

**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
Industrial Metals

Directors & Management

Creagh O'Connor
Non-Executive Chairman

Trangie Johnston
Managing Director

Geoff Hill
Non-Executive Director

Matt Hill
Non-Executive Director

Denis Geldard
Non-Executive Director

Ian Morgan
Company Secretary

Capital Structure

Ordinary Shares on Issue (30/4/18) **148M**

Options: Listed **47M**

Market Cap (undiluted at 8cps) **\$12M**

Broken Hill Prospecting Ltd

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Broken Hill Exploration Expansion & Cobalt Update

Exploration Expansion

Strategy

- Three new exploration licences covering a total of 209 km² have been granted in the Broken Hill district increasing the Company's exposure to this world-class mineral province.
- The tenements cover under-explored ground with numerous base, precious and industrial mineral prospects.
- Archived drill core from the historical Burt & Catterson's Cu-Co prospect has been sampled and is being re-assayed.

Targets

- A diversified exploration approach will be adopted for:
 - Base Metals (Cu-Pb-Zn-Ni-Co)
 - Precious Metals (Au & Ag)
 - Industrial Minerals and Non-metals
- A new era of on-ground exploration will commence at Thackaringa for base and precious metals and to extend known cobalt deposits.
- Numerous polymetallic prospects have been identified ranging from emerging through to advanced.

BPL Managing Director and CEO, Trangie Johnston, said:

"Commencement of a multi-faceted exploration program at Broken Hill highlights the unique character of this great mining region and the high quality targets within our portfolio.

The application of modern exploration technologies gives us fresh eyes with which to thoroughly assess our ground at Thackaringa and also the three new licences granted to us closer to the Broken Hill line of lode.

The fact that this is a multi-play for base and precious metals, including cobalt makes the work even more important for our shareholders."

Activity - Base & Precious Metals & Cobalt

- Broken Hill Group Targets:
 - Induced polarisation (IP) surveys to test the Himalaya North and Pyramid Hill prospects
 - Aim is to identify strike and dip extensions to near-surface mineralisation for drill testing
- Thackaringa Group Targets:
 - Diverse prospects with interesting metal associations identified in reconnaissance sampling (including Cu–Co, Cu–Zn)
 - Prospect-scale geological mapping
 - Grid based sampling and rock chip geochemistry
 - Anomalous Cobalt

Cobalt Update

- Considerable potential exists to expand the Cobalt resource base at the Thackaringa Cobalt Project.
- Only 5.5km of a potential 40km strike length of the cobalt pyritic host unit of the Himalaya Formation has so far been drill tested.
- Targets prioritised for drilling using results of major 2017 airborne electromagnetic survey.
- Current Mineral Resource of 72Mt at 852ppm cobalt (Co), 9.3% sulphur (S) & 10% iron (Fe).
- Anomalous cobalt found in rock chips from several additional polymetallic Thackaringa Group prospects.



Massive cobalt-pyrite mineralisation from the Railway deposit within the Himalaya Formation

Broken Hill Project – Portfolio Expansion

Broken Hill Prospecting Limited (ASX: BPL) has been granted three exploration licences in the Broken Hill district, which significantly increases the Company's exposure to this world class mineral province.

The tenements cover 209 km² of under-explored ground with numerous base, precious and industrial mineral prospects.

The three new areas augment the Company's existing rights to base and precious metals at the Thackaringa Cobalt Project (joint venture with Cobalt Blue Holdings Ltd; ASX:COB) and represent a strategic broadening of BPL's exploration focus in the Broken Hill Region.

Rocks of the Broken Hill Group, which hosts the giant Broken Hill Pb-Zn-Ag orebody comprising 300Mt of ore containing 30Mt Pb, 24Mt Zn, 1B oz Ag and 1M oz Au, are widely distributed across the tenement portfolio with multiple prospects prioritised for further exploration.

