

Broken Hill Prospecting Ltd (ASX: BPL)

An Australian Exploration company focussed on the discovery & development of strategic technology mineral resources

Commodity Exposure

Rare Earth Elements

Heavy Mineral Sands

Cobalt

Base & Precious Metals

Industrial Metals

Directors & Management

Creagh O'Connor

Non-Executive Chairman

Geoff Hill

Non-Executive Director

Matt Hill

Non-Executive Director

Denis Geldard

Non-Executive Director

Trangie Johnston

Managing Director

Ian Morgan

Company Secretary

Capital Structure

Ordinary Shares on Issue (4/12/19) **166.1M**

Options: Unlisted **7.9M**

Market Cap (undiluted at 2.7cps) **\$4.5M**

Broken Hill Prospecting Ltd

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Registered and Head Office

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Broken Hill Prospecting (BPL) and Cobalt Blue Holdings (COB) and have agreed on the terms for COB to acquire 100% Ownership and Legal Title of the Broken Hill (Thackaringa) Cobalt Project.

The Independent Expert Determination has confirmed that Broken Hill Prospecting Limited (ASX: BPL) and Cobalt Blue Holdings Limited (ASX: COB) and have 30:70 respective interests in the Project. BPL and COB have subsequently used the delivery of the Expert Determination as a catalyst for discussion.

BPL is pleased to announce that the parties have executed a binding Heads of Agreement (HOA) for COB to acquire 100% ownership and legal title of the Broken Hill (Thackaringa) Cobalt Project (including all tenements). This will result in the dissolution of the Thackaringa Joint Venture and provide COB with full control and continuing management of the Project.

Under the terms of the Thackaringa Joint Venture (TJV), both BPL and COB have the rights to reduce their interest in the TJV via assignment.

Under the binding HOA, BPL will receive:

- a. \$500,000 cash;
- b. 9,000,000 COB fully paid ordinary shares for \$0.15 each;
- c. \$1,000,000 three-year Convertible Note (CN), interest of 6% per annum payable in arrears, convertible with a \$0.20 conversion price, and with COB having an option for early payout; and
- d. \$3,000,000 five-year Promissory Note (PN), interest free for years 1, 2 and 3, and interest of 6% per annum for years 4 and 5, payable in arrears. The PN is secured over the title to the tenements.

BPL will retain the existing exploration base and precious metal rights, as defined in the TJV, and its existing 2% Net Smelter Royalty (NSR) on all cobalt production from the Project.

The parties are working together to complete all other necessary documents.

BPL is delighted that the parties have reached a commercial outcome that will allow the development of the Project with benefits accruing to shareholders of both companies.



Anthony (Trangie) Johnston
Managing Director



Diversified Exploration & Development
Company

For further information, please contact:

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