

**BROKEN HILL PROSPECTING LTD**  
**QUARTERLY REPORT FOR THE PERIOD TO 31<sup>st</sup> MARCH 2016**

Broken Hill Prospecting Limited ("BPL") is pleased to provide the following report on corporate news and activities undertaken at the Company's projects during the three month period ending 31<sup>st</sup> March 2016. Additional information about the Company is available at BPL's website [www.bhpl.biz](http://www.bhpl.biz).

## Highlights

**★ Scoping study results for Copi North HMS deposit indicate a robust project**

- Based on "base case" mine plan extracting 5.0Mt @ 8.43% Heavy Minerals ("HM") out of a total resource (Indicated plus Inferred) of 11.6Mt @ 6.9% HM
- 1.4Mtpa throughput with an initial 5 year mine life
- Production: 100,000tpa heavy mineral concentrate
- Base Case first 5 years NPV (8% discounted) is AUD19m
- Capital Payback is 30 months
- CAPEX (+/-35%) excluding contingency is estimated at AUD22m
- Preliminary cash flow modelling, based on the Scoping Study base case, indicates that the project has reasonable prospects for eventual economic extraction and that further work is warranted
- Net 46 month life of mine operating cash flow after costs is AUD45m from AUD164m total revenue
- Each year of extra production adds ~AUD12M to undiscounted net cash flow

**★ Drilling increases the extent of the Copi North HMS mineralised zone by 30%**

- Recently completed drilling program (78 drill holes) has extended Copi North mineralised zone 4km to the west into EL8835 (Sunshine Lease) The mineralisation now extends for more than 16km.
- Individual 1 metre mineralised drilled intervals range up to 21.86% Heavy Minerals (HM).
- Numerous shallow mineralised intersections (>2% HM) in EL8835 extend across eight drill traverses spaced at 0.5km intervals.
- The HM mineralisation occurs at shallow depths, ranging 1m-22m beneath unconsolidated ancient beach sand cover.
- Additional drilling at the western end of the deposit in EL8312, testing gaps within the current resource boundary, has bolstered mineralisation continuity, with some high-grade intervals ranging up to 25.18% HM reported.
- The results confirm a substantial extension of the Copi North mineralisation, and will form the basis of a new JORC-compliant mineral resource estimate expected to be announced in May 2016. At present, the resource is estimated to be 11.6 million tonnes at an average 6.9% HM (Announced to the ASX on 27<sup>th</sup> July 2015).

**★ BPL's Thackaringa Cobalt-Pyrite Project attracts international attention as concerns over future cobalt supplies to supply the growing market for lithium-ion cobalt batteries****★ Managing Director to retire on 30<sup>th</sup> April 2016****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](mailto:info@bhpl.biz) W: [www.bhpl.biz](http://www.bhpl.biz)

## **1. Heavy Mineral Sand Projects (EL8311, EL8312 and EL8385) [60% BPL]**<sup>(1)</sup>

### **Scoping Study Completed at Copi North Heavy Minerals Sand (HMS) Deposit (EL8312)**

The results of a Scoping Study on the commercial viability of developing the Copi North HMS deposit (Figure 1) was completed and announced on 11th February 2016. The independent study has demonstrated that a small mine could have reasonable prospects for eventual economic extraction from the sale of ilmenite, rutile, zircon and leucoxene concentrates within four years.

A preliminary cashflow model, based on the Scoping Study base case, indicates a potentially yield of AUD45 million in gross cash flow after costs from total revenues of AUD164 million. The study also indicated that every additional year of operation could add around AUD12 million to the project's undiscounted cash flow (EBITDA) and between AUD8M - AUD5M to the NPV. BPL also undertook extra drilling at Copi North aimed at expanding the resource base and potential mine life before commencing a pre-feasibility study.

The Copi North project would have low operating costs due to a low waste:ore strip ratio and the use of innovative mining techniques to reduce costs. Capital to develop the operation was estimated at \$21-26 million with an initial mine life of around five years.

The Company's plans are to develop a profitable mining business utilising innovative compact and modular, mobile processing plant, capable of being relocated to any one of a number of high-grade HMS deposits that the Company is currently investigating beyond Copi North.

