



**Broken Hill Prospecting Ltd
(ASX: BPL)**

An Australian exploration company focused on the discovery & development of strategic technology mineral resources

Commodity Exposure

Rare Earth Elements, Heavy Mineral Sands, Cobalt Base & Precious Metals, Industrial Metals

Directors & Management

Creagh O'Connor
Non-Executive Chairman

Geoff Hill
Non-Executive Director

Matt Hill
Non-Executive Director

Denis Geldard
Non-Executive Director

Keith Middleton
Non-Executive Director

John Petersen
*Vice President American Rare Earth LLC
Exploration*

Ian Morgan
Company Secretary

Capital Structure

Ordinary Shares on Issue (31/05/20) **264M**

Market Cap (undiluted at 2.4 cps) **\$6.3M**

Broken Hill Prospecting Ltd

ARBN 003 453 503

Registered and Head Office
Suite 706 Level 7, 89 York St,
Sydney NSW 2000
GPO BOX 1546, Sydney NSW 2001
Tel +61 2 8054 9779
Email info@bhpl.net.au
Web: www.bhpl.net.au

**BROKEN HILL PROSPECTING RAISES FUNDS TO ACCELERATE
EXPLORATION & DEVELOPMENT OF LA PAZ RARE EARTH PROJECT
(ARIZONA, USA)**

Highlights

BPL has agreed terms with sophisticated & professional investors to raise approximately A\$ 496,500.

BPL is now well positioned to further advance its 100%-owned La Paz Rare Earth Project.

Equity Placement

Broken Hill Prospecting Limited (ASX: BPL) ("BPL" or "the Company") has received firm commitments for a placement of the Company's fully paid ordinary shares ("New Shares") to sophisticated and professional investors:

1. Approximately 33.1 million New Shares at A\$0.015 per New Share; and
2. An attaching loyalty share on a 1 for 8 basis (approximately 4.1 million shares) being fully paid ordinary shares to be issued as soon as practicable after 24 February 2021 for no consideration on the basis the investor subscribes for the New Shares and holds the New Shares until 24 February 2021 ("Loyalty Shares").

to raise approximately A\$ 496,500, including A\$ 90,000 (6.0 million New Shares and 0.75 million Loyalty Shares) committed by related parties subject to shareholder approval under ASX Listing Rule 10.11.

The issue of New Shares to unrelated parties (approximately 27.1 million New Shares for A\$ 406,500) is proposed to be issued pursuant to the Company's 15% capacity under ASX Listing Rule 7.1.

BROKEN HILL PROSPECTING FUND RAISING ASX ANNOUNCEMENT 10 JUNE 2020

It is the Company's intention that the New Shares and Loyalty Shares (to be issued soon as practicable after 24 February 2021) will be listed for trading on the ASX, subject to ASX Listing Rule requirements.

Use of Funds

Funds raised will be used to fund the expansion, exploration and economic evaluation of the La Paz Rare Earth Project (Arizona, USA), including working capital.

Expected Timing

27.1 million New Shares will be issued on or about Monday 15 June 2020ⁱ, to unrelated parties as soon as practicable under the Company's available capacity pursuant to ASX Listing Rule 7.1 (27.1 million Equity Securities).

The Company will proceed to seek Shareholder approval under ASX Listing Rule 10.11 for issue of 6.0 million New Shares proposed to be issued to related parties. Under ASX Listing Rule 7.2 Exception 14, approval under ASX Listing Rule 10.11 would exempt the Company from using its available capacity pursuant to ASX Listing Rule 7.1.

Loyalty Shares are to be issued as soon as practicable after 24 February 2021, subject to ASX Listing Rule requirements at that time (including the Company's available capacity pursuant to ASX Listing Rules and shareholder approval under ASX Listing Rule 10.11 for Loyalty Shares to be issued to related parties).

Subject to ASX Listing Rule requirements, 27.1 million New Shares are expected to commence trading on the ASX by Tuesday 16 June 2020.ⁱ

Shareholders who want to trade New Shares issued to them prior to receiving their holding statement should confirm their allocation before doing so.

Lead Manager

Taylor Collison Limited (Taylor Collison) acted as Lead Manager to the Placement.

BPL's Chairman, Creagh O'Connor, commented:

"As BPL announced on 12 March 2020, the transformation of your Company to developer with a world class Rare Earth Project is well underway. Rare Earth Elements is a key US strategic resource, which through its development is made available to provide its output for U.S.-based processing. The potential opportunity to capitalise on growing developments in the REE market is substantial.

We believe that localising the management and operations of the Company in the US is an important step in ensuring the enhancement of value of the Project and your Company."

This market announcement has been authorised for release to the market by the Chairman of Broken Hill Prospecting Limited.

ⁱ This date is indicative only, and subject to change. The Company reserves the right to alter the above date at its discretion and without notice, subject to the ASX Listing Rules and the *Corporations Act 2001* (Cth)