

## HEAVY MINERAL SAND RESOURCE EXTENSION DRILLING UNDERWAY

### Highlights

- A shallow air-core drilling program has today commenced at Sunshine in EL8385, located immediately adjacent to Copi EL 8312
- The drilling is targeting the north western resource extension of the Copi North Heavy Mineral Sands (HMS) deposit which is known to extend from EL 8312 into EL 8385
- The resource drilling is part of a larger strategic plan aiming to demonstrate an increased mine life for the Copi North HMS project following the results of a positive Scoping Study (announced on 11<sup>th</sup> February 2016) looking into the production of HMS concentrates (titanium & zirconium) from the deposit
- The drilling will take approximately two weeks to complete with analytical results and a new resource estimate expected in April 2016
- The drilling is fully funded by private mining investment group Relentless Resources Limited (RRL) via a Joint Venture managed by Broken Hill Prospecting. RRL is funding \$2m to earn a 50% interest in the two tenements

### Summary

Broken Hill Prospecting Limited ("BPL") or ("The Company") (ASX: BPL) is pleased to announce that its wholly owned subsidiary Broken Hill Minerals Pty Ltd ("BHM") has re-commenced drilling on its Heavy Mineral Sands (HMS) projects located in western New South Wales.

Air-core drilling has commenced at Sunshine EL8385 (Figure 1) located approximately 180km south of Broken Hill, targeting north western strike extensions of the Copi North deposit. Copi North is a known high-grade HMS deposit associated with a well-defined ancient beach sand strandline, which was the subject of a recent independent Scoping Study looking into the production of HMS concentrates (zirconium and titanium). The positive results of the Scoping Study were announced to the market on 11<sup>th</sup> February 2016.

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The main aim of the low cost program is to, through drilling, provide new data to allow BHM's resource consultants to extend the current Copi North resource estimate out to the north west, where known extensions of the deposit occur. This in turn, should provide for an envisaged extended mine life beyond the current five years used in the recent Scoping Study.

The drilling program is fully funded by private mining investment group Relentless Resources Limited (RRL) which is providing \$2m of funding through a recently announced Joint Venture to earn a 50% interest in the two tenements. Broken Hill Prospecting's wholly owned subsidiary Broken Hill Minerals Pty Ltd is manager of the Joint Venture.

## Program Details

Broken Hill Minerals Pty Ltd plans to complete 56 shallow exploration aircore drill holes exploring for HMS in EL8385, located approximately 100 kilometres NW of Wentworth in NSW.

The planned drill holes are located east of the Springwood Road – Nulla Road corner and extend towards the east to Nulla Road over approximately 12 kilometres (Figure 2) The planned holes (Table 4) are located at approximately 1km spaced traverses across the north western extension of the Copi North HMS deposit.

Drilling contractor, Wallis Drilling, is using a truck-mounted RC drill rig to undertake the work, which is expected to take approximately two weeks to complete.

Air-core drilling is a low cost, rapid drilling method which provides good quality sample recovery and which is considered suitable for HMS exploration and resource development work where loose sand and silts are the predominant substrata.

Drill hole locations have been determined by taking into account previously reported occurrences of heavy minerals and are designed to test a range of zones at depths between 15 and 40 metres below surface.

A table of planned drill holes for Sunshine EL 8385 is provided at the end of this report.

Readers should be aware that due to the nature of exploration drilling, the Company provides the tables and planned meterage estimations as a guideline only and expects changes to drilling depths and locations as the work progresses and without notification to the market during the course of the short program.

The work has been designed to follow-up and test historical drilling undertaken by other companies in the 1990's and early 2000's as well as explore along strike continuity of newly defined mineralisation. Targeting of shallow, high-grade zones has been given highest priority in addition to in-fill drilling "gaps" in the previous drill coverage.

A new resource estimate for the Sunshine-Copi North HMS deposit is expected to be completed April 2016.

