

Broken Hill Prospecting Limited

(Incorporated in New Zealand)

NZ Company Number: 322887

ARBN: 003 453 503 (Australia)

Share Purchase Plan

This is an important document

If you have any doubts on what you should do, please consult your financial adviser

1. IMPORTANT INFORMATION

(a) General Information

This document has been prepared by Broken Hill Prospecting Limited (**Broken Hill Prospecting** or **the Company**) in connection with an offer of new ordinary fully paid shares issued by the Company (**New Shares**). The Offer is made to Eligible Shareholders under the exclusion in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (Australia). This document is not a product disclosure statement or prospectus and does not contain all of the information which may be required in order to make an informed investment decision or about the Offer or Broken Hill Prospecting.

(b) Additional information available under continuous disclosure obligations

Broken Hill Prospecting is subject to continuous disclosure obligations under the ASX Listing Rules. Market releases by Broken Hill Prospecting, including its most recent financial statements, are available at www.asx.com.au under stock code **BPL**.

(c) Offering restrictions

No action has been taken to permit a public offering of the New Shares in any jurisdiction outside New Zealand and Australia. The distribution of this document in a jurisdiction outside New Zealand and Australia may be restricted by law and persons who come into possession of it (including nominees, trustees or custodians) should seek advice on and observe any such restrictions.

No person may subscribe for, purchase, offer, sell, distribute or deliver the New Shares, or be in possession of, or distribute to any other person, any offering material or any documents in connection with the New Shares, in any jurisdiction other than in compliance with all applicable laws and regulations. Without limiting the foregoing, this document may not be sent into or distributed in the United States.

These materials do not constitute an offer of securities for sale in the United States or to "U.S. persons" (as defined in Regulation S under the U.S. Securities Act 1933, as amended (the **U.S. Securities Act**)) (**U.S. Persons**) and may not be sent or disseminated, directly or indirectly, in the United States or to any U.S. Person in any place. Broken Hill Prospecting New Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States.

(d) No Guarantee

No person named in this document (nor any other person) guarantees the New Shares to be issued pursuant to the Offer or warrants the future

performance Broken Hill Prospecting or any return on any investment made pursuant to this document.

(e) Forward Looking Statements

This document contains certain statements that relate to the future. Such forward looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other factors, many of which are beyond the control of Broken Hill Prospecting and which may cause the actual results, performance or achievements of Broken Hill Prospecting to differ materially from those expressed or implied by such statements. Under no circumstances should you regard the inclusion of forward looking statements as a representation or warranty by Broken Hill Prospecting or its directors or officers or any other person with respect to the achievement of the results set out in any such statement, or that underlying assumptions used will in fact be realised.

(f) Decision to participate in the Offer

The information in this document does not constitute a recommendation to acquire Shares or financial product advice. This document has been prepared without taking into account the investment objectives, financial, or taxation situation or particular needs of any Applicant or investor.

(g) Dividend Policy

Broken Hill Prospecting has a policy of not paying dividends and the Directors are unable to predict when any dividend may be paid in the future. This will depend on a number of factors including the future success, profitability and financial position of Broken Hill Prospecting.

(h) Enquiries

Enquiries about the Offer can be directed to your solicitor, accountant or other professional adviser. If you have any questions about the number of New Shares shown on the Offer Application Form that accompanies this document, or how to complete the Offer Application Form, please contact the Registry.

(i) Times

All references in this document to time are to time in Melbourne, Australia.

(j) Defined terms

Capitalised terms in this document have the specified meaning given to them in the Glossary at page 31 of this Document.

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2. CHAIRMAN'S LETTER

30 September 2019

Dear Shareholder,

Share Purchase Plan for Eligible Shareholders

I am pleased to inform you that Broken Hill Prospecting (ASX: BPL) (**Company**) directors have agreed to offer New Shares, at an issue price of A\$0.025 per New Share up to the value of A\$30,000 each eligible shareholder, to all eligible Broken Hill Prospecting shareholders in Australia and New Zealand, as at Friday 27 September 2019 under the terms of a share purchase plan (**SPP**).

Further, the Company is seeking to raise A\$0.5 million through the placement of 20 million ordinary Shares, also at an issue price of A\$0.025 per Share, to non-related sophisticated and professional investors (**Placement**).

The Company is encouraged by early responses it received and expects to soon finalise the Placement.

The SPP will enable eligible shareholders to participate in the fund-raising on similar terms to the Placement, whereby each eligible shareholder as at the Record Date of Friday 27 September 2019 will be invited to subscribe for up to A\$30,000 of new ordinary Shares in the Company at an issue price of A\$0.025 per Share. If fully subscribed, the SPP would raise an additional A\$1.1 million. The SPP is not underwritten.

Funds raised will be applied to advance the technical assessment of the La Paz rare earth project in Arizona. Key work programs include:

- Commence field activities in October comprising detailed structural mapping focused on resource expansion/upgrade.
- Assess conversion of resource from NI 43-101 to JORC 2012 standards.
- Obtain bulk samples for metallurgical test work programs to support preliminary economic assessment.
- Working capital, including cost of Offer.

