

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the annual general meeting of members of **Broken Hill Prospecting Limited** (“the Company”) will be held at **Level 14, 52 Phillip Street Sydney Australia** on **Friday 15th November 2013** at **11:00 am** (Sydney time).

ORDINARY BUSINESS

Annual Financial Report:

To receive and consider the Company’s Annual Report including the Financial Statements and the Auditor’s Report for the year ended 30 June 2013.

Retirement of Director – Peter Robert Atkinson

To note the retirement of Mr Peter Atkinson in accordance with the Company’s Constitution, who is not standing for re-election.

Resolution 1: Re-election of Director – Francis Creagh O’Connor

To consider and if thought fit, pass the following resolution, as an ordinary resolution:

“That Francis Creagh O’Connor, being a Director of the Company who retires by rotation in accordance with the Company’s Constitution, being eligible and offering himself for election, be elected a Director of the Company.”

Resolution 2: Auditor’s Remuneration

To consider and if thought fit, to pass the following resolution, as an ordinary resolution:

“To record that K.S. Black & Co. continue in office as the Company’s auditors and to authorise the Directors to settle their remuneration.”

Resolution 3: Adoption of Incentive Share Plan for the benefit of Directors, Contractors and Employees

To consider and if thought fit, to pass the following resolution, as an ordinary resolution:

“That for the purpose of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, to approve the Company’s Incentive Share Plan (**Incentive Share Plan**) and to issue securities under that plan on the terms and conditions summarised in the Explanatory Statement and Annexure A of that statement. By obtaining approval under the ASX Listing Rule 7.2 (exception 9), the Company may issue securities under the Incentive Share Plan without the need to obtain approval pursuant to ASX Listing Rule 7.1 for a period of 3 years (subject to the provision of the ASX Listing Rules).”

Voting Exclusion: The Company will disregard any votes cast on this resolution by:

- any Director of the Company (except one who is ineligible to participate in the Company’s Incentive Share Plan); and
- an associate of that Director.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4: Approve issue of Securities to Robert Barnes under the Incentive Share Plan

To consider and if thought fit, to pass the following resolution, as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, to issue to Robert Barnes up to 2,000,000 options under the Incentive Share Plan on the terms and conditions summarised in the Explanatory Notes and Annexure A of that statement and subject to Resolution 3 being approved by the Shareholders.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by:

- any Director of the Company (except one who is ineligible to participate in the Company’s Incentive Share Plan);
- if ASX has expressed an opinion under Listing Rule 10.14.3 that approval is required for participation in an employee incentive scheme by anyone else, that person; and
- an associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5: Approve issue of Securities to Ian Pringle under the Incentive Share Plan

To consider and if thought fit, to pass the following resolution, as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, to issue to Ian Pringle up to 2,000,000 options under the Incentive Share Plan on the terms and conditions summarised in the Explanatory Notes and Annexure A of that statement and subject to Resolution 3 being approved by the Shareholders.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by:

- any Director of the Company (except one who is ineligible to participate in the Company’s Incentive Share Plan);
- if ASX has expressed an opinion under Listing Rule 10.14.3 that approval is required for participation in an employee incentive scheme by anyone else, that person; and
- an associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6: Approve issue of Securities to Francis Creagh O’Connor under the Incentive Share Plan

To consider and if thought fit, to pass the following resolution, as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, to issue to Francis Creagh O’Connor up to 2,000,000 options under the Incentive Share Plan on the terms and conditions summarised in the Explanatory Notes and Annexure A of that statement and subject to Resolution 3 being approved by the Shareholders.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by:

- any Director of the Company (except one who is ineligible to participate in the Company’s Incentive Share Plan);
- if ASX has expressed an opinion under Listing Rule 10.14.3 that approval is required for participation in an employee incentive scheme by anyone else, that person; and
- an associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 7: Approve issue of Securities to Geoffrey Hill under the Incentive Share Plan

To consider and if thought fit, to pass the following resolution, as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, to issue to Geoffrey Hill up to 2,000,000 options under the Incentive Share Plan on the terms and conditions summarised in the Explanatory Notes and Annexure A of that statement and subject to Resolution 3 being approved by the Shareholders.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by:

- any Director of the Company (except one who is ineligible to participate in the Company’s Incentive Share Plan);
- if ASX has expressed an opinion under Listing Rule 10.14.3 that approval is required for participation in an employee incentive scheme by anyone else, that person; and
- an associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 8: Approve issue of Securities to Matthew Hill under the Incentive Share Plan

To consider and if thought fit, to pass the following resolution, as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, to issue to Matthew Hill up to 2,000,000 options under the Incentive Share Plan on the terms and conditions summarised in the Explanatory Notes and Annexure A of that statement and subject to Resolution 3 being approved by the Shareholders.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by:

- any Director of the Company (except one who is ineligible to participate in the Company’s Incentive Share Plan);
- if ASX has expressed an opinion under Listing Rule 10.14.3 that approval is required for participation in an employee incentive scheme by anyone else, that person; and
- an associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

SPECIAL BUSINESS

Resolution 9: Approval of 10% Placement Facility

To consider and if thought fit, to pass the following resolution, as a special resolution:

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares (and any associates of such persons), if this Resolution is passed. At this point in time there are no potential allottees to which securities may be issued under this resolution and therefore at this stage no security holders' votes will be excluded.

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

GENERAL INFORMATION

Eligibility to Vote

For the purpose of the meeting, shares will be taken to be held by persons who are registered as members as at 7:00pm (Sydney time) on 13th November 2013. Accordingly, transactions registered after that time will be disregarded in determining members entitled to attend and vote at the meeting.

Proxies

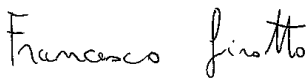
A proxy form is attached. You may exercise your right to vote at the meeting either by being present in person or by appointing a proxy to attend and vote in your place. You may appoint either an individual or a body corporate as your proxy. A proxy need not be a member of the Company. A proxy form must be signed by the member or the member's attorney. Proxies given by corporations must be signed either under seal or in accordance with the Constitution of the Company. The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy of the power of attorney or authority) must be received not later than 48 hours before the time for holding the meeting (please see the Company's address and delivery instructions on the Proxy Form attached).

Attending the meeting

If you are attending the meeting please bring the Proxy form to assist with registration.

By order of the Board

Broken Hill Prospecting Limited



Francesco Giroto,
Company Secretary

17 October 2013

EXPLANATORY STATEMENT

Forming part of the Notice to Members of the Annual General Meeting to be held Friday 15th November 2013 at 11:00am (Sydney time).

Annual Financial Report:

To receive and consider the Company's Annual Report including the Financial Statements and the Auditor's Report for the year ended 30 June 2013.

This item provides an opportunity for members at the meeting to ask questions and comment on the Financial Report (including the Financial Statements), the Directors' Report and the Auditor's Report. The Company's Annual Financial Report 2013 has been sent to members, and can also be accessed on the Company's website at www.bhpl.biz.

No resolution is required to be passed on this matter.

Retirement of Director – Peter Robert Atkinson BSc FAusIMM

Independent Non-Executive Director

Mr Atkinson retires by rotation in accordance with the Constitution of the Company but is not standing for re-election. The Directors thank Peter Atkinson for his work for the Company and wish him well for his future endeavours.

Resolution 1: Re-election of Director – Francis Creagh O'Connor FAIM, FAICD

Independent Non-Executive Director

Mr O'Connor retires by rotation in accordance with the Constitution of the Company and offers himself for re-election.

Francis Creagh O'Connor was appointed to the Board in 2000 and to the role of Chairman in 2004. He has approximately 40 years senior management experience in providing consulting and advisory services for oil, gas and mineral projects throughout Australia and overseas. He is a leading consultant for Australian construction and development consortiums. He has served as a Director and Chairman on a number of listed and private companies.

Resolution 2: Auditor's Remuneration

K.S. Black & Co is the existing auditor of the Company and has indicated its willingness to continue in office. The resolution is required to record the re-appointment of K.S. Black & Co as the Company's auditors and to authorise the Directors to settle their remuneration.

Resolution 3 – Adoption of Incentive Share Plan for the benefit of Directors and Employees

To ensure that the Company has appropriate mechanisms to continue to attract and retain the services of directors and employees of a high calibre, the Company has established the Incentive Share Plan. Details of the Incentive Share Plan are contained in Annexure A of this Explanatory Statement.

