

11 February 2011

Broken Hill Prospecting Limited is pleased to release its quarterly report for the period ending 31 December 2010.

December 2010 Quarterly Report of Activities

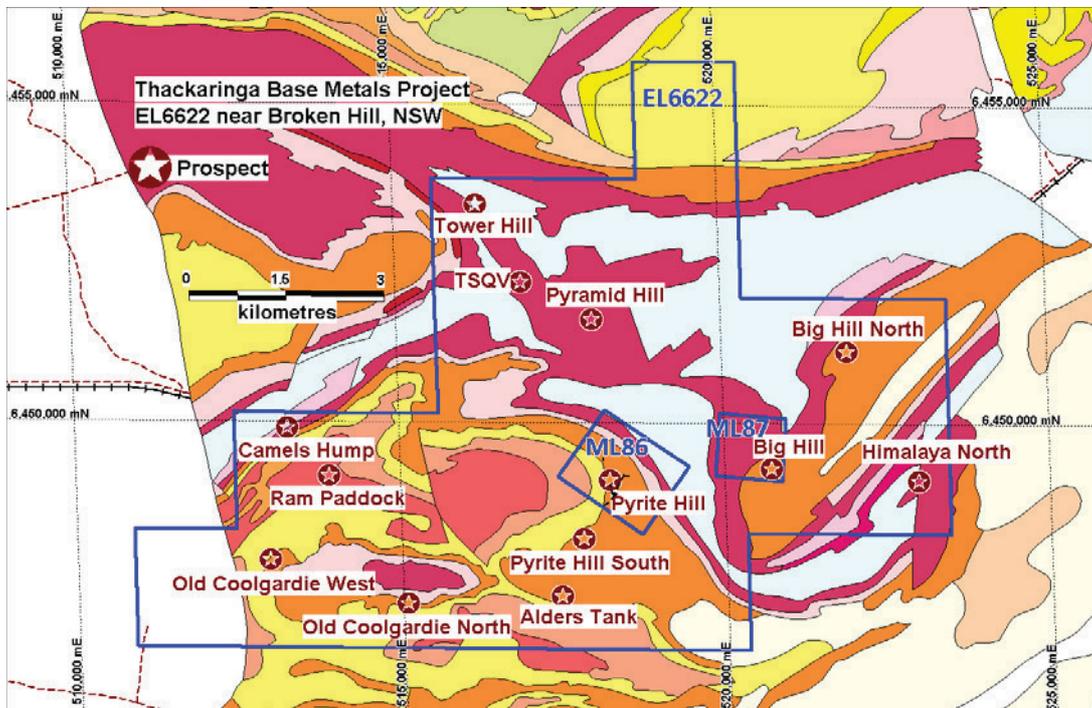
Highlights

- Drilling at the Himalaya North and Pyramid Hill prospects encountered strongly anomalous copper and base metal results from RAB samples.
- Lode bearing rocks were identified over 500 metre lengths at each prospect.
- The continuity of extended target zones was confirmed.
- Lode bearing rocks also indicated outside these areas.
- A 6-hole RC drilling program was commenced in January 2010 on each prospect.

Exploration Activity

RAB Drilling at Himalaya North and Pyramid Hill, EL 6622, Thackaringa, near Broken Hill, NSW

Initial reconnaissance geological mapping and sampling several years ago located classic Broken Hill Type (BHT) geology and structures, and follow-up detailed surface mapping and rock sampling resulted in the identification of extensive base metal sulphide gossans in more than 10 discrete areas.



(see Prospects Plan). The full extent of the surface gossan zones, however, is obscured by shallow soil and sand cover which is usually less than 8 metres (m) deep.

The mineralised zones delineated as near surface footprints at Pyramid Hill and Himalaya North have significant dimensions and structures that are comparable to those containing economic ore lenses seen at Broken Hill.

Step-by-step drilling is required however to test the various lode units for thickness and economic base metal sulphide ore concentrations at greater depths below the outcropping gossans. The original Broken Hill ore bodies are the largest of their type globally and, have been mined continuously for more than 120 years, generating revenues exceeding \$80 billion.

Pyramid Hill Prospect

At Pyramid Hill, several lode units up to 5m thick occur within a broad zone up to 30m thick and in tight, complex, shear-related and attenuated fold structures. These are similar in shape to those seen at Broken Hill in the central part of the line of lode. When unfolded, the lodes at Pyramid Hill have a strike length of more than 500m.

