

28 April 2011

The Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre,
Level 6, 20 Bridge Street
SYDNEY, NSW 2000

BROKEN HILL PROSPECTING LTD
QUARTERLY REPORT FOR THE PERIOD TO 31 March 2011

Broken Hill Prospecting Limited ("BPL") is pleased to provide the following report on corporate news and exploration activities undertaken at the Company's projects during the three month period ending 31 March 2011. Additional information about the Company is available on BPL's website at www.bhpl.biz.

Highlights and Summary

- **Successful listing on the ASX and NZSX, Initial Public Offering (IPO) raises AUD4.5 million**
- **RC drilling finds copper, gold, silver and base metal zones up to 40 metres thick in several drill holes at Pyramid Hill, Thackaringa, Broken Hill**
- **Follow-up drilling planned to test beneath alluvial cover**
- **Experienced Managing Director appointed to advance projects**

Broken Hill Prospecting Limited (ASX, NZSX code BPL) has found significant intersections of Broken Hill-style copper, gold, silver and base metal mineralisation in an initial reverse circulation (RC) drilling program on its Pyramid Hill prospect at Thackaringa, in the Broken Hill district of NSW.

The RC drilling has confirmed the presence of relatively continuous zones up to 40 metres thick of copper, zinc and gold-bearing pyrite-rich lodes at depths of about 50 metres below surface. (Details of the drill holes appear in Table 1 and Figure 1 at the end of this report)

The results of the first pass drilling are sufficiently encouraging to warrant further drilling to establish the plunge of the mineralisation at depth and to test below interpreted gossan occurrences covered by thin alluvium and soil cover.

Dr Ian Pringle, an experienced minerals exploration Geologist with 29 years of experience and a track record of exploration success has been appointed to the board of BPL as Managing Director.

Sadly, Mr Warren Eades, a long standing Director of BPL passed away in March and will be very much missed by BPL Directors, staff, shareholders and friends.

Broken Hill Prospecting Limited

ARBN: 003 453 503

1. Commencement of Official Quotation to the Australia Stock Exchange (ASX)

The initial public offering (IPO) of Broken Hill Prospecting Ltd (ASX code BPL; NZSX code BPL) was completed in mid February and successfully raised AUD4.5 million.

BPL was admitted to the official list of the ASX Limited on Monday, 14 February 2011. Official quotation of the Company's securities commenced on Thursday, 17 February 2011.

2. Drilling at Pyramid Hill Encountered Significant Base Metal Mineralisation

The latest drilling at Pyramid Hill comprised six holes, and followed a shallow RAB drilling program reported in the December quarter 2010 which encountered strongly anomalous copper and base metal values and identified lode-bearing rocks over a 500m strike length.

The mineralisation occurs in a highly deformed and complexly folded metamorphic rock sequence similar to other mineralised rocks in the Broken Hill district. The mineralised system at Pyramid Hill is regarded as a copper-rich Broken Hill type (Cu Zn Ag Au) analogue.

Geological logging and assaying of samples from six angled RC drill holes (RCPM 1 to 6) has confirmed the geological model for mineralisation at Pyramid Hill and provided encouraging first pass results.

In four of the six RC drill holes, several zones containing significant levels of gold, silver and base metals were intersected (see Table 2 and Figure 2 at end of this report). These are interpreted to be an extension of mineralised lode rock that occurs at the surface as a gossan.

The best overall sulphide bearing zones were encountered in RCPM 1 and RCPM 6, with 40 metre and 17 metre down-hole widths of disseminated sulphide averaging 0.07% Cu in both RC holes. These intervals are indicated in Figure 2.

The best intersections within the broader zones of disseminated mineralisation were:

- 5 metres averaging 0.23% Cu, 1 g/t Ag, 0.66 g/t Au, 0.04% Zn, 0.23 lb/t Co and 569 ppm Ni, from 64 metres in hole RCPM 1.
- 4 metres averaging 0.22% Cu, 1 g/t Ag, 0.07 g/t Au, 0.09 lb/t Co and 278 ppm Ni, from 25 metres in hole RCPM 6.