The Incentive Share Plan is used as part of remuneration planning for directors, employees and some contractors. Executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals.

Resolution 3 seeks approval under exception 9(b) of ASX Listing Rule 7.2 to allow the grant of Options under the Incentive Share Plan and the issue of Shares on exercise of the Options as an exception to ASX Listing Rule 7.1.

The grant of Options will only fall within exception 9(b) of ASX Listing Rule 7.2 if the Options are issued under an employee incentive scheme approved by shareholders within three years before the date of issue. If Resolution 4 is passed, the Company will have the ability to issue Options to the Plan Trustee under the Plan over a period of three years without impacting on the Company's 15% placement capacity under ASX Listing Rule 7.1.

The Plan Trustee holds those Options for the economic benefit of the relevant directors, employees or contractors. A summary of the Plan and the manner in which it operates for the benefit of the relevant directors, employees or contractors is set out in Annexure A.

Since the inception of the Plan, the Company has issued a total of 9,000,000 options under the Plan to the Plan Trustee. Shareholder approval for the issue of the 9,000,000 options under the Plan was sought by the Company from shareholders last year at the Annual General Meeting held on 29 November 2012.

Terms of options issued under the Incentive Share Plan

- The options will not be quoted and carry no voting or dividend rights (except as disclosed below).
- The options will be issued for a subscription price equal to their market value (as determined using AASB2 principles and the Black Scholes Merton valuation methodology). That valuation is undertaken at a time following the annual general meeting at which the issue of the options to the relevant director, employee or contractor is approved by shareholders.
- The options are issued to the Plan Trustee in the following manner: the Company will make a contribution to the trust managed by the Plan Trustee which is equivalent to the market value of the options as determined by a valuer using AASB2 principles, the Plan Trustee makes an interest free loan to the relevant director, employee or contractor equal to the contribution made by the Company, the Plan Trustee issues units to the relevant directors, employees or contractors which represent their then proportional entitlement in the Plan (being the number of options to be issued by the Company to the Plan Trustee for the benefit of the relevant director, employee or contractor divided by the total number of options then held by the Plan Trustee) and the Plan Trustee acquires the options from the Company which have been allocated to the relevant director, employee or contractor. Details of the Plan and the manner in which it operates for the benefit of the relevant directors, employees or contractors is set out in Annexure A.
- On exercise (including payment of the exercise price detailed below), each option will entitle the holder (being the Plan Trustee) to one fully paid ordinary share in the Company.
- Shares issued on the exercise of options will rank equally in all respects with all other ordinary shares in the Company at the date of issue of the Shares, except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue. The Company will apply for quotation of the Shares issued under the Incentive Share Plan within the period required by ASX. The Company will issue the Plan Trustee with the Shares following the exercise of the relevant options by the Plan Trustee (acting upon the written request of the relevant director, employee or contractor) and the payment of the subscription monies by the Plan Trustee.
- The Board may, at its absolute discretion, impose a restriction on dealing with Shares allocated on the exercise of Options.
- In the case of Directors or their associates the exercise price of each tranche of options to be issued under the Incentive Share Plan will be specified in the resolution or the explanatory notes to that resolution at the time the Company seeks shareholder approval for the issue of those options.
- In the case of any other employee or contractor the exercise price of each tranche of options to be issued under the Incentive Share Plan will be an amount equal to the 20 day volume weighted average market price of ordinary shares in the Company at the time of issue of the options.
- The criteria that the Board will take into account when allocating Options include: the director's, employer's or contractor's actual or potential contribution to the group, length of service and other matters the Board considers relevant.
- Participation of executive directors (and their associated persons) will be determined by criteria applying to employees generally.
- Any unexercised options lapse five years after the date of issue or in certain other circumstances, such as where the employee or director has acted dishonestly or purported to deal with an Option other than in accordance with Incentive Share Plan. These conditions are reflected in the terms and conditions upon which the relevant director, employee or contractor holds their units issued by the Plan Trustee.
- Options will generally only be exercisable once they have vested (provided that any Performance Condition and any other relevant condition that the Board considers relevant have been satisfied). The Board of Directors of the Company has discretion to issue options with different vesting periods if any. Options also become exercisable where a person becomes the holder of a relevant interest in 50% or more of the voting shares in the Company or upon the occurrence of a takeover offer or some other relevant event. These conditions are reflected in the terms and conditions upon which the relevant director, employee or contractor holds their units issued by the Plan Trustee.
- An Option granted under the Incentive Share Plan is only transferable with the prior consent of the Board or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy. These conditions are reflected in the terms and conditions upon which the relevant director, employee or contractor holds their units issued by the Plan Trustee.
- Any dealing in respect of an unvested Option is prohibited, unless the Board determines otherwise.

