

Broken Hill Prospecting Ltd (ASX: BPL)

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

Commodity Exposure

Heavy Mineral Sands
Rare Earth Elements
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 (30/1/17) **148M**

Options: Listed **47M**

Market Cap (undiluted at 4.4cps) **\$6.5M**

Broken Hill Prospecting Ltd

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La Paz Rare Earth Project Acquisition Update

Broken Hill Prospecting Limited ("BPL" or the "Company") (ASX: BPL) is pleased to provide additional information regarding the acquisition¹ of the advanced² La Paz Rare Earth Project USA ([announced on 20 August 2019](#)).

1. BPL has established a 100% owned US based subsidiary called La Paz Rare Earth LLC to acquire and develop the La Paz rare earth project in Arizona.
2. The La Paz project was vacant ground available for mineral exploration, until La Paz Rare Earth LLC lodged title applications for processing with both the Bureau of Land Management (BLM) and State of Arizona Land Department. See Figure 1 and Table 1 for a map and full list detailing the location and status of all title applications.

La Paz Rare Earth LLC has staked more than 890 hectares comprising 107 unpatented lode mining claims on federally controlled land and a prospecting permit over one section of Arizona State Trust land (259 hectares). The tenements are unencumbered and will be 100% controlled by La Paz Rare Earth LLC.

We expect granting of these titles in coming weeks.

3. The establishment of La Paz Rare Earth LLC and project title applications has been at minimal cost to BPL (approximately A\$80,000), supported by current cash reserves. Titles will be 100% controlled by La Paz Rare Earth LLC.
4. Once project titles are received, La Paz Rare Earth LLC initially plans to conduct low cost exploration activities (focused on advanced metallurgical test work programs) leveraging the vast historical expenditure on technical data sets from previous explorers.
5. BPL will provide the market with continuous project updates, details on future work programs and any future capital funding requirements.



Anthony (Trangie) Johnston, *Managing Director*

Broken Hill
PROSPECTING

Diversified Exploration & Development Company

For further information, please contact T: +61 2 8054 9779 E: info@bhpl.net.au

1. "acquisition" means lodging title applications for processing, as described in paragraph 2. above.
2. "advanced" means including previous exploration described in the [La Paz 43-101 Report](#) dated 16 December 2011. Refer to page 2 reference 5.12.1 for more details.

Additional Reporting under Listing Rule 5.12

As disclosed in the market announcement made 20 August 2019, BPL is investigating the conversion of the independent NI 43-101 Report and supporting data to JORC 2012 standards. The following information is disclosed in accordance with ASX Listing Rule 5.12 about the foreign estimates of mineralisation contained in the NI 43-101 Report:

5.12.1. The source and date of the historical estimates or foreign estimates

The Report is dated 16 December 2011 and prepared by David S. Boyer, MSC., CPG, a Qualified Person, and Erik A. Ostensoe, P. Geo., a Qualified Person, both as defined in National Instrument 43-101. The NI 43-101 Report was lodged as a market announcement on 21 December 2011 and is located on the ASX's market announcements platform (ASX: AIW).

For a copy of the NI 43-101 Report, click here: [La Paz 43-101 Report](#)

5.12.2. Whether the historical estimates or foreign estimates use categories of mineralisation other than those defined in Appendix 5A (JORC Code) and if so, an explanation of the differences.

NI 43-101 and JORC 2012 have very similar methodologies and standards to resource estimation. The La Paz resource estimate has been defined in both the Inferred and Indicated categories as follows:

La Paz Inferred Resource				
	Tonnes (millions)	Grade above Cutoff (ppm)	Grade above cutoff (%)	lbs REE (millions)
Tc	7.2	369.8	0.036	5.4
Lower plate	104.8	371.6	0.037	77.9
Total Inferred	112	371.5	0.037	83.3

La Paz Inferred Resource				
	Tonnes (millions)	Grade above Cutoff (ppm)	Grade above cutoff (%)	lbs REE (millions)
Tc	0.1	337.7	0.033	0.3
Lower plate	15.8	373.4	0.037	11.8
Total Inferred	16.2	373.4	0.037	12.1

Cut-off grade using 300ppm TREE

5.12.3. The relevance and materiality of the historical estimates or foreign estimates to the entity.

The La Paz rare earth project is a very large scale, low grade surface deposit with a unique mineral assemblage and extremely low penalty elements such as thorium and uranium. Strategically located next to excellent infrastructure in a mining friendly jurisdiction, BPL considers the project a major opportunity for investors to gain exposure the growing domestic markets in the US.