A single one metre intersection in RCPM3, down dip from a thin gossanous outcrop, assayed 0.7% Cu, 2 g/t Ag, 0.22 g/t Au, 0.26 lb/t Co and 335 ppm Ni, from 37 metres.

The most encouraging zinc mineralisation occurred in RCPM1 with 6 metres @ 0.21% Zn, 0.05% Cu, 0.07 lb/t Co and 128 ppm Ni, from 75 metres.

The geochemistry indicates that the pyrite is cobalt-bearing, with higher cobalt values reflecting higher volumes of pyrite. Similarly, higher copper and zinc values correlate with higher pyrite concentrations. Anomalous nickel values also correlate with pyrite-rich zones and reflect higher content of other base metals.

The interpreted fold pattern containing the mineralised lodes is structurally complex, displaying evidence for multiphase deformation, including strong shearing of the rock. This style of deformation is consistent with other mineralised rock sequences in the Broken Hill area.

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This first pass, shallow reconnaissance RC drilling programme has partly tested the high priority hinge area and western limb of a major fold, as defined by numerous gossan outcrops at the surface. This area will require further testing.

Planned follow-up drilling will focus on the area between RCPM 1 and RCPM 6, which is mostly covered by a thin cover of transported alluvial and soil cover and is untested at depth, apart from some shallow RAB drilling. The RAB drilling showed that mineralisation extended under the shallow soil cover, with substantial local thickening and multi-element anomalism in several places.

3. Appointment of Managing Director

An experienced senior executive with a record of successful mineral project generation, exploration management and mine development, Dr Ian Pringle, has been appointed to the position of managing director.

Dr Pringle joins BPL as it moves to commercialise its Pyrite Hill and Big Hill cobalt deposits and to explore base metal prospects on its Thackaringa tenements, near Broken Hill in NSW. Drilling is expected to commence in coming weeks to extend the company's JORC inferred cobalt resource from its current 15 million tonnes at more than 2.1 pounds per tonne to more than 30 million tonnes at a similar grade, advancing commercialisation of the project.

Dr Pringle will continue consulting work with Geopacific Resources NL, an ASX-listed explorer that is assessing the development of five gold and base metal projects in Fiji. He is also the manager of a Canadian-owned company, Silver Standard Australia Pty Ltd, which is advancing the Bowdens Silver Project near Mudgee, NSW.

During a six-year stint as exploration manager at Oxiana, Dr Pringle had a leading role in Oxiana's purchase and subsequent development of the Sepon and Khanong gold and copper mines in Laos. Prior to Oxiana, he was exploration manager at Golden Shamrock Mines and Senior Geologist with both Nord Resources Ltd, and CSR Ltd where he managed exploration programs in Australia and SE Asia.

Dr Pringle has a BSc (hons) in geology and PhD in geology (petrology, geochemistry and mineralogy) from the University of Otago in New Zealand.

4. Passing of Mr Warren Eades

Broken Hill Prospecting Limited, with great sadness wish to advise of the unexpected passing of Mr Warren Eades and as a consequence his cessation as a Director of the Company.

The Company's management and staff are deeply upset and saddened by the loss of Mr Eades and acknowledge his long and considerable contribution to the BPL group and his many years of valued and much appreciated service. He will be greatly missed.

Yours faithfully,



Ian J Pringle
(Managing Director)

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 mineralisation 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.

About Broken Hill Prospecting Limited (“BPL”)

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. The company is also seeking to develop cobalt deposits with an inferred cobalt mineral resource of 15 million tonnes at a combined average grade of more than 2.1 lb/tonne at nearby Pyrite Hill and Big Hill. BPL raised \$4.47 million in an initial public offering, and in February 2011 its securities commenced quotation on the Australian and New Zealand stock exchanges.

