

## **BROKEN HILL PROSPECTING LIMITED**

(Incorporated in New Zealand)

NZ Company Number: 322887

ARBN: 003 453 503 (Australia)

# Offer Document Renounceable Rights Issue

For a pro-rata renounceable rights issue of one (1) New Share for every one (1) fully paid ordinary Shares held in the Company held at 7.00pm (Sydney time) on Thursday 12 December 2019 at an offer price of \$0.015 (1.5 cents) per New Share, to raise up to \$2,491,251 (**Offer**). The Offer includes the issue to each Eligible Shareholder who subscribes for New Shares with one (1) Loyalty Share for every eight (8) New Shares successfully subscribed for and which are continuously held by the Eligible Shareholder up to and including the date which is 12 months after the date of issue of the New Shares. Each Loyalty Share will be issued for nil consideration, as soon as practicable after the date which is 12 months from the date of issue of the New Shares or Shortfall Shares as applicable.

**The Offer opens on Tuesday 17 December 2019 and closes at 5.00pm (Sydney time) on Thursday 9 January 2020 (unless extended).**

### **Important Notice**

This document contains important information about the Offer. You should read the entire document.

This Offer Document is not a prospectus or other form of disclosure document. It does not contain all of the information that you may require to make an investment decision or the information that would otherwise be required by Australian law or any other law to be disclosed in a prospectus.

Please read the instructions in this document and the accompanying Entitlement and Acceptance Form regarding your Rights. If you have any questions about the Offer or this Offer Document, you should speak to your professional adviser.

The New Securities offered by this Offer Document should be considered speculative.

## Important information

This Offer Document was prepared by Broken Hill Prospecting Limited ARBN 003 453 503 (**Company**) and is dated Monday 9 December 2019.

### **This Offer Document is not a prospectus**

This Offer Document contains an offer of New Securities to Eligible Shareholders and has been prepared in reliance on section 708AA (as modified by ASIC Class Order 08/35) of the Corporations Act which allows rights issues to be conducted without an Offer Document. This document is not a prospectus and does not contain all of the information which would be found in a prospectus, or which may be required by an investor to make a decision regarding the Offer. This document has not been lodged with ASIC.

### **This is an important document and requires your immediate attention**

You should carefully read all of this Offer Document before making a decision about the Offer. In particular, you should consider the risk factors set out in Section 17 of this Offer Document which could affect the performance of the Company or the value of your investment in the Company.

### **Not investment or financial product advice**

The information in this Offer Document does not constitute investment or financial product advice and does not take into account your investment objectives, financial situation or particular needs. If you have any questions about the Offer you should contact your stockbroker, accountant or other professional adviser.

The potential tax effects of the Offer will vary between investors. You should consult with your tax adviser about any possible tax consequences.

### **Information about the Company**

Announcements released by the Company are available from the ASX website ([www.asx.com.au](http://www.asx.com.au)) and the Company's website ([www.bhpl.net.au](http://www.bhpl.net.au)). Although these announcements are not incorporated into this Offer Document, you should have regard to them before making a decision whether or not to participate in the Offer, or to otherwise invest in the Company.

The Company may release further announcements after the date of this Offer Document and throughout the Offer Period, which may be relevant to your consideration of the Offer. You should check whether any announcements have been released by the Company after the date of this Offer Document before taking any action or deciding to do nothing in relation to the Offer. These announcements will be available from the ASX website ([www.asx.com.au](http://www.asx.com.au)) and the Company's website ([www.bhpl.net.au](http://www.bhpl.net.au)).

### **Disclaimer of representations**

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this Offer Document. Any information or representation that is not in this Offer Document may not be relied on as having been authorised by the Company or its related body corporates in connection with the Offer. Except as required by law, and only to the extent required, none of the Company, or any other person warrants or guarantees the future performance of the Company or any return on investment made pursuant to this Offer Document.

### **Forward looking statements**

This Offer Document may contain forward looking statements. Statements that describe the Company's objectives, plans, goals or expectations are or may be forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that may cause the actual results, performance or achievements of the Company to be materially different from the results, performance or achievements expressed or implied by such statements.

Any forward-looking statements in this Offer Document are made and reflect views held, only at the date of this Offer Document. The Company makes no representation and gives no assurance or guarantee that the occurrence of the events or the achievement of results expressed or implied in such statements will actually occur. You are cautioned not to place undue reliance on any forward-looking statements. Except to the extent required by law (including the ASX listing rules), the Company does not give any undertaking to update or revise any forward looking statements after the date of the Offer Document to reflect any changes in expectations in relation to forward looking statements or any change in events, conditions or circumstances on which any such statement is based.

### **Past performance**

Investors should note that past performance, including past share price performance cannot be relied on as an indicator of, and provides no guidance as to, future Company performance, including future share price performance.

### **Overseas jurisdictions**

This Offer Document has been prepared for Shareholders resident in Australia and New Zealand.

This Offer Document is not, and is not intended to constitute, an offer, invitation or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue. By applying for New Shares, including the submitting the Entitlement and Acceptance Form or making a payment using BPAY® you represent and warrant that there has been no breach of such laws.

The distribution of this Offer Document outside Australia and New Zealand may be restricted by laws and persons who come into possession of it should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. The Company disclaims all liability to such persons.

No action has been taken to register or qualify this Offer Document, the New Shares or the Offer, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia and New Zealand.

The New Shares offered to Eligible Shareholders in New Zealand under this Offer Document are offered in reliance on the Financial Markets Conduct (Same Class Offers ASX/NZX-Quoted Financial Products) Exemption Notice 2018. This Offer Document is not an investment statement or Offer Document under New Zealand law and may not contain all the information that an investment statement or Offer Document under New Zealand law is required to contain.

### **Currency**

All references in this Offer Document to "\$", "AUD" or "dollar" are references to Australian currency unless otherwise indicated.

### **Reference to time**

All references in this document to time relate to time in Sydney, New South Wales.

### **Defined terms**

Terms and abbreviations used in this Offer Document are defined in Section 19 of this Offer Document.