- On the occurrence of a takeover offer or some other relevant event, all trading restrictions in respect of the Shares allocated on exercise of Options will cease to have effect. Shares that are held on behalf of a participant by the Plan Trustee, on receiving notice from the Company of a takeover offer or some other relevant event, the Company will require the Plan Trustee to arrange for the Shares to be transferred into the name of the participant, unless the Board determines otherwise.
- The plan contains specific regimes dealing with bonus issues, rights offers and other reconstructions. In broad terms:
 - For a pro rata bonus issue of shares or other securities, the Company will, on the ultimate exercise of the option, issue to the holder the number of shares or securities they would have received if they had exercised their options earlier and participated in the bonus issue;
 - For a rights issue, if the issue price is less than the market price, then the exercise price of the option is reduced in accordance with a specified formula to reflect the dilution which has occurred under the rights issue;
 - For a reconstruction, the Company will adjust the number of shares attaching to an option or the option exercise price in accordance with the Listing Rules.
- The Company and Board will have the discretion and power to amend the terms of the plan subject to the Listing Rules and provided that (subject to certain exceptions) the amendment does not materially reduce the rights of any participant in the plan. The Plan Trustee will amend the terms and conditions of the Plan in consultation with the Company to make any corresponding amendments which are required to reflect the changes made by the Company.
- Details of any securities issued under this plan will be published in each annual report of the entity relating to a period in which securities have been issued and that approval for the issue of securities was gained under ASX Listing Rule 10.14. Any additional persons who become entitled to participate in the Plan after the resolution was approved and who were not named in the Notice of Meeting will not participate until approval is gained under ASX Listing Rule 10.14.
- The Company will not make an offer under the Incentive Share Plan if the grant of Options and/or Shares contemplated by the offer would result in the Company exceeding the limit that applies under the ASIC Class Order 03/184 in respect of the new issues of securities under the Incentive Share Plan. This restriction is reflected in the terms and conditions of the Plan administered by the Plan Trustee.

Resolutions 4 to 8 (inclusive) – Approve Issue of Securities to Robert Barnes, Ian Pringle, Francis Creagh O’Connor, Geoffrey Hill and Matthew Hill under the Incentive Share Plan

Resolutions 4 to 8 (inclusive) seeks shareholder approval for the issue of up to 2,000,000 options to be issued to each of the following directors: Robert Barnes, Ian Pringle; Francis Creagh O’Connor; Geoffrey Hill and Matthew Hill pursuant to the Incentive Share Plan and under ASX Listing Rule 10.14, the Corporations Act and the Companies Act 1993 (NZ).

ASX Listing Rules requirements for Shareholder Approval

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or person whose relationship with the entity or related party is, in ASX’s opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

An exception to ASX Listing Rule 10.11 is set out in ASX Listing Rule 10.12 (exception 4) which provides that ASX Listing Rule 10.11 does not apply to issues made with the approval of Shareholders under ASX Listing Rule 10.14. ASX Listing Rule 10.14 requires shareholder approval before a director or their associate or a person, whose relationship with the Company is, in the ASX’s opinion, such that approval should be obtained, can acquire securities under an employee incentive plan.

The following disclosures are made for the purposes of ASX Listing Rule 10.15 and in connection with resolutions 4 to 8 (inclusive):

- Geoffrey Hill, Robert Barnes and Francis Creagh O’Connor are non-executive Directors of the Company, while Ian Pringle is the Managing Director of the Company and Matthew Hill is the alternate director of Geoffrey Hill;
- The Company intends to issue up to 2,000,000 options to each of those Directors;
- The subscription price for those options will be equal to the market value of the options (as determined using AASB2 principles and the Black Scholes Merton valuation methodology). That valuation is undertaken at a time following the annual general meeting at which the issue of the options to the relevant director, employee or contractor is approved by shareholders;
- The exercise price of the options will be an amount equal to the 20 day volume weighted average market price of ordinary shares in the Company at the time of issue of the options.