For further information contact;

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Australian media - Alan Deans, Partner, Last Word Corporate Communications +61 427 490 992

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DRILL HOLE DETAILS AND SIGNIFICANT ASSAYS

Table 1. RC drill hole survey details (Australian Map Grid Zone 54 (AGD66))

Drill hole	Easting	Northing	Altitude (m)	Length (m)	Azimuth (°)	Inclination (°)
RCPM1	518603	6451627	299	91	225	-60
RCPM2	518578	6451653	299	88	225	-60
RCPM3	518549	6451682	298	91	225	-60
RCPM4	518532	6451724	299	85	225	-60
RCPM5	518502	6451757	300	88	225	-60
RCPM6	518626	6451904	310	46	270	-70

Table 2. Drill hole intervals with significant metal values

Drill hole	From (m)	To (m)	Gold Au (g/t)	Lead Pb (ppm)	Silver Ag (g/t)	Zinc Zn (%)	Copper Cu (%)	Cobalt Co (lb/t)	Nickel Ni (ppm)
RCPM1	43	44	NA	35	<1	0.01	0.20	0.08	215
RCPM1	45	46	0.02	45	2	0.02	0.20	0.13	345
RCPM1	61	62	<0.01	85	3	0.27	0.02	0.02	29
RCPM1	64	69	0.66	10	1	0.04	0.23	0.23	569
including									
RCPM1	64	65	1.00	25	2	0.05	0.39	0.36	900
RCPM1	65	66	0.06	5	<1	0.04	0.14	0.08	195
RCPM1	66	67	0.08	10	<1	0.05	0.13	0.23	600
RCPM1	67	68	2.00	<5	1	0.01	0.38	0.22	550
RCPM1	68	69	0.15	10	<1	0.03	0.13	0.24	600
RCPM1	75	81	0.02	33	<1	0.21	0.05	0.07	128
including									
RCPM1	75	76	0.03	15	<1	0.14	0.05	0.04	70
RCPM1	76	77	0.01	10	<1	0.28	0.11	0.18	325
RCPM1	77	78	0.01	45	<1	0.18	0.08	0.07	110
RCPM1	78	79	0.03	45	<1	0.13	0.02	0.05	75
RCPM1	79	80	0.03	30	<1	0.39	0.02	0.06	90
RCPM1	80	81	0.03	50	<1	0.15	0.03	0.05	100
RCPM2	68	69	0.01	30	<1	0.06	0.16	0.15	350
RCPM3	37	38	0.22	35	2	0.02	0.70	0.26	335
RCPM3	57	58	0.01	30	<1	0.02	0.21	0.11	75
RCPM3	58	59	0.03	25	<1	0.01	0.24	0.09	65
RCPM6	25	29	0.07	10	1	0.01	0.22	0.09	278
including									
RCPM6	25	26	0.09	15	1	0.00	0.31	0.13	455
RCPM6	26	27	0.07	15	<1	0.01	0.10	0.06	125
RCPM6	27	28	0.02	<5	<1	0.00	0.12	0.02	50
RCPM6	28	29	0.09	15	1	0.01	0.34	0.14	480
RCPM6	45	46	0.10	10	<1	0.01	0.04	0.04	110

NA = not assayed. Bold indicates interval referred to in the text.