5.12.4. The reliability of the historical estimates or foreign estimates, including by reference to any criteria in Table 1 of Appendix 5A (JORC Code) which are relevant to understanding the reliability of the historical estimates or foreign estimates

A professional independent resource estimation was completed under NI 43-101 guidelines by qualified persons (see above). A detailed breakdown of the resource estimate input parameters can be found in the NI 43-101 Report.

NI 43-101 REPORT DETAILS

Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> In 2011 the prospect was drill tested by 195 shallow percussion drill holes for 5,731 metres of drilling by AusAmerican. Drilling was on 4 section lines with a hole spacing of 30m and hole depth was typically 100 feet (30 m). A representative 1kg samples was collected from each 5 foot (1.524m) interval of drilling. At the laboratory approximately 250 g was pulverized to -75 micron and a 0.5g charge was assayed for a REEO by ICPMS using standard industry procedures.
Drilling techniques	<ul style="list-style-type: none"> A track mounted percussion rig was used to drill 195 3.5" diameter percussion drill holes.
Drill sample recovery	<ul style="list-style-type: none"> The geologist supervising the program collected a representative 1 kg sample from each 5' (1.524m) interval and geologically logged each sample interval. All drilling was carried out above the water table to minimise possible contamination. Mineralisation is disseminated and fine grained.
Logging	<ul style="list-style-type: none"> All drilling was geologically logged enabling the generation of a 3-D geological model of the prospect.

Criteria	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> A representation 1kg sample of drill cuttings was collected over each 5' (1.524m) sample interval. All samples were dry. The sample size is appropriate to the fine grained REEO mineralisation observed. Petrology and mineralogical studies confirmed the fine grained nature of the mineralisation.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> A 250g split from each sample was pulverized to -75 micron and 0.5g subsample fused with lithium borate then subject to a 4 acid digestion and then assayed for 38 elements (including the full suite of REEOs) by ICPMS. All assaying by ALS in Reno Nevada, a fully accredited laboratory. The laboratory used standard quality control procedures incorporation duplicate samples, standards and blanks.
Verification of sampling and assaying	<ul style="list-style-type: none"> Significant intersections were verified by independent consultant geologist as part of a resource estimation.
Location of data points	<ul style="list-style-type: none"> All holes were vertical and shallow (max. 30m depth) so were not surveyed.
Data spacing and distribution	<ul style="list-style-type: none"> The 195 drill holes were completed on 4 section lines with hole spacing of 30m along each section line. A mineral resource estimate was completed in 2011.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Close spaced drilling of the fine grained, disseminated REEO mineralisation was used to overcome and structural bias.
Sample security	<ul style="list-style-type: none"> Drill samples were kept in a storage locker before dispatch by a bonded courier to the assay laboratory.

Reporting of Exploration Results

Criteria	Commentary
Exploration done by other parties	<ul style="list-style-type: none"> All drilling was carried out by AusAmerican Mining Corporation and at the time was listed on the ASX.
Geology	<ul style="list-style-type: none"> The project lies within the Harcuvar metamorphic core complex within the Basin and Range Province of Arizona. Mineralisation is hosted in alkali granitic gneiss and to a lesser extent a structurally superimposed suite of continental red beds. The REEOs occur in Allanite (a type of epidote) that occurs as fine grained disseminations and micro-fracture fillings.

Estimation and Reporting of Mineral Resources

Criteria	Commentary
Database integrity	<ul style="list-style-type: none"> Access database with inbuilt quality control parameters for data integrity.
Geological interpretation	<ul style="list-style-type: none"> A 3 D geological model defined by lithological boundaries and structural controls was developed for the resource estimate.
Dimensions	<ul style="list-style-type: none"> The defined resource extends over an area 2.5km by 1.5km and has been drilled to a maximum depth of 30m. See Figure 2
Estimation and modelling techniques	<ul style="list-style-type: none"> Standard resources estimation techniques were used to define the resources estimate. A 3 D geological model and validated access database were modelled in Gemcom Surpac software.
Mining factors or assumptions	<ul style="list-style-type: none"> Open cut as at surface to 30m depth.