This SPP will ensure that every eligible Australian and New Zealand shareholder has the opportunity to participate at an exciting stage of the Company's exploration of its recently acquired La Paz Rare Earth Project and to benefit from the anticipated uplift in value as the market rerates the stock.

Shareholders who choose not to participate will have their percentage shareholding diluted.

The Company's directors have each indicated that they will participate in the SPP.

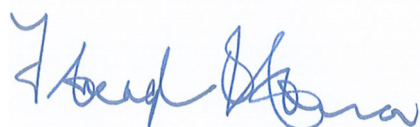
The issue price of the Offer has been set at A\$0.025 per Share, being a 22.0% discount to the latest Share price of New Shares traded on the ASX prior to Monday 30 September 2019 (**Offer Announcement Date**).

Payment may be made in Australian dollars in Parcels of A\$1,000 increments (up to a maximum of A\$30,000) worth of New Shares.

Please note that application to participate in the Offer can only be made on the **personalised application form** enclosed with this letter or by BPAY® by following the instructions on the application form. Only Shareholders on the register at the Record Date with an address in New Zealand or Australia can participate in this Offer.

Please read the enclosed documentation carefully. We encourage you to pay online by BPAY® using the unique reference number shown on your enclosed personalised Application Form or by returning the completed Application Form and cheque, as soon as possible.

We commend the Offer to you and thank you for your support.



Creagh O'Connor
Chairman

3. KEY DATES¹

Date	ASX Trading Day	Description	Actions
Friday 27 September 2019	-1	Record Date	Date on which Broken Hill Prospecting determined the Eligible Shareholders
Monday 30 September 2019	0	Offer Announcement	Offer is announced to the market
Wednesday 9 October 2019	7	Offer Date	Offer opens and Offer documentation dispatched to eligible shareholders
Wednesday 23 October 2019	17	Closing Date	Offer closes. Applications must be received by 5.00pm Melbourne time
Thursday 31 October 2019	23	Allotment Date	New Shares allotted.
Friday 1 November 2019	24	Trading Date	Trading of New Shares allotted under the Offer to commence
By Wednesday 6 November 2019	27	Dispatch Date	New Share Statements sent to Shareholders

Defined words and expressions used in this booklet are capitalised - see the Glossary (on page 26) for their definition.

¹ Broken Hill Prospecting Limited reserves the right to alter the key dates.

4. QUESTIONS AND ANSWERS

(a) What is the Offer?

The Offer allows Eligible Shareholders to subscribe for additional New Shares in Broken Hill Prospecting Limited (“**Broken Hill Prospecting**”) without incurring brokerage or other transaction costs. All New Shares issued under the Offer will be of the same class and rank equally with all existing fully paid ordinary Shares and, on issue, will carry the same voting rights and other entitlements.

(b) Why is Broken Hill Prospecting issuing more Shares?

The Board of Directors and management team at Broken Hill Prospecting undertook a strategic review of the Company’s assets, with an eye to finding new ways to add additional value for Shareholders.

The team has been looking to expand the company’s exploration horizons from principally the Murray Basin/Broken Hill regions but also, to use the expertise and knowledge gained from the successful development of the Thackaringa cobalt project at Broken Hill.

Thackaringa is a large low-grade strategic metal deposit with good infrastructure and the La Paz rare earths project offers similar opportunities, though with a number of unique strategic properties.

From a US perspective, the search for and development of rare-earth deposits, particularly in the US, has been identified as being strategically essential and thus has strong government support. The US Federal government and Pentagon have published recent articles highlighting the need for domestic supplies of strategic metals including rare earth elements and titanium/zirconium. The current trade and political landscape offers shareholders exposure to growth markets that are seeking to diversify supplies globally.

All funds raised will be focused on advancing the La Paz rare earth project with field activities to commence in October. Bulk samples will be collected to progress metallurgical test work in support of technical and commercial project analysis.

(c) What is the proposed capital structure?

	Number of Equity Securities	A\$000
Shares on issue at the date of the Offer	147,883,401	
Share Purchase Plan New Shares expected to be issued on Thursday 31 October 2019 unless varied	44,365,020 ²	1,109
Total Issued Shares	212,248,421	1,109
Market Capitalisation (post Offer) ³		5,306
Issued Listed Options expiring 12 November 2019, A\$0.08 exercise price	46,579,388	
Total Listed Options	46,579,388	
Issued Unlisted Options expiring 1 November 2022, A\$0.06 exercise price	2,400,000	
Issued Unlisted Options expiring 10 January 2023, A\$0.06 exercise price	500,000	
Issued Unlisted Options expiring 10 January 2023, A\$0.08 exercise price, with vesting targets)	3,000,000	
Issued Unlisted Options expiring 10 January 2023, A\$0.10 exercise price, with vesting targets	2,000,000	
Total Unlisted Options	7,900,000	

(d) What will be the uses for funds raised?

Funds raised will be applied to advance the technical assessment of the La Paz rare earth project in Arizona. Key work programs include:

- Commence field activities in October 2019 comprising detailed structural mapping focused on resource expansion/upgrade.
- Assess conversion of resource from NI 43-101 to JORC 2012 standards.
- Obtain bulk samples for metallurgical test work programs to support preliminary economic assessment.
- Working capital, including cost of Offer.

