

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 **Wednesday 18th November 2015** 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 2015.

Resolution 1: Election of Director – Denis Geldard

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

“That Denis Geldard, being a Director of the Company who retires in accordance with clause 26.2 of the Company’s Constitution, being eligible and offering himself for election, be elected a Director of the Company.”

Resolution 2: Election of Director – Geoffrey Guild Hill

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

“That Geoffrey Guild Hill, being a Director of the Company who retires in accordance with clause 26.2 of the Company’s Constitution, being eligible and offering himself for election, be elected a Director of the Company.”

Resolution 3: 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 clause 27.1 of the Company’s Constitution, being eligible and offering himself for election, be re-elected a Director of the Company.”

Resolution 4: 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.”

SPECIAL BUSINESS

Resolution 5: 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 whom 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.

Resolution 6: Issue of Options to Managing Director – Ian James Pringle

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

"That for the purpose of ASX Listing Rule 10.14 and for all other purposes, the Company issue to Dr Ian Pringle, for no consideration, within 12 months of the passing of this resolution 4,000,000 options to subscribe for Shares in the Company with exercise price of A\$0.08 and expiry date of 12 November 2019 in accordance with the Rules of the Company's Share Incentive Plan."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any share incentive plan of the Company) or any of his associates. 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.

Resolution 7: Issue of Options to Non-executive Director – Matthew Geoffrey Hill

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

"That for the purpose of ASX Listing Rule 10.14 and for all other purposes, the Company issue to Matthew Geoffrey Hill, for no consideration, within 12 months of the passing of this resolution, 1,500,000 options to subscribe for Shares in the Company with exercise price of A\$0.08 and expiry date of 12 November 2019 in accordance with the Rules of the Company's Share Incentive Plan."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any share incentive plan of the Company) or any of his associates. 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.

Resolution 8: Issue of Options to Non-executive Director - Francis Creagh O'Connor

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

"That for the purpose of ASX Listing Rule 10.14 and for all other purposes, the Company issue to F Creagh O'Connor, for no consideration, within 12 months of the passing of this resolution, 1,500,000 options to subscribe for Shares in the Company with exercise price of A\$0.08 and expiry date of 12 November 2019 in accordance with the Rules of the Company's Share Incentive Plan."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any share incentive plan of the Company) or any of his associates. 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.

Resolution 9: Issue of Options to Non-executive Director – Denis Geldard

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

"That for the purpose of ASX Listing Rule 10.14 and for all other purposes, the Company issue to Denis Geldard, for no consideration, within 12 months of the passing of this resolution, 1,500,000 options to subscribe for Shares in the Company with exercise price of A\$0.08 and expiry date of 12 November 2019 in accordance with the Rules of the Company's Share Incentive Plan."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any share incentive plan of the Company) or any of his associates. 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.

Resolution 10: Issue of Options to Non-executive Director - Geoffrey Guild Hill

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

"That for the purpose of ASX Listing Rule 10.14 and for all other purposes, the Company issue to Geoffrey G Hill, for no consideration, within 12 months of the passing of this resolution, 1,500,000 options to subscribe for Shares in the Company with exercise price of A\$0.08 and expiry date of 12 November 2019 in accordance with the Rules of the Company's Share Incentive Plan."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any share incentive plan of the Company) or any of his associates. 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.

Resolution 11: Issue of Options to Key Management Personnel – Ian Jason Spence

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

"That for the purpose of ASX Listing Rule 7.1 and for all other purposes, the Company issue to Ian Jason Spence, for no consideration, within 12 months of the passing of this resolution, 1,000,000 options to subscribe for Shares in the Company with exercise price of A\$0.08 and expiry date of 12 November 2019 in accordance with the Rules of the Company's Share Incentive Plan."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Ian Spence or any of his associates. 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 16th November 2015. 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

20 October 2015

EXPLANATORY STATEMENT

Forming part of the Notice to Members of the Annual General Meeting to be held Wednesday 18th November 2015 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 2015.

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 2015 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.