BPL's goal is to capitalise on modest but high-grade HMS deposits that have previously been regarded as too small for stand-alone development and overlooked by previous miners.

### **Resource Extension Drilling of Copi North (Sunshine Project, EL8385)**

A shallow drilling program to target the north western extension of the Copi North deposit in Sunshine EL8385 was announced on 24<sup>th</sup> February 2016. The drilling was undertaken in March and results were reported on 26 April 2016.

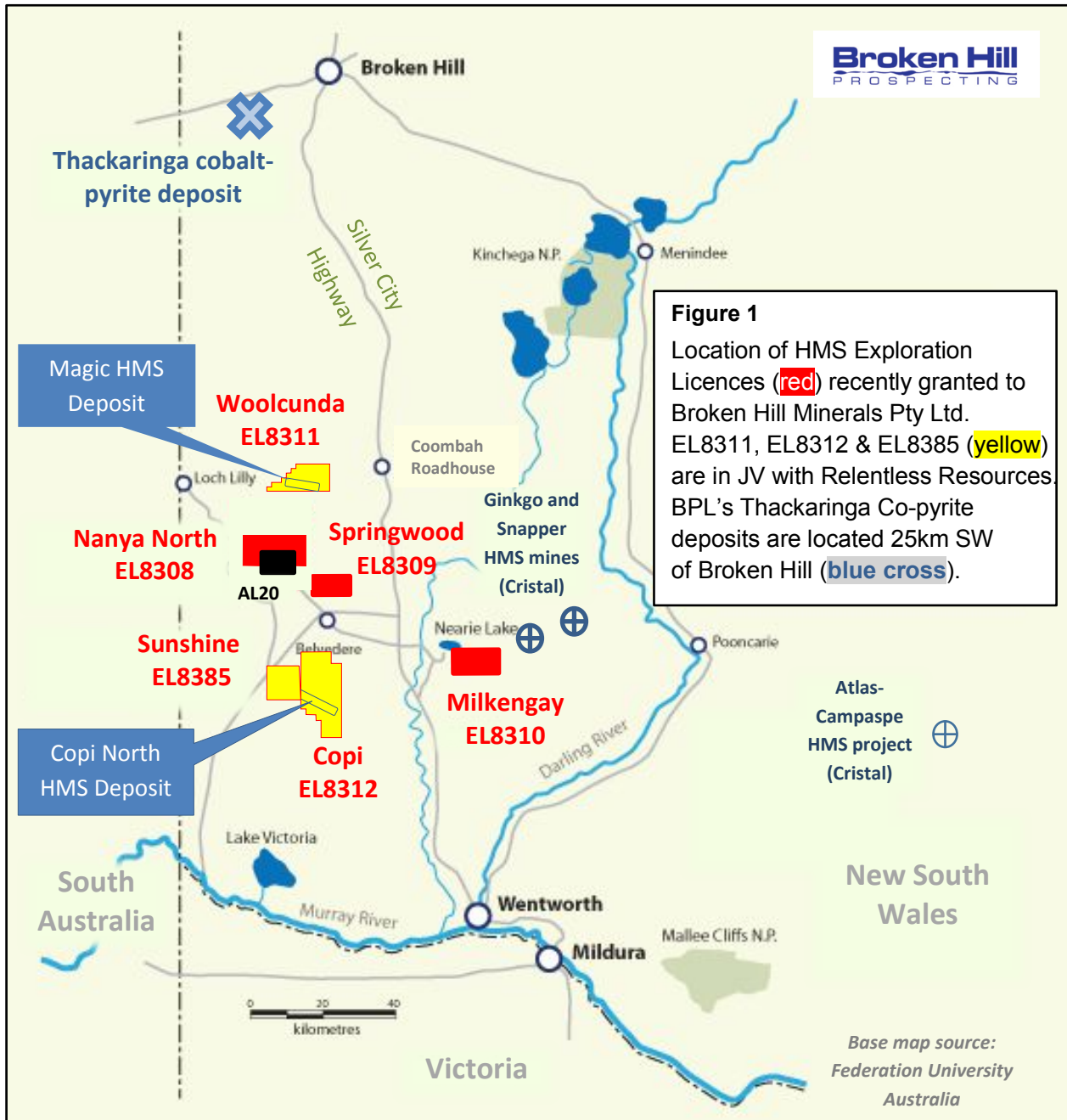
The drilling confirmed shallow HM mineralisation to be distributed throughout a western extension of the Copi North deposit, adding more than four kilometres to the western end of the Copi North HM mineralised strandline (Figure 2). The 78 vertical air-core drill holes, located along eight traverses spaced at approximately half a kilometre intervals, have shown that the width of the mineralisation is generally more than 100 metres and average depth of cover is about 10 metres (overburden ranges 1-22 metres).

