

BROKEN HILL OPERATIONS PTY LTD
130 Eyre Street, Broken Hill – PO Box 5073, Broken Hill. NSW
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RASP MINE

UPDATE

OCTOBER 2014

Dear Resident

It has been some time since we last updated you on activities at the Rasp Mine.

The Rasp Mine is progressively mining the areas of the Western Mineralisation, lying to the north of the site near Crystal Street, and remnants from the Main Lodes which lie closer to south residents. You may have started to hear some blasting from this area.

We are now progressing further west and seek to mine the Zinc Lodes and Block 7 that represent a high grade resources of approximately 300,000 tonnes located towards the south-western lease boundary of CML7. Although this area is within CML7 it was not included in the original environmental Project Approval and we therefore need to apply to the Department of Planning & Environment to mine this area.

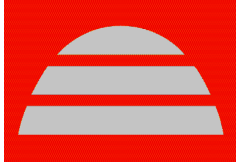
The mining of the high grade Zinc Lodes and remnants within Block 7 is absolutely imperative to ensure the viability of the Rasp Mine. Mining at a conservative rate (approximately 7,500 tonnes per month) will provide a significant head grade increase to the operation and enable the mine to operate profitably. Mining of these resources will allow Rasp to return to an annual production level of 550,000 tonnes/year after production was cut to the current level of 450,000 tonnes/year in September 2013. This will translate into an additional 25 jobs plus significant flow-on effects in the City with respect to service industries and spending.

All activities will occur underground and there will be no changes to surface activities.

Mining of Zinc Lodes

Given its location and proximity to the surface, the Zinc Lodes orebody will be mined in a much more conservative fashion to how mining is undertaken throughout the rest of CML7. The Western Mineralisation is currently mined by sub-level long-hole stoping, with stope heights averaging between 25 – 30 m in vertical height, strike lengths generally unrestricted and 89 mm diameter blast holes used in blasting designs.

To ensure all legislative blasting criteria is met and to provide a significant factor of safety to remove the risk of any surface subsidence, the Zinc Lodes will be mined with a combination of “cut and fill” and “half height bench stopes”..



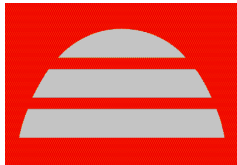
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Aerial View of Area for this Project



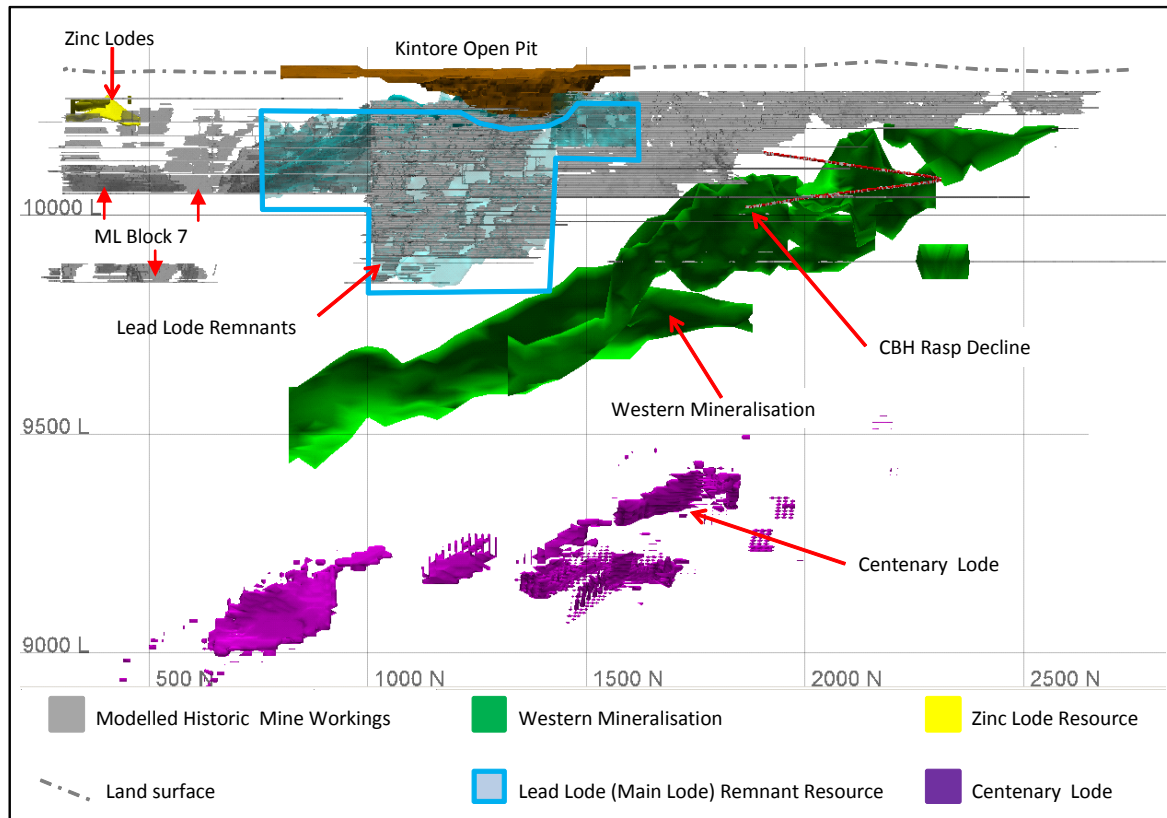
Cut and fill mining involves blasting in a similar vein to “development firings” (a development firing consists of approximately 40 holes drilled horizontally into the face with 43mm diameter holes. The smaller diameter holes require much less explosive reducing blasting vibrations considerably). Firing of “cuts” (a 3.5 metre horizontal blast) can be further controlled with respect to blast vibrations by sequencing of the blast to ensure the “maximum instantaneous charge” is minimised.