Burt & Catterson's Cu-Co Prospect (EL 8773 Main Line)

This tenement covers an area of approximately 20 square km and allows exploration for base, precious and industrial minerals (Groups 1, 2 & 5). The southern part is along strike from the world class Broken Hill Line of Lode and covers the historical Burt & Catterson's Copper Prospect which was tested by three drill holes in the 1950s, but which has since seen only cursory surface exploration. Numerous other copper occurrences have been identified and local gold anomalies occur in historical surface geochemical sampling.

The historical diamond core from Burt & Catterson's is preserved at the Geological Survey of NSW's E. C. Andrews core facility in Broken Hill. The historically sampled Cu–Co mineralised intervals have been resampled by BPL and submitted to ALS Orange laboratory for assay of a full economic suite of metals including gold. Results are expected within the next month.

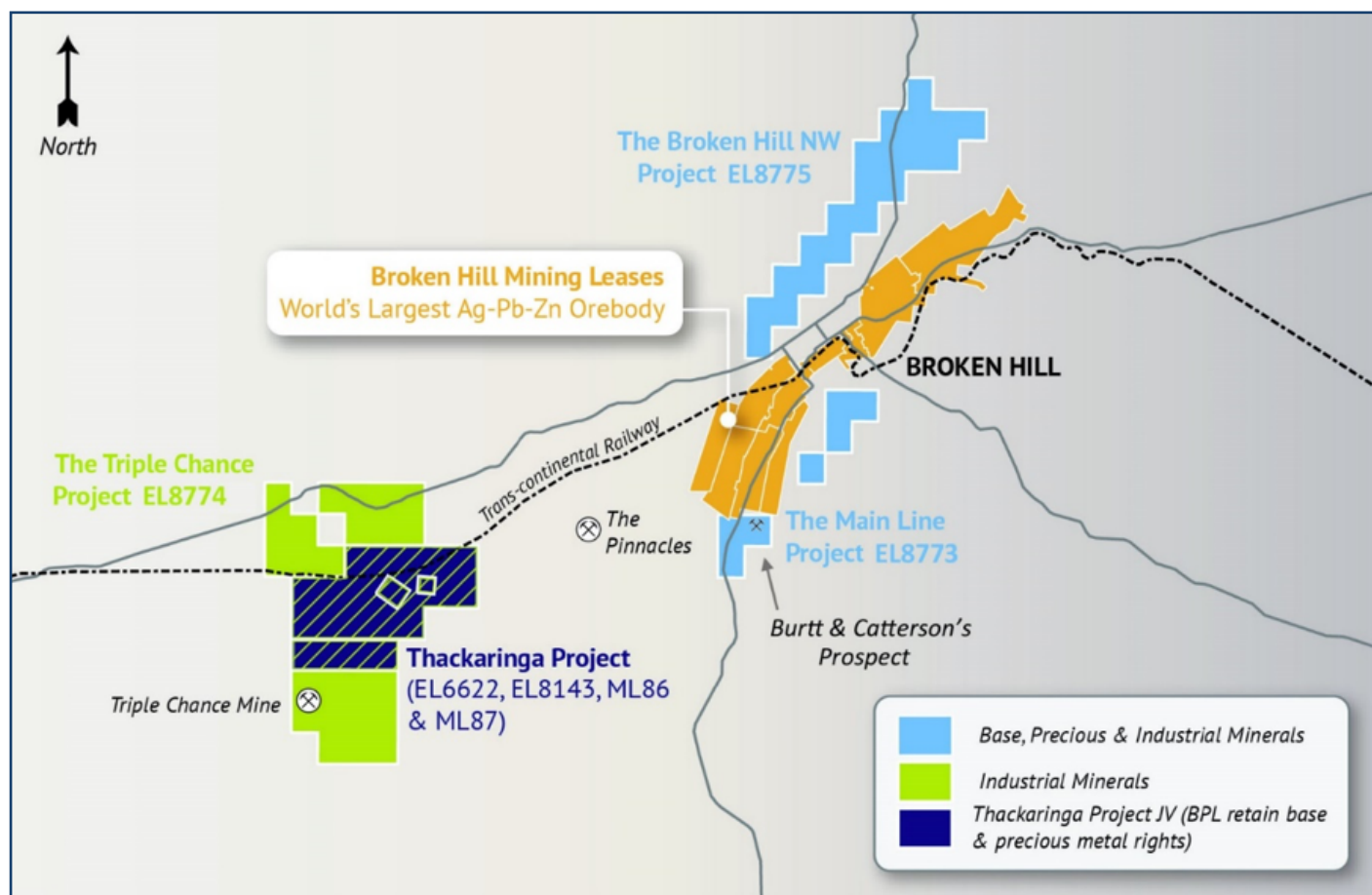


Figure 1. BPL's extensive tenement portfolio in the world class Broken Hill Province

Thackaringa District Exploration (EL6622 & EL8143)

Modern mineral exploration in the Thackaringa district by BPL and precursor companies commenced with reconnaissance surface geochemical sampling in 2007–2009, covering the full range of mineral occurrences and commodities in the EL6622 lease area.

Follow-up work focused on the Himalaya North and Pyramid Hill prospects, with shallow RAB and RC drill testing immediately below historical workings. Results confirmed Cu-Pb-Zn-Ag mineralisation extending over broad areas warranted follow up exploration.

A shift in exploration focus towards cobalt-pyrite deposits at Pyrite Hill, Big Hill and Railway resulted from accelerating global demand for new technology battery storage systems and electric vehicles (EV's). The strategic change in direction laid the foundation for the successful spin-off and IPO of Cobalt Blue Holdings (ASX: COB).

A major step forward in Thackaringa district exploration began in late 2017 after the flying of a major airborne electromagnetic (VTEM) survey covering both EL6622 and EL8143. The survey was

fully funded by COB as part of the Thackaringa Cobalt Project joint venture. District-scale geological mapping and 3D modelling has greatly enhanced the context around a wide range of geochemical and geophysical anomalies, including currently known prospects.