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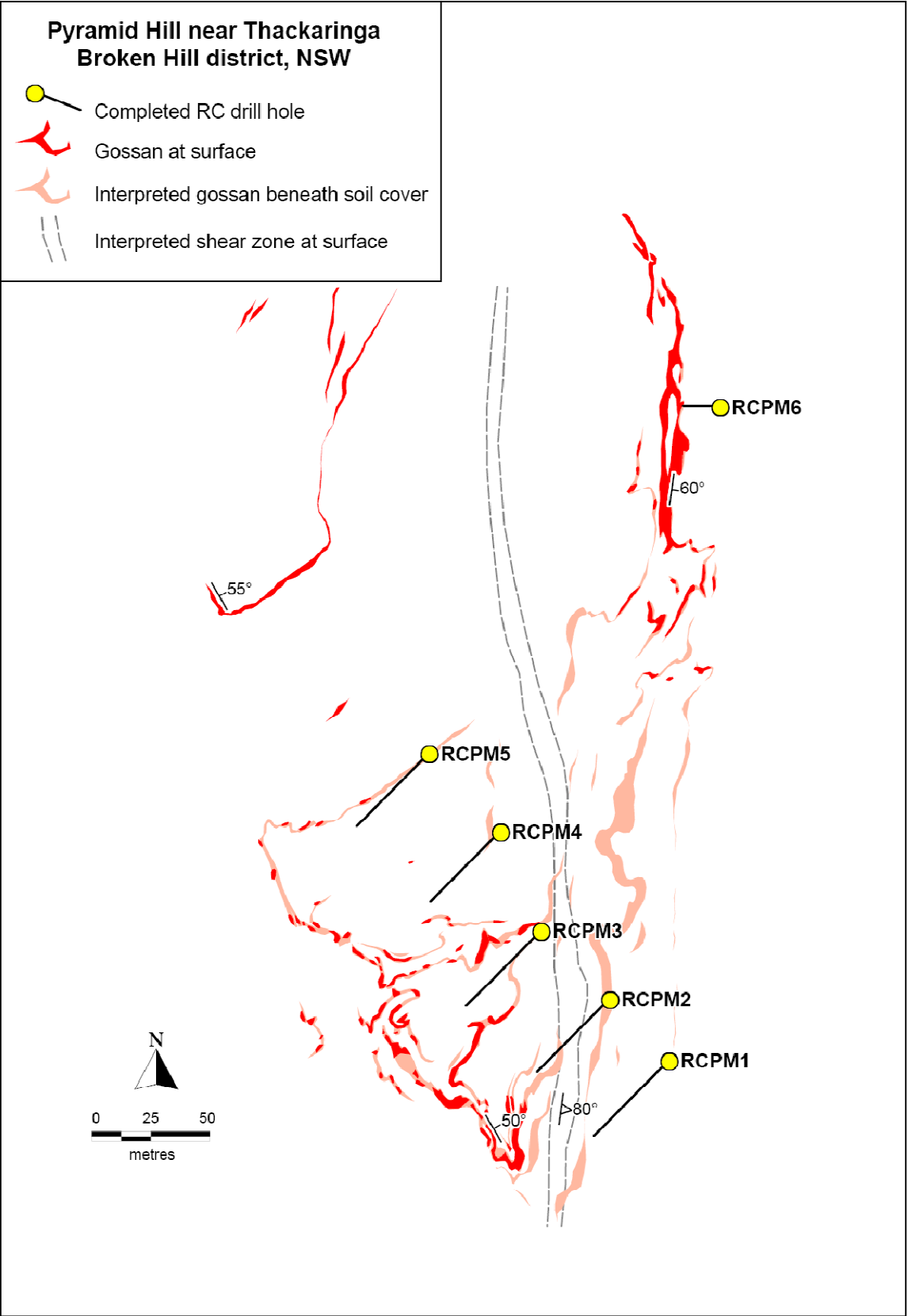