RAB drilling was completed over the entire target zone of at least 500m. Samples were analysed by the AMDEL Laboratory in Adelaide, and detailed geological logging of the drill chips was been completed. Encouraging results include:

- Further continuity was established for the tightly folded lodes, with higher copper values reported from under shallow soil cover.
- Strong geochemical anomalism in RAB samples supports earlier gossan sampling, which gave strongly anomalous geochemical values.

Assay results below were most encouraging.

Table 2

	Copper (ppm)	Lead (ppm)	Zinc (ppm)	Manganese (ppm)
Minimum	3	10	14	125
Maximum	4300	140	415	5900
Moderately Anomalous*	450	50	150	1170
Highly Anomalous**	770	60	210	1670

* Moderately anomalous > 91% of samples

** Highly anomalous > 97% of samples

A shallow reverse circulation (RC) drilling program of 6 angled holes, each about 100m in length, commenced in January to test the main target zone.

Himalaya North Prospect

At Himalaya North, the best mineralised zone consists of a persistent stack of several lode units up to 5m thick occurring within what appears to be a very tightly folded area with overall dimensions approximately 300m long x 50m wide.

For comparison, the fold structures hosting the lead lodes at the North Mine at Broken Hill (more than 34 million tonnes of economic ore) fitted into a comparable area 350m long x 70m wide, and extending to a depth of more than 1.5 kilometres.

Samples from infill drilling to the north of Himalaya North were analysed by the AMDEL Laboratory in Adelaide, and detailed geological logging of the drill chips was completed. The data, collectively, indicates very positive results.

- The persistent lode rock bearing target zone has now been extended to more than 500m in strike length and may extend for up to 1000m, providing a larger target area for deeper drilling.
- Additional lodes have been mapped further to the north, suggesting a third zone of interest outside the areas currently drilled.
- Surface gossan sampling of the lodes has previously yielded highly anomalous geochemical values.

The assay results summarised below indicate a level of anomalism that was very encouraging.

Table 1

	Copper (ppm)	Lead (ppm)	Zinc (ppm)	Manganese (ppm)
Minimum	1	10	11	140
Maximum	2200	6000	2400	30300
Moderately Anomalous*	330	500	620	6270
Highly Anomalous**	540	810	920	10100

* Moderately anomalous > 91% of samples

** Highly anomalous > 97% of samples

A follow-up shallow RC drilling program of 6 angled holes, each about 100m in length, has been designed to test the main target zone. Drilling was commenced in January.

Results

The results of the 2010 RAB drilling are shown as geochemical contours of anomalous copper (Cu), lead (Pb) and zinc (Zn) values in the accompanying plans.

Surface gossan outcrops previously mapped and sampled are also shown. The gossans are all anomalous for several base metals as well as manganese (Mn), which is a strong positive indicator of a well-developed environment for the deposition of BHT mineralisation.

The thickening and thinning of gossan zones often reflects the complicated folding of the BHT mineralised lodes. The thicker areas are logical deeper drilling targets, as are stronger and/or broader RAB geochemical anomalies.

The target zones indicated are likely to be complexly shaped structures with steep plunges, requiring step-by step close spaced drill testing at depth.