Over the coming months, BPL will launch a new phase of on-ground exploration for the full spectrum of base and precious metals.

Thackaringa Targets

BPL holds the base and precious metal exploration rights over the Thackaringa tenements where exploration targets are broadly classified by stratigraphic host – either the Broken Hill Group or older Thackaringa Group (Figure 3).

The Broken Hill Group is widely distributed across the project area and is underlain by the Thackaringa Group, which hosts the Thackaringa Cobalt-Pyrite deposits. They have a current total (indicated and inferred) resource of 72Mt at 852ppm Cobalt (Co), 9.3% Sulphur (S) & 10% Iron (Fe) for 61.5Kt contained cobalt (at a 500ppm cobalt cut-off; as released [19 March 2018](#))

Broken Hill Group Targets

Rocks of the Broken Hill Group are deemed prospective for mineralisation styles including:

- Stratiform Broken Hill Type (BHT) Lead-Zinc-Silver
- Copper-rich BHT with elevated Gold
- Epigenetic Gold and Base metals

Anomalous VTEM responses occurring in Broken Hill Group rocks (Figure 2), are particularly significant, with three EM anomalies coincident with historical workings. These areas have been subject to limited modern exploration and represent new targets for BPL. Field reconnaissance has confirmed the presence of 'lode rocks', including the characteristic quartz-gahnite (ZnAl_2O_4) types routinely applied as mineralisation vectors within the Broken Hill terrain (Figure 2).

A multi-disciplinary approach will be employed to maximise the chance of discovery with induced polarisation (IP) surveys currently being designed at the Himalaya North and Pyramid Hill prospects.

Thackaringa Group Anomalies

The VTEM survey successfully fingerprinted the Thackaringa cobalt-pyrite mineralisation, which currently outcrops in prominent ridgelines that extend for 4.5km strike. Widths range from 25 to 100m, and all deposits are open at depth.

Interestingly, several additional strong EM anomalies were identified immediately north and south of the Railway deposit (Figure 2). These targets form an immediate focus, possibly reflecting the complexly folded nature of the mineralisation, which has undergone significant structural thickening.