Drill samples collected over one-metre intervals include samples with up to 21.86% HM content (drill hole CNA207). The mineralisation still remains open to the northwest, although heavy mineral contents appear to decrease in that direction.

Additional drilling in EL8312 (Figure 2) confirmed continuity of the previously drilled Copi North strandline east of the Sunshine extension area. Two drill traverses (12 drill holes) were completed with individual one-metre drill intersections ranging up to 25.18% HM (drill hole CNA212).

<sup>(1)</sup> Assessment work in EL8311, EL8312 and EL8385 is being undertaken in joint venture with Relentless Resources Limited (RRL). Broken Hill Minerals Pty Ltd (BHM), a 100% owned subsidiary of BPL, is manager of the Joint Venture. Other HMS tenements (EL8308, EL8309 and EL8310) are 100% owned by Broken Hill Minerals Pty Ltd (Figure 1).

Figure 1. Map of western NSW showing the location of the Magic and Copi North Heavy Mineral Sands Deposits and Exploration Leases held by Broken Hill Minerals Pty Ltd. The map also shows the locations of BPL's Thackaringa cobalt – pyrite deposit near Broken Hill and Cristal Mining's Pooncarie Mineral Sands (Ginkgo and Snapper Mines) and Atlas-Campaspe projects.



The results could significantly add to the size of the Copi North HMS Deposit, which currently has JORC-compliant mineral resources (Indicated plus Inferred) totalling 11.6 million tonnes of 6.9% HM and which was the subject of the recent Scoping Study. Geos Mining have commenced a new resource assessment of Copi North to include the recent drilling data and the results of this study are expected in early May.

