

**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  
Base & Precious Metals

**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 (3/10/17) **148M**

Options: Listed **47M**

Market Cap (undiluted at 3.2cps) **\$4.7M**

**Broken Hill Prospecting Ltd**

ARBN 003 453 503

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## Highlights

### Murray Basin Heavy Mineral Sands Expansion Strategy Advances

- BPL is now of the largest tenement holder in the world-class Murray Basin after industry leaders Iluka Resources and Cristal Mining
- Two exploration tenements have been granted in the Murray Basin and applications submitted for four additional tenements
- Expanded footprint underpinned by extensive data compilation and prospectivity analysis
- Targets identified include multiple, shallow, mineralised strandlines comprising high-value heavy mineral assemblages
- Market confidence remains high after sustained Titanium pigment and Zircon price increases over the past 12 months
- Strong cash position of \$3.3 million and no debt

#### BPL's Chief Executive Officer Trangie Johnston commented:

*"The granting of the Euston tenure marks another substantial milestone in our Company's growth strategy. With the Murray Basin focus broadening, further applications in Victoria and South Australia would secure 4,500km<sup>2</sup> of prospective ground. This would establish BPL as the largest tenement holder in the prolific Murray Basin."*

## NEW TENEMENTS GRANTED

BPL's two new tenements are EL8650 Euston North and EL8649 Euston South. They are located approximately 20km east of Mildura, NSW, and boost the company's footprint in the region to now exceed 2,500km<sup>2</sup>.

The Euston project areas host multiple strandlines, with heavy mineral sand (HMS) mineralisation persisting over several kilometres of strike. Initial exploration activities will focus on geological modelling and data validation as applied at BPL's Central Para area nearby. This would contribute to a substantial increase in the Company's mineral resource inventory, which already comprises the Jaws and Gilligans deposits.

## NEW TENEMENT APPLICATIONS

Four applications have been lodged over prospective ground in Victoria and South Australia. The granting of these tenements would mark a significant expansion of interest across the broader Murray Basin.

The tenement applications include:

| State           | Application    | Name                   | Area (km <sup>2</sup> ) |
|-----------------|----------------|------------------------|-------------------------|
| Victoria        | EL006583       | Hopetoun Birchip       | 1425                    |
| Victoria        | EL006584       | Hopetoun Warracknabeal | 1069                    |
| Victoria        | EL006585       | Ouyen                  | 851                     |
| South Australia | ELA 2017/00201 | Danggali North         | 1025                    |

### ■ South Australia

- The application area contains the Oakbank, Boxwood Dam and Johnsons Dam strandline HMS deposits which have had preliminary (non-JORC) resource estimates undertaken by previous explorers. These potential resource areas are located along strike from mineralisation in the company's NSW tenements, including the Tararra strandlines (EL8558).

### ■ Victoria

- The applications are favourably located within close proximity to key infrastructure, and are characterised by strandline mineralisation defined by shallow drilling. Mineralisation extends over to 15km strike, with overburden varying between 5 -20m.

These applications are the result of extensive data compilation and prospectivity analysis that has equipped BPL with a unique proprietary database comprising approximately 40,000 drill holes and 1.3 million metres of drilling. The database reflects a total exploration replacement value of approximately \$55 million in today's terms (drilling and assay only).

## MAIDEN RESOURCE ESTIMATES

BPL recently announced ([10th August 2017](#)) maiden Mineral Resource estimates for the Jaws and Gilligans HMS deposits. Jaws and Gilligans deposits are located in south-western New South Wales approximately 50km north of Mildura and 20km east of the Silver City Highway, which links Mildura to Broken Hill.

