

MAIDEN RESOURCE ESTIMATE COMPLETED FOR MAGIC HEAVY MINERAL SANDS DEPOSIT

Broken Hill Prospecting Limited ('BPL') today announced a maiden Mineral Resource estimate for the Magic Heavy Mineral Sands Deposit in the Murray Basin, NSW, of 15 million tonnes at an average 3.7% Heavy Minerals.

This follows from the Company's recent announcement of the nearby Copi North Deposit Mineral Resource estimate of 11.6 million tonnes at an average of 6.9% Heavy Minerals on 27th July, 2015.

Mineral Resource Category	Material Tonnes (Millions)	In Situ HM Tonnes (Millions)	HM (%)	Clay (%)	Heavy Mineral ('HM') Assemblage			
					Ilmenite (%)	Zircon (%)	Rutile (%)	Leucoxene (%)
Inferred	15	0.56	3.7	4	62	14	6	10

Table 1. Magic Mineral Resource, August 2015 (2% HM cut-off grade)

Highlights

- Average grade (3.7% HM) is similar to reported head grades of nearby operating heavy mineral sands (HMS) mines (~3.5% - 4% HM).
- The deposit contains a substantial proportion of high-value zircon (14%) compared with many other HMS deposits.
- The Mineral Resource occurs at shallow depths (6-18 metres; averaging 12 metres) under friable sand, silt and clay.
- Low clay (4%) and oversize (1%) contents may help maximise HM recovery, and limited groundwater could support lower capital cost, dry, open-cut mining.
- The deposit has not been closed by drilling and may extend outside the drilled area along trend to both the NW and the SE.
- The Magic HMS Deposit could become a viable sequential mine development to contribute to the relatively high-grade Copi North HMS deposit (11.6 Mt at 6.9% HM).

Summary

The Magic HMS deposit is a strandline-type, ilmenite-rutile-zircon-leucoxene (titanium, zirconium) placer deposit located approximately 110 kilometres south of Broken Hill in the Murray Basin in western NSW (Figure 1). Similar deposits are mined by Cristal (e.g. Ginkgo, Snapper) and Iluka (Woorneck) in Victoria.

Drilling by BPL in early 2015 defined considerable thicknesses and good continuity of mineralisation within the Magic HMS deposit. The results of drill work and assay data were reported in recent Company ASX announcements (16th April and 22nd June) which can be accessed on BPL's website (www.bhpl.biz).

The general dimensions of the deposit are approximately 14 kilometres (along trend), 130 metres to 300 metres in width and 2 metres to 8 metres in thickness. It is located beneath 6 metres to 18 metres of sediment overburden (average of 12 metres).

Geological modelling of the deposit has resulted in an Inferred Mineral Resource estimate of 15 million tonnes of material at an average grade of 3.7% HM (using a cut-off grade 2% HM). The new resource is presented in Table 1 and details of the resource modelling is presented in Attachment 1.

Resource estimation based on existing and new infill drilling of the deposit was completed on approximately 600 metre to 1200 metre sections, using vertical holes 20 metres to 40 metres apart (across strike) and downhole samples were collected at 1 metre intervals through the mineralised zone.

Greg Jones, a Heavy Mineral Sands Consultant and Principal and Director of GNJ Consulting Pty Ltd, completed the resource estimation, classification and reporting of the Magic Heavy Mineral Sands deposit in accordance with Joint Ore Reserves Committee 2012 Edition guidelines (JORC).

Background

The project is fully financed by the private mining investment group Relentless Resources Limited (RRL) which is providing \$2m of funding through a Joint Venture and has earned 40% interest in two tenements (EL8311 and EL8312). Broken Hill Minerals Pty Ltd, a fully owned subsidiary of BPL, is manager of the Joint Venture.

The Magic HMS Deposit is located within Exploration Licence 8311 (Woolcunda). The district is known to contain other HMS deposits and Magic is located approximately 90km NW of Cristal Mining's Ginkgo and Snapper Mineral Sands wet dredging operations (Figure 1) which are examples of deposits with comparable heavy mineral composition.

In March 2015, air core drilling was undertaken at both the Magic as well as the Copi North HMS deposit (EL8312) which is located about 50 kilometres south of Magic (Figure 1). Both deposits formed as placer accumulations of heavy mineral sands associated with well-defined ancient beach sand strandlines.

A maiden resource estimation for the Copi North HMS deposit, was completed in late July (refer ASX announcement 27th July). The Joint Venture intends to finalise scoping studies for the Copi North HMS deposit before commencing a prefeasibility study for the project in late September. The Magic HMS deposit will help with assessment of development options for a 'pipeline' of relatively high-grade, small tonnage mines with low capital and operating costs and minimal environmental footprint. It will provide a longer life-of project framework by

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offering future opportunity to relocate plant and equipment after any future mining is completed at Copi North.

In addition, Broken Hill Prospecting is undertaking HMS exploration at three separate exploration tenements (EL 8308, EL8309 and EL8310) which are 100% owned by BPL and not included in the RRL joint venture (Figure 1). Exploration is underway at several shallow and high grade HMS deposits within these tenements (Plain Tank, Nanya1, Five Hundred and Springwood).

Comments

BPL's Managing Director Dr Ian Pringle commented:

"Magic is the next heavy mineral sands 'cab off the rank'. This is a very comprehensive Maiden Resource estimate to add to Copi North which was announced a few weeks ago. Combined, the deposits have almost 27 million tonnes of resource containing 1.4 million tonnes of HM and could very well form the basis for a future pipeline of mine development."

"Like Copi North, the Magic deposit is very well located – not far from Broken Hill which provides logistical and technical support for Cristal's Ginkgo and Snapper wet dredge mines and only a few kilometres west of the Silver City Highway along which Cristal's HM concentrates are trucked to the mineral separation plant near Broken Hill."

"The shallow nature and excellent grade continuity of the Magic HMS deposit may allow for a cost effective, dry open-cut mining operation with a relatively small and mobile plant. High zircon grades (average 14% zircon) as well as low slime and oversize contents add to the value of Magic's heavy mineral assemblage."

Yours faithfully,



Ian J Pringle
(Managing Director)

Competent Person Statement

Exploration activities and sampling results contained in this notice are based on information compiled by Mr Ian Spence, Managing Director of Broken Hill Minerals Pty Ltd and reviewed by Dr Ian Pringle who is 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

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to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Information in this ASX release that relates to Mineral Resources is based on information compiled by Mr. Greg Jones who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Jones is the Principal for GNJ Consulting and has been retained by Broken Hill Prospecting Limited to conduct Mineral Resource estimation for the Magic deposit. Mr. Jones has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the JORC Code 2012. Mr. Jones consents to the inclusion in this ASX release of the matters based on his information in the form and context in which it appears.

About Broken Hill Prospecting Limited (“BPL”)

BPL is assessing 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 many applications in light and heavy industries as well as in jewellery and 3D printing. However approximately 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 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.

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Figure 1. Map of western NSW showing the location of the Magic Heavy Mineral Sands Deposit and Exploration Licences held by Broken Hill Minerals Pty Ltd. The map also shows the location of Cristal Mining's Pooncarie Mineral Sands Project (Ginkgo and Snapper Mines) and Atlas-Campaspe HMS project.