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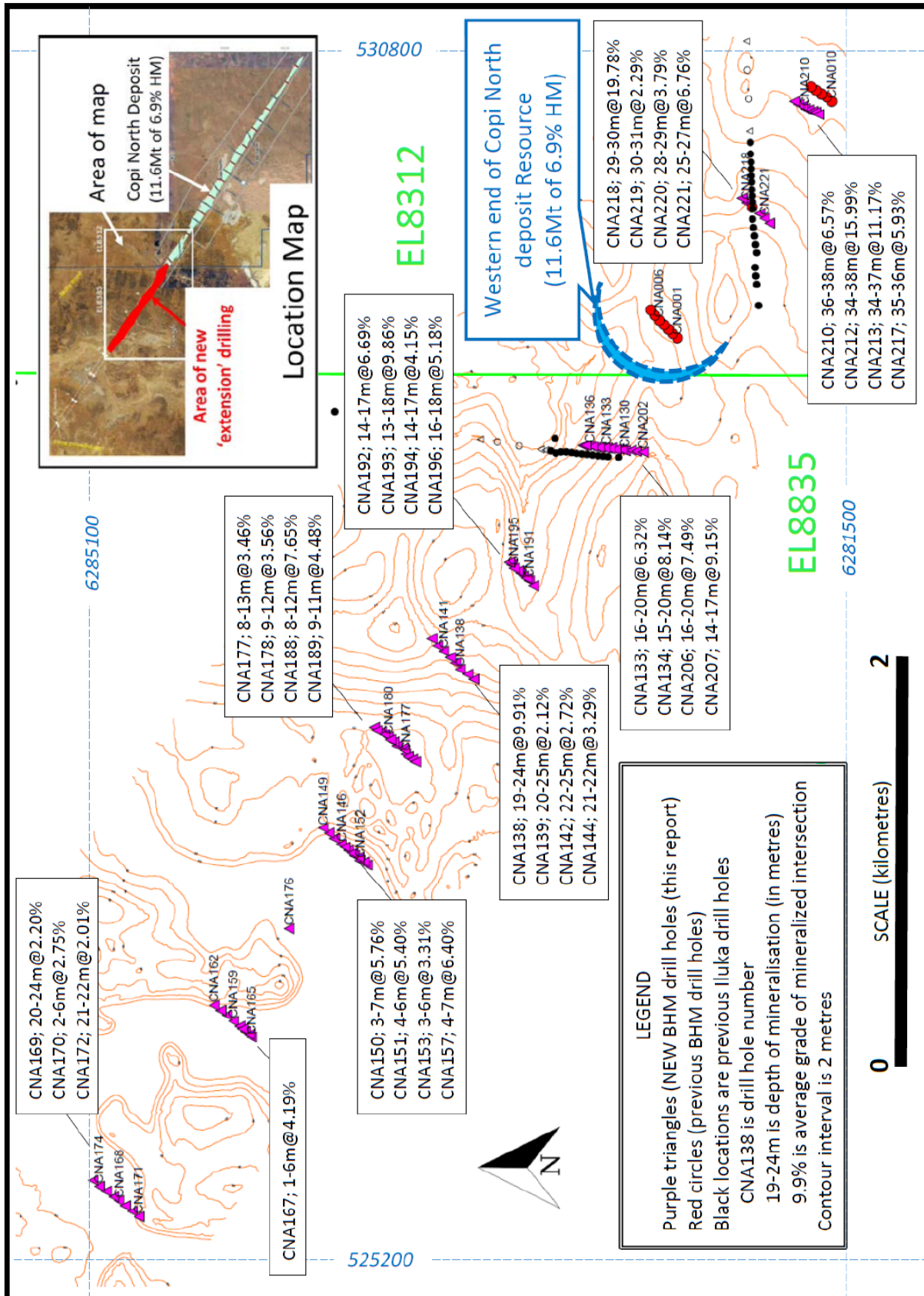


Figure 2. Drill hole location and summary assay intervals for the western extension of the Copi North HMS deposit.



### **Exploration Drill Testing of the Copi South HMS deposit (EL8312)**

The Copi South HMS Deposit was described in Iluka Resources exploration reports as a strandline deposit located about 700 metres to the south of the Copi North strand. Only limited drill testing was undertaken at Copi South by previous exploration parties because the Copi South strand was considered to be relatively deep.

Air-core drilling of the Copi South HMS deposit was undertaken during the March quarter. Two vertical air core drill holes (CSA001 and CSA002) were completed. Both intersected thick intervals of fine-grained HMS mineralisation at 30m depth. Estimations of grade from panned samples of each one-metre drill sample showed that both holes penetrated about 15 metres of HMS mineralisation with approximate grades between 1-5% HM. Analytical data for these drill samples will be reported when analytical data is complete.

### **Weather Station (EL8312)**

An environmental recording station was installed and is currently fully operational and providing important baseline data at the Copi North HMS area.

## **2. Heavy Mineral Sand Projects (EL8308, EL8309 and EL8310) [100% BPL]**

BPL is seeking a partner to progress exploration in these tenements. Drill testing of a series of prioritised, shallow HMS deposits is planned following surface geophysical surveys to define relatively high-grade targets. Each tenement offers the opportunity for high-grade, near surface zircon and rutile deposits with good location and access.

## **3. Thackaringa Cobalt Pyrite Deposit (EL6622, EL8143, ML86, ML87) [100% BPL]**

Interest in cobalt has been underpinned by concerns for future cobalt sources to supply a growing battery market for reliable energy storage and for electric vehicles (EV). Several large corporations including Tesla and Panasonic are building extensive new battery factories to manufacture high-density lithium ion-cobalt EV batteries but there are widespread concerns that cobalt producers will not be able to keep pace with expected growth in demand for cobalt.

BPL owns extensive deposits of cobalt-pyrite located beside railway and highway 25 kilometres south-west of Broken Hill (Figure 1). For several years the Company has been assessing these for open cut mining and cobalt-pyrite concentrate processing by applying sulphide roasting to produce sulphuric acid and recover cobalt from roast ash.

