

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 19th November 2014** 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 2014.

Resolution 1: Election of Director – Matthew Geoffrey Hill

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

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

Resolution 2: Re-election of Director – Robert George Barnes

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

“That Robert George Barnes, being a Director of the Company who retires by rotation in accordance with rule 27.1 of the Company’s Constitution, being eligible and offering himself for election, be elected a Director of the Company.”

Resolution 3: 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 4: 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.

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 17th November 2014. Accordingly, transactions registered after that time will be disregarded in determining members entitled to attend and vote at the meeting.

Proxies

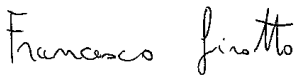
A proxy form is attached. You may exercise your right to vote at the meeting either by being present in person or by appointing a proxy to attend and vote in your place. You may appoint either an individual or a body corporate as your proxy. A proxy need not be a member of the Company. A proxy form must 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 2014

EXPLANATORY STATEMENT

**Forming part of the Notice to Members of the Annual General Meeting to be held
Wednesday 19th November 2014 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 2014.

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 2014 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 – Matthew Geoffrey Hill - MBA, AFSL, FFin, APDT

Non-Executive Director

Mr Matthew Hill has been the alternate Director of Geoffrey Hill from March 2012 to June 2014. On 6 June 2014 he was appointed Non-Executive Director by the Board and since then he has also been a member of the Audit Committee.

Matthew has over 20 years experience in financial services and investment banking. He is currently Executive Director of publicly listed New Talisman Gold Mines Limited and Managing Director of So Co Limited. Matthew has previous experience with the Private Equity and Capital Markets sectors employed by News Corporation and Softbank's E-ventures, Potter Warburg and Souls Private Equity Limited.

Resolution 2: Re-election of Director – Robert George Barnes - B.A. (Hons geology), MSc., M App. Sc, Grad. Cert. Public Sector Management, MGSA

Independent Non-Executive Director

Mr Robert Barnes retires by rotation in accordance with the Constitution of the Company and offers himself for re-election. He has been a member of the Company's Board since July 2012 and is currently a member of the Audit Committee and the Remuneration Committee.

Robert has over 40 years experience as a geologist and manager. He has transitioned from his position as Chief Geoscientist – Minerals in the Geological Survey of New South Wales into mineral exploration. He has worked extensively throughout NSW including eight years based in Broken Hill. His work with the geological survey included large scale mineral deposit, mineral system and geological mapping projects covering an extensive range of deposit styles and commodities. He played a pivotal role in regional scale metallogenic mapping projects across NSW and in building geological and mineral deposit databases. He has authored numerous scientific publications on mineral deposits. Robert has worked with State and Commonwealth agencies on regional mineral prospectivity assessments and provided high-level advice to government in relation to mineral exploration administration and policies. He also runs an independent consultancy facilitating mineral exploration and project development.

Resolution 3: 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 4: 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).

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 88,359,660

(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 88,359,660 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, 8,835,966 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\$0.021 50% decrease in Issue Price	AUD\$0.042 Issue Price	AUD\$0.084 100% increase in Issue Price
Current Variable A 88,359,660 Shares	10% Voting Dilution	8,835,966 Shares	8,835,966 Shares	8,835,966 Shares
	Funds raised	AUD\$185,555	AUD\$371,111	AUD\$742,221
50% increase in current Variable A 132,539,490 Shares	10% Voting Dilution	13,253,949 Shares	13,253,949 Shares	13,253,949 Shares
	Funds raised	AUD\$278,333	AUD\$556,666	AUD\$1,113,332
100% increase in current Variable A 176,719,320 Shares	10% Voting Dilution	17,671,932 Shares	17,671,932 Shares	17,671,932 Shares
	Funds raised	AUD\$371,111	AUD\$742,221	AUD\$1,484,442

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\$0.042, being the closing price of the Shares on ASX on 30 September 2014.
- (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 15 November 2013. During the 12 months preceding the date of the current meeting the company issued 5,777,760 shares under a Share Purchase Plan (SPP) at the issue price of A\$0.045 per share for a total cash consideration of AUD\$260,000. Funds raised under the SPP provided working capital to assist BPL to advance metallurgical and scoping studies.
- (f) a voting exclusion statement is included in the Notice for the purpose of Resolutions 4.

The Board of Directors recommends that you vote in favour of all the items of business.

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 2014.

Associate has the meaning given in 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.

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 Directors' Report included in the Annual Report.

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

Explanatory Statement means the explanatory statement attached to the Notice.

Listing Rules means the listing rules of ASX.

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

Notice means this Notice of Annual General Meeting.

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.

2014 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 19th November 2014 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 Matthew Geoffrey Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Director – Mr Robert George Barnes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Auditors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. 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

Sole Director & Sole Company Secretary

Joint Shareholder 2

Director

Joint Shareholder 3

Director / Company Secretary

NOTES:

Contact Name

Contact Daytime Telephone

Date

- 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 11:00 am Monday 17th November 2014** (Sydney time)

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

Fax Number: +61 2 9252 8400