

Broken Hill Prospecting Ltd

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Broken Hill Prospecting completes transfer of Thackaringa Cobalt Project interest to Cobalt Blue

Broken Hill Prospecting Ltd (ASX:BPL) has completed the transfer of its interest in the Thackaringa Cobalt Project Joint Venture in New South Wales to Cobalt Blue Holdings Ltd (ASX:COB) today.

This allows completion of the transaction and will result in Broken Hill receiving \$6 million in cash, shares and deferred consideration, while also retaining its 2.0% royalty on all cobalt production from the project and its interest in the Broken Hill style mineralisation (excluding cobalt mineralisation) on part of the tenements.

The tenements have been transferred to Cobalt Blue which will enable it to progress and commercialise the Thackaringa project efficiently.

"Excited" about rare earths project

Chairman Creagh O'Connor said the completion of this important transaction significantly underpinned the value of BPL and would allow it to focus on developing and commercialising its exciting La Paz Rare Earths project in Arizona.

"We are delighted that we have been able to transfer our interest in the Thackaringa project to our partner COB and yet retain an interest as a shareholder and royalty holder.

"We believe that unifying the project under Cobalt Blue management is the best step for both companies.

"We are excited about the prospects for our LaPaz Rare Earths Project in Arizona, USA, particularly following the strong strategic support of the US government for the development of US-based rare earth projects which La Paz is in an excellent position to take forward."

Heads of Agreement executed

On December 4 Cobalt Blue executed a binding Heads of Agreement (HOA) with Broken Hill to acquire 100% ownership and legal title of the Broken Hill Cobalt Project through the acquisition of BPL's holding for \$6 million.

The consideration payable under the final agreements remains unchanged with Broken Hill to receive:

- \$500,000 cash;
- 9 million COB fully paid ordinary shares at a price of 15 cents per share;
- \$1 million three-year Convertible Note (CN) with interest of 6% per annum payable annually in arrears; and

Price: 0.012

Market Cap: \$3.05 m

1 Year Share Price Graph



Share Information

Code: BPL

Listing: ASX

52 week High Low
0.0403636 0.011

Sector: Rare earths & specialist minerals

Website: www.bhpl.net.au

Company Synopsis:

Broken Hill Prospecting (ASX:BPL) is exploring and progressing heavy mineral sand deposits (titanium and zirconium) located south of Broken Hill in western New South Wales.

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- \$3 million five-year Promissory Note (PN) interest-free for years 1, 2 and 3 as well as interest of 6% per annum payable in arrears.

The relevant title transfer application documents have been lodged with the NSW Department of Planning & Environment and all other documentation will be completed shortly.

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