The deposits have combined Inferred Mineral Resources of 35.7 million tons of cobalt-pyrite ore with an average grade of 1.85 pounds per ton of cobalt (66 million pounds (30,000 tons) of contained cobalt). In addition, potential for between 37 and 59 million tons of pyrite mineralisation of similar cobalt grade is estimated to contain between 63 and 101 million pounds of cobalt (29,000–45,000 tons)<sup>(2)</sup>.

The deposits are open at depth and along trend and have negligible content of deleterious metals such as arsenic, mercury, antimony or lead. Scoping studies for the co-production of sulphuric acid and cobalt have highlighted significant potential for a long-term project with low capital start-up and staged development. Australia imports about half a million tons of sulphuric acid (and sulphur) each year and BPL have identified several excellent opportunities for supply of sulphuric acid into domestic fertiliser and mineral processing industries. Co-generated electric thermal power and hematite could also add value.

<sup>(2)</sup> *The Inferred Mineral Resources at the Thackaringa project were estimated and first disclosed under the JORC Code 2004. They have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Potential is reported under JORC Code 2012. It is conceptual in nature and more drilling is required to further define it. There is no certainty that additional work will result in an upgrade of potential to Mineral Resource.*

Due to the growing importance of cobalt in new energy storage technologies and supply and demand issues for the metal, The Thackaringa project has global strategic significance as an alternative source of production to Africa. BPL has recently received considerable attention from both Australian and overseas groups who are interested in progressing the project.

#### **4. Public relations**

##### **4.1 Heavy Minerals Sands Conference**

Dr Ian Pringle and Ian Spence attended the 16<sup>th</sup> Informa Mineral Sands Conference in Melbourne on 15-16<sup>th</sup> March. Ian Spence presented an update on progress at the Copi North and Magic HMS Deposits and this was well received by about 80 delegates.

##### **4.2 News Commentary**

Broken Hill Prospecting has featured in several mining and exploration publications during the quarter and these include;

- Dr Ian Pringle was interviewed on Julie Cliff's Broken Hill breakfast session on ABC local radio on 5<sup>th</sup> February 2016. Both the HMS and Thackaringa pyrite-cobalt projects were discussed during the 20 minute interview.
- Robin Bromby in The Australian (14 March 2016) commented in his business column (Pure Speculation) on BPL's Thackaringa Cobalt project.
- A full page of commentary of BPL's Thackaringa cobalt project in February's edition of the National Mining Chronicle was written by Laura Galic
- Robin Bromby in an 30<sup>th</sup> March 2016 InvestorIntel feature on uncertainty of future cobalt supplies mentions BPL's cobalt deposits as likely to help fill the future gap between growing world demand and lower production of the metal.
- A feature entitled "Spotlight on Mineral Sands" was published in the April-May edition of the National Mining Chronicle. Written by Laura Galic, the article included considerable detail on the Copi North and magic HMS projects and quotes for the Managing Director.

##### **4.3 Cobalt Development Institute Conference**

Dr Ian Pringle will present an update on BPL's Thackaringa pyrite-cobalt project at the CDI conference in Seoul, South Korea during 11-12th May.

#### **5. Retirement of Managing Director**

Dr Ian Pringle will retire as Managing Director on 30 April 2016. Dr Pringle has been Managing Director of BPL for five years and during that time has added substantial value to the Company. Under Ian's guidance, the size of BPL's Thackaringa cobalt-pyrite resources were more than doubled and considerable upside has been added to the project. In addition, with Dr Pringle's leadership, the Copi North and Magic Heavy Mineral Sands deposits were acquired at negligible cost to the Company and progressed through exploration and scoping to define substantial high-grade titanium and zirconium resources.

The Board is in the process of identifying suitable candidates to fill the vacancy. Ian will remain as a consultant to the Company until at least the 31<sup>st</sup> October 2016 to ensure a smooth transition.

## 6. Cash Position

The Company's consolidated statement of cash flows is listed in Appendix 5B. At the end of the quarter the consolidated entity had \$652,779 in cash. This includes part of the cash balance of the Heavy Mineral Sands Joint Venture that was \$260,233 (in total).