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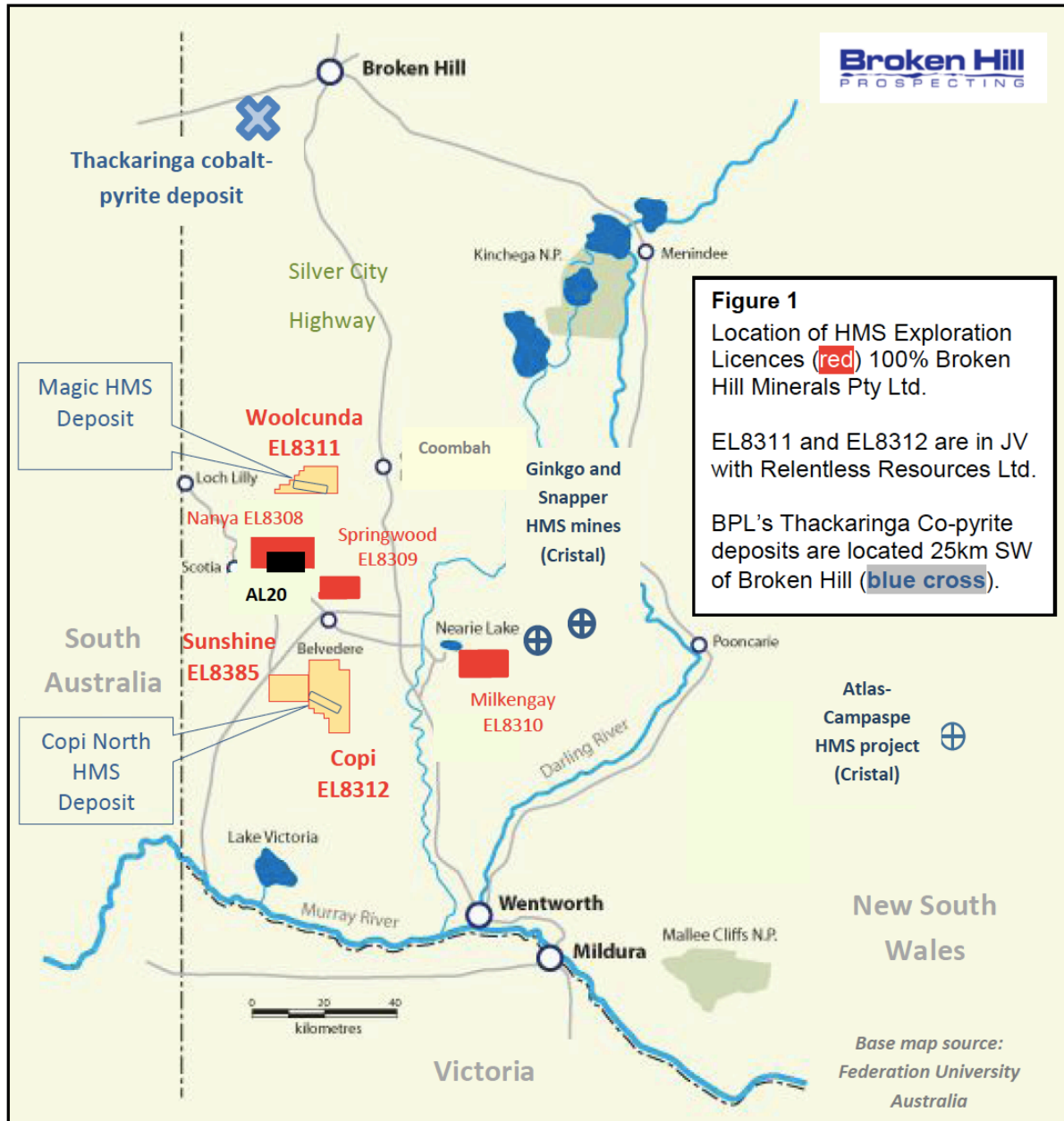