Resolution 1: Election of Director – Denis Geldard: AWASM, MAIMM

Independent Non-Executive Director

Denis Geldard was appointed to the Board on 3 August 2015 and has over 40 year's technical and operational experience in exploration and project development in Australia and internationally. He has over 20 years experience specifically in the Heavy Mineral Sands Industry with companies such as Western Titanium Ltd, Associated Minerals Consolidated and Iluka Resources. Denis is a Mining Engineering graduate from the Kalgoorlie School of Mines in Western Australia.

He has managed and run a number of junior and mid-tier mining and exploration companies and mining operations over the past 40 years including directorships of a number of Australian listed mining and exploration companies.

Resolution 2: Election of Director – Geoffrey Guild Hill: B.Ec., MBA, FCPA, ASIA, FAICD

Non-Executive Director

Geoff Hill was a founding director of the Company, serving from 1989 to 30 June 2014. He re-joined the Board on 27 August 2015. Geoff is a merchant banker, based in Hong Kong, with experience in mergers and capital raising and has acted for a wide range of corporate clients in Australia and overseas, particularly in the resources sector. He is Chairman of the International Pacific Securities Group and a director of So Co Limited. He is Chairman of ASX listed Pacific American Coal Limited and Asian Property Investments Limited. In the last three years he was previously Chairman of Mount Gibson Iron Limited and a director of New Talisman Gold Mines Limited.

Resolution 3: Re-election of Director – Francis Creagh O'Connor: AM, FAIM, FAICD

Independent Non-Executive Director

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 4: Auditor's Remuneration

K.S. Black & Co are the existing auditors of the Company and have indicated their 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.

SPECIAL BUSINESS

Resolution 5: 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 A\$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).

Funds raised under the 10% Placement Facility will provide working capital to assist the Company to cover new exploration expenses and/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 only one class of quoted Equity Securities:

- Ordinary Shares - number 124,255,771

(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 124,255,771 Shares and therefore has a capacity to issue:

- (i) 18,638,365 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under this Resolution, 12,425,577 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		
		A\$0.0185 50% decrease in Issue Price	A\$0.037 Issue Price	A\$0.074 100% increase in Issue Price
Current Variable A 124,255,771 Shares	10% Voting Dilution	12,425,577 Shares	12,425,577 Shares	12,425,577 Shares
	Funds raised	A\$229,873	A\$459,746	A\$919,493
50% increase in current Variable A 186,383,657 Shares	10% Voting Dilution	18,638,366 Shares	18,638,366 Shares	18,638,366 Shares
	Funds raised	A\$344,810	A\$689,620	A\$1,379,239
100% increase in current Variable A 248,511,542 Shares	10% Voting Dilution	24,851,154 Shares	24,851,154 Shares	24,851,154 Shares
	Funds raised	A\$459,746	A\$919,493	A\$1,838,985

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 A\$0.037, being the closing price of the Shares on ASX on 28 September 2015.
- (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 the acquisition of new assets or investments (including expenses associated with such acquisitions), continued exploration and feasibility study expenditure 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 factors including but not limited to the following:
 - 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;
 - the effect of the issue of the Equity Securities on the control of the Company;
 - the financial situation and solvency of the Company; and
 - 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 19 November 2014. During the 12 months preceding the date of the current meeting the company issued 24,851,154 ordinary shares and 24,851,154 options for a total of 49,702,308 equity securities representing 33.3% of the total equity securities as at 19 November 2014. The issued options are exercisable before 12 November 2019 at an exchange price of A\$0.08 and are listed on the ASX. The securities mentioned above were issued under a Rights Issue open to all shareholders with address in Australia or New Zealand. Shareholders were entitled to one share plus one free attaching option at the price of A\$0.04 for a total cash consideration of A\$994,046. The Funds raised under the Rights Issue provided working capital and assist to fund exploration and evaluation of the Heavy Mineral Sands deposits.
- (e) a voting exclusion statement is included in the Notice for the purpose of this Resolution.