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## Key Information

Overview of Offer	
Ratio	One (1) New Share for every one (1) Share held at the Record Date.
Offer Price	\$0.015 (1.5 cents) per New Share
Maximum number of New Shares to be issued	166,083,401 (approximately, subject to rounding)
Maximum funds to be raised	\$2,491,251 (approximately, subject to rounding)
Minimum subscription	There is no minimum subscription to the Offer.
Use of funds	Support expansion, exploration and economic evaluation of the La Paz rare earth project (Arizona, USA) and to augment working capital.
Who can participate in the Offer	Shareholders on the Record Date with a registered address in Australia or New Zealand.
Loyalty shares	The Offer includes the issue to each Eligible Shareholder who subscribes for New Shares with one (1) Loyalty Share for every eight (8) New Shares successfully subscribed for and which are continuously held by the Eligible Shareholder up to and including the date which is 12 months after the date of issue of the New Shares. Each Loyalty Share will be issued for nil consideration, as soon as practicable after the date which is 12 months from the date of issue of the New Shares or Shortfall Shares as applicable.

Timetable for the Offer	
Monday 9 December 2019	Announcement to ASX of the Offer.
Wednesday 11 December 2019	Shares commence trading on the ASX on an ex-rights basis.
Wednesday 11 December 2019	Rights trading commences.
7.00pm (Sydney time) Thursday 12 December 2019	<b>Record Date</b> – the date for identifying Shareholders entitled to participate in the Offer.
Tuesday 17 December 2019	Offer Document with Entitlement and Acceptance Forms sent to Eligible Shareholders.
Tuesday 17 December 2019	<b>Opening Date</b> – the first day for receipt of acceptances under the Offer and the Shortfall Offer.
Thursday 2 January 2020	Rights trading ends.
Friday 3 January 2020	New Shares quoted on ASX on a deferred settlement basis
5.00pm (Sydney time) Thursday 9 January 2020	<b>Closing Date</b> – the last day for receipt of acceptances under the Offer and the Shortfall Offer, unless extended.
Tuesday 14 January 2020	Announcement to ASX of the results of the Offer.
Thursday 16 January 2020	<b>Issue date</b> - New Shares issued under the Offer and the Shortfall Offer and deferred settlement trading ends. In the event that the Offer is extended, the Company reserves the right to allot applications for New Shares on or about the time of the extension, and weekly thereafter as any further applications are received.
Friday 17 January 2020	New Shares expected to commence normal (T +2) trading on ASX.

The above events, dates and times are indicative only and may be subject to change. The Company reserves the right to amend any of these events, dates and times without notice, subject to the Corporations Act, the ASX listing rules and other applicable laws. In particular, the Company reserves the right to extend the Closing Date and to accept late applications. The commencement of trading of New Shares on ASX is subject to confirmation by ASX.

## Letter from the Chairman

Dear Shareholder,

The recent La Paz Acquisition has witnessed your Company taking significant steps to realise its change of strategy as outlined earlier this year, to identify new growth opportunities in the strategic metals space, and to add additional value to our existing portfolio for our Shareholders.

In addition to the La Paz acquisition, BPL recently announced a major deal with Joint Venture partner Cobalt Blue Holdings (“COB”) to acquire 100% ownership and legal title of the Thackaringa Cobalt Project.

The sale of Thackaringa to our JV partners COB allows us to earn \$6.2 million over the next 5 years which creates a baseline for the company’s corporate expenditures moving forwards, allowing any future capital raises to be focused entirely on the further development of La Paz.

La Paz has the potential to be the largest rare earth project in North America and BPL intends to accelerate the economic assessment of the potentially world class La Paz project. I am pleased to provide you with details of the Offer we have open from Tuesday 17 December 2019 until Thursday 9 January 2020 (unless extended), to invest in your company Broken Hill Prospecting Limited (**BPL**).

The Offer is for each Eligible Shareholder to subscribe for one (1) New Share for every one (1) Share in the Company held at 7.00pm (Sydney time) on Thursday 12 December 2019 at an offer price of \$0.015 (1.5 cents) per New Share, to raise up to \$2,491,251.

The Offer includes the issue to each Eligible Shareholder who successfully subscribes for New Shares with one (1) Loyalty Share for every eight (8) New Shares subscribed for and which are continuously held by the shareholder up to and including the date which is 12 months after the date of issue of the New Shares. Each Loyalty Share will be issued for nil consideration, as soon as practicable after the date which is 12 months from the date of issue of the New Shares or Shortfall Shares as applicable.

Assuming New Shares or Shortfall Shares are continuously held for 12 months, the offer price of \$0.015 (1.5 cents) per New Share is discounted to \$0.0133 (1.33 cents), a 39.5% discount to the Company’s Share price at 11 December 2019 of \$0.022 (2.2 cents). See Section 11 of this Offer Document for more details.

Eligible Shareholders who can participate in the offer are those Shareholders on the Record Date with a registered address in Australia or New Zealand.

It is BPL’s intention to use the funds raised under the offer to progress work at the recently acquired La Paz Rare Earths Project (**the Project**) in Arizona USA, following the initial success of our maiden mapping and sampling program during October 2019, which led the Company to apply for further tenements and double our footprint in the region.

Moving forward, BPL intends to carry out exploration and technical programs focused on metallurgical test work forming a critical part of the Scoping Study Economic Assessment of the Project due 2020.

The proceeds of the Offer will be used for the following purposes:

- assess upgrading the current NI 43-101 Resource estimate to JORC 2012 standards
- commencing detailed metallurgical test work programs;
- complete a Scoping Study level economic assessment for the La Paz Project during 2020; and
- meeting general corporate and capital raising costs.

For further information, I direct your attention to the ASX Announcement Monday 9 December

2019 to Shareholders which is being released to the ASX in conjunction with the Offer Document.

I welcome your participation in the Offer and look forward to shortly sharing the results of our pending exploration campaigns with you, for a very exciting and highly prospective La Paz Rare Earths Project.

Yours faithfully,

A handwritten signature in black ink, appearing to read "F. Creagh O'Connor", is positioned above a horizontal line. The signature is written in a cursive style.

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**F Creagh O'Connor**  
Chairman

## Details of the Offer

### 1. The Offer

The Company is seeking to raise up to \$2,491,251 (before costs) through a renounceable pro rata offer of New Shares to Eligible Shareholders (**Offer**).