5.12.5. *To the extent known, a summary of the work programs on which the historical estimates or foreign estimates are based and a summary of the key assumptions, mining and processing parameters and methods used to prepare the historical estimates or foreign estimates.*

Summary of work programs:

1. The La Paz rare earth project was first discovered in 2010 by regional rock chip sampling programs.
2. The discovery was drilled in 2011 by 195 shallow percussion holes which supported a maiden resource estimate under NI 43-101 standards. The NI 43-101 Report also details the excellent local infrastructure required to operate a shallow open pit operation.
3. During 2011 and 2012, a number of successful metallurgical test work programs were completed demonstrating the ability to concentrate and extract rare earth elements from the deposit utilising commercially proven processing methodologies.

5.12.6. *Any more recent estimates or data relevant to the reported mineralisation available to the entity.*

The La Paz project completed an independent maiden resource estimate and preliminary metallurgical testwork in 2011 under NI 43-101 guidelines. Additional metallurgical testwork was completed in 2012 which improved rare earth element liberation, concentration and separation.

5.12.7. *The evaluation and/or exploration work that needs to be completed to verify the historical estimates or foreign estimates as mineral resources or ore reserves in accordance with Appendix 5A (JORC Code).*

BPL is still considering the detailed requirements needed to verify the foreign resource estimate and its conversion to JORC 2012 standards. Our initial focus is on advancing metallurgical testwork programs to improved rare earth extraction to support technical and commercial analysis.

5.12.8. *The proposed timing of any evaluation and/or exploration work that the entity intends to undertake and a comment on how the entity intends to fund that work.*

BPL has incurred minimal expenditure to acquire the advanced La Paz rare earth project and is expecting the tenement titles to be granted on the project in coming weeks. BPL has also acquired a substantial volume of historical exploration data by previous exploration companies over the project allowing project advancement at modest cost.

Management are working towards JORC 2012 conversion and will outline work programs and funding requirements in due course.

5.12.9. *Cautionary statement:*

BPL has previously announced that the foreign estimates for the La Paz rare earth deposit have been reported under NI 43-101 standards and are not reported in accordance with the JORC 2012 Code;

A competent person has not done sufficient work to classify the foreign estimates as mineral resources in accordance with the JORC 2012 Code.

It is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as mineral resources in accordance with the JORC 2012 Code.