Half height (10 – 12 metre) bench stopes will be mined in the northern section of the Lode, with small diameter (76 mm) blast holes to control vibration. Stopes will be mined one at a time and then filled before the next bench is taken (with a combination of waste rock and hydraulically placed fill) to limit strike length openings (stope spans).



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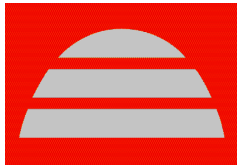
Rasp Mine Resource Areas – Looking West



Mining of Block 7

Approval is also sought to allow mining of the Main Lode (ML) ore-body in Block 7. Mining of the ML is currently undertaken in Blocks 8 – 12.

Small retreat stopes have been mined by BHOP in these areas, recovering remnant blocks left after 120 years of mining. It is proposed to extend the currently approved area along CML7 to include Block 7 and continue extracting small remnant pillars (stope sizes between 1,000 and 10,000 tonnes), by a combination of development and small retreat up-hole stopes. These blocks in comparison to the Western Mineralisation and Zinc Lodes are very small in nature, blasting is comparable to development firings and the Pillars are surrounded by sand filled voids.



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What you might see or hear

There will be no changes to surface activities and no additional traffic movements on Eyre Street or South Road.

Blasting will occur and you will hear and maybe feel the vibration. Vibration will be kept below the EPA limits and vibration monitors will be in place at two points along Eyre Street so we can monitor to the criteria and information about blasting times will be placed on the CBH web site under the Rasp Mine.

Ventilation of the mining area will be from intake air in Shaft 5 to exhaust air in Shaft 6. Shaft 5 is located just north of the Bocce Club and two small fans will be placed about 100 m down and about 20 m horizontally in a drive. Shaft 6 is located in the middle of CML7 near the mechanical workshop and again two small fans will be placed down the Shaft about 106 m. There will be no surface activity required to install these fans as all works will be undertaken underground.

Noise and air quality predictions by consultants indicate there is no measureable difference from current activities.

The geotechnical and civil engineering consultants have indicated that the ground conditions are good in the area and no subsidence or impact is expected from mining activities. We are using a conservative approach and will leave a 60 m depth crown pillar below major infrastructure such as the road.

Project Approval Modification

We plan to submit our application for these changes around the end of October. As a part of this process a 'public exhibition' period will apply where all the application and the environment assessment with all consultant reports will be available to you from our web site, or hard copies from our administration office, Council Offices or the town library.

Public Meeting

To learn more about plans for the Rasp Mine a community information evening will be held on Thursday 23rd of October at 5:00pm to discuss future mine development activities. The meeting will be held in the Rasp Mine Meeting room. Signage will be posted at the Eyre Street entrance, 130 Eyre Street.

If you are unable to attend the meeting concerns can be registered through the Rasp mine community hotline 80881211.