An additional deep conductor has been identified along strike from the Railway deposit, broadly coincident with a subtle chargeability anomaly encountered in historical IP surveying. This target is scheduled for drill testing late in 2018 as part of a major resource infill and extension program.

The potential for additional cobalt discoveries is very high. The pyritic host unit within the Himalaya Formation extends over a 40km strike length on EL6622 and EL 8143, with only 5.5km tested by modern exploration.

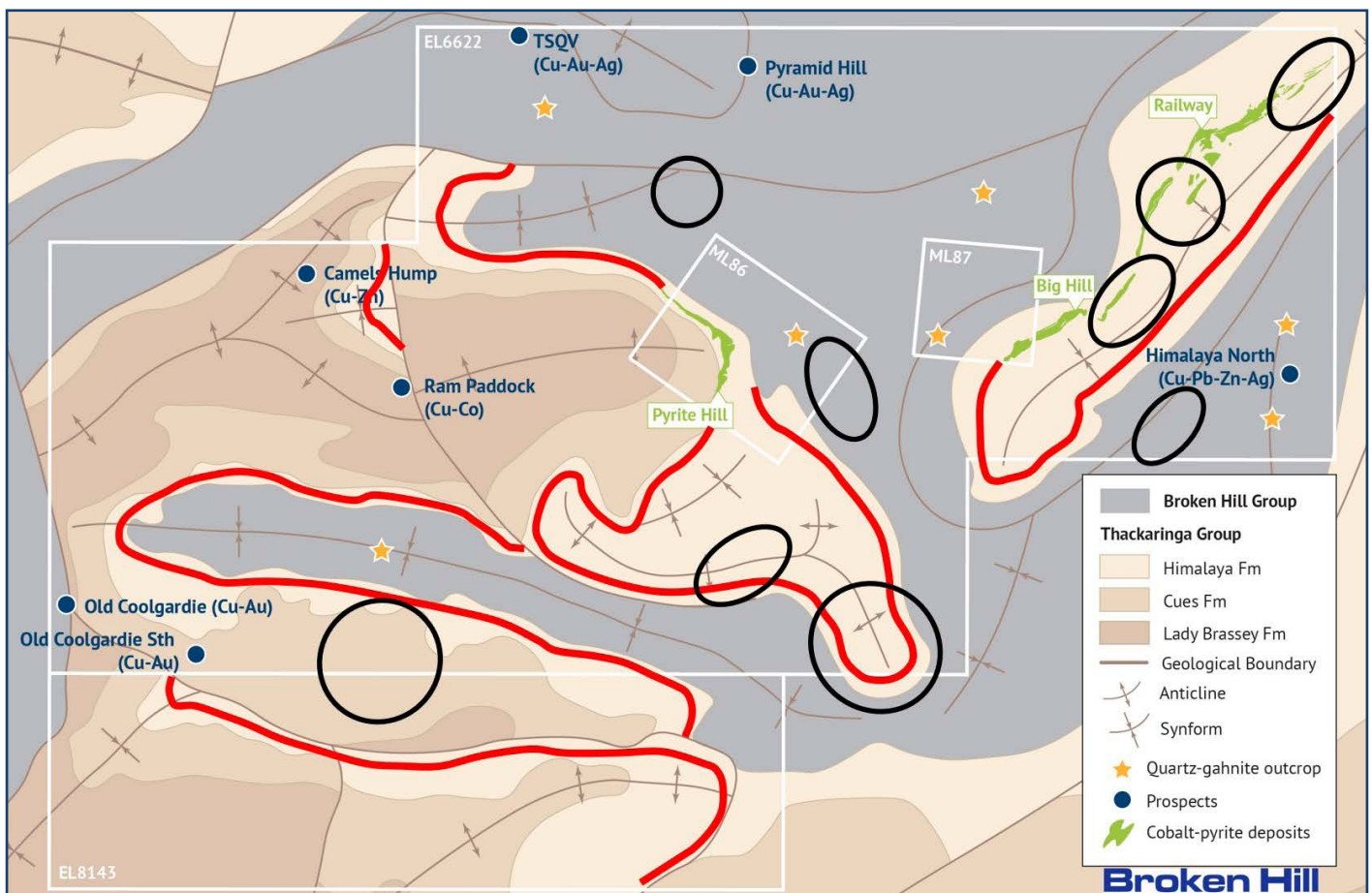