² The Offer is for a maximum number of Shares totaling 44,365,020 (being 30% of the 147,883,401 Shares currently on issue).

³ Market capitalisation at the Issue Price.

(e) Do I have to participate in the Offer?

No - participation is entirely voluntary. Before you apply for New Shares under the Offer, we recommend that you seek independent financial advice from your financial adviser.

(f) Can I participate in the Offer?

You are eligible to participate in the Offer if (such persons being “**Eligible Shareholders**”):

- You were registered as a holder of Shares at 7.00pm (Melbourne time) on Friday 27 September 2019 (the “**Record Date**”);
- Your registered address on the Share register is in Australia or New Zealand, provided that you do not hold Shares on behalf of another person who resides outside New Zealand or Australia. For the avoidance of doubt, no U.S. Person (as defined in Regulation S under the US Securities Act of 1933) can participate in the Offer.

Broken Hill Prospecting has decided that the Offer is not available to Shareholders who are not resident in New Zealand or Australia so as to avoid the risk of breaching laws in the relevant jurisdictions. Broken Hill Prospecting, in making this decision, has taken into account the small number of overseas Shareholders not resident in New Zealand or Australia.

If you are a Custodian, or you hold Shares through a Custodian, please read paragraph 5 (d) of this booklet.

(g) How much can I invest under the Offer?

The amount you may invest under the Offer is limited. Eligible Shareholders may elect to apply for one or more Parcels of New Shares in A\$1,000 increments up to a maximum aggregated value of A\$30,000.

If you receive more than one copy of this booklet, or if you hold Shares in more than one capacity (e.g. because you are both a sole and joint holder of Shares), the total value of the Parcels that you may apply for in all capacities is an aggregated value of A\$30,000. By applying to purchase New Shares under the Offer, you give the certification set out in the terms and conditions of the Offer and the Application Form. Custodians that hold Shares on behalf of one or more beneficial owners may apply for New Shares to the value of up to A\$30,000 on behalf of beneficial owners who are New Zealand or Australian residents, provided that they comply with certain certification requirements and other conditions set out in the terms and conditions of the Offer.

For this purpose, in summary, a Custodian is a trustee company, nominee, or bare trustee that is permitted to act as custodian under applicable laws. In

particular, Custodians in Australia may need to satisfy the financial services licensing requirements described in the glossary under the definition of “Custodian”.

The Offer is made to the Custodian as the registered holder (not the beneficiary directly). This means it is at the discretion of the Custodian whether to extend the Offer to their beneficiaries.

Joint holders are treated as a single Shareholder under the Offer and together can only make applications up to a maximum of aggregated value of A\$30,000. If you own Shares through a trustee or Custodian and also own Shares in your own name, then you may either apply for New Shares yourself or instruct your trustee or Custodian to apply New Shares on your behalf, up to a maximum aggregated value of A\$30,000.

The Offer is non-renounceable, so you cannot transfer your right to apply for New Shares under the Offer to anyone else.

(h) Why are investments limited to the maximum subscription amount of A\$30,000?

The Offer must comply with securities laws and regulatory requirements applicable in Australia and New Zealand and the conditions imposed by the New Zealand Companies Office, ASX and ASIC.

Under these requirements, the maximum amount that each Eligible Subscriber may elect to invest is in aggregate A\$30,000.

(i) What is the Issue Price of the Shares under the Offer?

Shareholders must make payments in Australian dollars.

Method used to calculate the issue price and the time when this price will be determined:

The Issue Price of the Offer is A\$0.025 per Share, being a 22% discount to the latest Share price of Broken Hill Prospecting Ordinary Shares traded on the ASX prior to the Offer Announcement Date.

The number of New Shares to be issued will be the subscription amount divided by the Issue Price, subject to any rounding and/or scaling as described in the Terms and Conditions.

For example, at an issue price of A\$0.025, the minimum parcel of A\$1,000 will purchase 40,000 New Shares and the maximum parcel of \$30,000 will purchase 1,200,000 New Shares.

The Issue Price was fixed on the Offer Announcement Date and the procedure used to determine the Issue Price was to calculate the latest Share price of Broken Hill Prospecting ordinary Shares as described above and apply a

discount considered appropriate by the Broken Hill Prospecting board.

(j) What are the risks of accepting the Offer?

Relationship between the issue price and the market price

Notwithstanding the Issue Price of the New Shares offered under the Offer is A\$0.025 per Share, the market value of the New Shares is the actual price that the New Shares are worth at any given time of trade on the ASX.

Whilst the Issue Price of the New Shares is fixed for the period of the Offer, Broken Hill Prospecting Shares' market value may fluctuate or the period of the Offer.

The risk that the market price may change

The market price of Broken Hill Prospecting Shares may rise or fall between the date of this Offer and the date when New Shares issued under the Offer are allotted to you. As a result, the Issue Price you pay for New Shares issued to you under the Offer may exceed the prevailing market price of Broken Hill Prospecting Shares trading on the ASX. In other words, the value of the New Shares issued to you under the Offer may be, at the time of issue, lower than the Issue Price.