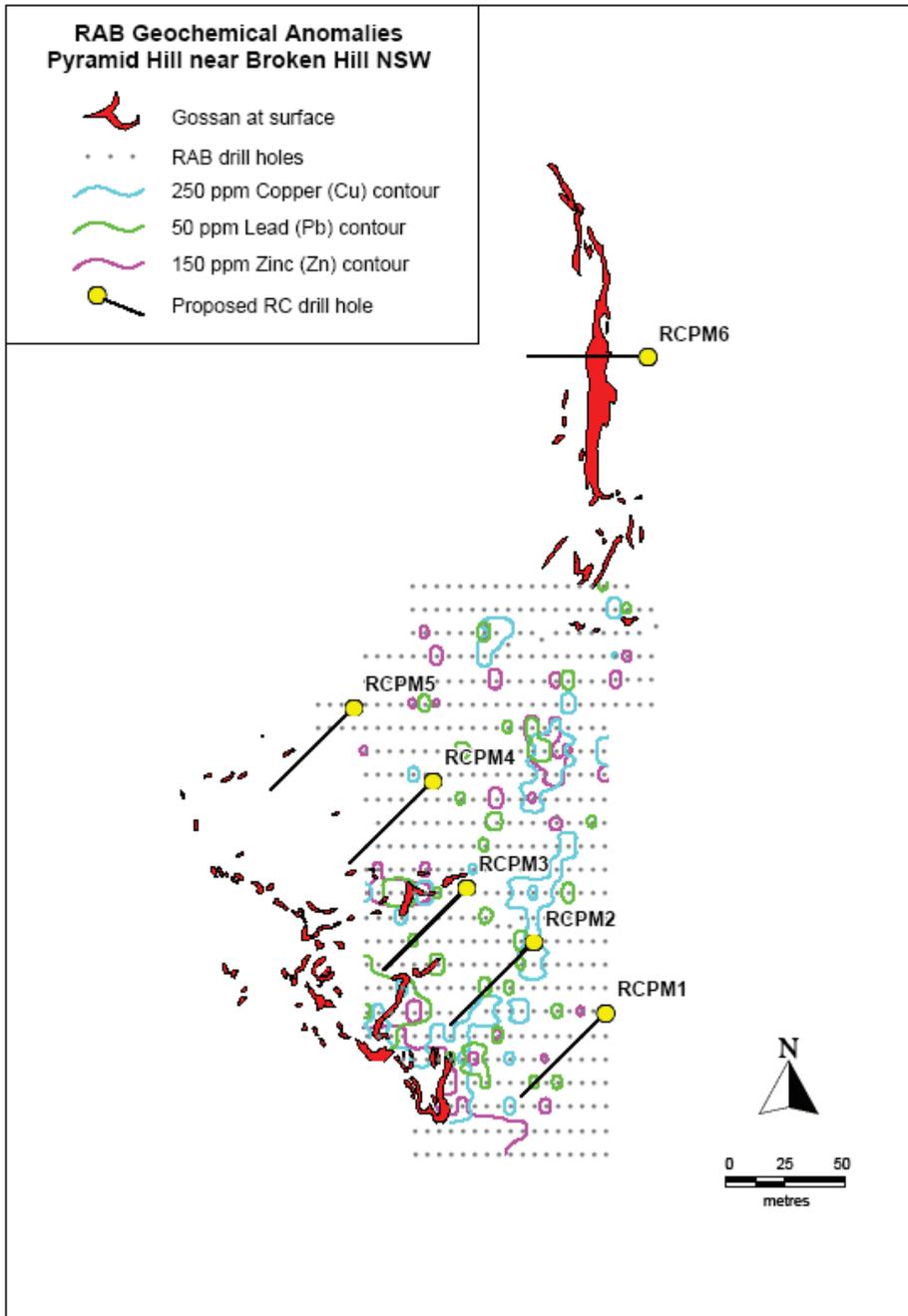
Pyramid Hill RAB plan

The target zone is at least 500 m long, with its continuity established by RAB drilling between gossan outcrops. Anomalous copper also occurs in the RAB holes on most lines drilled under shallow cover with values up to a maximum of 0.43% Cu.

The gossan outcrops, supported by geochemical contours, trace the extent of several fold features on the plans. The mineralisation occurs in tight complex fold structures, similar in shape to those

observed on the Broken Hill main line of lode. The geological setting and geochemistry indicate a copper rich BHT analogue at Pyramid Hill.

The proposed 6 deeper (100m each) RC drill holes shown on the plans are angled to intersect the anomalous and/or thicker portions of the mineralised lodes down dip and down plunge.