Under the Offer, Eligible Shareholders are invited to apply for one (1) New Share for every one (1) Share held at the Record Date, being 7:00pm (Sydney time) on Thursday 12 December 2019 at the Offer Price of \$0.015 (1.5 cents) per New Share.

The Offer includes the issue to each Eligible Shareholder who subscribes for New Shares with one (1) Loyalty Share for every eight (8) New Shares successfully subscribed for and which are continuously held by the shareholder up to and including the date which is 12 months after the date of issue of the New Shares. Each Loyalty Share will be issued for nil consideration, as soon as practicable after the date which is 12 months from the date of issue of the New Shares or Shortfall Shares as applicable.

New Shares issued under the Offer will be fully paid and will rank equally with existing Shares on issue.

The Offer opens on Tuesday 17 December 2019 and will close at 5.00pm (Sydney time) on Thursday 9 January 2020, unless extended, with New Shares to be issued on Thursday 16 January 2020 under the Offer expected to commence normal trading on Friday 17 January 2020.

The Company currently has 166,083,401 Shares and 7,900,000 unlisted Options on issue. Based on the current capital structure, up to 166,083,041 New Shares may be issued under the Offer to raise up to \$2,491,251 (before costs). If any of the existing unlisted Options are exercised before the Record Date then the number of New Shares that may be issued under the Offer will increase. However, as the exercise price of the existing unlisted Options are above the current market price of the Shares, the Company does not expect to issue further Shares pursuant to exercise of unlisted Options before the Record Date.

The Company will use the funds raised under the Offer to assess upgrading the resource to JORC 2012 standards and conduct detailed metallurgical test work to support a Scoping Study of the La Paz Project (Arizona, USA) during 2020, and to augment working capital. Further information about the purpose of the Offer and the use of funds is set out in Section 5 of this Offer Document.

### 2. Minimum subscription

There is no minimum subscription for the Offer.

### 3. Underwriting

The Offer is not underwritten.

### 4. Shortfall

Any New Shares not applied for will form part of the shortfall and may be placed at the Company's discretion under the Shortfall Offer.

### 5. Purpose of the Offer and use of funds

The Company is seeking to raise up to \$2,491,251 (before costs) under the Offer.

The proceeds of the capital raise will be used for the following purposes:

- finalising the application for the expanded footprint/resource extension;
- assess upgrading the current NI 43-101 Resource estimate to JORC 2012 standards
- commencing detailed metallurgical test work programs;

- complete a Scoping Study level economic assessment for the La Paz Project during 2020; and
- meeting general corporate and capital raising costs.

## 6. Renounceable Offer – dealing with Rights

The Offer is renounceable. This means that Eligible Shareholders may sell their Rights under this Offer. You may offer to sell your Rights on ASX or transfer them to another person.

Rights trading commences on ASX on Wednesday 11 December 2019 and is expected to end on Thursday 2 January 2020. There is no guarantee that you will be able to sell all or part of your Rights on ASX or that any particular price will be available at which the Rights can be sold.

Alternatives	Action
<b>Selling all of your Rights on ASX</b>	<p>If you wish to sell your Rights on ASX, please contact your stockbroker.</p> <p>You do not need to return your Entitlement and Acceptance Form to the Share Registry if you sell all of your Rights on ASX.</p>
<b>Selling some of your Rights on ASX and taking up the balance of your Rights</b>	<p>If you wish to sell some of your Rights on ASX and take up the balance of your Rights, please:</p> <p>(a) contact your stockbroker in relation to the sale; and</p> <p>(b) follow the instructions in Section 16.2 of this Offer Document and on the Entitlement and Acceptance Form to accept the balance of your Rights.</p>
<b>Transferring all or part of your Rights to another person</b>	<p>You may elect to transfer all or part of your Rights to another person other than on ASX provided that the purchaser is not an Excluded Shareholder or would not be an Excluded Shareholder if the purchaser was the registered holder of the Shares.</p> <p>If you wish to transfer all or part of your Rights to another person other than on ASX forward a completed standard renunciation form (available from your stockbroker or the Share Registry) together with your Entitlement and Acceptance Form completed by the transferor and transferee to the Share Registry so that it is received no later than 5.00pm (Sydney time) on Thursday 9 January 2020 and arrange for payment of the amount of the Application Monies in accordance with Section 16 of this Offer Document.</p>

## 7. Closing Date

The Company will accept applications under the Offer from the date of this Offer Document until 5.00pm (Sydney time) on Thursday 9 January 2020 (or such other date determined by the Directors in their discretion subject to the requirements of the Corporations Act, the ASX listing rules and any other applicable law).

## 8. Your entitlement under the Offer

Your entitlement to participate in the Offer is shown by the number of Rights on the accompanying Entitlement and Acceptance Form and has been calculated based on one (1) New Share for every one (1) Share you hold at the Record Date.



Fractional rights have been rounded up to the nearest whole number.

If you have more than one holding of Shares, you will be sent separate personalised Entitlement and Acceptance Forms and will receive a separate entitlement for each holding.

## **9. Eligibility to participate in the Offer**

The Offer is made to Eligible Shareholders only.

Eligible Shareholders are those Shareholders who at the Record Date have a registered address listed on the Company's share register in Australia or New Zealand.

The Offer is not extended to Shareholders who do not meet these criteria.

## **10. Excluded Shareholders**

Shareholders who do not meet the criteria to participate in the Offer are Excluded Shareholders. Excluded Shareholders are not entitled to participate in the Offer to subscribe for New Shares.

The Company has made this decision taking into account the number of Shareholders located outside of Australia and New Zealand, the number and value New Shares to which those Shareholders would otherwise be entitled and the potential cost of complying with the legal requirements and regulatory requirements in those overseas jurisdictions.

The Company has appointed Taylor Collison Limited to be a nominee for Excluded Shareholders to arrange for the sale of the Rights on ASX which would have been offered to the Excluded Shareholders had they been entitled to participate in the Offer and to account to the Excluded Shareholders for the net proceeds. Any proceeds of sale of Rights less selling costs would be distributed to Excluded Shareholders. There is no guarantee that these Rights will be sold on ASX or that any particular price will be available at which the Rights can be sold.