Figure 2. High priority base and precious metal prospects at BPL's Thackaringa Project. The red line represents 40+km of untested Himalaya Formation that hosts the world class cobalt-pyrite deposits at Pyrite Hill, Big Hill and Railway. Black circles are VTEM anomalies.

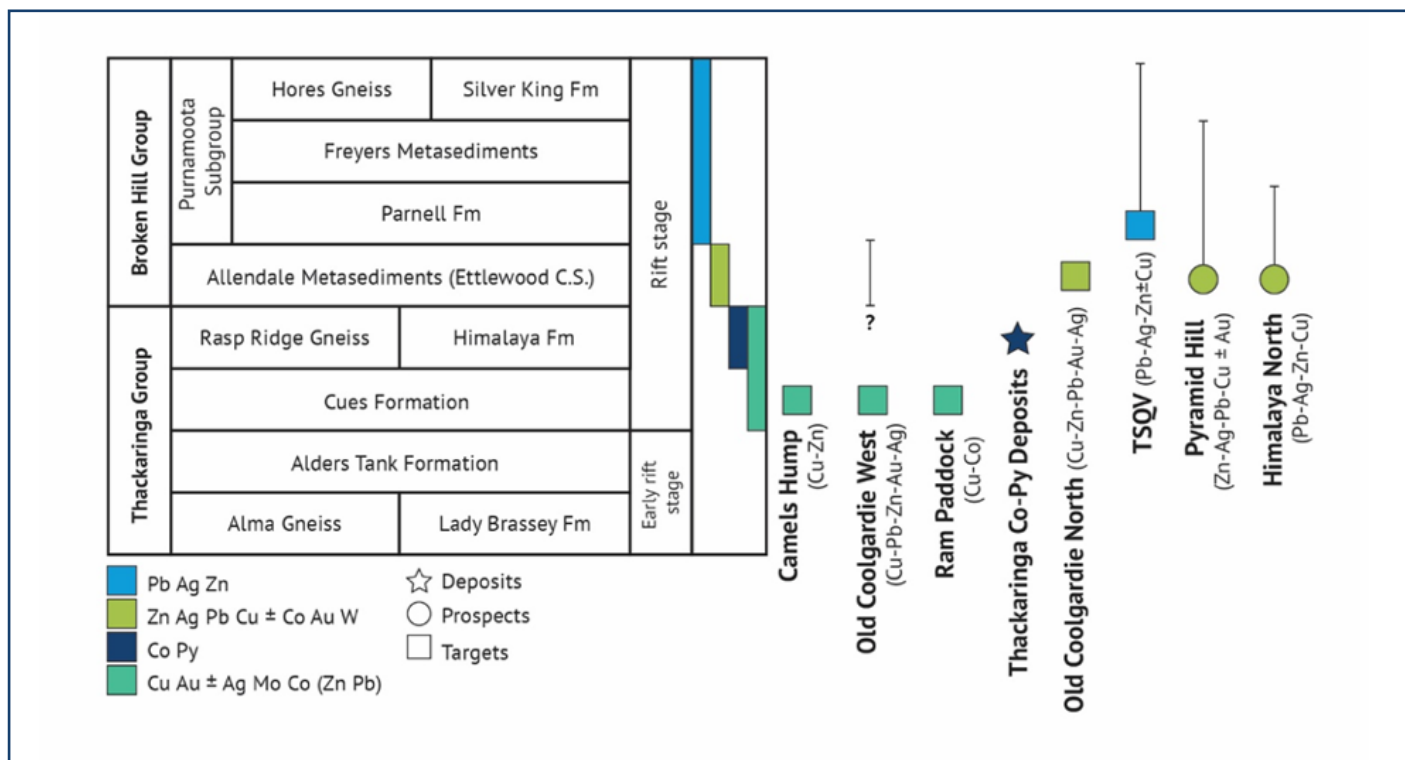


Figure 3. Stratigraphic context and metal association of selected Thackaringa district prospects

There is also considerable potential for other cobalt mineralisation associated with copper and other base metals.