There can be no certainty that Broken Hill Prospecting Shares will trade at or above the Issue Price following the issue of the New Shares under the Offer. Accordingly, you should seek your own financial advice in relation to this Offer and your participation in the Offer.

(k) How do I apply for Shares under the Offer?

If you wish to participate in the SPP, follow the step-by-step instructions set out on the enclosed personalised Application Form.

You can apply by either:

- making payment by BPAY® on the internet by using the unique reference number shown on your enclosed personalised Application Form, which is required to identify your current shareholding. If you choose this form of payment you are not required to submit an Application Form. New Zealand-based Eligible Shareholders cannot pay using BPAY® unless they have an Australian bank account. By paying by BPAY® you will have deemed to have completed an Application Form for the number of New Shares the subject of your payment; or
- completing and returning the enclosed Application Form with your cheque, bank draft or money order made payable to "Broken Hill Prospecting Limited" to the Company's share registry, Computershare Investor Services Pty Limited, as per the instructions on the Application

Form. Cash is not accepted.

Your completed Application Form must be received by Computershare no later than 5.00pm (Melbourne time) on the Closing Date Wednesday 23 October 2019 (unless varied).

You will not be able to withdraw or revoke your application once it has been received by the Company.

Payments must be made in Australian dollars. Receipts for payment will not be issued.

Any application for less than the minimum parcel of A\$1,000 will be returned.

(l) Share Registry

Broken Hill Prospecting Limited

C/- Computershare Investor Services Pty Limited

GPO Box 505

Melbourne Victoria 3001

www.computershare.com.au

You should allow sufficient time to enable receipt of your application and applicable payment by Computershare prior to 5:00pm Melbourne time on the Closing Date.

If you do not wish to participate in the Offer you do not have to take any action.

(m) How long is the Offer open?

The Offer opens on Wednesday 9 October 2019 and is expected to close at 5.00pm (Melbourne time) on Wednesday 23 October 2019, unless varied.

Please allow adequate time for mail deliveries. Applications received after this time may not be accepted.

(n) When will I receive my Shares?

You will receive New Shares issued to you under the Offer on the Allotment Date, which is currently expected to be Thursday 31 October 2019.

A statement confirming the number of New Shares issued to you under the Offer will be sent as soon as practicable after issue of New Shares.

(o) How many Shares will I receive?

Notwithstanding scaling back of the Offer is unlikely, the Company reserves the right to scale back the Offer.

In accordance with ASX requirements, Broken Hill Prospecting may issue up

to 30% of the number of fully paid ordinary Shares already on issue, without Shareholder approval under the Offer - provided certain conditions are met. Given the number of Shareholders in New Zealand and Australia, it is possible for the Company to receive applications under the Offer for more than 30% of the number of fully paid Shares already on issue. Accordingly, Broken Hill Prospecting would scale applications - reducing number of Shares at the Company's directors' absolute discretion so that the number of New Shares issued under the Plan is equal to or less than 30% of the Shares already on issue.

If Broken Hill Prospecting scales applications it may mean, for example, if you apply for a A\$30,000 Parcel and applications are scaled back 10% then your application will be scaled back to A\$27,000. In that event you would receive a refund cheque for A\$3,000 as soon as practicable after the issue of New Shares.

(p) When will the Shares be quoted?

Application will be made by the Company for New Shares to be quoted on the ASX and are expected to commence trading on the Trading Day after the Allotment Date (which will be Thursday 31 October 2019 based on the current timetable).

ASX accepts no responsibility for any statement in this booklet, the Offer Terms and Conditions or in the Application Form.

(q) Further assistance

If you have any questions, please contact your financial adviser before making an investment.

If you need to contact Broken Hill Prospecting you can do so by contacting the Company Secretary on +61 2 8054 9779 or info@bhpl.net.au.

5. TERMS AND CONDITIONS

IMPORTANT NOTICE:

If you apply to participate in the Offer by completing and returning the Application Form, you are accepting the risk that the market price of New Shares may change between the Record Date, the date at which you send in an Application Form and the Allotment Date. This means that it is possible that, up to or after the Allotment Date, you may be able to acquire Shares at a lower price than the Issue Price.

The information contained in these terms and conditions, the Offer and the Application Form does not constitute financial advice and does not take into consideration the investment objectives or other particular needs of individuals. We encourage you to seek your own financial advice regarding your participation in the Offer.

Defined words and expressions used in this booklet are capitalised – see the Glossary for their definition.

These Terms and Conditions set out the terms and conditions made pursuant to the Offer. Please read these Terms and Conditions carefully.