## **11. Loyalty Shares**

You will be entitled to receive Loyalty Shares if you:

- (a) Successfully subscribe for New Shares or Shortfall Shares at the Offer Price; and
- (b) The New Shares, or Shortfall Shares as applicable, are continuously held by the same Eligible Shareholder, in the same registered name, up to and including the date which is 12 months after the date of issue of the New Shares or the Shortfall Shares.

Assuming New Shares or Shortfall Shares are continuously held for 12 months, the offer price of \$0.015 (1.5 cents) per New Share is discounted to \$0.0133 (1.33 cents), a 39.5% discount to the Company's Share price at 11 December 2019 of \$0.022 (2.2 cents).<sup>1</sup>

Your right to receive a Loyalty Share will expire immediately after you cease to satisfy one of these conditions.

You will not be entitled to Loyalty Shares in respect of Shares purchased outside the Offer.

You will be allocated one (1) Loyalty Share for every eight (8) New Shares or Shortfall Shares successfully subscribed for and issued under the Offer. The number of Loyalty Shares you will be eligible to receive will be calculated based on the lowest number of New Shares or

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<sup>1</sup> Assuming you hold 100,000 Shares at the Record Date and successfully apply for all your entitlement by subscribing \$1,500 (100,000 Shares times \$0.015), you would be issued 100,000 New Shares at the Issue Date. If you hold all the 100,000 New Shares continuously from the Issue Date, 12,500 Loyalty Shares would be issued to you as soon as practicable after the date which is 12 months from the date of issue of the New Shares. Assuming the Company's Share price at 11 December 2019 (\$0.022), the offer price discount received for holding New Shares for 12 months would be 39.5% (100,000 plus 12,500 equals 112,500 Shares. \$1,500 divided by 112,500 Shares equals \$0.0133, a 39.5% discount to \$0.022, being \$0.022 less \$0.0133 equals \$0.0087 divided by \$0.022).

Shortfall Shares held in the same registered name at any time between the date of issue of the New Shares or the Shortfall Shares, as applicable, and up to and including the date which is 12 months after the date of issue of the New Shares or the Shortfall Shares, as applicable.

For example, if you hold 100,000 Shares at the Record Date and successfully subscribe for your full entitlement, you are entitled to up to 12,500 Loyalty Shares for no additional cost:

Number of Shares held at the Record Date	100,000
Number of New Shares subscribed for under the Offer	<u>100,000</u>
<b>Total number of Shares held after the Offer</b>	<b>200,000</b>
Offer Price	<u>\$0.015</u>
<b>Subscription Amount</b>	<b><u>\$1,500.00</u></b>

The number of Loyalty Shares to vest will be **the lesser of** the total number of:

- (a) Shares held by the Applicant after 12 months; and
- (b) New Shares issued to the Applicant under the Offer

divided by eight (8) and rounded up to the nearest whole number

If, using the same example, between the date of issue and up to and including the date which is 12 months after the date of issue of the New Shares or the Shortfall Shares, as applicable:

- (a) You do not sell any Shares (net), you would be entitled to 12,500 Loyalty Shares (100,000 New Shares divided by eight (8) equals 12,500 Loyalty Shares); or
- (b) You sell 150,000 Shares (net), you would be entitled to 6,250 Loyalty Shares (200,000 Shares less 150,000 Shares equals 50,000 Shares divided by eight (8) equals 6,250 Loyalty Shares).

There are limited exceptions to this requirement, mainly to ensure that the right to the Loyalty Shares do not expire due to certain limited circumstances beyond the control of the holder of the New Shares or Shortfall Shares. If the total number of Loyalty Shares the Eligible Shareholder is entitled to includes a fraction, that fraction will be rounded up to the nearest whole number.

In submitting your application form, you are also applying for any Loyalty Shares to which you may become entitled under the terms of the Offer.

## 12. Loyalty Shares and the Same Registered Name Requirement

The same registered name requirement means that, for example, the entitlement to receive Loyalty Shares will expire if:

- there is a voluntary change in joint ownership arrangements; or
- where New Shares or Shortfall Shares are registered in the name of a nominee, trustee or other party (such as a margin lender), there is a change in the nominee, trustee or third party on the register or a transfer to the beneficial holder (as the registered holder details have changed, the entitlement to receive Loyalty Shares is lost in these circumstances despite the fact that the underlying beneficial ownership remains unchanged).

The exceptions to this 'same registered name' requirement are:

- bona fide change of name of the registered holder (e.g. by marriage, divorce or deed poll) provided that the change transaction is accompanied by all the appropriate documentary evidence in support of the change;
- a transmission to a legal personal representative (e.g. an executor or administrator) of a deceased holder pending final administration of the holder's estate;
- a transmission from a deceased holder to a beneficiary (either directly or via the legal

personal representative of the deceased);

- a transfer to the surviving joint holder(s) where a joint holder dies;
- a transfer as a result of a court order or relevant legislation e.g. following a marriage dissolution (although the Company reserves the right to assess each such transfer to determine if it is legitimately out of the control of the original holder);
- an amendment to the register to correct certain registry or broker errors;
- where two or more separate holdings that are each entitled to Loyalty Shares are amalgamated into one holding and the Company is satisfied that the registered holder is the same as before amalgamation;
- conversion of holdings registered in the same name but with different account designations into a single holding in the same registered ownership provided all holdings were entitled to Loyalty Shares;
- conversion (not transfer) between CHESS and Issuer Sponsored sub-registers provided the registered name remains unchanged;
- a change of controlled CHESS participant provided that the original HIN is transported to the new participant; and
- transmission between the Australian register and a register outside Australia provided the registered name remains unchanged.

Any change of registered holdings that does not fall within one of the above exemptions will result in the right to receive the Loyalty Shares expiring, unless the Company, in its discretion, decides to extend the above categories.

The Company may request documentary proof from a person seeking to rely on an exemption. The Company may request that such documentary proof comprise original documents, certified copies of original documents or statutory declarations.

### **13. Nominees, custodians and trustees**

Persons acting as nominees, trustees, or custodians for other persons must not take up any Rights on behalf of, or send any documents related to the Offer to, any person in any jurisdiction where it is unlawful to do so, or to any person that is acting for the account or benefit of a person in any jurisdiction where it is unlawful to do so. By applying for New Shares, including submitting an Entitlement and Acceptance Form or making a payment using BPAY® you represent and warrant this is the case.

