

## **FUNDING SECURES HEAVY MINERAL SANDS DRILLING PROGRAM**

### **Highlights**

- **New Joint Venture partner to contribute \$2m for 50% stake in two tenements**
- **Drilling planned during February 2015 on Copi North and Magic HMS deposits**
- **Focus on JORC 2012 resource definition and feasibility studies**
- **Broken Hill Prospecting to manage the Joint Venture**

Broken Hill Prospecting Limited (ASX Code BPL) has entered a Joint Venture with an unlisted Australian mining investment company, Relentless Resources Limited (RRL), to explore and develop Heavy Mineral Sand projects (HMS - titanium, zirconium) within two Exploration Licences located in Western NSW.

BPL's Managing Director Dr Ian Pringle said this was an excellent agreement for both parties because the funding would fast track advanced evaluation of two very promising HMS prospects that are believed to have substantial grades of HMS. It also meant that funds raised recently in a share placement would be applied to progress work at three other HMS tenements held 100% by BPL.

### **Joint Venture Agreement**

The Agreement allows for the formation of a Joint Venture to explore and establish JORC reserves and resources of HMS, complete feasibility studies and establish a viable HMS mining operation(s) in EL8311 or EL8312.

RRL will make staged payments totaling \$2,000,000 to earn a 50% participating interest:

- Stage 1 - \$500,000 on execution of the Agreement in consideration for a 20% participating interest in the Joint Venture ('JV');
- Stage 2 - \$1,000,000 on or before 31 July 2015 in consideration for an additional 20% participating interest in the JV; and
- Stage 3 - \$500,000 on or before 30 April 2016 in consideration for an additional 10% participating interest in the JV)

A Joint Venture Committee made up of both parties will oversee the JV. In its capacity as Manager of the JV, Broken Hill Minerals Pty Ltd (a 100% owned subsidiary of BPL), will receive a service fee of 10% of JV expenditure.

BHM will apply the earn-in payments received from RRL to complete a JORC 2012 resource and progress scoping studies on at least one of the two deposits within 6 months of commencing the JV and complete a Feasibility Study within 15 months.

#### **Broken Hill Prospecting Limited**

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## **JV Drilling**

Shallow air-core drilling is planned at both the Copi North Prospect in EL8312 and the Magic Prospect in EL8311. The work is expected to commence in early February 2015 using a Wallis Drilling, light truck-mounted RC drill rig. It is anticipated that the drilling will take several weeks to complete. Drill samples will be tested for titanium and zirconium content and resource evaluations are planned for both prospects.

## **Other tenements**

The three Exploration Licences which are not included in the JV (EL8308, EL8309 and EL8310) remain wholly owned by Broken Hill Minerals Pty Ltd. BHM is planning to undertake ground magnetic surveys and drill testing at several high priority HMS targets within these tenements.

## **Background**

In October 2014, BHM was granted five Exploration Licences for HMS deposits in the extensive Murray Basin south of Broken Hill and north of Wentworth in Western NSW (Figure 1).

BHM is planning to establish a foothold in the HMS industry where emerging technology is making significant advances in processing and recovery of titanium (Ti) and zirconium (Zr) minerals (ilmenite, leucoxene, rutile and zircon) from HMS deposits.

RRL is an unlisted Australian mining investment company focused on acquiring strategic stakes in globally significant HMS mining assets. RRL and BHM have entered an agreement to evaluate HMS deposits in two of the five tenements (EL8311 'Woolcunda' and EL8312 'Copi', Figure 1). In particular, planned work will focus on the Copi North and Magic HMS prospects.

The Joint Venture will seek to define an initial resource base of between 20-40 million tonnes of HMS with high content of heavy minerals (>8%) relative to other nearby deposits and operations. This could provide the basis for a low-cost, small footprint mining operation with higher grade feed than nearby operating mines (Cristal's Ginkgo and Snapper mines and Murray Zircon's Mindarie mine) which have average HMS grades of between 3.6% HM and 3.9% HM.

## **Comments**

BPL's Managing Director Dr Ian Pringle commented:

*"Broken Hill Minerals have already planned drilling programmes at Copi North and Magic and logistics are well advanced for these. Both areas are located in arid sandy country, sparsely grazed by sheep and goats and readily accessed by farm tracks and public roads."*

*"The project will complement BPL's 100% owned cobalt-pyrite deposits and sharpen our vision to become a sizeable strategic metal producer."*

Yours faithfully,



Ian J Pringle  
(Managing Director)

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**Competent Person Statement**

*Exploration activities and results contained in this notice are 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 Director of Ian J Pringle & Associates Pty Ltd, a consultancy company in minerals exploration. He has sufficient experience which is relevant to the style of mineralisation 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 2012 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 has commenced assessment of Heavy Mineral Sand (“HMS”) deposits (titanium and zirconium) located south of Broken Hill in western NSW. These deposits have been extensively explored and drill tested by other parties and provide the Company with an opportunity to progress advanced evaluation and fast-track development of several substantial high-grade heavy mineral sand deposits.*

