

Drilling Commences at Pyrite Hill South and Pyrite Hill Cobalt Deposits, Broken Hill, NSW

Broken Hill Prospecting Limited (ASX, NZSX code BPL) is pleased to report that drill testing has commenced at the Pyrite Hill South Cobalt Prospect and is about to start at the Pyrite Hill Cobalt Deposit, both located in Mining Lease 86, located 25 kilometres south west of Broken Hill in western NSW.

Pyrite Hill South

Recent detailed mapping and geochemical sampling outlined numerous surface exposures of massive sulfide gossans at Pyrite Hill South. These have formed from accumulations of cobaltiferous pyrite which occur within the prospective plagioclase-quartz-pyrite gneiss, similar to the host rock of the main Pyrite Hill cobalt resource which is located to the north west of Pyrite Hill South.

Iron rich cobaltiferous gossans at Pyrite Hill South were mapped over a strike length of over 250 metres as a series of outcrops which are between 5-20 metres wide. These are largely covered by shallow alluvial gravels and soils at both northern and southern edges of the mapped area. Rock chip samples of the gossanous rocks contain anomalous cobalt values of over 100ppm Co (maximum of 425ppm Co).

A drill program of three reverse circulation ("RC") holes has commenced to test the depth continuity of the largest gossan zone which dips towards the east. The drill holes will all be angled towards the west from collars spaced at 100 metres and the holes are projected to intersect the mineralised horizon at about 30-50 metres beneath surface.

The Pyrite Hill South drilling is expected to be completed in late August and assay results are expected to be at hand in mid September.

Pyrite Hill

BPL's drilling is seeking to define extensions to the Pyrite Hill deposit which has an Inferred Mineral Resource of 10.6 million tonnes of 2.2 pound per tonne cobalt. Wide-spaced drill testing undertaken at Pyrite Hill by other exploration companies showed that this cobalt mineralisation is open at depth below 100 metres as well as along trend.

The eight planned angled RC holes (between 150-250 metres deep) will test the depth extent of the thickest and central part of the Pyrite Hill Cobalt deposit where the best developed portion of the cobalt mineralised zone can be up to 89 metres thick and which appears to plunge steeply to the north.

The Pyrite Hill drilling program is expected to be completed in late September and reporting of the results is expected in early October.

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Techdrill Services Pty Ltd, an Orange-based drilling company is undertaking the work using a truck mounted TEC750 drill rig.

Yours faithfully,



Ian J Pringle
(Managing Director)

Competent Person Statement

*The review of exploration activities and results contained in this report is based on information compiled by **Dr Ian Pringle**, a Member of the Australasian Institute of Mining and Metallurgy. Dr Pringle is the Managing Director of Broken Hill Prospecting Ltd and also a Principle of Ian J Pringle & Associates Pty Ltd, a consultancy company in minerals exploration. He has sufficient experience which is relevant to the style of mineralization 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 2004 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.*

About Broken Hill Prospecting Limited (“BPL”)

BPL is seeking to explore, evaluate and develop cobalt deposits in the Broken Hill area. Within its two mining leases BPL has inferred cobalt mineral resources which total 15 million tonnes at a combined average grade of more than 2.1 lb/tonne (Pyrite Hill and Big Hill deposits). These are a unique type of cobalt deposit and BPL is in an excellent position to take advantage of an increasing demand for cobalt to meet growth in environmental and industrial uses such as rechargeable batteries in automobiles.

BPL is one of the next generation of companies that is exploring for major new mineral deposits near the historic NSW mining centre of Broken Hill, where more than 200 million tonnes of high-grade base metal ore worth an estimated \$80 billion has been produced during the past 127 years. BPL has identified 13 Broken Hill-type base metal prospects on its exploration tenements at Thackaringa.

BPL raised \$4.47 million in an initial public offering, and in February 2011 its securities are quoted on both the Australian and New Zealand stock exchanges.

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