The Company is not required to determine whether or not a registered holder or investor is acting as a nominee, trustee or custodian or the identity or residence of any beneficial holder of Shares. Where any person is acting as a nominee, trustee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Offer by the beneficiary complies with applicable laws.

### **14. Shortfall Offer**

Any New Shares not subscribed for under the Offer will form the Shortfall and will be offered under the Shortfall Offer.

The Shortfall Offer is a separate offer under this Offer Document. The issue price of the New Shares forming the Shortfall is \$0.015 (1.5 cents) (equal to the issue price under the Offer).

Eligible Shareholders who take up their Rights in full may also apply for additional New Shares forming part of the Shortfall (**Shortfall Shares**) at an offer price of \$0.015 (1.5 cents) per New Share (being the same as the Offer Price under the Offer). Any additional Shares applied for by Eligible Shareholders will be subject to the availability of Shortfall and will be allocated at the discretion of the Directors.

All subscribers for Shortfall Shares will also be entitled to the issue of Loyalty Shares on an identical basis to subscribers for New Shares. Each subscriber for Shortfall Shares will be issued with one (1) Loyalty Share for every eight (8) Shortfall Shares successfully subscribed for and which are continuously held by the Eligible Shareholder up to and including the date which is 12 months after the date of issue of the Shortfall Shares. Each Loyalty Share will be issued for nil consideration, as soon as practicable after the date which is 12 months from the date of issue of the New Shares or Shortfall Shares as applicable.

Eligible Shareholders can apply for any number of Shortfall Shares provided that the issue of those New Shares will not result in a breach of the ASX listing rules, the Corporations Act or any other applicable law. Shortfall Shares will only be available where there is a shortfall between the number of New Shares applied for under the Offer and the number of New Shares offered to Eligible Shareholders under the Offer.

Eligible Shareholders who wish to apply for Shortfall Shares must do so at the same time as they apply for New Shares under the Offer. For information about how to apply for Shortfall Shares, please refer to Section 16.2 of this Offer Document.

If applications for additional New Shares forming part of the Shortfall exceed the Shortfall, those applications will be scaled back in proportion to each applicant's Shareholding at the Record Date.

If scaling back occurs the Company will refund the Application Money for the New Shares applied for, but not issued, as soon as possible after the Closing Date without interest by cheque to the address recorded on the register. There is no guarantee the Eligible Shareholders will receive any or all of any additional New Shares applied for.

The Directors reserve the right to allocate Shortfall Shares in a different manner in their absolute discretion, subject to the ASX listing rules and any restrictions under applicable law within 3 months of the close of the Offer. For the avoidance of doubt, the Directors will have discretion as to how to allocate the Shortfall.

The Company will not allocate Shortfall Shares to the extent that the recipient's voting power would be in breach of the takeover thresholds in the Corporations Act.

The Shortfall Offer will open on Tuesday 17 December 2019 and will close on Thursday 9 January 2020, being the same dates as the Offer. Subject to compliance with the ASX listing rules and the Corporations Act (as relevant), the Company reserves the right to close the Shortfall Offer early or to extend the Closing Date.

## 15. Effect of the Offer

### 15.1 Effect on cash reserves

If all of the Rights under the Offer are accepted, the cash reserves of the Company will increase by \$2,491,251 (approximately) before costs of the Offer.

### 15.2 Effect on capital structure upon completion of the Offer

If all of the Rights under the Offer are accepted, the total number of Shares on issue will increase by up to 166,083,401 (approximately) immediately following completion of the Offer.

Equity Security <sup>2</sup>	Undiluted		Fully Diluted	
	Number	%	Number	%
Shares on issue at the date of the Offer Document	166,083,401	47.06%	166,083,401	46.03%
Unlisted Options on issue at the date of the Offer Document <sup>3</sup>	-	0.0%	7,900,000	2.19%
<b>Total Equity Securities at the date of the Offer Document</b>	<b>166,083,401</b>	<b>47.06%</b>	<b>173,983,401</b>	<b>48.22%</b>
New Shares	166,083,401	47.06%	166,083,401	46.03%
Loyalty Shares	20,760,425	5.88%	20,760,425	5.75%
<b>New Securities</b>	<b>186,843,826</b>	<b>52.94%</b>	<b>186,843,826</b>	<b>51.78%</b>
<b>Total Equity Securities after the Offer</b>	<b>352,927,227</b>	<b>100.00%</b>	<b>360,827,227</b>	<b>100.0%</b>

### 15.3 Effects on control

The potential effect the Offer will have on the control of the Company, and the consequences of that effect will depend on a number of factors, including investor demand and existing shareholdings.

If Eligible Shareholders take up their Rights in full, then the Offer will have no effect on the control of the Company. In this case, Eligible Shareholders will retain their percentage shareholding interest in the Company.

The Offer will likely affect the shareholding interests of Shareholders in the Company if all of the Rights are not accepted:

- The shareholding interest of Eligible Shareholders who do not accept all or some of their Rights will be reduced.
- The shareholding interest of Excluded Shareholders will be reduced because they cannot participate in the Offer.
- The shareholding interest of Eligible Shareholders who accept all of their Rights may increase. This will depend on the number of Shortfall Shares to other investors at the discretion of the Directors. Shareholders and other persons may acquire or increase their interest in the Company if they acquire Rights (on ASX or from an Eligible Shareholder) or under the Shortfall so long as this interest does not breach the takeover thresholds in the Corporations Act.

As at the date of this Offer Document, the Company's largest Shareholder is Hill Family

<sup>2</sup> Assumes that no Options are exercised before the Record Date. Assumes full subscription under the Offer and that 166,083,401 New Shares and 20,760,425 Loyalty Shares are issued.

<sup>3</sup> These are the current series of unlisted Options on issue.

Group Pty Ltd who has voting power of 20.71% in the Company. Its voting power could increase to a maximum of 62.69% (including Loyalty Shares) by reason of the Offer. This could occur if Hill Family Group Pty Ltd was the only Shareholder to accept its Rights under the Offer and no Shortfall Shares were issued.