Yours faithfully,

Creagh O'Connor AM  
(Chairman)

### **Competent Person Statement**

*Exploration activities and sampling results contained in this notice are based on information compiled by Dr Ian Pringle who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Pringle is 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.*

*Thackaringa Project Resource evaluations (ASX reports dated 14 November 2011 and 12 July 2012) estimated the combined Inferred Mineral Resources of the deposits (Pyrite Hill, Big Hill and Railway) as 35.7 million tons of pyrite mineralisation with an average grade of 1.85 pound per ton of cobalt (66 million pounds of contained cobalt). In addition, 'Potential' for between 37-59Mt of pyrite mineralization of similar cobalt grade was estimated (63 to 101 million pounds of contained cobalt). The Inferred Mineral Resource was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Potential is reported under JORC Code 2012. It is conceptual in nature and more drilling is required to further define it. However, there is no certainty that additional work will result in an upgrade of potential to Mineral Resource. 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. There is no certainty that more drilling will result in up-grade to Resource however the tenements also contain very large, near-surface cobalt-pyrite mineralisation which has yet to be drill tested and cobalt-pyrite mineralisation in drilled areas is open at depth and along trend.*

*The information in this report that relates to Mineral Resources for the Copi North HMS Deposit is based on information presented in a report titled "Mineral Resource Estimate, Copi North" that was released to the market in an ASX announcement dated 27 July 2015. The Competent Person for the report was Sue Border, Principal Geologist for Geos Mining. The Board of Directors of BPL confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.*

*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.*

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

*Cobalt - 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). The Company is in an excellent 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. As a*

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co-product sulphuric acid could address Australian reliance on imported sulphur and provide opportunities for phosphate fertiliser and mineral processing industries.

About Heavy Mineral Sands - Australia has the world's largest deposits of the titanium minerals ilmenite and rutile and a substantial producer of zircon. We extract and refine Ti and Zr, but don't process it in large quantities. Titanium is used in jewellery and alloy metals, 3D printing and heavy industrial parts, but 95% is used in an oxide form as the pure white colour crucial in products from paint to cosmetics. Titanium's strength-to-weight ratio, corrosion resistance and biocompatibility make it perfect for aerospace, medical and sport applications. Zirconium is also a corrosion resistant metal that is used in high performance pumps and valves. It is widely used in the nuclear industry for cladding fuel elements. Large quantities of zircon are used in glazes by the tile, sanitary ware and tableware industries.

#### Heavy Mineral Sands Resources

##### 1. Copi North HMS Deposit

A mineral resource estimation for the Copi North HMS deposit (11.6Mt of 6.9% HM, Tables 2 and 3), was completed in late July 2015 (ASX announcement 27<sup>th</sup> July 2015).

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 Mineral Resources (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.

##### 2. Magic HMS Deposit

Geological modelling of the deposit determined a maiden Inferred Mineral Resource estimate of 15 million tonnes of HM (using a cut-off grade 2% HM). The new resource is presented in Table 1 and details of the resource modelling was described in an ASX announcement on the 8<sup>th</sup> September 2015.

Mineral Resource Category	Material Tonnes (Million)	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% HM cut-off grade)

The resource estimation was based on existing and new infill drilling of the deposit and was completed for approximately 600 metre to 1200 metre spaced sections, using vertical holes 20 metres to 40 metres apart (across strike). Downhole samples were collected at 1 metre intervals through the mineralised zone.

#### **Tenements**

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

##### Thackaringa Cobalt Project:

Exploration Licence 6622, Broken Hill NSW Australia - 100% (Broken Hill Prospecting Ltd)

Exploration Licence 8143, Broken Hill NSW Australia - 100% (Broken Hill Prospecting Ltd)

Mining Lease 86, Broken Hill NSW Australia - 100% (Broken Hill Prospecting Ltd)

Mining Lease 87, Broken Hill NSW Australia - 100% (Broken Hill Prospecting Ltd)

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South Broken Hill HMS Projects:

Exploration Licence 8308, Broken Hill NSW Australia – 100% (Broken Hill Minerals Pty Ltd)

