

4 December 2018

ASX Limited
20 Bridge Street
Sydney NSW 2000

ASX Announcement – For immediate release

Thackaringa Cobalt Project Update – Release of TJV Agreement on 3 December 2018 and COB's Dilution Notice on 4 November 2018

Release of TJV Agreement

Broken Hill Prospecting Ltd (ASX: BPL) is pleased to note the release yesterday of the Thackaringa Joint Venture (TJV) Agreement by Cobalt Blue Holding Ltd (COB). The release provides background to points of disagreement between BPL and COB.

The objective of all parties should be to ensure the Thackaringa Project is moving forward on a solid technical footing.

BPL disagrees with many points set out in the COB announcement and points out that:

- COB's announcement of 22 November 2018 (and other announcements by COB) refer to a drilling campaign budget and programme (August 2018 Budget) proposed on 28 August 2018 by COB (at that time the TJV Manager) and approved on 28 August 2018 by the TJV Management Committee (TJVMC) - within the Earning Period.
- The August 2018 Budget was approved well before COB's election on 24 October 2018 to withdraw from the Stage 3 Earning Period.
- The TJV Agreement makes it very clear that dilution does not apply to approved budgets and programmes adopted within the Earning Period and therefore the 28 August 2018 budget and programme is at the sole cost of COB.

BPL continues to assert its position that drilling activities commenced by COB outside of the requisite approval process set out in the TJV Agreement remain at the sole risk and cost of COB, further that COB is no longer the TJV Manager and that the resolutions purportedly passed at the TJVMC meeting held on 16 November 2018 are invalid.

COB's dilution notice released 4 December 2018

As stated in its announcement of 3 December 2018, BPL has already triggered a dispute notice regarding the dilution formula in the TJV. BPL will review and consider COB's claims that BPL has been diluted in the context of that dispute.

For further information please contact:

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