## 16. How to accept your entitlement under the Offer

### 16.1 Your Alternatives

The number of your Rights are shown on the accompanying Entitlement and Acceptance Form. Before taking any action in relation to the Offer, you should read this Offer Document in its entirety and if required seek professional advice from your accountant, stockbroker or other professional adviser.

You will be sent more than one personalised Entitlement and Acceptance Form if you have more than one holding of Shares. You need to complete each Entitlement and Acceptance Form and make payment of the applicable Application Money for each separate holding.

Alternatives	Action
<p><b>Take up all or part of your Rights</b></p>	<p>Please follow the instructions in Section 16.2 of this Offer Document and on the Entitlement and Acceptance Form and to accept all or part of your Rights. Either:</p> <ul style="list-style-type: none"> <li>• complete and return the Entitlement and Acceptance Form together with a cheque, bank draft, or money order for the applicable amount of Application Money (for the number of New Shares you wish to apply for) so that it is received by the Closing Date; or</li> <li>• make payment for the applicable amount of Application Money (for the number of New Shares you wish to apply for) using BPAY® so that it is received by the Closing Date. If you use BPAY® you do not need to complete and return the Entitlement and Acceptance Form.</li> </ul> <p>If you only take up part of your Rights, you can deal with the balance of your Rights or allow them to lapse.</p> <p>Please refer to Section 16.2 of this Offer Document if you wish to deal with the balance of your Rights.</p>
<p><b>Take up all of your Rights and apply for additional New Shares forming part of the Shortfall</b></p>	<p>If you accept all of your Rights you may also elect to apply for additional New Shares forming part of the Shortfall (<b>Shortfall Shares</b>).</p> <p>Please follow the instructions in Section 16.2 of this Offer Document and on the Entitlement and Acceptance Form to accept all of your Rights and to apply for Shortfall Shares. Either:</p> <ul style="list-style-type: none"> <li>• nominate the number of New Shares you wish to apply on the Entitlement and Acceptance Form where indicated and return the completed form together with a cheque, bank draft, or money order for the applicable amount of Application Money (for your Rights plus the number of Shortfall Shares you wish to apply for) so that it is received by the Closing Date; or</li> <li>• make payment of the applicable amount of Application Money (for your Rights plus the number of Shortfall Shares you wish to apply for) using BPAY® so that it is received by the Closing Date. If you use BPAY® you do not need to complete and return the Entitlement and Acceptance Form.</li> </ul>

Alternatives	Action
	Further information about the Shortfall and the allocation policy for the issue of Shortfall Shares under the Shortfall is set out in Section 14 of this Offer Document.
<b>Do nothing</b>	You do not need to take any action if you do not wish accept any of your Rights or deal with your Rights. If you do nothing then your Rights will lapse. The New Shares not applied for will form part of the Shortfall.

## 16.2 How to apply

To take up all or part of your Rights or to apply for additional New Shares forming part of the Shortfall you can accept the Offer by making payment by cheque, draft or money order or using BPAY®.

Cash payments are not accepted.

## 16.3 Acceptance and payment by cheque, bank draft or money order

Please send your completed Entitlement and Acceptance Form to the following address so that it is received by no later than the Closing Date 5.00pm (Sydney time) on Thursday 9 January 2020.

## 16.4 By mail to the Company's Share Registry:

Broken Hill Prospecting Limited C/- Computershare Investor Services Pty Ltd GPO Box 505  
Melbourne Victoria 3001

The Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order for the applicable Application Money. The payment must be in Australian currency and drawn on an Australian bank for the Offer Price multiplied by the number of New Shares you are applying for (including any Shortfall Shares). Cheques must be made payable to "Broken Hill Prospecting Limited" and crossed Not Negotiable.

If the amount of your cheque, bank draft or money order is insufficient to pay for the full number of New Shares you have applied for, you will be taken to have applied for the lower number of New Shares as your cleared Application Money will pay for. Alternatively, your application may not be accepted and your Application Money will be refunded to you without interest.

## 16.5 Acceptance and payment using BPAY®

For payment using BPAY® on the internet, please follow the instructions on your Entitlement and Acceptance Form (which includes the Biller Code and your Customer Reference Number). You can only make a payment using BPAY® if you are a holder of an account with an Australian financial institution that supports BPAY® transactions.

Your payment must be received by no later than the Closing Date (5.00pm (Sydney time) on Thursday 9 January 2020, unless extended). You should take into consideration that your financial institution may implement earlier cut-off times for electronic payment when making payment to ensure that it is received by the Closing Date.

Please note that if you wish to pay using BPAY®:

- you do not need to submit your Entitlement and Acceptance Form but are taken to have made the declarations on that form;
- if you do not pay for all of your Rights, you are deemed to have taken up your Rights in respect of the whole number of New Shares which is covered in full by your Application Money; and

- if you pay an amount in excess of the amount representing all of your Rights, you will be deemed to have applied for the number of Shortfall Shares which that excess represents.

You must ensure that you use the specific Biller Code and Customer Reference Number on your Entitlement and Acceptance Form. The Customer Reference Number is used to identify your holding. If you have more than one holding of Shares you will receive multiple Customer Reference Numbers. You must use each Customer Reference Number shown on each Entitlement and Acceptance Form to pay for each holding separately.

You will not be able to withdraw or revoke your application once it has been received by the Company.

## **16.6 Application Money and refunds**

Application Money will be held on trust for applicants until New Shares are issued under this Offer Document.

Any Application Money received in excess of your final allocation of New Shares (including any Shortfall Shares) will be refunded as soon as possible after issue. If the Offer is withdrawn, all Application Money will be refunded as soon as possible. Refund payments will be by cheque made payable to the registered holder and will be sent to the address last recorded on the Company's register of shareholders.

No interest will be paid to applicants on any Application Money which is refunded and any interest earned on Application Money will belong to the Company.

## **16.7 Effect of taking up your Rights**

Submitting an Entitlement and Acceptance Form or making payment using BPAY® constitutes a binding offer to acquire New Shares on the terms and subject to the conditions set out in this Offer Document and, once lodged, cannot be withdrawn. The Entitlement and Acceptance Form does not need to be signed to be binding.