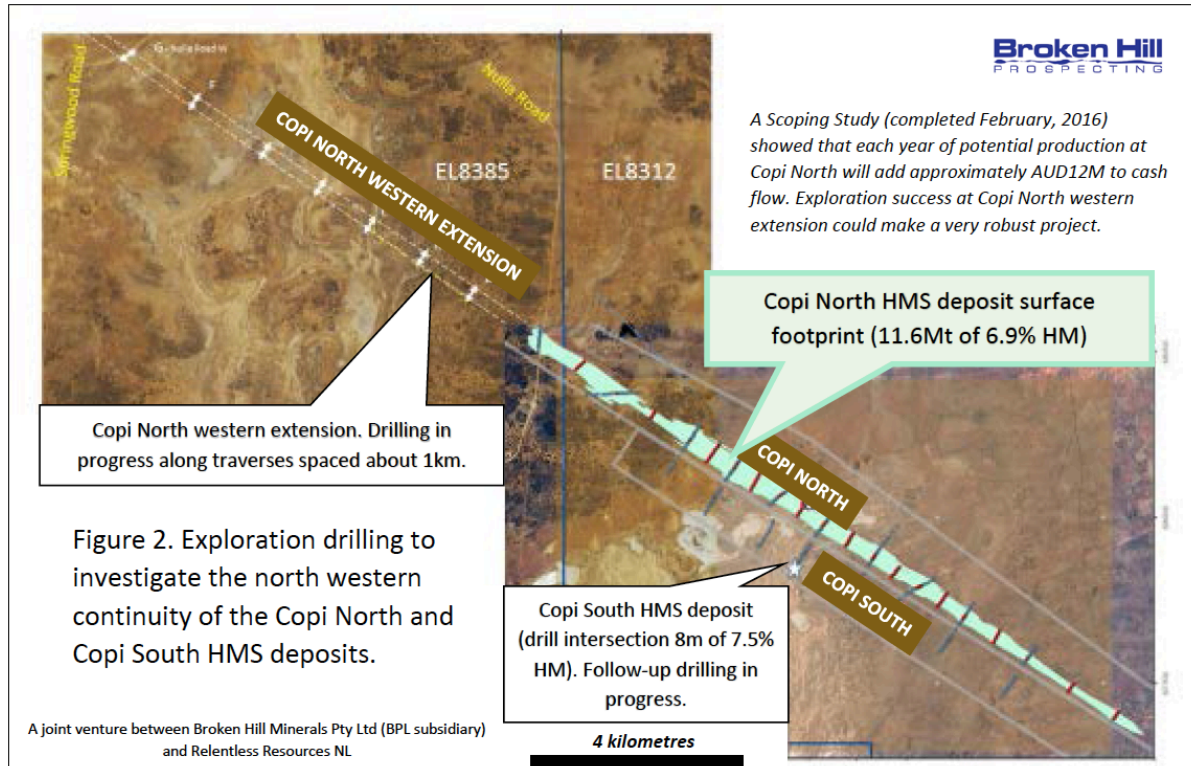
Figure 1. Map of Western NSW showing the location of the Copi EL8312 and Sunshine EL 8385 Heavy Mineral Sands Exploration Leases which are currently the subject of drilling. The plan also highlights the projects proximity to existing Heavy Mineral Sands Operations in the area.

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## Background

Exploration Licence 8312 (Copi) and recently granted Exploration Licence 8385 (Sunshine) are located approximately 60km WSW of Cristal Mining's Ginkgo and Snapper Mineral Sands operations (Figure 1). In March 2015, confirmatory air core drilling was undertaken at the Copi North deposit (EL8312) and the Magic Deposit in EL8311. This work is summarised in the Company's ASX release dated 16 April, 2015 and data used in subsequent resource estimations announced for Copi North on 27th July 2015 and 10th September 2015 for Magic.

Summaries of the current Resource Estimates for Copi North and Magic HMS deposits are provided below (Tables 1, 2 and 3).