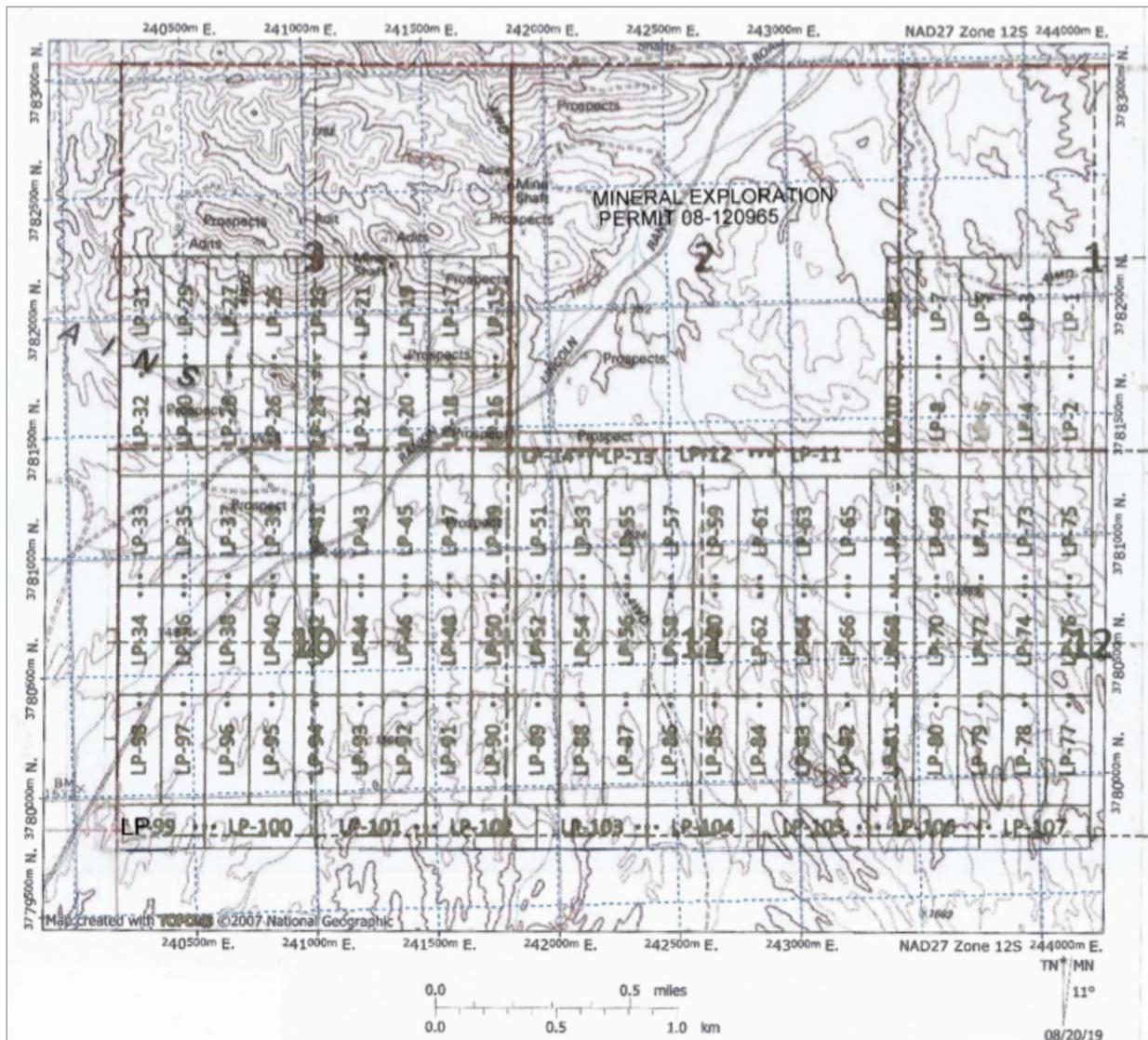


Figure 1. Location of all title applications lodged over the La Paz rare earth deposit.

5.12.10. *Competent Person Statement*

The information in this report that relates to exploration results, Mineral Resources and Targets (under Listing Rule 5.12.2 to 5.12.7) is an accurate representation of the available data and studies for the La Paz rare earth project, based on information compiled by Mr Anthony Johnston, BSc (Hons), who is a Member of the Australian Institute of Mining and Metallurgy and who is the Managing Director and Chief Executive Officer of Broken Hill Prospecting Limited. Mr Johnston has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 & 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Johnston consents to the inclusion in the announcement of the matters based on his information in the form and context that the information appears.

Table 1. Details of all title application claim IDs, beneficial interest and status.

La Paz Rare Earth Project Tenement Status		
Tenement/ Claim ID	Beneficial Interest	Status
La Paz 1	100% La Paz Rare Earth LLC	ACTIVE AMC456814
La Paz 2	100% La Paz Rare Earth LLC	ACTIVE AMC456815
La Paz 3	100% La Paz Rare Earth LLC	ACTIVE AMC456816
La Paz 4	100% La Paz Rare Earth LLC	ACTIVE AMC456817
La Paz 5	100% La Paz Rare Earth LLC	ACTIVE AMC456818
La Paz 6	100% La Paz Rare Earth LLC	ACTIVE AMC456819
La Paz 7	100% La Paz Rare Earth LLC	ACTIVE AMC456820
La Paz 8	100% La Paz Rare Earth LLC	ACTIVE AMC456821
La Paz 9	100% La Paz Rare Earth LLC	ACTIVE AMC456822
La Paz 10	100% La Paz Rare Earth LLC	ACTIVE AMC456823
La Paz 11	100% La Paz Rare Earth LLC	ACTIVE AMC456824
La Paz 12	100% La Paz Rare Earth LLC	ACTIVE AMC456825
La Paz 13	100% La Paz Rare Earth LLC	ACTIVE AMC456826
La Paz 14	100% La Paz Rare Earth LLC	ACTIVE AMC456827
La Paz 15	100% La Paz Rare Earth LLC	ACTIVE AMC456828
La Paz 16	100% La Paz Rare Earth LLC	ACTIVE AMC456829
La Paz 17	100% La Paz Rare Earth LLC	ACTIVE AMC456830
La Paz 18	100% La Paz Rare Earth LLC	ACTIVE AMC456831

