

SUPPLEMENTARY PROSPECTUS

Broken Hill Prospecting Limited (ABN 83 003 453 503)

This is a supplementary prospectus (**Supplementary Prospectus**) to be read together with the prospectus dated 19 May 2015 (**Prospectus**), issued by Broken Hill Prospecting Limited (ABN 83 003 453 503) (**Company** or **BPL**).

This Supplementary Prospectus is dated 1 June 2015 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Supplementary Prospectus or the Prospectus or the merits of the investment to which this Supplementary Prospectus and the Prospectus relate.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus and the Prospectus are important documents that should be read in their entirety. If you have any questions about the Offer, the Supplementary Prospectus or the Prospectus, you should speak to your professional adviser.

1 Amendments to the Prospectus

1.1 Chairman's Letter (Section 1.0 of the Prospectus)

Section 1.0 of the Prospectus is amended by the insertion, after the Chairman's signature block, of the following:

Competent Person Statement

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

1.2 Background (section 2.1 of the Prospectus)

Section 2.1 of the Prospectus is amended by the insertion, after the last paragraph of section 2.1, of the following paragraph:

"Please refer to the Chairman's Letter for the competent person statement concerning any exploration activities and results set out in this section of the Prospectus."

1.3 Overview of Rights Issue (section 2.2 of the Prospectus)

Section 2.2 of the Prospectus is amended by:

- (a) the insertion, in the 5th paragraph after the first sentence, of the following:

"The Underwriter will receive an underwriting commission of 7% of the gross proceeds of the Rights Issue, being a total of \$69,583 (plus GST)."

- (b) replacing the 1st sentence in the 5th paragraph, "Matthew Hill, a Director of the Company, and Geoffrey Hill, a former Director of the Company related to Matthew Hill, are Directors of International Pacific Capital Limited.", with the following:

"Matthew Hill is a Director of the Company and Geoffrey Hill is a relative of Matthew Hill. This means they are deemed to be related parties of the Company under the Corporations Act. They are also directors of International Pacific Capital Limited. Matthew Hill has an interest in the Underwriter as a potential beneficiary of discretionary trusts that ultimately own the Underwriter. However, neither Matthew Hill nor Geoffrey Hill control the Underwriter and, as such, the Underwriter is not a related party of the Company under the Corporations Act.

The Company appointed the Underwriter after approaching other potential independent underwriters, none of whom wished to underwrite the Offer. Matthew Hill did not participate in Board decisions concerning the appointment of the Underwriter. The other Directors considered that the Underwriter's commission of 7% of the gross proceeds of the Rights Issue was reasonable and aligned with market rates for an underwriting of this size and the Underwriting Agreement was otherwise on arm's length standard commercial terms."

1.4 Dilutionary impact of the Offer and effect on control of the Company (section 2.6)

Section 2.6 of the Prospectus is amended by replacing the 1st paragraph after the table in section 2.6 with the following:

"As the Rights Issue is fully underwritten, whether all Entitlements are accepted or only the major Shareholders take up their Entitlements, the percentage interest in the Company held by major Shareholders (as set out in the above table) would not change and there would be no effect on the control of the Company, provided the major Shareholders do not also participate in the Shortfall Offer.

If some or all Eligible Shareholders do not take up some or all of their Entitlements under the Offer, then the interests of Eligible Shareholders that do not participate in the Offer will correspondingly decrease.

So Co Ltd has not indicated to the Company whether it intends to take up its Entitlement but it has indicated that it does not intend to participate in the Shortfall Offer. New Talisman Gold Mines Ltd has not indicated to the Company whether it intends to take up its Entitlement or participate in the Shortfall Offer. If New Talisman Gold Mines Ltd were to take up its full Entitlement and participate in the Shortfall Offer it may only increase its percentage shareholding to a maximum of up to 20% because of the restrictions under the takeovers provisions of the Corporations Act. If So Co Ltd and New Talisman Gold Mines Ltd take up their respective full Entitlements under the Offer and do not participate in the Shortfall Offer, their percentage holdings in the Company will remain the same (on the basis that the Rights Issue is fully underwritten) in accordance with the following table.

