



Broken Hill Prospecting Limited

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ASX ANNOUNCEMENT

ASX Limited

20 Bridge Street

Sydney, NSW 2000

24 June 2016

SHARE PURCHASE PLAN

The Directors of Broken Hill Prospecting Limited (**BPL** or **Company**) are pleased to announce that they propose to give shareholders the opportunity to participate in the Company's capital raising program in the form of a Share Purchase Plan (**SPP**) which will be offered to eligible shareholders on Monday 4 July 2016.

The SPP will provide eligible shareholders resident in Australia with the opportunity to subscribe for shares to the value of A\$2,000, A\$3,000, A\$5,000, A\$7,500, A\$12,500 or up to the maximum of A\$15,000. Participation in the SPP is entirely optional.

Under New Zealand regulations the SPP can also be offered to up to 20 shareholders with registered addresses in New Zealand. The Company proposes to accept 20 applications from eligible resident New Zealand shareholders on a first received basis.

Eligible shareholders who hold BPL shares as a custodian (as defined in ASIC Class Order (CO 09/425)) will be entitled to participate on behalf of each beneficiary on whose behalf the custodian is holding BPL shares.

The Board of BPL has determined that the offer of shares under the SPP will not be made to shareholders who are resident outside of Australia or New Zealand, taking into account the small number of overseas shareholders and the cost of undertaking the SPP in those jurisdictions.

The record date to establish entitlement to the offer under the SPP for eligible shareholders is Thursday 23 June 2016.

The issue price of shares under the SPP will be 8.1 Australian cents (A\$0.081). The issue price represents a 19.7% discount from the volume weighted average price of BPL shares of the last five days and a 26.6% discount to the 10 days volume weighted average price, prior to the record date.

Funds raised under the SPP will be applied by the Company towards:

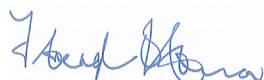
- *Upgrading and expanding resources at the 100% owned Thackaringa Cobalt Project*
- *Undertaking metallurgical test programs on the Thackaringa Cobalt Project*
- *Supporting marketing studies on cobalt and sulphuric acid production*
- *Providing working capital.*

An SPP offer document containing further details and a personalised application form will be distributed to eligible shareholders on 4 July 2016

The offer under the SPP will open on Monday 4 July 2016 and close at 5pm Sydney time on Tuesday 2 August 2016. Allotment of shares under the SPP is expected to occur on Tuesday 9 August 2016.

All new shares issued under the SPP will rank equally with existing BPL shares from the date of issue, and will carry the same voting rights, dividend rights and other entitlements as existing BPL shares.

On behalf of Broken Hill Prospecting Limited, I invite you to consider participating in the SPP and thank you for your continued support.



Creagh O'Connor AM
Chairman