



Broken Hill Prospecting Limited

ARBN 003 453 503

Level 14, 52 Phillip Street, Sydney NSW 2000
Box 3486 GPO, Sydney NSW 2001

P: +61 2 9252 5300

F: +61 2 9252 8400

E: info@bhpl.biz

Website: www.bhpl.biz

ASX Code: BPL

Attn.: Kimberley Brown

ASX Compliance Pty Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Email: Kimberley.brown@asx.com.au

By Email:

3 November 2014

Dear Kimberley,

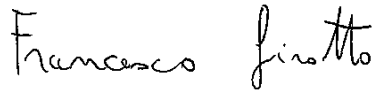
Response to ASX Query - Appendix 5B

I refer to your letter dated 31 October 2014 and respond to each of your questions as follows:

1. The Company is confident of raising funds required to continue its activities. In forming this view, the Company has received confirmation from some existing and prospective investors that they will contribute to near-future capital raisings. For immediate cash requirements please note that the company has recently received a Research & Development Tax Incentive of about \$154,000 (detailed in the Quarterly Activity Report).
2. The Company continues to expect negative operating cashflows in future periods for the purpose of exploration and evaluation, as is usual for mineral exploration entities. The Company's cash position will substantially dictate the quantum of those cashflows. The Company has, and will, continue to assess fundraising initiatives to ensure it has the financial capacity to progress its project development initiatives at an appropriate rate.
3. Refer to notes 1 and 2 above. The Company is in advanced discussions with existing and prospective investors to assist in the funding of the Company's future activities.
4. The Company confirms that it is in compliance with the listing rules and, in particular, with listing rule 3.1.
5. The Company considers it is in compliance with listing rule 12.2 for the reasons stated above. With reference to the matters discussed in the notes to listing rule 12.2:

- a) the Financial Statements for the year ended 30 June 2014 show that the Company had assets of \$2.37M and liabilities of \$0.05M; and
- b) as is relevant to a mining exploration company, the Company is constantly assessing its funding requirements commensurate to the level of its exploration and development activity such that it has a reasonable expectation that it will be able to fund its future activities.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Francesco Girotto', with a stylized flourish at the end.

Francesco Girotto
Company Secretary
Broken Hill Prospecting Limited



31 October 2014

Francesco Girotto
Company Secretary
Broken Hill Prospecting Limited
Level 14, 52 Phillip Street
Sydney NSW 2000

By Email:

Dear Francesco,

Appendix 5B query: Broken Hill Prospecting Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 30 September 2014, released to ASX Limited ("ASX") on 31 October 2014 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of \$0.
2. Net negative operating cash flows for the quarter of \$222,000.
3. Cash at end of quarter of \$57,000.

In light of the information contained in the Appendix 5B please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by e-mail. It should not be sent to the Market Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **5:00 p.m. A.E.D.T. on Wednesday, 5 November 2014**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact me on (02) 9227 0137.

Yours sincerely,

[Sent electronically without signature]

Kimberley Brown
Senior Adviser, Listings Compliance (Sydney)