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Resource Status	Tonnes (millions)	THM (%)	Average Density (g/cm <sup>3</sup> )	Slimes <53um (%)	Oversize >2mm (%)
Inferred	4.6	6.5	1.82	3.0	1.8
Indicated	7.0	7.1	1.84	2.6	2.0
<b>Total</b>	<b>11.6</b>	<b>6.9</b>	<b>1.83</b>	<b>2.8</b>	<b>1.9</b>

Table 1: Copi North JORC Resource (2.5% Total Heavy Mineral (THM) cut-off)

Tonnes (millions)	THM (%)	Ilmenite (%)	Rutile (%)	Zircon (%)	Monazite (%)	Leucoxene (%)	Other HM (%)
<b>11.6</b>	<b>6.9</b>	<b>54.4</b>	<b>10.8</b>	<b>11.3</b>	<b>1.0</b>	<b>10.0</b>	<b>12.6</b>

Table 2: Copi North Resource with Heavy Mineral (HM) assemblage.

Mineral Resource Category	Material Tonnes (Millions)	In Situ HM Tonnes (Millions)	HM (%)	Clay (%)	Heavy Mineral ('HM') Assemblage			
					Ilmenite (%)	Zircon (%)	Rutile (%)	Leucoxene (%)
<b>Inferred</b>	<b>15</b>	<b>0.56</b>	<b>3.7</b>	<b>4</b>	<b>62</b>	<b>14</b>	<b>6</b>	<b>10</b>

Table 3 Magic Mineral Resource, August 2015 (2% cut-off grade)

Both deposits are placer accumulations of heavy mineral sands associated with well-defined ancient beach sand strandlines. BPL drilled 129 holes along the trend of the Copi North deposit and 88 aircore drill holes were completed at the Magic deposit located in EL 8311, 50km to the north of Copi North.

Drill results from the Copi North HM deposit are considered to contain exceptional HM grades. The data include numerous drilled intervals between 1-4 metres thick which grade >20% HM and many intervals with more than 10% HM content. The deposit occurs as a 100-220 metre wide linear zone trending 303° (average width 130m).

Both the Copi North and Magic deposits are considered to be at advanced exploration status and have been the subject of significant past exploration activities (including substantial amounts of drill testing) by other HMS explorers and miners. The majority of this work was undertaken by Iluka Resources in the 1990's and early 2000's.

In late 2015 an independent Scoping Study was undertaken and completed looking into the potential production of HMS concentrates from the Copi North deposit. The report, the highlights of which were released to the market in an announcement on 11<sup>th</sup> February 2015 highlighted positive economics.

A link to the Company's announcement on the Broken Hill Prospecting website is provided below:

<http://www.bhpl.biz/wp-content/uploads/2016/02/Positive-Scoping-Study-for-Copi-North-Heavy-Mineral-Sands.pdf>

The evaluation is fully financed by the private mining investment group Relentless Resources Limited (RRL) which is providing \$2m of funding through a Joint Venture (announced on 22nd & 28th January 2015) to earn a 50% interest in the two tenements. Broken Hill Minerals Pty Ltd, a fully owned subsidiary of BPL, is manager of the Joint Venture.

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## Other tenements

The three Exploration Licences which are not included in the JV (EL8308, EL8309 and EL8310) remain wholly owned by Broken Hill Minerals Ltd. BHM is planning to undertake ground magnetic surveys and drill testing at several high priority HMS targets within these tenements later in the year. The Company is considering the possibility of Joint Venturing them to suitably credentialed parties.

