

3 December 2018

ASX Limited
20 Bridge Street
Sydney NSW 2000

ASX Announcement – For immediate release

Thackaringa Cobalt Project Update – Issue of Two Further Dispute Notices

On 13 November 2018, Broken Hill Prospecting (ASX: BPL) advised that it had issued a Dispute Notice to Cobalt Blue Holdings (ASX: COB) regarding the commencement of drilling activities at the Thackaringa Cobalt Project. That dispute relates to those drilling activities which have commenced outside of the requisite approval processes set out in the Thackaringa Joint Venture (TJV) and remain at the sole risk and cost of COB.

BPL has now initiated two further disputes with COB.

The first new dispute, under the terms of the TJV, relates to the dilution clauses contained in the TJV. BPL contends that those clauses cannot be applied and, accordingly, neither BPL or COB can meaningfully determine the joint venture interests of the parties in the event a dilution occurs.

The second, under the Thackaringa Royalty Agreement between BPL and COB, relates to COB's application of the royalty agreement and calculation of BPL's royalty, as set out in the preliminary feasibility study (PFS). BPL contends that COB has incorrectly applied the terms of the Thackaringa Royalty Agreement and, as a result, the royalty payable to BPL under that agreement is understated.

Further information will be provided as it becomes available.

For further information please contact:

Trangie Johnston
Chief Executive Officer
Ian Morgan
Company Secretary
Broken Hill Prospecting Limited

Tel: +61 (2) 9238-1170
Fax: +61 (2) 9299-1408
More details are available on BPL's website
<http://www.bhpl.net.au>