Exploration Licence 8309, Broken Hill NSW Australia – 100% (Broken Hill Minerals Pty Ltd)

Exploration Licence 8310, Broken Hill NSW Australia – 100% (Broken Hill Minerals Pty Ltd)

HMS Joint Venture:

Exploration Licence 8311, Broken Hill NSW Australia – (60% Broken Hill Minerals Pty Ltd, 40% Relentless Resources Ltd (earning 50%))

Exploration Licence 8312, Broken Hill NSW Australia – (60% Broken Hill Minerals Pty Ltd, 40% Relentless Resources Ltd (earning 50%))

Exploration Licence 8385, Broken Hill NSW Australia – (60% Broken Hill Minerals Pty Ltd, 40% Relentless Resources Ltd (earning 50%))

**Contacts for further information:**

Creagh O'Connor AM

+61 408 500 544

[CreaghO@oconnorservices.com.au](mailto:CreaghO@oconnorservices.com.au)

Denis Geldard

[info@bhpl.biz](mailto:info@bhpl.biz)

Australian media:

Alan Deans, Partner, Last Word Corporate Communications +61 427 490 992

[alan.deans@lastwordcc.com.au](mailto:alan.deans@lastwordcc.com.au)

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# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Broken Hill Prospecting Limited

ABN

83 003 453 503

Quarter ended ("current quarter")

31 March 2016

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date ( 9 months) \$A'000
1.1	Receipts from product sales and related debtors*	-	-
1.2	Payments for (a) exploration & evaluation*	(152)	(409)
	(b) development	-	-
	(c) production	-	-
	(d) administration*	(193)	(556)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received*	3	13
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	R&D tax incentive	-	-
	Management fees received*	12	32
<b>Net Operating Cash Flows</b>		<b>(330)</b>	<b>(920)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	(14)
1.11	Loans repaid by other entities	-	14
1.12	Other (security deposit for Mining Exploration Licence)	-	(10)
<b>Net investing cash flows</b>		<b>-</b>	<b>(10)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(330)</b>	<b>(930)</b>

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(330)	(930)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	88	869
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Funds from Joint Venture participant*	-	600
	<b>Net financing cash flows</b>	<b>88</b>	<b>1,469</b>
	<b>Net increase (decrease) in cash held</b>	<b>(242)</b>	<b>539</b>
1.20	Cash at beginning of quarter/year to date*	895	114
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>653</b>	<b>653</b>

\* Items marked “\*” include the proportional interest in the transactions of the Joint Venture (JV) in accordance with accounting standards. The JV is between Relentless Resources Ltd (RRL) and Broken Hill Minerals Pty Ltd (BHM), a 100% subsidiary of Broken Hill Prospecting Ltd. The total cash held by the JV at the end of the period was \$260,233.

### Payments to directors of the entity and associates of the directors

### Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	134
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$53,929 Directors salaries and fees (Managing Director and Non-Executive Directors)  
\$80,000 Contribution to Employee Share Option Plan (ESOP) on behalf of directors. The Contribution was offset against an equal amount received by the Company for the allotment of Options under the ESOP as approved at the Annual General Meeting on the 18 November 2015.

### Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

n/a

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

n/a

+ See chapter 19 for defined terms.

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
4.3 Production	-
4.4 Administration	130
<b>Total</b>	<b>280</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank*	653	895
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)*</b>	<b>653</b>	<b>895</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	n/a			
6.2 Interests in mining tenements acquired or increased	n/a			

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

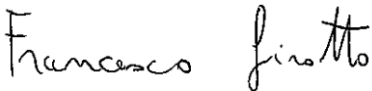
		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> <i>(description)</i>	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	<b>+Ordinary securities</b>	124,255,771	124,255,771	n/a	n/a
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	<b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	<b>Options</b> <i>(description and conversion factor)</i>	35,896,111	35,896,111	Exercise price 8c	Expiry date 12/11/2019
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	38,650,000	Nil	20c	17/2/2016
7.11	<b>Debentures</b> <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

7.12	<b>Unsecured notes</b> ( <i>totals only</i> )	-	-
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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

  
 Sign here: ..... Date: 29/04/2016  
 (Company secretary)

Print name: Francesco Girotto

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.