Resolutions 6 to 10 - Issue of Options to the Directors

In the year 2012 the Company engaged Remuneration Strategies Group Pty Limited, to advise on methods of providing shares as remuneration. This enquiry resulted in the Company formalising the Broken Hill Prospecting Limited Share Incentive Plan ("the Plan"), prepared for the Company by Remuneration Strategies Group Pty Ltd. The Directors resolved to use the Plan for the issue of additional options referred to in this Explanatory Statement, subject to shareholder approval.

The Company proposes to issue 4,000,000 Options to its Managing Director Dr Ian Pringle and 1,500,000 Options to each of its four Non-Executive Directors: Matthew Hill, F Creagh O'Connor, Denis Geldard and Geoffrey Hill. A total of 10,000,000 Options to be issued for no cash consideration.

The Options would be issued on terms and conditions set out in Annexure A. The Options would be held under the Plan by the Plan Trustee, details of the Plan being set out in Annexure B.

The grant of options to the Managing Director is intended to provide him a reward for meeting past KPI and for the time and effort spent growing the Company's business. They also provide an incentive to drive the performance of the Company that will enable him to participate in the Company's growth which will benefit all shareholders.

The grant of options to the Non-Executive Directors is intended to provide some reward for the time and effort spent growing the Company's business and to compensate them for the risk accepted in public mining company directorships. These options should provide incentive to the directors to drive the Company's growth for the benefit of all shareholders.

The Options will rank equally with the existing listed options that have an exercise price of A\$0.080 per Option and expiry date of 12 November 2019. The Options will be listed subject to ASX approval.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options as approval is being obtained under ASX Listing Rule 10.14 and exception 9(b) of ASX Listing Rule 7.2. The issue of the Options to the Related Parties will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1 or the additional 10% calculation for the purposes of ASX Listing Rule 7.1A.

Listing Rule 10.14

Listing Rule 10.14 states that a company must not permit a director or an associate of a Director to acquire securities under an employee incentive scheme without the approval of ordinary shareholders. The following information is provided to shareholders for the purpose of Listing Rule 10.15:

- (a) the Options will be issued to the trustee of the Broken Hill Prospecting Limited Share Incentive Plan (the "Plan Trustee"). The Plan Trustee will hold the options for the benefit of the Directors: an Pringle, Matthew Hill, F Creagh O'Connor, Denis Geldard and Geoffrey Hill ("Participating Directors"), as described in Annexure B;
- (b) the maximum number of Options to be granted under Resolutions 6 to 10 is 10,000,000;
- (c) the Options will be granted as incentive options and accordingly the Options will be issued for no cash consideration. The exercise price of the Options will be A\$0.08 per share and an expiry date of 12/11/2019;
- (d) the Options will be issued for nil cash consideration under the term of the Plan;
- (e) no loan is granted by the Company in relation to the acquisition of Options. As described in Annexure B, the Plan Trustee will provide an interest free loan to Ian Pringle, Matthew Hill, F Creagh O'Connor, Denis Geldard and Geoffrey Hill equivalent to the value of the Options to enable them to subscribe for Units in the Plan. The Units in the Plan will be issued for a consideration equal to the value of the Options to be issued;
- (f) the Options will be issued no later than 12 months from the date of this Annual General meeting;
- (g) Before this AGM, on the 29 November 2012, the company issued unlisted options with an exercise price of A\$0.20 and expiry date of 17 February 2016 under the Plan for nil consideration. The names of the persons and the respective number of the options received are: Robert Barnes (ex-director) 1,000,000, Ian Pringle 4,000,000, F Creagh O'Connor 1,000,000, Robert Atkinson (ex-director) 1,000,000, Geoffrey Hill 1,000,000, and Ralph Stagg (ex-director) 1,000,000.
- (h) the names of all persons referred to in Listing Rule 10.14 who are entitled to participate in the Plan as a result of these resolutions are: Ian Pringle, Matthew Hill, F Creagh O'Connor, Denis Geldard and Geoffrey Hill;
- (i) the Options will be issued to the Plan Trustee for the benefit of the Participating Directors for no cash consideration;

Any other information that is reasonably required by members to make a decision and that is known to the Directors

The proposed Resolutions 6 to 10 inclusive would enable the Company to issue Ian Pringle, Matthew Hill, F Creagh O'Connor, Denis Geldard and Geoffrey Hill, Options on terms and conditions set out in Annexure A and as otherwise mentioned above. The Company presently has on issue 124,255,771 ordinary shares, 35,896,111 listed options and 38,650,000 unlisted options.