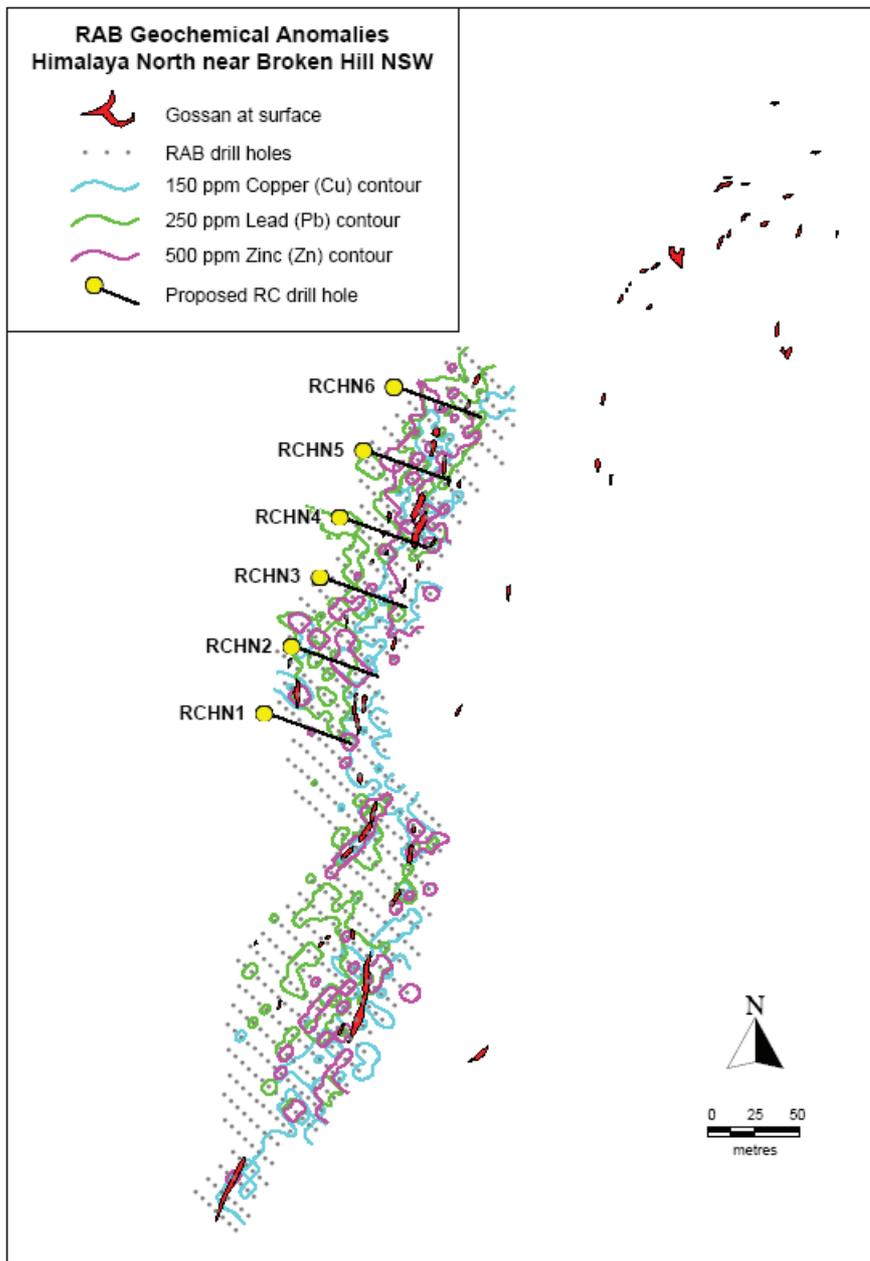
Himalaya North RAB plan

The mineralised lodes can be traced for over 600m, using gossan outcrops and geochemical contours as a guide, and may extend for over 1000m. Additional untested lodes have been identified to the north and north east of the RAB drilled area.

Collectively, the results confirm the continuity of the mineralised lodes over a greater length than previously known. Mapping and geochemistry from surface sampling of the lodes and RAB drill holes indicate a classical BHT mineralised environment of deposition with highly anomalous Zn, Pb, Cu and Mn.

These are associated with the characteristic rock types that host BHT mineralisation, including manganese enriched metasediments, garnet-altered amphibolites and altered Potosi gneiss. These host rocks also include important mineralised indicator rock types which contain the BHT mineralisation and are identical to those seen at Broken Hill. These are blue quartz gahnite, garnet quartzite and lead-rich lode pegmatite.

The angled 6-hole (100m each) RC program is proposed to test the main target zone down dip and down plunge as shown.



COMPETENT PERSON STATEMENT

The information in this report that relates to exploration results is based on information compiled by Mr. Wolfgang Rudolf Leyh MScApp; MScQual; BScApp. Mr Leyh is an independent consulting geologist who is a corporate member of the AusIMM. Mr Leyh has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Leyh consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.