*Australia has the world’s largest deposits of the titanium minerals ilmenite and rutile. Australian mines extract and refine Ti, but don't process it in large quantities. It is used in jewellery and bicycles, 3D printing and heavy industrial parts, but 95% is used in an oxide form as the pure white colour crucial in products from paint to cosmetics. Titanium's strength-to-weight ratio, corrosion resistance and biocompatibility make it perfect for aerospace, medical and sport applications.*

**BPL Cobalt and Pyrite (Sulphuric acid) deposits**

*BPL is progressing with exploration and evaluation of cobalt-pyrite deposits in the Broken Hill area within two exploration tenements (EL6622 and EL8143) and two mining leases (ML86 and ML87).*

*Broken Hill Prospecting Limited is in a very strong strategic position to take advantage of increasing demand for cobalt to meet growth in environmental and industrial uses including rechargeable batteries in automobiles and super alloys. Co-product sulphuric acid could address Australian reliance on imported sulphur and provide opportunities for phosphate fertiliser and mineral processing industries.*

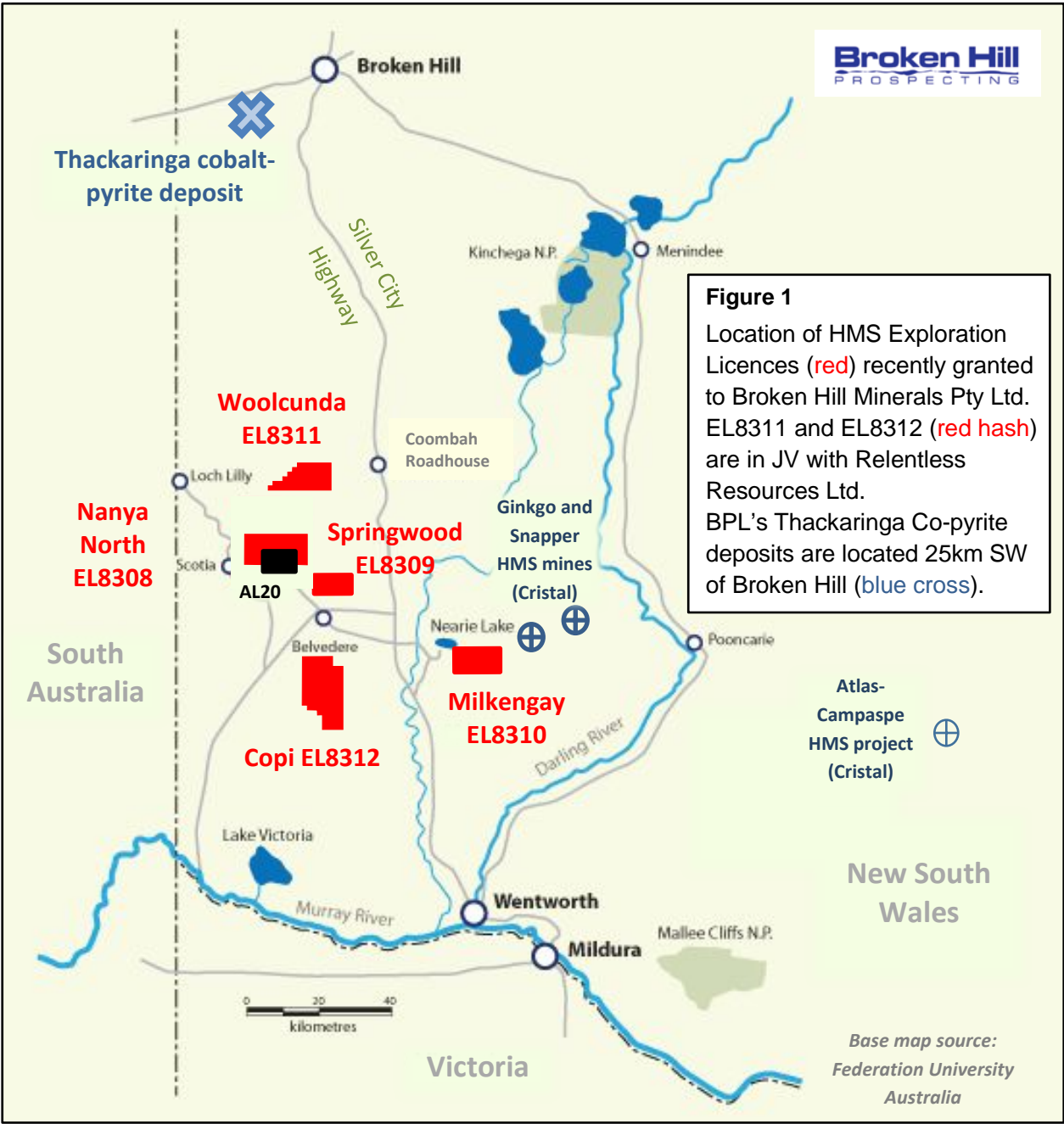
**For further information contact;**

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*Broken Hill Prospecting Ltd has recently updated it’s website at [www.bhpl.biz](http://www.bhpl.biz)*



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