If an Entitlement and Acceptance Form is not completed or submitted correctly it may still be treated as a valid application. The Company's decision whether to treat an application as valid and how to construe, amend or complete or submit the application is final.

The Company reserves the right (in its sole discretion) to:

- (a) reject any application that it believes comes from a person who is not an Eligible Shareholder; and
- (b) reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claim to be entitled to participate in the Offer proves to be false, exaggerated or unsubstantiated.

## **16.8 ASX quotation**

The Company has applied to ASX for quotation of the New Shares. If ASX does not grant quotation to the New Shares, then the Company will not issue any of the New Shares. The Company will refund all Application Money without interest.

## **16.9 Issue of New Shares**

The Company expects to issue the New Shares under the Offer on the Issue Date, being Thursday 16 January 2020 and then, as soon as practicable, send holding statements for the New Shares.

The New Shares will not be issued until ASX grants permission for quotation of the New Shares.

It is your responsibility to determine your holdings before trading in New Shares. Any person who sells New Shares before receiving confirmation of their holding will do so at their own risk.



The Directors reserve the right not to proceed with the whole or any part of the Offer at any time before the issue of New Shares. In that event, all Application Money will be refunded without interest.

## **16.10 Enquiries concerning your Rights**

If you have any queries concerning your Rights, please contact the Company using the details below:

Broken Hill Prospecting Limited ARBN 003 453 503  
Suite 706, Level 7,  
89 York Street, Sydney NSW 2000  
GPO Box 1546, Sydney NSW 2001  
P: +61 2 8054 9779  
E: info@bhpl.net.au

## **17. Risk Factors**

### **17.1 Company specific risks**

The following risks have been identified as being key risks specific to an investment in the Company. These risks may adversely affect the Company's financial position, prospects and price of its securities.

### **17.2 Future capital requirements**

The continued operations of the Company are dependent on its ability to obtain equity financing or generating sufficient cash flows from future operations.

There is a risk that the Company will not be able to access capital from equity markets (or via any other forms of available financing) for its existing or future projects or developments, which could have a material adverse impact on the Company's business and financial condition.

### **17.3 Exploration**

The success of the Company depends on the delineation of economically mineable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

The actual costs of exploration may materially differ from those estimated by the Company. No assurance can be given that the cost estimates and the underlying assumptions used as a basis for those estimates will be realised in practice, which may materially and adversely affect the Company's viability.

### **17.4 Resource estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. These estimates were appropriate when made but may change significantly when new information becomes available.

There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Company's future plans and ultimately its financial performance and value.

### **17.5 Key personnel**

Recruiting and retaining qualified personnel is important to the Company's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong. There can be no assurance that there will be no detrimental impact on the Company if such persons employed, cease their employment with the Company.

## **17.6 Commodity price fluctuations**

In the event of exploration and development success, any future revenue derived through the future sale of rare earths, heavy mineral sands, cobalt exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for such commodities, forward selling by producers and the level of production costs. Moreover, prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, these commodities.

## **17.7 Mining industry risks**

Mineral exploration and mining may be hampered by circumstances beyond the control of the Company and are speculative operations which, by their nature, are subject to a number of inherent risks, including the following:

### **17.8 Ability to exploit successful discoveries**

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Company's.

### **17.9 Mining and development risks**

Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events.

### **17.10 Title risks**

The Company has in place both internal and external land management and land monitoring to ensure appropriate objections are lodged and protection of the leases is maintained.

### **17.11 Environmental risks**

The operations and activities of the Company are subject to its environmental laws and regulations. As with most exploration projects and mining operations, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws.

### **17.12 Joint venture parties, agents and contractors**

There is a risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party, or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

### **17.13 Competition**

The Company competes with other companies, including major mining companies in Australia and internationally. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

#### **17.14 Other**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other causes, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

#### **17.15 General investment risks securities market conditions**

As with all securities market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below or above the Offer Price for the Shares.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally, investor sentiment, local and international securities market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

#### **17.16 Liquidity risk**

There can be no guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the Offer Price.

#### **17.17 Securities investment risk**

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

#### **17.18 Other risks**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk, and other matters that may interfere with the business or trade of the Company.

### **18. Additional Information**

#### **18.1 The Company is a disclosing entity**

The Company is a disclosing entity under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX listing rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise as well as the lodgement of yearly and half-yearly financial statements, audit or review reports and quarterly reports.

The Company is required to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of Shares, subject to certain exceptions. That

information is available to the public from the ASX ([www.asx.com.au](http://www.asx.com.au)) and the Company's website ([www.bpl.net.au](http://www.bpl.net.au)).

## **18.2 Estimated expenses of the Offer**

The estimated expenses of the Offer are \$70,000 to \$90,000. These costs include ASX fees, legal costs, printing, postage and share registry costs.

## **18.3 Privacy**

If you apply for New Shares, you are providing information to the Company that may be personal information for the purposes of the *Privacy Act 1988* (Cth). The Company (and the Share Registry on its behalf) collects, holds and uses personal information in order to assess applications for New Shares, service the needs of Shareholders, and provide facilities and services and to administer the Company.

Access to information may also be provided to the Company's related bodies corporate, agents and service providers, regulatory bodies, mail houses and the Share Registry.

If you do not provide the information requested of you in the Entitlement and Acceptance Form, the Share Registry will not be able to process your application for New Shares or administer your holding of Shares appropriately.