- For the non-executive directors the total directors' fees plus the value of the options issued during a financial year must not exceed the maximum aggregate amount that is currently set at AUD\$400,000 per year.
- Since the last the Annual General Meeting dated 29 November 2012, the Company issued a total of 9,000,000 options for a subscription price of AUD\$133,200 with an exercise price of AUD\$0.20 under the Incentive Share Plan in accordance with shareholders resolution as follows:
 - Ian James Pringle – 4,000,000 options
 - Robert George Barnes – 1,000,000 options
 - Francis Creagh O'Connor – 1,000,000 options
 - Peter Robert Atkinson – 1,000,000 options
 - Geoffrey Guild Hill – 1,000,000 options
 - Ralph Nicholas Stagg – 1,000,000 options
- The names of all persons referred to in Listing Rule 10.14 that are currently entitled to participate in the Incentive Share Plan are: Robert Barnes, Ian Pringle, Francis Creagh O'Connor, Peter Atkinson, Geoffrey Hill, Matthew Hill and Ralph Nicholas Stagg;
- A voting exclusion statements are contained on pages 1 and 2 of this Notice of Annual General Meeting;
- Each Director may be provided with a loan to assist with the acquisition of its options. The terms of the loan offered to each Director is the same and are summarised in Annexure A to this Explanatory Statement;
- Details of any securities issued under this plan will be published in each annual report of the Company relating to a period in which securities have been issued and that approval for the issue of securities was gained under ASX Listing Rule 10.14. Any additional persons who become entitled to participate in the Incentive Share Plan after the resolution was approved and who were not named in the Notice of Meeting will not participate until approval is gained under ASX Listing Rule 10.14.
- The Board of Directors approved the issue of up to 2,000,000 options to each Director under the plan on 10 October 2013, subject to Resolutions 3 and the relevant Resolution approving the issue of those options to that Director being passed by Shareholders at the Annual General Meeting. Should these resolutions be passed, then up to 2,000,000 options will be issued to the Directors within 3 years of the date of the Annual General Meeting.

SPECIAL BUSINESS

Resolution 9 Approval of 10% Placement Facility

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued capital through placements over a 12 month period after the annual general meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of AUD\$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer below).

The Company may use the 10% Placement Facility to cover new exploration expenses or to acquire new resource assets or investments.

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of quoted Equity Securities:

- Ordinary Shares quoted – number 82,581,900
- Listed Options, 20c expiry 17/2/2014 - number 11,190,950

(c) *Formula for calculating 10% Placement Facility*

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

A is the number of shares on issue 12 months before the date of issue or agreement to issue,

- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the 12 months;
- plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) *Listing Rule 7.1 and Listing Rule 7.1A*

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 82,581,900 Shares and therefore has a capacity to issue:

- (i) 12,387,285 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under this Resolution, 8,258,190 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer above).

(e) *Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX (10% Placement Period).

Listing Rule 7.1A

The effect of this Resolution will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

This Resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

- (b) If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%.

Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Share Capital - Variable 'A' in Listing Rule 7.1A.2		Dilution		
		AUD\$0.0295 50% decrease in Issue Price	AUD\$0.059 Issue Price	AUD\$0.118 100% increase in Issue Price
Current Variable A 82,581,900 Shares	10% Voting Dilution	8,258,190 Shares	8,258,190 Shares	8,258,190 Shares
	Funds raised	AUD\$243,617	AUD\$487,233	AUD\$974,466
50% increase in current Variable A 123,872,850 Shares	10% Voting Dilution	12,387,285 Shares	12,387,285 Shares	12,387,285 Shares
	Funds raised	AUD\$365,425	AUD\$730,850	AUD\$1,461,700
100% increase in current Variable A 165,163,800 Shares	10% Voting Dilution	16,516,380 Shares	16,516,380 Shares	16,516,380 Shares
	Funds raised	AUD\$487,233	AUD\$974,466	AUD\$1,948,933