Shareholders (other than So Co Ltd & New Talisman) participation in the Rights Issue	Number of Shares in which So Co Ltd holds an interest after taking up its full Entitlement	So Co Ltd's relevant interest in the Company after taking up full Entitlement	Number of Shares in which New Talisman holds an interest after taking up its full Entitlement	New Talisman's relevant interest in the Company after taking up full Entitlement
0%	42,963,750	34.58%	22,411,250	18.04%
25%	42,963,750	34.58%	22,411,250	18.04%
50%	42,963,750	34.58%	22,411,250	18.04%
75%	42,963,750	34.58%	22,411,250	18.04%
100%	42,963,750	34.58%	22,411,250	18.04%

1.5 Specific Risks (section 3.2 of the Prospectus)

Section 3.2 of the Prospectus is amended by the insertion, after the 1st paragraph, of the following:

Potential for dilution

"Upon implementation of the Rights Issue, assuming all Entitlements are accepted and no existing Options are exercised prior to the Record Date, the number of Shares in the Company will increase from 99,404,617 to 124,255,771. If Eligible Shareholders do not take up their entitlement in full or in part, their proportion of ownership in the Company will be diluted up to a maximum of 20%."

1.6 Details of the Offer - Offer is underwritten (section 4.1(e))

Section 4.1(e) of the Prospectus is amended by the insertion, before the last sentence of that section, of the following:

"The Underwriter will receive an underwriting commission of 7% of the gross proceeds of the Rights Issue, being a total of \$69,583 (plus GST)."

1.7 Shortfall Offer (section 4.4)

Section 4.4 of the Prospectus is amended by the insertion, after the last paragraph, of the following new paragraph:

"It is your responsibility to ensure that you will not breach the takeovers provisions in the Corporations Act by applying for Shortfall Securities and any allocation of the Shortfall Securities by the Directors will be subject to section 606 of the Corporations Act."

1.8 Underwriting Agreement (section 4.7(b))

Section 4.7(b) of the Prospectus is amended by the insertion, at the end of the 2nd paragraph, before the full stop, of the following:

", being a total of \$69,583 (plus GST)"

1.9 Interests of Directors (section 5.5(a))

Section 5.5(a) of the Prospectus is amended by changing the reference to "Section 5.6(b)" to "Section 5.5(b)".

1.10 Interests in securities as at the date of this Prospectus (section 5.5(b))

Section 5.5(b) of the Prospectus is amended by:

- (a) the insertion, at the end of the 2nd paragraph, of the following:

"The Directors have indicated that they will not participate in the Shortfall Offer, either in their personal capacity or through any associates or related parties. Matthew Hill has indicated that he may take up his full Entitlement."; and

- (b) the insertion, after the sentence " *Matthew Hill is a director of International Pacific Capital Ltd, the Underwriter to the Offer.", of the following:

"Matthew Hill does not receive any benefit under the Rights Issue and he does not receive directors' fees or other benefits from the Underwriter. Matthew Hill is also the executive director of New Talisman Gold Mines Ltd. Mr Hill and associated entities hold shares in So Co Ltd and New Talisman Gold Mines Ltd (major Shareholders of the Company) but total holdings are less than 5%.

Ian Pringle is not entitled to any fees or benefits under the Rights Issue. Dr Pringle is a director of New Talisman Gold Mines Ltd. Dr Pringle is not a shareholder of New Talisman Gold Mines Ltd. "

1.11 Interests of experts and advisers (section 5.6)

Section 5.6 of the Prospectus is amended by the insertion, after the words "being a total of \$69,583" in the last paragraph, of the words "(plus GST)"

2 Directors' Authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of the Supplementary Prospectus with ASIC.



Dr Ian Pringle

Managing Director