La Paz Rare Earth Project Tenement Status		
Tenement/ Claim ID	Beneficial Interest	Status
La Paz 19	100% La Paz Rare Earth LLC	ACTIVE AMC456832
La Paz 20	100% La Paz Rare Earth LLC	ACTIVE AMC456833
La Paz 21	100% La Paz Rare Earth LLC	ACTIVE AMC456834
La Paz 22	100% La Paz Rare Earth LLC	ACTIVE AMC456835
La Paz 23	100% La Paz Rare Earth LLC	ACTIVE AMC456836
La Paz 24	100% La Paz Rare Earth LLC	ACTIVE AMC456837
La Paz 25	100% La Paz Rare Earth LLC	ACTIVE AMC456838
La Paz 26	100% La Paz Rare Earth LLC	ACTIVE AMC456839
La Paz 27	100% La Paz Rare Earth LLC	ACTIVE AMC456840
La Paz 28	100% La Paz Rare Earth LLC	ACTIVE AMC456841
La Paz 29	100% La Paz Rare Earth LLC	ACTIVE AMC456842
La Paz 30	100% La Paz Rare Earth LLC	ACTIVE AMC456843
La Paz 31	100% La Paz Rare Earth LLC	ACTIVE AMC456844
La Paz 32	100% La Paz Rare Earth LLC	ACTIVE AMC456845
La Paz 33	100% La Paz Rare Earth LLC	ACTIVE AMC456846
La Paz 34	100% La Paz Rare Earth LLC	ACTIVE AMC456847
La Paz 35	100% La Paz Rare Earth LLC	ACTIVE AMC456848
La Paz 36	100% La Paz Rare Earth LLC	ACTIVE AMC456849
La Paz 37	100% La Paz Rare Earth LLC	ACTIVE AMC456850
La Paz 38	100% La Paz Rare Earth LLC	ACTIVE AMC456851
La Paz 39	100% La Paz Rare Earth LLC	ACTIVE AMC456852
La Paz 40	100% La Paz Rare Earth LLC	ACTIVE AMC456853
La Paz 41	100% La Paz Rare Earth LLC	ACTIVE AMC456854
La Paz 42	100% La Paz Rare Earth LLC	ACTIVE AMC456855
La Paz 43	100% La Paz Rare Earth LLC	ACTIVE AMC456856
La Paz 44	100% La Paz Rare Earth LLC	ACTIVE AMC456857
La Paz 45	100% La Paz Rare Earth LLC	ACTIVE AMC456858
La Paz 46	100% La Paz Rare Earth LLC	ACTIVE AMC456859
La Paz 47	100% La Paz Rare Earth LLC	ACTIVE AMC456860
La Paz 48	100% La Paz Rare Earth LLC	ACTIVE AMC456861
La Paz 49	100% La Paz Rare Earth LLC	ACTIVE AMC456862
La Paz 50	100% La Paz Rare Earth LLC	ACTIVE AMC456863
La Paz 51	100% La Paz Rare Earth LLC	ACTIVE AMC456864
La Paz 52	100% La Paz Rare Earth LLC	ACTIVE AMC456865
La Paz 53	100% La Paz Rare Earth LLC	ACTIVE AMC456866
La Paz 54	100% La Paz Rare Earth LLC	ACTIVE AMC456867