If any Options granted as proposed above are exercised, the effect would be to dilute the share holdings of existing shareholders. The market price of the Company's shares during the period of the Options will normally determine whether or not Option holders exercise their Options. At the time any Options are exercised and shares are issued

pursuant to the exercise of the Options, the Company's ordinary shares may be trading at a price which is higher than the exercise price of the Options.

The highest and the lowest closing price for the fully paid ordinary shares in the Company (BPL) trading on ASX during the past 12 months was A\$0.067 and A\$0.030 respectively. The most recent closing price of shares in the Company trading on the ASX prior to the date of this Explanatory Statement was A\$0.032 which occurred on 14th October 2015.

The highest and the lowest closing price for the listed options (BPLO) trading on ASX since their listing on the 6 July 2015 was A\$0.012 and A\$0.005 respectively. The most recent closing price of listed options trading on ASX prior to the date of this Explanatory Statement was A\$0.006 which occurred on 15th October 2015.

The remuneration currently being received by the proposed recipients of the options is set out on page 14 of the 2015 Annual Report of the Company.

Apart from the information set out in this Explanatory Notes and information publicly available to all shareholders there is no other information that is known to the Company or any of its directors that is reasonably required by shareholders to decide whether or not it is in the Company's interest to pass Resolutions 6 to 10.

Resolution 11 - Issue of Options to Key Management Personnel – Ian Jason Spence

Mr Ian Spence is an executive director of the fully owned subsidiary Broken Hill Minerals Pty Ltd. The Company proposes to issue 1,000,000 Options to Ian Spence, for no cash consideration, in recognition for his past efforts and to provide him with an incentive to drive the performance of the Company that will enable him to participate in the Company's growth which will benefit all shareholders.

The Options will rank equally with the existing listed options that have an exercise price of A\$0.080 per Option and expiry date of 12 November 2019. The Options will be listed subject to ASX approval.

The Options would be issued on the terms set out in Annexure A under the terms and conditions of the Plan. The Options would be held by the Plan Trustee, details of which are set out in Annexure B. The information relevant to assessing the benefit received by Mr Spence is that set out in the Explanatory Statement for Resolutions 6 to 10 above. Shareholders should refer to this information when considering how to vote on this resolution.

Approval pursuant to ASX Listing Rule 7.1 is required so that the issue of the Options to the Related Parties will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1 or the additional 10% calculation for the purposes of ASX Listing Rule 7.1A.

The Board of Directors recommends that you vote in favour of all the items of business except for resolutions 6 to 10 for which they make no recommendation.

GLOSSARY

In this Notice and the Explanatory Statement:

A\$ means Australian Dollars.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2015.

Associate has the meaning given in the ASX Listing Rule 19.12

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

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

Board means the board of Directors.

Business Day means:

(a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and

(b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

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 2001 (Commonwealth of Australia).

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

Director means a director of the Company.

Directors' Report means the annual directors' report.

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

Explanatory Statement means the explanatory statement attached to the Notice.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

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.

Option means an option which entitles the holder to subscribe for one Share as set out in Annexure A.

Plan means Broken Hill Prospecting Limited Share Incentive Plan some details of which are in Annexure B

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.

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.

VWAP means volume weight average price.