(a) OFFER TIMETABLE

- (i) This Offer is dated and taken to be made on Monday 30 September 2019.
- (ii) The Offer opens on the Offer Date, being Wednesday 9 October 2019. The Offer closes at 5.00pm (Melbourne time) on the Closing Date, being Wednesday 23 October 2019, unless varied. Applications Forms and cheques or money orders may not be processed or considered valid if they have not been received by Broken Hill Prospecting at this time.
- (iii) The Issue Price is A\$0.025 per Share.
- (iv) The New Shares are proposed to be allotted on the Allotment Date, being Thursday 31 October 2019.
- (v) Broken Hill Prospecting expects the New Shares will commence trading on the ASX on the Trading Day after the Allotment Date. In the event that the Offer period is varied, Broken Hill Prospecting reserves the right to allot applications for New Shares on the time of the varied Allotment Date.
- (vi) Broken Hill Prospecting expects the New Shares will commence trading on the ASX on the first Trading Day after the Allotment Date.

(vii) Broken Hill Prospecting has a discretion to change, at any time, any of the Closing Date and the Allotment Date (notwithstanding that the Offer has opened or Application Forms have been received) by lodging a revised timetable with ASX.

(viii) Listing Rule 7.1 imposes a restriction on the maximum number of shares that can be issued by an entity in any 12-month period without shareholder approval. This restriction is broadly 15% of the number of ordinary securities of that entity already on issue within any 12-month period.

Any New Shares that are not issued under the Offer may be issued by Broken Hill Prospecting to such persons and in such manner as the Board considers equitable, up to the 15% maximum under Listing Rule 7.1⁴ and in the interests of Broken Hill Prospecting, provided that the price and terms and conditions of the issue are not materially more favourable to the offerees than those offered under the Offer.

(b) ELIGIBLE SHAREHOLDERS

You may accept the Offer if you are an Eligible Shareholder.

Joint holders of Shares are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and the certification on the Application Form is taken to have been given by all of them.

If you are an Eligible Shareholder, your rights under this Offer are personal to you and non-renounceable, so you may not transfer them.

(c) APPLICATIONS FOR PARCELS OF SHARES

Limitations on Applications

- (i) Subject to clause 5 (d) (i) below, if you are an Eligible Shareholder you may apply for New Shares to the value of the Parcel that you specify on your Application Form, up to the Maximum Subscription Amount (A\$30,000). Eligible Shareholders who receive more than one offer under the Offer (for example, because they hold Shares in more than one capacity) may apply on different Application Forms for more than one Parcel, but may not, subject to clause 5 (d) (i) below, apply for New Shares with an aggregate value of more than the Maximum Subscription Amount.
- (ii) The total issue price of all Shares issued by Broken Hill Prospecting to an Eligible Shareholder under the Offer or any similar arrangement in the 12

⁴ 22,182,510 Shares at the Offer Date.

months prior to and including the date of an application for New Shares under the Offer (as if New Shares up to the value of the Parcel applied for in this Offer were issued and whether the Shares are issued through any Custodian or to the Eligible Shareholder in his or her own right) must not exceed an aggregate value of the Maximum Subscription Amount. This limit applies only to New Shares issued by Broken Hill Prospecting under this Offer (since there has been no other similar arrangement in the last 12 months) and does not include any Shares the Eligible Shareholder may have acquired on the ASX through a rights offer.

- (iii) Eligible Shareholders must give the certification in the form required by ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 set out in the Application Form, that the total of the application price does not exceed A\$30,000 calculated by aggregating:
- A. the total New Shares applied for under the Offer; and
 - B. any other Shares issued under the Offer or any similar arrangement in the last 12 months; and
 - C. any other New Shares which the Eligible Shareholder has instructed a Custodian to acquire on their behalf under the Offer; and
 - D. any other Shares issued to a Custodian in the 12 months before the date of this application as a result of an instruction given to the Custodian to apply for Shares on their behalf under an arrangement similar to the Offer.

(d) CUSTODIANS

- (i) Custodians may apply for New Shares for greater than the Maximum Subscription Amount but only up to the total value of New Shares applied for by each beneficial owner (who must be either New Zealand resident or Australian resident) for which the Custodian acts as a custodian. Custodians must confirm to Broken Hill Prospecting that they are holding shares as a custodian for that beneficial holder by providing the written certification to Broken Hill Prospecting as described in clause 5 (d) (ii) below and set out in the Application Form. Each such beneficial owner may only direct the Custodian to apply on behalf of that beneficial owner for Parcels up to the value of Maximum Subscription Amount (subject to clause 5 (d) (ii) below).
- (ii) The total issue price of all Shares issued directly or indirectly by Broken Hill Prospecting to a beneficial owner under the Offer or any similar arrangement in the 12 months prior to and including the date of an application for New Shares under the Offer (as if the Shares up to the value

of the Parcel applied for through the Custodian pursuant to the Offer were issued and whether the Shares are issued through any Custodian or to the beneficial owner in his or her own right) must not exceed the Maximum Subscription Amount. This limit applies only to New Shares issued by Broken Hill Prospecting under this Offer (since there has been no other similar arrangement in the last 12 months) and does not include any Shares the beneficial owner may have acquired on the ASX or through a rights offer. If a Custodian applies for New Shares pursuant to clause 5 (d) (i) above, the Custodian must certify (among other things) the following to Broken Hill Prospecting in the form required by ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 as set out in the Application Form:

- A. that the Custodian holds Shares or interests (directly or indirectly) on behalf of one or more beneficiaries;
- B. the number of those beneficiaries;
- C. the name and address of each beneficiary for whom the Custodian applies for New Shares or interests;
- D. for each beneficiary:
 - i. the number of Shares or interests that the Custodian holds (directly or indirectly) on behalf of that beneficiary;
 - ii. that the beneficiary has a registered address in New Zealand or Australia;
 - iii. the number, or dollar amount, of New Shares or interests the beneficiary or another Custodian has instructed the Custodian to accept on behalf of that beneficiary;
 - iv. that the total application price for the New Shares applied for on their behalf, and any other Shares or interests applied for on their behalf under a similar arrangement in the previous 12 months (excluding Shares or interests applied for but not issued), does not exceed \$30,000;
- E. that a copy of the written offer document was given to each beneficiary; and
- F. when the Custodian holds Shares or interests on behalf of a beneficiary indirectly, through one or more interposed Custodians—the name and address of each interposed Custodian.
- G. that the beneficiary, on whose behalf the Custodian is submitting an application, is not making an application as an Eligible Shareholder for New Shares under the Offer, and no other

Custodian is submitting an application under the Offer for that beneficiary; and

- H. that there are no participating beneficiaries in respect of which the total of the application price for the following exceeds A\$30,000:
- i. the New Shares applied for by the Custodian on their behalf under the Offer;
 - ii. any other Shares in the class issued to the Custodian in the 12 months before the application as a result of an instruction given by them to the Custodian to apply for Shares on their behalf under an arrangement similar to the Offer.

Custodians will be provided with a Custodian Certificate with these Terms and Conditions. If a Custodian does not receive a Custodian Certificate or requires further information about the Custodian application process, you should contact Computershare on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia). Applications received from Custodians must be accompanied by a duly completed and signed Custodian Certificate.

(e) ROUNDING

The Parcels (including those to be issued to Custodians) are subject to rounding (see Part 5 (k) below).

(f) COMPLETING THE APPLICATION FORM AND PAYING FOR SHARES

If you wish to accept the Offer, you must complete the Application Form and provide a cheque or money order in accordance with the instructions on the Application Form. Cheques must be drawn on either an Australian or a New Zealand bank account. Alternatively, you can participate in the Offer by making payment by BPAY® on the internet by using the unique reference number shown on your enclosed personalised Application Form.

If the dollar amount of New Shares you have applied for exceeds the regulatory limit (being A\$30,000), New Shares having a total issue price equal to the relevant statutory limit will be issued to you and you will be refunded the excess cash amount.

(g) BROKEN HILL PROSPECTING'S DISCRETIONS REGARDING APPLICATIONS

Broken Hill Prospecting has complete discretion to accept or reject your application for New Shares under the Offer, including (without limitation) if:

- (i) your Application Form is incorrectly completed or incomplete or otherwise determined by Broken Hill Prospecting to be invalid; or

- (ii) your cheque is dishonoured or has not been completed correctly; or
- (iii) the cheque or money order that you enclose with your Application Form is not made out for the exact amount of the Parcel that you have selected on the Application Form; or
- (iv) you are applying for more than the Maximum Subscription Amount (in aggregate) of New Shares (except if you are a Custodian applying on behalf of more than one beneficial owner in accordance with clause 5 (c) (iii) above); or
- (v) you are applying for New Shares as a Custodian on behalf of any beneficial owner under the Offer the total issue price of which is more than the Maximum Subscription Amount; or
- (vi) your application is received after the Closing Date. While Broken Hill Prospecting has discretion to accept late Application Forms and cheques or money orders, there is no assurance that it will do so. Late Application Forms and cheques or money orders, if not processed, will be returned to you at your registered address; or
- (vii) Broken Hill Prospecting believes that you are not an Eligible Shareholder; or
- (viii) Broken Hill Prospecting considers that your application does not comply with these Terms and Conditions.

(h) INTEREST

No interest will be paid on any application money returned to you.

(i) SIGNIFICANCE OF SENDING IN AN APPLICATION

If you apply to participate in the Offer by making payment by BPAY® on the internet by using the unique reference number shown on your enclosed personalised Application Form; or returning the completed Application Form and cheque as soon as possible:

- (i) your application, on these Terms and Conditions, will be irrevocable and unconditional (it cannot be withdrawn);
- (ii) you certify to Broken Hill Prospecting that you are an Eligible Shareholder entitled to apply for New Shares under these Terms and Conditions;
- (iii) you agree to be bound by the constitution of Broken Hill Prospecting;
- (iv) you certify to Broken Hill Prospecting that you are not applying for New Shares with an aggregate application price in excess of A\$30,000 under the Offer (including applications made through a Custodian) even

though you may have received more than one offer under the Offer or received offers in more than one capacity under the Offer and the total issue price of those New Shares for which you are applying, if issued, together with the total issue price of all and any other Shares applied for by you under the Offer or any similar arrangement and issued by Broken Hill Prospecting to you in the 12 months prior to and including the date of the application for New Shares under the Offer will not exceed A\$30,000 (excluding any Shares you may have acquired in that period on the ASX or under any rights offer);