## Comments

BPL's Managing Director Dr Ian Pringle commented:

*"Like the previous 2015 program, I am again extremely pleased with the professional timely initiation and progress to date of the current drilling program at Copi North.*

*This is a strategically important drilling exercise, drill testing along strike shallow mineralisation firmly aimed at extending resources at Copi North which, will ultimately result the extension of the current 5 year mine life as highlighted in the December 2015 Scoping Study.*

*I am also pleased to report that we have again secured the same well maintained drill rig and equipment and the same experienced and professional field team with a strong background in mineral sands evaluation."*

Yours faithfully,



Ian J Pringle  
(Managing Director)

## Competent Person Statement

*Exploration activities and sampling results contained in this notice are based on information compiled by Mr Ian Spence, Managing Director of Broken Hill Minerals Pty Ltd and reviewed by Dr Ian Pringle who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Pringle is the Managing Director of Broken Hill Prospecting Ltd and also a Director of Ian J Pringle & Associates Pty Ltd, a consultancy company in minerals exploration. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Pringle has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to Mineral Resources for the Copi North HMS Deposit is based on information reviewed by Sue Border, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Sue Border has sufficient*

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experience that is relevant to the style of mineralisation and type of deposit under consideration and to the exploration activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Sue Border consents to the inclusion in the report of the matters based on this information in the form and context in which it appears. Sue Border is not an employee or a related party of the Company or its subsidiaries. Sue Border is a Consultant/Principal Geologist to Geos Mining.

The information in this report that relates to Mineral Resources for the Magic HMS Deposit is based on information compiled by Mr. Greg Jones who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Jones is the Principal for GNJ Consulting and was retained by Broken Hill Prospecting Limited to conduct Mineral Resource estimation for the Magic deposit. Mr. Jones has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the JORC Code 2012. Mr. Jones consents to the inclusion in this ASX release of the matters based on his information in the form and context in which it appears.

## Cautionary Statement

The Scoping Study referred to in this report is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

## About Broken Hill Prospecting Limited ("BPL")

BPL has commenced assessment of Heavy Mineral Sand ("HMS") deposits (titanium and zirconium) located south of Broken Hill in western NSW. These deposits have been extensively explored and drill tested by other parties and provide the Company with an opportunity to progress advanced evaluation and fast-track development of several substantial high-grade heavy mineral sand deposits.

Australia has the world's largest deposits of the titanium minerals ilmenite and rutile. Australian mines extract and refine Ti, but don't process it in large quantities. It is used in many applications in light and heavy industries as well as in jewellery and 3D printing. However approximately 95% is used in an oxide form as the pure white colour crucial in products from paints to cosmetics. Titanium's strength-to-weight ratio, corrosion resistance and biocompatibility make it perfect for aerospace, medical and sport applications.

### **BPL Cobalt and Pyrite (Sulphuric acid) deposits**

BPL is progressing with exploration and evaluation of cobalt-pyrite deposits in the Broken Hill area within two exploration tenements (EL6622 and EL8143) and two mining leases (ML86 and ML87).

Broken Hill Prospecting Limited is in a strong strategic position to take advantage of increasing demand for cobalt to meet growth in environmental and industrial uses including rechargeable batteries in automobiles and super alloys. Co-product sulphuric acid could address Australian reliance on imported sulphur and provide opportunities for phosphate fertiliser and mineral processing industries.

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**For further information contact;**

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Australian media – Alan Deans, Partner, Last Word Corporate Communications +61 427 490 992  
alan.deans@lastwordcc.com.au

*Broken Hill Prospecting Ltd has recently updated it's website at [www.bhpl.biz](http://www.bhpl.biz)*

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## JORC Code, 2012 Edition – Table 1

### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li><i>Nature and quality of sampling, measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li><i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<ul style="list-style-type: none"> <li>All air-core drill holes are routinely sampled at 1m intervals down hole.</li> <li>Samples are collected in situ at the drill site collecting 2 to 3 kg per sample.</li> <li>Sample duplicates are inserted at random intervals.</li> <li>Twin drill holes are undertaken for approximately every 5<sup>th</sup> hole.</li> <li>All samples are submitted to internationally accredited ALS Laboratories in Perth for Heavy Mineral Sand analysis</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<ul style="list-style-type: none"> <li>Drilling is carried out using a Toyota Landcruiser mounted Mantis 80 drill rig. Standard features fitted to the rig include drill rod clamps, hydraulic rod bins, onboard water storage, hydraulic height adjustment of the cyclone and 6 x 6 all wheel drive. These rigs are capable of drilling NQ diameter holes to 120 metres and HQ diameter holes to 80 metres</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	<ul style="list-style-type: none"> <li>An initial visual estimate of sample recovery is undertaken at the drill rig for each sample metre collected. Samples are panned and logged on site. Sample from each drilled metre is retained in plastic trays.</li> <li>Collected samples are later weighed to ensure consistency of sample size and monitor sample recoveries.</li> <li>If no sampling issue, recovery issue or bias is identified then it is considered that both sample recovery and quality is adequate for the drilling technique employed.</li> </ul>
Logging	<ul style="list-style-type: none"> <li><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> <li><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li><i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>All drill samples are geologically logged at the rig by the Company's geologists.</li> <li>Geological logging using an industry standardised logging system is used recording mineral and rock types and their abundance, as well as grain size, cementation and clay content.</li> <li>A sample of each sampled interval is panned at the rig for an in-field visual estimate of the Heavy Mineral content</li> <li>A small representative sample is retained in a plastic chip tray for future reference and logging checks.</li> </ul>
Sub-sampling techniques and	<ul style="list-style-type: none"> <li><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li><i>If non-core, whether riffled, tube</i></li> </ul>	<ul style="list-style-type: none"> <li>All samples are split at the drill rig.</li> <li>Duplicates are taken to evaluate representativeness.</li> </ul>

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Criteria	JORC Code explanation	Commentary
<i>sample preparation</i>	<p><i>sampled, rotary split, etc and whether sampled wet or dry.</i></p> <ul style="list-style-type: none"> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>Further sample preparation are undertaken at the ALS laboratories by experienced HMS specialists.</li> <li>At the laboratory, samples are weighed, dried and analysed for Heavy Mineral Sand content by microscope point counting methods. Residual sample material is returned from the ALS laboratory under secure "chain of custody" procedure by ALS staff, registered transport courier and Broken Hill staff and are being stored in a secure location for possible future analysis.</li> <li>Sample sizes and laboratory preparation techniques are considered to be appropriate for this stage of exploration and the commodity being targeted.</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>Point Counting Analysis for heavy mineral content is undertaken at ALS Laboratories Perth</li> <li>Point Counting is considered a "total" assay technique.</li> <li>No field non-assay analysis instruments are used in the analyses reported.</li> <li>A review of standard reference material is undertaken and checked for no significant analytical bias or preparation errors in the reported analyses.</li> <li>Results of analyses for field sample duplicates are checked for consistency with the style of mineralisation evaluated and considered to be representative of the geological zones which were sampled.</li> <li>Internal laboratory QAQC checks are reported by the laboratory and a review of the QAQC reports suggests the laboratory is performing within acceptable limits.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>All drill hole data is paper logged at the drill site and then digitally entered by Company geologists at the site office.</li> <li>All digital data is verified and validated by the Company's database consultant before loading into the drill hole database.</li> <li>Twinning of some holes is being undertaken in this program</li> <li>Reported drill results are compiled by the Company's geologists, verified by the Company's database administrator and Managing Director.</li> <li>No adjustments to assay data are made.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>Drill hole collars were positioned using hand held GPS.</li> <li>Accuracy of a hand held GPS (+/- 5m) is considered appropriate for this level of exploration</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade</i></li> </ul>	<ul style="list-style-type: none"> <li>Aircore holes are spaced at a nominal 20-32 metres along lines spaced at 1,000 metres.</li> <li>Drilling results reported in this program will be used in conjunction with historical drilling results to estimate</li> </ul>