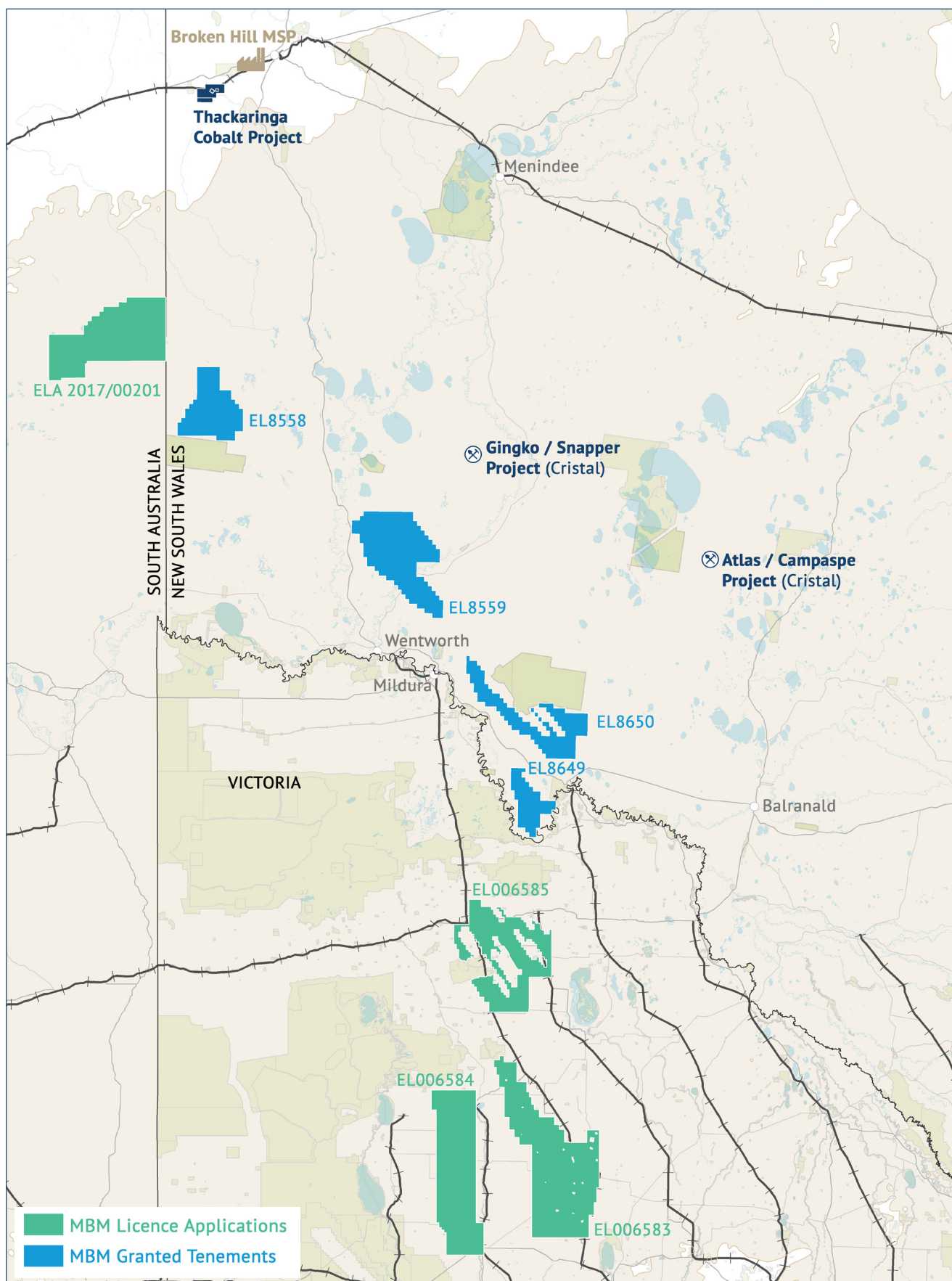
The Inferred Mineral Resources comprise a total of 113 Mt @ 1.8% HM and 3% slimes containing 2 Mt of HM with an assemblage of 10% total ilmenite, 10% zircon, 26% rutile and 21% magnetic leucoxene and 2% non-magnetic leucoxene including:

**Table 1.** Mineral Resource estimates for the Jaws and Gilligans deposits as reported at a 1% HM cut-off grade.

| Summary of Mineral Resources |           |               |                 |        |          |              | HM Assemblage |            |            |                        |                            |
|------------------------------|-----------|---------------|-----------------|--------|----------|--------------|---------------|------------|------------|------------------------|----------------------------|
| Mineral Resource Category    | Deposit   | Material (Mt) | In Situ HM (Mt) | HM (%) | Clay (%) | Oversize (%) | Ilmenite (%)  | Zircon (%) | Rutile (%) | Magnetic Leucoxene (%) | Non-magnetic Leucoxene (%) |
| Inferred                     | Jaws      | 63            | 1.2             | 1.9    | 5        | 1            | 10            | 10         | 29         | 22                     | 1                          |
| Inferred                     | Gilligans | 50            | 0.8             | 1.6    | 2        | 2            | 8             | 9          | 23         | 20                     | 2                          |
| Total                        |           | 113           | 2.0             | 1.8    | 3        | 1            | 10            | 10         | 26         | 21                     | 2                          |

(1) Mineral Resources reported at a cut-off grade of 1% HM

(2) Mineral assemblage is reported as a percentage of in situ HM content



**Figure 1.** BPL holds the largest tenement portfolio in the world class Murray Basin heavy mineral sands province.



Anthony (Trangie) Johnston  
*Chief Executive Officer*

**For further information,  
please contact**

**Broken Hill**  
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>

- [10 August 2017 Large Maiden Resource Estimate Murray Basin Mineral Sands](#)
- [28 June 2017 Dispute Settled and HMS Expansion Plans Accelerate](#)
- [13 June 2017 Murray Basin Heavy Mineral Sands Expansion Plans Confirmed](#)
- [18 April 2017 Murray Basin Heavy Mineral Sands Expansion Plans](#)

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. BPL now holds the third largest tenement portfolio in the Murray Basin, after industry leaders Iluka Resources and Cristal Mining.

Additional tenement applications and potential project acquisitions under review will continue to position the Company to take advantage of improving market conditions.

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 project is currently undergoing Pre-feasibility Studies.

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 is actively exploring for Broken Hill (Pb-Zn-Ag) style mineralisation.

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.

### 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 8558        | 100% Murray Basin Minerals Pty Ltd |
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| EL8649         | 100% Murray Basin Minerals Pty Ltd |
| EL8650         | 100% Murray Basin Minerals Pty Ltd |
| EL006583       | 100% Murray Basin Minerals Pty Ltd |
| EL006584       | 100% Murray Basin Minerals Pty Ltd |
| EL006585       | 100% Murray Basin Minerals Pty Ltd |
| ELA 2017/00201 | 100% Murray Basin Minerals Pty Ltd |