- (v) you authorise Broken Hill Prospecting (and its officers or agents) to correct any error in, or omission from, your Application Form and to complete the Application Form by the insertion of any missing details;
- (vi) you acknowledge that Broken Hill Prospecting may, at any time, irrevocably determine that your Application Form is valid, in accordance with these Terms and Conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
- (vii) you accept the risk associated with any refund that may be dispatched to you by cheque to your address shown on Broken Hill Prospecting's share register;
- (viii) you agree to indemnify Broken Hill Prospecting for, and to pay to Broken Hill Prospecting within five Business Days of demand, any dishonour fees or other costs Broken Hill Prospecting may incur in presenting a cheque for payment which is dishonoured;
- (ix) you acknowledge that none of Broken Hill Prospecting, its advisors or agents has provided you with investment advice or financial product advice, and that none of them has an obligation to provide advice concerning your decision to apply for and subscribe for New Shares;
- (x) you acknowledge the risk that the market price for the New Shares may change between the Record Date, the date you apply for New Shares under the Offer and the Allotment Date;
- (xi) you acknowledge that Broken Hill Prospecting may disclose any information in or relating to your application and accompanying cheque or money order to Computershare in connection with their management of the Offer;
- (xii) you acknowledge that Broken Hill Prospecting is not liable for any exercise of its discretions referred to in these Terms and Conditions;
- (xiii) you irrevocably and unconditionally agree to these Terms and Conditions and agree not to do any act or thing which would be contrary

to the spirit, intention or purpose of the Offer; and

- (xiv) you declare that you and each person for whose account or benefit you are acting is not in the United States and is not a US person (as defined in US securities Act 1933), or acting for the account of a US person.

If a Custodian applies for New Shares for a beneficial owner pursuant to clause 5 (c) (iii) above, the certification referred to in clause 5 (i) (iv) above will be taken to be given by both the Custodian and the beneficial owner on whose behalf the Custodian is applying for New Shares.

(j) ISSUE PRICE

You agree to pay the Issue Price (A\$0.025) per Share up to a maximum of the Parcel you have selected on the Application Form.

(k) ROUNDING OF SHARES AND SCALING

- (i) If you apply for New Shares under the Offer, the number of New Shares you receive will be determined by dividing the value of the Parcel you have applied for by the Issue Price. If this calculation produces a fractional number, the number of New Shares you will be allotted will be rounded up to the nearest whole number of New Shares.
- (ii) If the number of New Shares you are allotted is rounded up, your application monies will be slightly less than the value of the New Shares you are allotted. The shortfall amount per application will always be less than the Issue Price for one Share.
- (iii) The Offer is for a maximum number of New Shares of 44,365,020 (being 30% of the 147,883,401 Shares currently on issue). If valid applications are received for a number of New Shares which exceeds this number, Broken Hill Prospecting may scale applications at the Company's directors' absolute discretion.
- (iv) Any refunds of application monies (including under paragraph 5 (f) above) will be in made in Australian dollars and without interest by cheque forwarded to your address recorded on the BPL register as soon as practicable after the issue of the securities. If there is a scale back, the difference between the application money received from you, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded by the Company.

(l) THE SHARES

- (i) New Shares issued under the Offer will rank equally with, and have the same voting rights, dividend rights and other entitlements as, existing fully paid Shares quoted on the ASX.

- (ii) The issue of New Shares under the Offer up to a maximum aggregate value of A\$30,000 per Eligible Shareholder (or per beneficial owner, in the case of holdings held by Custodians) is being undertaken under Listing Rule 7.2 Exception 15 (Share Purchase Plan) to the maximum extent permitted by that rule (being 30% of the total number of quoted Shares on issue by the Company at the date of the Offer), and thereafter Listing Rule 7.1 (15% Placement) in respect of any additional Shares offered to each Eligible Shareholder.
- (iii) On or about the Allotment Date (Thursday 31 October 2019), unless varied, Broken Hill Prospecting will apply for the New Shares to be quoted on the ASX, with effect on or shortly after the Allotment Date. You cannot trade, on the ASX, in any New Shares issued to you pursuant to the Offer, either as principal or agent, until official quotation on the ASX in accordance with the Listing Rules. Broken Hill Prospecting expects the New Shares will commence trading on the ASX on the Trading Day after the Allotment Date (that is, on Friday 1 November 2019 on the current timetable). ASX does not accept any responsibility for any statement in this booklet, the Offer Terms and Conditions or in the Application Form.
- (iv) Broken Hill Prospecting currently has a policy of not paying dividends and the Directors are unable to predict when any dividend may be paid in the future. This will depend on a number of factors including the future success, profitability and financial position of Broken Hill Prospecting.

(m) FINANCIAL STATEMENTS

You may obtain free of charge the most recent annual report and financial statements of Broken Hill Prospecting by contacting Broken Hill Prospecting, or you may download the reports from the Broken Hill Prospecting website www.bhpl.net.au

(n) NO UNDERWRITING OF THE OFFER

The Offer is not subject to any underwriting arrangement.