## **18.4 Governing law**

The Offer Document, the Offer and the contracts formed on acceptance of applications are governed by the laws applicable in New South Wales, Australia. Each applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

## 19. Definitions

Terms and abbreviations used in this Offer Document have the following meaning:

<b>Term or Abbreviation</b>	<b>Meaning</b>
<b>Application Money</b>	Money paid by applicants for New Shares under the Offer and the Shortfall Offer.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.
<b>ASX listing rules or Listing Rules</b>	The listing rules of ASX as waived or modified from time to time.
<b>Board</b>	The board of directors of the Company.
<b>Business Day</b>	Has the meaning given to it in the ASX listing rules.
<b>Closing Date</b>	The time the Offer closes, being 5.00pm (Sydney time) on Thursday 9 January 2020 (unless extended).
<b>Company or BPL</b>	Broken Hill Prospecting Limited ARBN 003 453 503.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Director</b>	A director of the Company.
<b>Eligible Shareholder</b>	A Shareholder who is eligible to participate in the Offer as set out in Section 9 of this Offer Document.
<b>Entitlement and Acceptance Form</b>	The entitlement and acceptance form that accompanies this Offer Document.
<b>Excluded Shareholder</b>	A Shareholder determined by the Company who is not an Eligible Shareholder.
<b>Issue Date</b>	Thursday 16 January 2020, unless extended. In the event that the Offer is extended, the Company reserves the right to allot applications for Shares on or about the time of the extension, and weekly thereafter as any further applications are received.
<b>Loyalty Share</b>	The one Share which is issued for subscribers of every eight (8) New Shares or every eight (8) Shortfall Shares successfully subscribed for and which are continuously held by the Eligible Shareholder up to and including the date which is 12 months after the date of issue of the New Shares or the Shortfall Shares, as appropriate. Each Loyalty Share will be issued for nil consideration, as soon as practicable after the date which is 12 months from the date of issue of the New Shares or Shortfall Shares as applicable.
<b>New Securities</b>	New Shares and Loyalty Shares.
<b>New Shares</b>	A Share offered under this Offer Document.

<b>Term or Abbreviation</b>	<b>Meaning</b>
<b>Offer</b>	The pro rata renounceable rights issue offering Eligible Shareholders one (1) New Share for every one (1) Share held at the Record Date for the Offer Price.
<b>Offer Document</b>	This offer document dated Monday 9 December 2019.
<b>Offer Price</b>	The price payable per New Share under the Offer being \$0.015 (1.5 cents) per New Share.
<b>Option</b>	An option issued by the Company entitling the holder to subscribe for a Share.
<b>Record Date</b>	7.00pm (Sydney time) on Thursday 12 December 2019.
<b>Right</b>	The right of an Eligible Shareholder to apply for a New Share under the Offer.
<b>Rights Issue Documentation</b>	means: (a) the initial ASX announcement referring to the Offer, the Appendix 3B, the notice given to ASX in accordance with Section 708AA of the Corporations Act; and (b) this Offer Document, and the Entitlement and Acceptance Form.
<b>Share</b>	A fully paid ordinary share in the capital of the Company.
<b>Share Registry</b>	Computershare Investor Services Pty Limited (ACN 078 279 277).
<b>Shareholder</b>	A registered holder of Shares.
<b>Shortfall</b>	The number of New Shares not applied for under the Offer before the Closing Date.
<b>Shortfall Offer</b>	The offer of New Shares comprising the Shortfall under this Offer Document.
<b>Shortfall Shares</b>	New Shares not applied for under the Offer before the Closing Date.

## For all enquiries:

**Phone:**  
 (within Australia) 02 8054 9779  
(outside Australia) 61 2 8054 9779



BPL  
MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

## Make your payment:



See overleaf for details of the Offer and how to make your payment

## Renounceable Rights Issue - Entitlement and Acceptance Form

### Your payment must be received by 5.00pm (Sydney time) Thursday 9 January 2020

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

ASX will quote a market for rights between Wednesday 11 December 2019 and Thursday 2 January 2020. Please refer to the Offer Booklet for details on how to renounce your rights.

### Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via [www.investorcentre.com](http://www.investorcentre.com) if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

### Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you take up your full Entitlement, you may also apply for Additional New Shares. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Offer Booklet dated 9 December 2019.

Choose one of the payment methods shown below.

**BPAY®:** See overleaf. Do not return the payment slip with BPAY payment.

**By Mail:** Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Broken Hill Prospecting Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

**Turn over for details of the Offer →**

#### Sale of your Entitlement rights in full by your Stockbroker/ Agent

If you wish to sell your rights entitlement in full, you should instruct your Stockbroker personally and provide details as requested, which appear overleaf.

**DO NOT** forward your requests for sale to Computershare Investor Services Pty Limited.

#### Disposal of your Entitlement rights held on the Issuer sponsored sub-register

A Standard Renunciation Form must be used for an off market transfer of Entitlement rights. These forms may be obtained from your Stockbroker.

#### Sale of your Entitlement rights in part by your Stockbroker/ Agent and take up the balance

If you wish to sell part of your Entitlement rights and take up the balance you should:

- Instruct your Stockbroker personally and provide details as requested, which appear overleaf, **AND**
- Send the payment slip to Computershare Investor Services Pty Limited with your cheque, bank draft or money order payment **OR** make payment using BPAY, in order to take up the balance of your Entitlement rights.


Broken Hill Prospecting Limited Renounceable Rights Issue  
Payment must be received by 5.00pm (Sydney time) Thursday 9 January 2020

# Entitlement and Acceptance Form with Additional New Shares

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## STEP 1 Registration Name & Offer Details

 For your security keep your SRN/  
HIN confidential.

Registration Name: MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details: Existing shares entitled to participate as at  
Thursday 12 December 2019:

Entitlement to New Shares  
on a 1 for 1 basis:

Amount payable on full acceptance  
at \$0.015 per New Share:


## STEP 2 Make Your Payment

	Billers Code:309237 Ref No: 1234 5678 9123 4567 89
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Contact your financial institution to make your payment from your cheque or savings account.

### Pay by Mail:



Make your cheque, bank draft or money order payable to "**Broken Hill Prospecting Hill Limited**" and cross "**Not Negotiable**".

Return your cheque with the below payment slip to:

**Computershare Investor Services Pty Limited**  
**GPO Box 505 Melbourne Victoria 3001**

### Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5.00pm (Sydney time) Thursday 9 January 2020. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Broken Hill Prospecting Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5.00pm (Sydney time) Thursday 9 January 2020. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Broken Hill Prospecting Hill Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

### Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

## Broken Hill Prospecting Limited Acceptance Payment Details

Entitlement taken up:

Number of Additional New Shares applied for:

Amount enclosed at \$0.015 per New Share: **A\$**

**Payment must be received by 5.00pm (Sydney time) Thursday 9 January 2020**



Entitlement No: 12345678

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

## Contact Details

Contact Name \_\_\_\_\_ Daytime Telephone \_\_\_\_\_

## Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

123456789123456789+000000001-3051+14