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Criteria	JORC Code explanation	Commentary
	<p><i>continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<p>mineral resources or reserves.</p> <ul style="list-style-type: none"> <li>• Sample compositing is used in this program.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Exploration is considered to be at a relatively advanced stage and, as such, knowledge on exact location of mineralisation and its relation to lithological and structural boundaries is relatively well known. The current hole orientation is considered appropriate for the program to reasonably assess the prospectivity of known strandline deposits of Heavy Mineral Sands interpreted from extensive historical drill data.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Air-core samples are taken to the ALS laboratory in Perth under secure "chain of custody" procedure by Broken Hill staff and registered transport couriers.</li> <li>• Samples are returned from the ALS laboratory under secure "chain of custody" procedure by ALS staff or transport courier and are to be stored in a secure location.</li> <li>• The samples remaining after splitting are collected by Broken Hill staff and trucked to Broken Hill Prospecting's storage facilities in Broken Hill where they are stored under security for future reference.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• A review of the Company's sampling techniques and data has been undertaken by independent geological consultants Geos Mining Limited. Geos Mining is based in Sydney and has significant local Heavy Mineral Sands exploration experience and will be engaged to undertake an independent resource estimate in accordance with the JORC 2012 code.</li> </ul>

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>• <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li>• <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The drill holes reported in this report are all contained within the granted Copi exploration licence (EL8312) and the recently granted Sunshine exploration licence, (EL8385) which are held 100% by Broken Hill Prospecting Limited's wholly owned subsidiary company Broken Hill Minerals Pty Ltd.</li> <li>• Private mining investment group Relentless Resources Limited (RRL) under Joint Venture with Broken Hill Prospecting is earning a 50% interest in the two leases by expenditure of \$2m</li> <li>• Broken Hill Prospecting's wholly owned subsidiary Broken Hill Minerals Pty Ltd is the Joint Venture and Project Manager. RRL's participation in the Joint Venture is purely as a passive investor level. RRL is not undertaking or involved with any of the fieldwork</li> </ul>

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Criteria	JORC Code explanation	Commentary
		<p>or associated future resource estimation activities.</p> <ul style="list-style-type: none"> <li>The Copi and Sunshine Exploration Licences are in good standing.</li> <li>The leases are held over privately held goat and sheep grazing terrain consisting of poor quality arid soils sustaining sparse shrubs and spinifex with limited tree cover. No naturally occurring surface freshwater is present.</li> <li>No native title interests, historical sites, wilderness or national park and environmental settings are located within the drill program area.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The areas presently covered by the Copi and Sunshine Exploration Licences was extensively but not exhaustively explored by Iluka Resources and BeMax Resources in the 1990's and early 2000's.</li> <li>Exploration consisted of aeromagnetic surveys, prior to air-core drilling.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The deposit style targeted for exploration is a Heavy Mineral Sand concentration formed within an ancient Miocene sea shore strandline.</li> <li>This style of mineralisation typically occurs as fine dark sand horizons within a beach sand sequence.</li> <li>This style of deposit is often found in close proximity to geological features associated with ancient coastlines.</li> <li>The deposits being targeted are all located within 50 metres of surface and located well above the current water table.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>There are no reported results in this announcement.</li> <li>Drill collar elevation is defined as height above sea level in metres (RL)</li> <li>All air-core holes are drilled vertically.</li> <li>Down hole length of the hole is the distance from the surface to the end of the hole, as measured along the drill trace.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and</li> </ul>	<ul style="list-style-type: none"> <li>No cut-off grade is applied to the reported 1m downhole intervals.</li> <li>No grade top cut off has had to be applied.</li> <li>Maximum internal dilution is 2m within a reported interval.</li> <li>No metal equivalent reporting is used or applied</li> </ul>

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Criteria	JORC Code explanation	Commentary
	<p><i>longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>No results are reported in this report.</li> <li>Mineralisation (deposit) geometry is accurately recorded and known and it has been deemed that the deposit with respect to the drill hole angle is optimal at 90 degrees.</li> <li>Mineralisation results reported as "downhole" widths are considered as true widths.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	<ul style="list-style-type: none"> <li>Proposed drill hole location plans are provided. It is anticipated that additional holes may be needed and as such the plans are subject to change.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	<ul style="list-style-type: none"> <li>No results have been reported in this announcement.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<ul style="list-style-type: none"> <li>No other exploration data that is considered meaningful and material has been omitted from this report</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<p>Further air-core drilling is likely going to be required to allow a higher component of any future resource estimate made to be elevated in category.</p> <p>In addition it is anticipated trial mining and the extraction of a bulk sample will be undertaken during any feasibility study undertaken at Copi North HMS deposit.</p>