(o) AMENDMENTS TO THE OFFER AND WAIVER OF COMPLIANCE

- (i) Broken Hill Prospecting will not change these Terms and Conditions (subject to its discretion to revise the timetable under clause 5 (a) (vii) above and subject to clause 5 (o) (ii) below). However, Broken Hill Prospecting reserves the right to waive compliance with any provision of these Terms and Conditions. If Broken Hill Prospecting waives compliance with any provision of these Terms and Conditions, that waiver may, if so expressed, apply to all Eligible Shareholders.

- (ii) Broken Hill Prospecting reserves the right to, in its absolute discretion, modify, suspend, withdraw, terminate or correct the Offer, at any time. Broken Hill Prospecting will notify the ASX if it does so modify, suspend, withdraw, terminate or correct the Offer.
- (iii) Broken Hill Prospecting may issue fewer New Shares than an Eligible Shareholder applies for under this Offer (or none at all) if Broken Hill Prospecting believes that issuing those New Shares would break any law or any of the Listing Rules.

(p) INTERPRETATION OF DOCUMENTS

In the event of any conflict between these Terms and Conditions (including the Glossary) and the accompanying letter from the Chairman and Questions and Answers and the Application Form, these Terms and Conditions will take precedence.

(q) GOVERNING LAW

These Terms and Conditions are governed by, and are to be construed in accordance with, the laws of New Zealand.

(r) DISPUTE RESOLUTION

If any dispute arises in connection with the Offer, Broken Hill Prospecting may settle it in any manner it thinks fit. It may do so generally or in relation to any particular participant, application or New Shares. Broken Hill Prospecting's decision will be final and binding.

(s) INCONSISTENCY

Unless otherwise determined by the directors of Broken Hill Prospecting, in the event of any inconsistency between the terms and conditions of the Offer and Broken Hill Prospecting's constitution, Broken Hill Prospecting's constitution shall prevail.

6. GLOSSARY

Allotment Date	Thursday 31 October 2019, unless varied.
Application Form	The personalized application form relating to the Offer that you received with this booklet, including the instructions on the reverse of the form.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Broken Hill Prospecting	means the Company.
Business Day	A business day as defined in the Listing Rules.
Closing Date	Wednesday 23 October 2019, unless varied.
Company	Means Broken Hill Prospecting Limited (Incorporated in New Zealand) NZ Company Number: 322887 ARBN: 003 453 503 (Australia).
Computershare	Means Computershare Investor Services Pty Ltd ABN 48 078 279 277.
Custodian	Means a person that provides a custodial or depository service in relation to shares of a body or interests in a registered scheme and who: <ul style="list-style-type: none"> (a) holds an Australian financial services licence covering the provision of a custodial or depository service; (b) is exempt from the requirement to hold an Australian financial services licence covering the provision of a custodial or depository service; (c) holds an Australian financial services licence covering the operation an IDPS or is a responsible entity of an IDPS-like scheme; (d) is a trustee of a self-managed superannuation fund or a superannuation master trust; or (e) is a registered holder of Shares or interests in the

	class and is noted on the register of members of the body or scheme as holding the shares or interests on account of another person.
Eligible Shareholder	A person who, at 7.00pm (Melbourne time) on the Record Date, was recorded in Broken Hill Prospecting's share register as being a registered holder of Shares and having an address in New Zealand or Australia, unless that person holds Shares on behalf of another person who resides outside New Zealand or Australia. For the avoidance of doubt, no U.S. person (as defined in Regulation S under the US Securities Act of 1933) will be regarded as an Eligible Shareholder.
IDPS	Means an investor directed portfolio service, as defined by ASIC Class Order [CO 13/763] and [CO 13/762] respectively.
Issue Price	A\$0.025.
Listing Rules	The listing rules of the ASX, as amended from time to time.
Maximum Subscription Amount	The maximum aggregate dollar amount of New Shares, at the Issue Price that you may apply for under the Offer, being A\$30,000.
New Shares	Means new Shares which are the subject of this Offer.
Offer	The offer detailed in this document.
Offer Date	Wednesday 9 October 2019
Parcel	The value of the parcel of New Shares that you apply for, which may be A\$1,000 or multiples thereof up to the Maximum Subscription Amount, in each case at the Issue Price per Share. Accordingly, the minimum subscription amount under the Offer is one Parcel of New Shares (A\$1,000).
Record Date	Friday 27 September 2019.
Shares	Fully paid ordinary shares issued by the Company.

Shareholder	A registered holder of Shares.
Trading Date	Means Friday 1 November 2019, unless varied.
Trading Day	A full day on which the New Shares are quoted, and not suspended from quotation or made subject to a trading halt on the ASX. A day on which the ASX is closed or on which trading on the ASX is suspended is not a Trading Day.

7. DIRECTORY

Australian Office

Suite 706, Level 7,

89 York Street

Sydney NSW 2000

GPO BOX 1546,

Sydney NSW 2001

Tel: +61 2 8054 9779

Email: info@bhpl.net.au

Web: www.bhpl.net.au

New Zealand Office

Ground Floor Nathan House

541 Parnell Road

Parnell, Auckland 1052

Phone: +64 9 303 1893

Fax: +64 9 303 1612

8. Competent Person's Statement

The information in this Offer that relates to exploration results, Mineral Resources and Targets is 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.