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Listed Options (including any Listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (vii) The issue price is AUD\$0.059, being the closing price of the Shares on ASX on 19 September 2013.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under this Resolution for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.
 - (iii) the Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (iv) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (v) the effect of the issue of the Equity Securities on the control of the Company;
 - (vi) the financial situation and solvency of the Company; and
 - (vii) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- (e) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at the Annual General Meeting dated 29 November 2012. During the 12 months preceding the date of the current meeting the company issued 9,000,000 options in consideration for the receipt of AUD\$133,200, representing 7.2% of the total equity securities on issue at the commencement of that 12 months period. The options are unlisted, are exercisable at 20 cents and have expiry date 17/2/2016. The options were issued at fair value calculated at AUD\$0.0148 per option for a total of AUD\$133,200, funds received were contributed to the Incentive Share Plan. The valuation was undertaken by an independent party, Remuneration Strategy Group Pty Ltd, using the valuation methodology Black Scholes Merton. The options were issued under the incentive share plan to Trinity Management Pty Ltd for the benefit of directors and contractors of the Company in accordance with shareholders resolution dated 29 November 2012.
- (f) a voting exclusion statement is included in the Notice for the purpose of Resolutions 3 to 8 (inclusive).

The Board of Directors recommends that you vote in favour of all the items of business except for resolutions 3 to 8 (inclusive) for which they make no recommendation.

ANNEXURE A – DETAILS OF THE INCENTIVE SHARE PLAN

The Company has established the Broken Hill Prospecting Limited Incentive Share Plan (the “Plan”). The Plan Trustee is a special purpose company known as Trinity Management Pty Ltd. The beneficial interest in the Plan is divided into units.

According to the Plan’s administrators, the Plan allows certain directors, contractors and employees selected by the Board of Directors to be offered the benefit of shares and options in Broken Hill Prospecting Limited (“BPL”). The key reasons for the establishment of the Plan are:

1. BPL has found that a traditional employee option plan on its own does not facilitate retention of shares by personnel after exercise of their options. The reason is that option holders find it necessary to immediately sell their shares in order to fund the exercise of their options. The Plan structure enables the exercise of employee options to be funded from the Plan, as described below. This will enable units to be retained in the Plan for the benefit of personnel following the exercise of options.
2. Facilitating the retention of shares for the benefit of personnel after the exercise of options will also assist with the retention of key personnel.
3. A traditional employee option plan on its own creates complex taxation issues for personnel. The taxation issues for personnel arising from the Plan are simpler because the personnel own units in the Plan and they do not directly own options in the Company.

The key steps that will occur when options are issued to the Plan Trustee under the Plan for the benefit of a director, contractor or an employee (the “Eligible Employee”) are as follows:

1. BPL makes a contribution to the trust administered by the Plan Trustee equal to the market value of the options (as determined under AASB2) BPL has allocated to the Eligible Employee. The valuation is undertaken at a time following the annual general meeting at which the issue of the options to the Eligible Employee is approved by shareholders;
2. The Plan Trustee provides an interest free loan to the Eligible Employee, equivalent to the value of the options to enable the Eligible Employee to subscribe for units in the Plan. The loan is non-recourse;
3. The Plan Trustee issues units in the Plan to the Eligible Employee;
4. The Plan Trustee contemporaneously subscribes for the options allocated to the Eligible Employee and pays the Company an amount equal to the contribution made by the Company to the Plan Trustee;
5. After the applicable vesting period (if any) the Eligible Employee can direct the Plan Trustee to exercise the options. If the Plan Trustee requires additional cash to exercise the options, that amount may be advanced by BPL to the Plan Trustee, subject to repayment by the Eligible Employee as described below; and
6. If, following exercise of the options, the underlying shares are to be sold, the Eligible Employee’s units are redeemed and the Eligible Employee receives an amount equivalent to the net consideration from the sale of the underlying shares (less repayment of any loans and other amounts owing by the Eligible Employee).

GLOSSARY

In this Notice and the Explanatory Statement:

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2013.

Associate has the meaning given in the ASX Listing Rule 10.14

ASX means the Australian Securities Exchange operated by ASX Limited.

AUD\$ means Australian Dollars.

Auditor's Report means the auditor's report on the Financial Report.

Board means the Board of Directors.

Chair or **Chairman** means the person appointed to chair the Meeting convened by this Notice.

Closely Related Party means:

(a) a spouse or child of the member; or

(b) has the meaning given in section 9 of the Corporations Act.