Rocks of the Thackaringa Group are considered prospective for:

- Stratiform Pyrite Hill type Cobaltiferous Pyrite
- Stratiform Great Eastern type Copper-Cobalt
- Pinnacles style Lead-Zinc-Silver
- Epigenetic Gold and Base metals

Anthony (Trangie) Johnston
Managing Director

Broken Hill
PROSPECTING

Diversified Exploration & Development Company

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PREVIOUSLY RELEASED INFORMATION

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

4 July 2018

[Thackaringa Cobalt Project Pre-feasibility Study](#)

8 May 2018

[BPL holds largest Mineral Sands Portfolio, Murray Basin](#)

23 March 2018

[Major Strategic Partnership for the Thackaringa JV](#)

19 March 2018

[Significant Thackaringa Resource Upgrade](#)

23 January 2018

[Broken Hill Base Precious Industrial Mineral Expansion](#)

22 November 2017

[Multiple large base and precious metal targets found at Thackaringa Project](#)

27 September 2017

[Geophysical Survey and 3D Modelling Commences at Thackaringa](#)

BPL confirms it is not aware of any new information or data that materially affects the information included in the original market announcements, 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 announcements.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to exploration results, Mineral Resources and 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 who is the Managing Director and Chief Executive Officer of Broken Hill Prospecting Limited. 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 a diversified Australian exploration company focused on the discovery and development of strategic mineral resources across two primary geographical areas; the Broken Hill Region (industrial, base and precious metals, including the Thackaringa Cobalt & Base/Precious Metal Project) and the Murray Basin Region (Heavy Mineral Sands).

BROKEN HILL REGION

BPL has a number of project interests in the Broken Hill region and is actively expanding its exposure to this world class mineral province.

The Thackaringa Cobalt Project is strategically located 25km south-west of Broken Hill, New South Wales, adjacent to the main transcontinental railway line. Current deposits are open at depth and account for 4.5km strike of mineralised outcropping ridges with excellent potential for resource expansion.

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 \$10.9 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.

MURRAY BASIN REGION

BPL has built a substantial portfolio of Heavy Mineral Sands (HMS – titanium & zircon) projects within the world-class Murray Basin. BPL now holds the largest tenement portfolio in the Murray Basin.

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.

TENEMENT HOLDING

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

Broken Hill Region

EL 6622*	100% legal, 49% beneficial Broken Hill Prospecting Ltd
EL 8143*	100% legal, 49% beneficial Broken Hill Prospecting Ltd
ML 86*	100% legal, 49% beneficial Broken Hill Prospecting Ltd
ML 87*	100% legal, 49% beneficial Broken Hill Prospecting Ltd
EL 8773	100% Broken Hill Chemical Pty Ltd
EL 8774	100% Broken Hill Chemical Pty Ltd
EL 8775	100% Broken Hill Chemical Pty Ltd

Murray Basin Region

EL 6614	100% Murray Basin Minerals Pty Ltd
EL 8558	100% Murray Basin Minerals Pty Ltd
EL 8559	100% Murray Basin Minerals Pty Ltd
EL 8649	100% Murray Basin Minerals Pty Ltd
EL 8650	100% Murray Basin Minerals Pty Ltd
EL 006583	100% Murray Basin Minerals Pty Ltd
EL 006584	100% Murray Basin Minerals Pty Ltd
EL 006585	100% Murray Basin Minerals Pty Ltd
EL 6139	100% Murray Basin Minerals Pty Ltd

** These tenements are subject to the Thackaringa Joint Venture with COB. COB has claimed to have earned 70% beneficial interest in these tenements. BPL is in the process of validating this claim.*