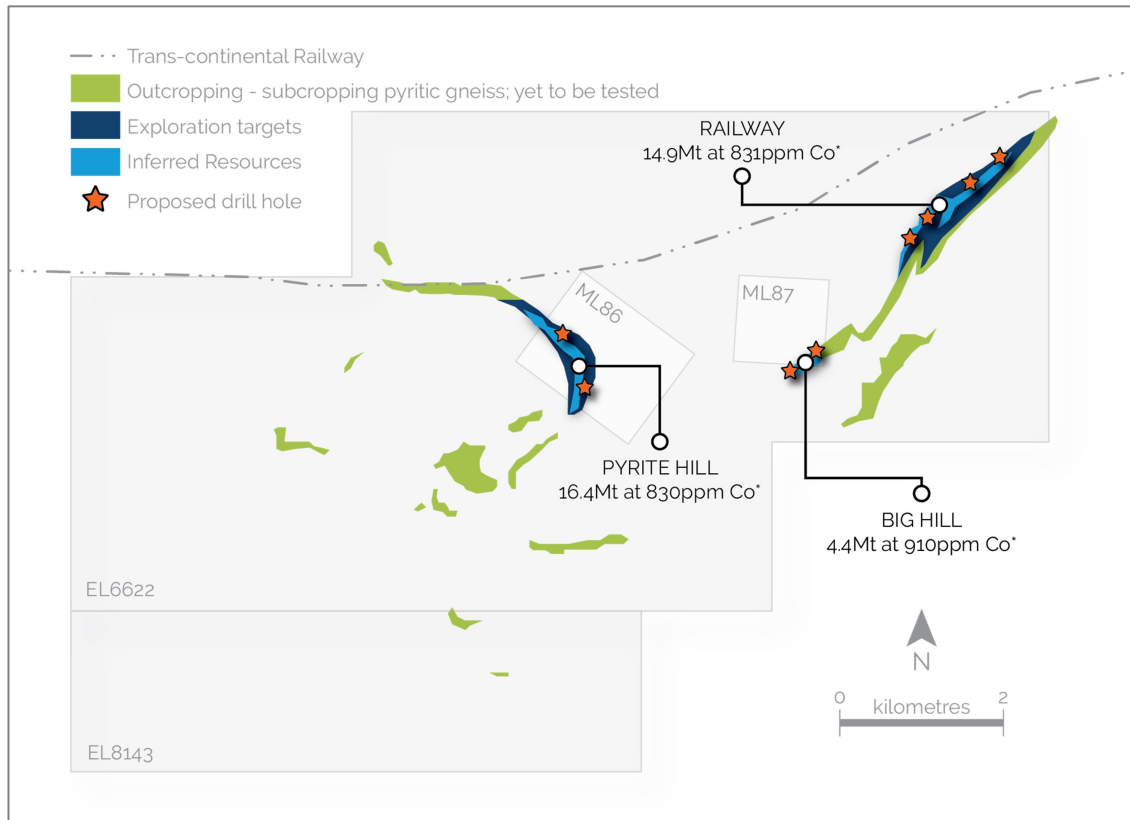


Figure 1. Thackaringa Cobalt Project | Schematic plan illustrating the surface expression of pyrite-cobalt deposits and associated exploration targets relative to proposed drilling (*See note 1, page 1).

Anthony (Trangie) Johnston

Chief Executive Officer

FOR FURTHER INFORMATION, PLEASE CONTACT

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COMPETENT PERSON 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

BPL is an Australian exploration company focussed on the discovery and development of strategic mineral resources across two primary projects the Thackaringa Cobalt Project and the regional NSW Heavy Mineral Sands Project.

Cobalt Project

Thackaringa is strategically located 25km south-west of Broken Hill, New South Wales, adjacent to the main transcontinental railway line. Since 2011, BPL's exploration activities have more than doubled the resource to **35.7Mt at 841ppm cobalt** (at a 500ppm Co cut-off)². 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.

The cobalt is contained in a pyritic rock, which adds the possibility for the co-production of sulphuric acid from any future mining activities. Sulphuric acid supply in Australia for mining and agricultural purposes is limited, and significant quantities are imported.

Heavy Mineral Sands Project

BPL has a substantial portfolio of Heavy Mineral Sands Projects (titanium and zircon) within the Murray Basin, NSW. Recent drilling activities have been funded by a joint venture with Relentless Resources Limited (RRL), supporting the completion of Mineral Resource estimates for the Copi North and Magic deposits comprising:

- **COPI NORTH I CUT-OFF GRADE 2.5% TOTAL HEAVY MINERAL (THM) AS RELEASED 27 MAY 2016 UNDER JORC 2012³.**

Resource Category	Tonnes (millions)	THM (%)	Slimes <53um (%)	Oversize >1mm (%)
Inferred	3.2	6.8	2.8	1.6
Indicated	11.0	6.3	2.7	2.4
Total	14.2	6.6	2.8	2.0

² See note 1, page 1

³ The Copi North Indicated and Inferred Mineral Resource estimate is as released 27 May 2016 under JORC 2012. The company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and that all material assumptions and technical parameters underpinning these mineral resource estimates in the relevant market announcement continue to apply and have not materially changed.

- MAGIC 1 CUT-OFF GRADE 2% TOTAL HEAVY MINERAL (THM) AS RELEASED 10 SEPTEMBER 2015 UNDER JORC 2012⁴.

Resource Category	Tonnes (millions)	THM (%)	Slimes <53um (%)	Oversize >1mm (%)
Inferred	15	3.7	4	1
Total	15	3.7	4	1

Copi North is currently undergoing a Pre-feasibility Study due for completion early 2017.

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

⁴ The Magic Inferred Mineral Resource estimate is as released 10 September 2015 under JORC 2012. The company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and that all material assumptions and technical parameters underpinning these mineral resource estimates in the relevant market announcement continue to apply and have not materially changed.