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**List of Planned Aircore holes being drilled at the Copi North Prospect on  
the Sunshine Lease(EL8385)**

<b>Planned hole ID</b>	<b>East</b>	<b>North</b>	<b>Dip</b>	<b>Azimuth</b>	<b>RL</b>	<b>End of Hole (length) m</b>
N-A	529025	6282479	-90	0	52	40
N-S1	529022	6282450	-90	0	52	40
N-S2	529021	6282421	-90	0	52	40
N-S3	529017	6282391	-90	0	52	40
N-N1	529029	6282509	-90	0	52	40
N-N2	529031	6282538	-90	0	52	40
N-N3	529034	6282570	-90	0	52	40
A-A	527992	6283551	-90	0	52	40
A-N1	528017	6283281	-90	0	52	40
A-N2	528044	6283311	-90	0	52	40
A-N3	528067	6283344	-90	0	52	40
A-S1	527967	6283221	-90	0	52	40
A-S2	527941	6283192	-90	0	52	40
A-S3	527914	6283162	-90	0	52	40
B-A	527152	6283821	-90	0	52	40
B-N1	527178	6283853	-90	0	52	40
B-N2	527204	6283882	-90	0	52	40
B-N3	527229	6283912	-90	0	52	40
B-S1	527128	6283792	-90	0	52	40
B-S2	527098	6283762	-90	0	52	40

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Planned hole ID	East	North	Dip	Azimuth	RL	End of Hole (length) m
B-S3	527073	6283733	-90	0	52	40
C-A	526314	6284340	-90	0	52	40
C-S1	526261	6284307	-90	0	52	40
C-S2	526264	6284277	-90	0	52	40
C-S3	526239	6284246	-90	0	52	40
C-N1	526342	6284369	-90	0	52	40
C-N2	526367	6284399	-90	0	52	40
C-N3	526393	6284428	-90	0	52	40
D-A	525493	6284908	-90	0	52	40
D-N1	525507	6284943	-90	0	52	40
D-N2	525531	6284974	-90	0	52	40
D-N3	525559	6285005	-90	0	52	40
D-S1	525457	6284885	-90	0	52	40
D-S2	525432	6284854			52	40
D-S3	525405	6284824	-90	0	52	40
E-A	524630	6285492	-90	0	52	40
E-N1	524655	6285521	-90	0	52	40
E-N2	524678	6285553	-90	0	52	40
E-N3	524604	6285581	-90	0	52	40
E-S1	524604	6285461	-90	0	52	40
E-S2	524576	6285431	-90	0	52	40

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Planned hole ID	East	North	Dip	Azimuth	RL	End of Hole (length) m
E-S3	524548	6285403	-90	0	52	40
F-A	523492	6286264	-90	0	52	40
F-N1	523516	6286296	-90	0	52	40
F-N2	523544	6286325	-90	0	52	40
F-N3	523568	6286356	-90	0	52	40
F-S1	523464	6286236	-90	0	52	40
F-S2	523440	6286206	-90	0	52	40
F-S3	523414	6286174	-90	0	52	40
G-GA	522532	6286937	-90	0	52	40
G-S1	522511	6286915	-90	0	52	40
G-S2	522505	6286907	-90	0	52	40
G-S3	522453	6286846	-90	0	52	40
G-N1	522555	6286969	-90	0	52	40
G-N2	522582	6286999	-90	0	52	40
G-N3	522607	6287030	-90	0	52	40

Drillhole collar locations are in MGA94 datum, co-ordinates.

-End of Announcement-

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