La Paz Rare Earth Project Tenement Status		
Tenement/ Claim ID	Beneficial Interest	Status
La Paz 55	100% La Paz Rare Earth LLC	ACTIVE AMC456868
La Paz 56	100% La Paz Rare Earth LLC	ACTIVE AMC456869
La Paz 57	100% La Paz Rare Earth LLC	ACTIVE AMC456870
La Paz 58	100% La Paz Rare Earth LLC	ACTIVE AMC456871
La Paz 59	100% La Paz Rare Earth LLC	ACTIVE AMC456872
La Paz 60	100% La Paz Rare Earth LLC	ACTIVE AMC456873
La Paz 61	100% La Paz Rare Earth LLC	ACTIVE AMC456874
La Paz 62	100% La Paz Rare Earth LLC	ACTIVE AMC456875
La Paz 63	100% La Paz Rare Earth LLC	ACTIVE AMC456876
La Paz 64	100% La Paz Rare Earth LLC	ACTIVE AMC456877
La Paz 65	100% La Paz Rare Earth LLC	ACTIVE AMC456878
La Paz 66	100% La Paz Rare Earth LLC	ACTIVE AMC456879
La Paz 67	100% La Paz Rare Earth LLC	ACTIVE AMC456880
La Paz 68	100% La Paz Rare Earth LLC	ACTIVE AMC456881
La Paz 69	100% La Paz Rare Earth LLC	ACTIVE AMC456882
La Paz 70	100% La Paz Rare Earth LLC	ACTIVE AMC456883
La Paz 71	100% La Paz Rare Earth LLC	ACTIVE AMC456884
La Paz 72	100% La Paz Rare Earth LLC	ACTIVE AMC456885
La Paz 73	100% La Paz Rare Earth LLC	ACTIVE AMC456886
La Paz 74	100% La Paz Rare Earth LLC	ACTIVE AMC456887
La Paz 75	100% La Paz Rare Earth LLC	ACTIVE AMC456888
La Paz 76	100% La Paz Rare Earth LLC	ACTIVE AMC456889
La Paz 77	100% La Paz Rare Earth LLC	ACTIVE AMC456890
La Paz 78	100% La Paz Rare Earth LLC	ACTIVE AMC456891
La Paz 79	100% La Paz Rare Earth LLC	ACTIVE AMC456892
La Paz 80	100% La Paz Rare Earth LLC	ACTIVE AMC456893
La Paz 81	100% La Paz Rare Earth LLC	ACTIVE AMC456894
La Paz 82	100% La Paz Rare Earth LLC	ACTIVE AMC456895
La Paz 83	100% La Paz Rare Earth LLC	ACTIVE AMC456896
La Paz 84	100% La Paz Rare Earth LLC	ACTIVE AMC456897
La Paz 85	100% La Paz Rare Earth LLC	ACTIVE AMC456898
La Paz 86	100% La Paz Rare Earth LLC	ACTIVE AMC456899
La Paz 87	100% La Paz Rare Earth LLC	ACTIVE AMC456900
La Paz 88	100% La Paz Rare Earth LLC	ACTIVE AMC456901
La Paz 89	100% La Paz Rare Earth LLC	ACTIVE AMC456902
La Paz 90	100% La Paz Rare Earth LLC	ACTIVE AMC456903

La Paz Rare Earth Project Tenement Status		
Tenement/ Claim ID	Beneficial Interest	Status
La Paz 91	100% La Paz Rare Earth LLC	ACTIVE AMC456904
La Paz 92	100% La Paz Rare Earth LLC	ACTIVE AMC456905
La Paz 93	100% La Paz Rare Earth LLC	ACTIVE AMC456906
La Paz 94	100% La Paz Rare Earth LLC	ACTIVE AMC456907
La Paz 95	100% La Paz Rare Earth LLC	ACTIVE AMC456908
La Paz 96	100% La Paz Rare Earth LLC	ACTIVE AMC456909
La Paz 97	100% La Paz Rare Earth LLC	ACTIVE AMC456910
La Paz 98	100% La Paz Rare Earth LLC	ACTIVE AMC456911
La Paz 99	100% La Paz Rare Earth LLC	ACTIVE AMC456912
La Paz 100	100% La Paz Rare Earth LLC	ACTIVE AMC456913
La Paz 101	100% La Paz Rare Earth LLC	ACTIVE AMC456914
La Paz 102	100% La Paz Rare Earth LLC	ACTIVE AMC456915
La Paz 103	100% La Paz Rare Earth LLC	ACTIVE AMC456916
La Paz 104	100% La Paz Rare Earth LLC	ACTIVE AMC456917
La Paz 105	100% La Paz Rare Earth LLC	ACTIVE AMC456918
La Paz 106	100% La Paz Rare Earth LLC	ACTIVE AMC456919
La Paz 107	100% La Paz Rare Earth LLC	ACTIVE AMC456920
MINERAL EXPLORATION PERMIT 08-120965	100% La Paz Rare Earth LLC	PENDING GRANT

Note: AMC= Arizona Mining Claim