Company means Broken Hill Prospecting Limited (ABN 83 003 453 503).

Corporations Act means the Corporations Act 2001 (Cth), being a law of the Commonwealth of Australia.

Director means a director of the Company.

Directors' Report means the annual directors' report.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means the explanatory statement attached to the Notice.

Group means the Holding Company, the Company and each Group Company

Group Company means an Entity in which the Holding Company or the Company has an interest of 50% or more

Holding Company has the meaning as given to it in section 9 of the Corporations Act 2011

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this Notice of Meeting.

Option means an option which entitles the holder to subscribe for one Share.

Plan means Broken Hill Prospecting Limited Share Incentive Plan.

Plan Trustee means Trinity Management Pty Ltd who is the trustee appointed under the Trust Deed and is responsible for the administration of the Plan.

Performance Conditions means one or more milestones, time frame, performance, vesting or other conditions determined by the Board and specified in the offer which must be satisfied or circumstances which must exist before an Option or Share vests under the plan.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in the Notice.

Share means a fully paid ordinary share in the capital of the Company.

Share Placement has the meaning given in Item 6.

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the ASX Listing Rules.

Trust Deed means the applicable trust deed or deed made between the Company and the Trustee for the purpose of establishing and operating the Plan, as amended from time to time.

Unit is a unit issued by the Trustee to a participant to which Options and/or Shares attach in accordance with the Trust Deed.

VWAP means volume weight average price.

In this Notice and the Explanatory Statement words importing the singular include the plural and vice versa.

2013 ANNUAL GENERAL MEETING

Shareholder Name & Address

Broken Hill Prospecting Limited
ABN 83 003 453 503
 Level 14, 52 Phillip Street, Sydney NSW 2000
 Box 3486 GPO, Sydney NSW 2001
P: +61 2 9252 5300
F: +61 2 9252 8400
E: info@bhpl.biz
Website: www.bhpl.biz

Proxy Form

If appointing a proxy to attend the Annual General Meeting (**Meeting**) on your behalf, please complete the Form and submit it in accordance with the directions at the bottom of the page.

I/We being a shareholder/shareholders of Broken Hill Prospecting Limited and entitled to vote hereby appoint

The Chairman of the Meeting (mark with an "X") **OR**

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

or failing him/her, (or if no proxy is specified above), the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Meeting to be held at **Level 14, 52 Phillip Street Sydney (Australia) on Friday 15th November 2013 at 11:00 am (Sydney time)** and at any adjournment of that Meeting.

Important Note: If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of resolutions 3 to 8, please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

The Chairman of the meeting intends to vote undirected proxies in favour of each resolution.

Voting directions to your proxy – please mark to indicate your directions

RESOLUTION	For	Against	Abstain*
1. Re-election of Director - Mr Francis Creagh O'Connor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Auditors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Adoption of the Incentive Share Plan for the benefit of Directors, Contractors and Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approve issue of Securities to Robert Barnes under the Incentive Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approve issue of Securities to Ian Pringle under the Incentive Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approve issue of Securities to Creagh O'Connor under the Incentive Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approve issue of Securities to Geoffrey Hill under the Incentive Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Approve issue of Securities to Matthew Hill under the Incentive Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

Individual or Shareholder 1	Joint Shareholder 2	Joint Shareholder 3
<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>
Sole Director & Sole Company Secretary	Director	Director / Company Secretary

Contact Name	Contact Daytime Telephone	Date
--------------	---------------------------	------

NOTES:

- As a shareholder you may attend the meeting and vote, or you may appoint a proxy to attend the meeting. A proxy need not to be a shareholder of the company.
- If you have appointed two proxies please indicate what proportion of your voting rights each proxy is to represent.
- If the appointment of a proxy is signed by the appointor's attorney, this form must be accompanied by the authority under which the appointment was signed, or a certified copy of the authority.
- If you are joint holders of shares each of you must sign this proxy form. If you are a company this proxy form must be signed on behalf of the company by a person acting under the company's express or implied authority.

Lodgement of the Proxy form: The completed proxy form must be received by the company by **11:00am Wednesday 13th November 2013** (Sydney time)

Mailing Address : Broken Hill Prospecting Limited – **Box 3486 GPO Sydney, 2001 (Australia)**
Fax Number: +61 2 9252 8400