Figure 1

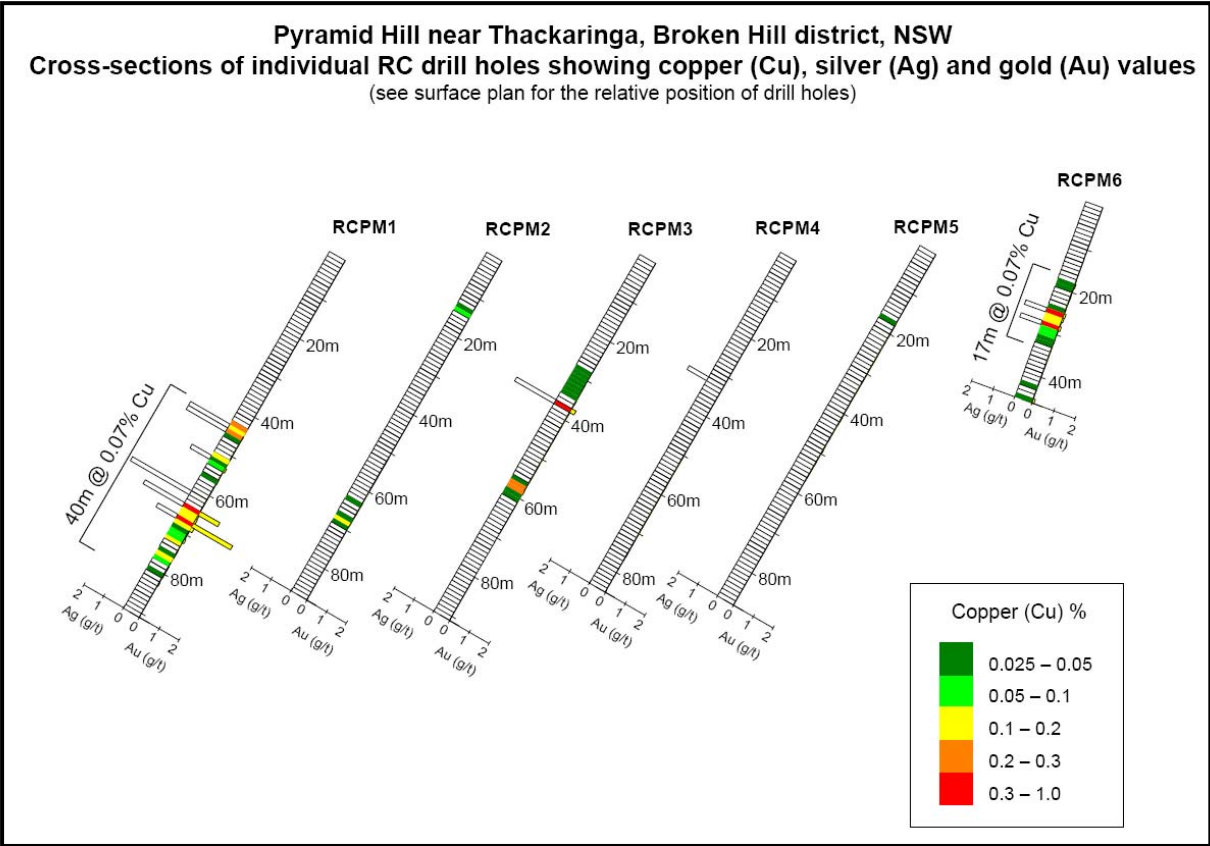


Figure 2

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

BROKEN HILL PROSPECTING LIMITED

ABN

83 003 453 503

Quarter ended ("current quarter")

31st March 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (9 months) \$A
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(143,740)	(262,324)
(b) development	-	-
(c) production	-	-
(d) administration	(175,927)	(228,470)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	22,234	26,316
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(297,433)	(464,478)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects		
(b) equity investments	-	-
(c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects		
(b) equity investments	-	-
(c) other fixed assets		
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(297,433)	(464,478)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(297,433)	(464,478)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	# 4,336,380	5,226,258
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(229,980)	(237,180)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	Share issue costs	(341,254)	(827,682)
	Share issue deposits received reversed on issue of shares at 1.14.	# (1,390,327)	-
	Net financing cash flows	2,374,819	4,161,396
	Net increase (decrease) in cash held	2,077,386	3,696,918
1.20	Cash at beginning of quarter/year to date	1,656,993	37,461
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,734,379	3,734,379

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	103,476
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

n/a

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

n/a

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

n/a

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A	Amount used \$A
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	130,000
4.2 Development	-
4.3 Production	-
4.4 Administration	192,000
Total	322,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A	Previous quarter \$A
5.1 Cash on hand and at bank	87,811	1,656,993
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)		
Term deposit 30 days	101,269	-
Professional Funds account at call	3,545,299	-
Total: cash at end of quarter (item 1.22)	3,734,379	1,656,993

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

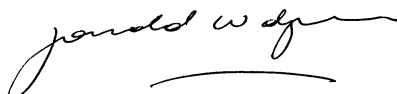
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 *Ordinary securities	82,581,900	26,332,511	n/a	n/a
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Quotation of previously unquoted securities	22,381,900 - -	22,381,900 3,950,611	20c n/a	20c n/a
7.5 *Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	1,500,000 11,190,950 25,650,000	nil 11,190,950 nil	<i>Exercise price</i> 24c 20c 20c	<i>Expiry date</i> 17/2/2013 17/2/2014 17/2/2016
7.8 Issued during quarter	1,500,000 11,190,950	nil 11,190,950	<i>Exercise price</i> 24c 20c	<i>Expiry date</i> 17/2/2013 17/2/2014
7.9 Exercised during quarter	-	-	-	-

+ See chapter 19 for defined terms.

7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>	-	-	-	-
7.12	Unsecured notes <i>(totals only)</i>	-	-	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 27/04/2011
.....

Print name: Donald W de Boer

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.