

30 November 2018

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ASX Announcement – For immediate release

Thackaringa Cobalt Project Update

As previously announced, Broken Hill Prospecting Limited (**ASX: BPL**) contends that:

- (a) the resolutions purportedly passed by the TJV Management Committee on 16 November 2018; and
- (b) any actions taken by its joint venture partner, Cobalt Blue Holdings Limited (**ASX:COB**), in reliance on those resolutions, are invalid or ineffective.

Since the purported passing of those resolutions, COB has issued a cash call notice to BPL requiring it to contribute a 30% share of the expected expenditure to be incurred under one of those resolutions. BPL's position is that it is not liable under the terms of the TJV agreement to pay the amount which has been cash called by COB.

BPL has issued a formal notice to COB of its election under clause 1(a) of Schedule 3 to the TJV agreement that it does not wish to contribute to Joint Venture Activities pursuant to the Approved Programme and Budget purportedly approved by the TJV Management Committee on Friday, 16 November 2018.

By giving the above notice to COB, BPL is under no obligation to pay the cash call amount. In the event that, contrary to BPL assertions, the cash call is valid, BPL's interest in the TJV will be liable to be reduced in accordance with a dilution mechanism included in the TJV agreement.

BPL again reiterates that the drilling activities underway at Thackaringa remain at the sole risk and cost of COB.

Further information will be provided as it becomes available.

For further information please contact:

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