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

ANNEXURE A – TERMS OF OPTIONS

- (a) Each Option gives the Option holder the right to subscribe for one Share. To obtain the right given by each Option, the Option holder must exercise the Options in accordance with the term and conditions of the Options.
- (b) The commencement date (Commencement Date) for the exercise of the Options shall be the date of issue.
- (c) The Options will, except to the extent earlier exercised, expire at 5:00pm (Sydney time) on 12 November 2019 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The exercise price for each Option shall be 8 cents (Exercise Price).
- (e) The Option Exercise Period shall be the period commencing on the Commencement Date of the relevant Options and expiring on the Expiry Date of the relevant Options.
- (f) The Options will be freely transferable.
- (g) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise specifying the number of Options being exercised together with a cheque for the exercise price to the Company (Exercise Notice) at any time during the Option Exercise Period.
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Price.
- (j) The Company will apply for quotation of the Options on Australian Securities Exchange.
- (k) All Shares allotted upon exercise of Options will upon allotment rank pari passu in all respects with the then issued ordinary shares of the Company.
- (l) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (m) Other than pursuant to term (l), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised.
- (n) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of securities of the Company offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (o) If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
- (p) The terms of the Options shall only be changed if holders of ordinary shares in the Company who are not excluded from voting approve of such a change. However, the terms of the Options cannot be changed to reduce the exercise price, increase the number of Options or change any period for exercise of the Options.
- (q) If at any time a meeting of holders of Options is required or proposed, the rules applicable to the convening and holding of, and voting at, a general meeting of the Company will apply so far as they are capable of application (and with all necessary changes) to that meeting on the basis that on a poll a holder is entitled to 1 vote for each Option held.

ANNEXURE B – DETAILS OF THE SHARE INCENTIVE PLAN

The Company has established the Broken Hill Prospecting Limited Share Incentive 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. 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 optionholders 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 (the “**Director**”), contractor or an employee are as follows:

1. BPL issues the options to the Plan Trustee. BPL makes a contribution to the Plan Trustee equal to the value of the options (as determined under AASB2) and the options are issued to the Plan Trustee at that value.
2. The Plan Trustee provides an interest free loan to the Director, equivalent to the value of the options to enable the Director to subscribe for Units in the Plan. The loan is non-recourse. The Units in the Plan are issued for a consideration equal to the value of the options issued for the benefit of the Director.
3. After the applicable vesting period (if any) the Director can direct the Plan Trustee to exercise the options. If the Plan Trustee requires additional cash to exercise the options, this amount may be advanced by BPL to the Plan Trustee, subject to repayment by the Director as described below.
4. If, following exercise of the options, the underlying shares are to be sold, the Director’s Units are redeemed and the Director 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 Director).

2015 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 **Wednesday 18th November 2015 at 11:00 am (Sydney time)** and at any adjournment of that Meeting.

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

If you wish to appoint the Chairman of the Meeting as your proxy with a direction to vote against, or abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

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

RESOLUTION	For	Against	Abstain*
1. Election of Director – Mr Denis Geldard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of Director – Mr Geoffrey Guild Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Director – Mr Francis Creagh O'Connor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Auditor's Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of Options to Managing Director – Mr Ian James Pringle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Issue of Options to Non-executive Director – Mr Matthew Geoffrey Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Issue of Options to Non-executive Director – Mr Francis Creagh O'Connor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Issue of Options to Non-executive Director – Mr Denis Geldard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Issue of Options to Non-executive Director – Mr Geoffrey Guild Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Issue of Options to Key Management Personnel – Mr Ian Jason Spence	<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 turn to the back page to sign and complete this Proxy Form.

PLEASE SIGN HERE

Individual or Shareholder 1

Sole Director & Sole Company Secretary

Joint Shareholder 2

Director

Joint Shareholder 3

Director / Company Secretary

Contact Name

Contact Daytime Telephone

Date

NOTES:

1. 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.
2. If you have appointed two proxies please indicate what proportion of your voting rights each proxy is to represent.
3. 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.
4. 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 11:00 am Monday 16th November 2015** (Sydney time)

Mailing Address : Broken Hill Prospecting Limited – **Box 3486 GPO Sydney, NSW 2001 (Australia)**

Fax Number: +61 2 9252 8400