

ARROWHEAD RESOURCES LIMITED

(formerly Gippsland Limited)

ACN 004 766 376

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

**For the Annual General Meeting to be held on
27 November 2015 at 10am (WST) at
The Vic Boardroom, 226 Hay Street
Subiaco, WA, 6008, Australia.**

***As this is an important document, please read it carefully. This Notice of Annual General Meeting and
Explanatory Statement should be read in its entirety.
Shareholders in doubt as to how they should vote should seek advice from their professional advisers.***

***If you are unable to attend the Annual General Meeting, please complete
the proxy form enclosed and return it in accordance with the
instructions set out on that form.***

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The Annual General Meeting of the Shareholders of Arrowhead Resources Limited ("**Arrowhead**" or the "**Company**") will be held at:

**The Vic Boardroom,
226 Hay Street
Subiaco WA 6008
Australia**

**Commencing at
10.00am (WST)
on 27 November 2015**

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above.

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Annual General Meeting as soon as possible and either:

- send the proxy by facsimile to the Share Registry on facsimile number (08) 9315 3333 (International: + 61 8 9315 3333); or
- deliver the proxy to the share registry at Suite 1, 770 Canning Highway, Applecross Western Australia, 6153, Australia; or
- mail the proxy to PO Box 535, Applecross, Western Australia, 6953, Australia;

so it is received not later than 3.00pm (WST) on Wednesday, 25 November 2015.

Your proxy form is enclosed.

NOTES:

1. In accordance with section 249L of the Corporations Act, Shareholders are advised that:
 - each Shareholder has a right to appoint a proxy;
 - the proxy need not be a Shareholder of the Company; and
 - A Shareholder of the Company who is entitled to cast 2 or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify this proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.
2. Where a voting exclusion applies, 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 to vote as the proxy decides or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. For the purposes of the Regulation 7.11.37 Corporations Regulations 2001 (Cth), the Directors have set a snapshot time and date to determine the identity of those entitled to attend and vote at the Annual General Meeting. The snapshot time and date is 4.00pm (WST) on 25 November 2015.
4. Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

ARROWHEAD RESOURCES LIMITED

ABN 31 004 766 376

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Arrowhead Resources Limited ("**Arrowhead**" or the "**Company**"), formerly Gippsland Limited, will be held at The Vic Boardroom, 226 Hay Street, Subiaco, Western Australia, at 10.00am (WST) on Friday, 27 November 2015.

AGENDA

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered as ordinary business and special business. Certain abbreviations and other defined terms are used throughout this Notice. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in the Glossary contained in the Explanatory Statement.

ORDINARY BUSINESS

Annual Accounts

To receive and consider the financial report of the Company and the consolidated financial report of the consolidated entity for the year ended 30 June 2015, the declaration of the Directors, the Remuneration Report and the reports by the Directors and independent auditor.

Note: A copy of the Company's 2015 Annual Report, including the Financial Statements declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report for the year ended 30 June 2015, may be accessed by visiting the Company's website at <http://www.gippslandltd.com>.

Resolution 1: Non Binding Resolution to adopt Remuneration Report

To consider and if thought fit, to pass, with or without amendment, the following as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report for the year ended 30 June 2015 (as set out in the Company's 2015 Annual Report) be adopted."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman of the meeting intends to vote all available proxies in favour of the adoption of the

Resolution 2: Re-election of a Director (By Rotation) – Mr. John Kenny

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr. John Kenny, being a Director of the Company, who retires by rotation in accordance with clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, and, being eligible, is hereby re-elected as a Director of the Company."

Resolution 3: Re-election of a Director (New Appointment) – Mr. Rowan Caren

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr Rowan Caren, being a director of the Company and having been appointed to fill a casual vacancy by the Directors on 24 April 2015 retires pursuant to clause 14.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes and, being eligible, is hereby re-elected as a Director of the Company."

Resolution 4: Approval of Additional Placement Capacity

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totaling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting exclusion

The Company will disregard any votes cast on this resolution by a person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed (and any associates of such a person).

However, a person described above may cast a vote on Resolution 4 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 Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

At the date of this Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holders to participate in an issue of equity securities. No existing shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

DATED THIS 22nd DAY OF OCTOBER 2015

BY ORDER OF THE BOARD

Mr Rowan Caren
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

Certain abbreviations and other defined terms are used throughout this Explanatory Statement. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in the Glossary contained in this Explanatory Statement.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to Shareholders of Arrowhead in deciding whether or not to pass the Resolutions which are the subject of the business of the Annual General Meeting of the Company to be held at 10.00am (WST) on Friday 27 November 2015 at The Vic Boardroom, 226 Hay Street, Subiaco, Western Australia. This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Shareholders are asked to refer to the Glossary at the end of the Explanatory Statement which contains definitions of the terminology used.

1. Annual Accounts

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company and the consolidated financial report of the consolidated entity for the financial year ended 30 June 2015 together with the declaration of the directors, the Remuneration Report and the reports by the Directors and independent auditor.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.gippslandltd.com.

2. Resolution 1 – Non Binding Resolution To Adopt Remuneration Report

2.1 General

In accordance with Section 250R(2) of the Corporations Act the Company submits to shareholders for consideration and adoption its Remuneration Report for the year ended 30 June 2015. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The Remuneration Report is set out in the Directors Report contained within the Company's Annual Report. The Annual Report is available on the Company's website at www.gippslandltd.com. The Remuneration Report contains:

- (a) information about the Board's policy for determining the nature and amount of remuneration of Directors and Key Management Personnel of the Company;
- (b) details of the remuneration of, and options held by, Directors and Key Management Personnel of the Company; and
- (c) a summary of the terms of any contract under which any Director or Key Management Personnel is engaged, including the period of notice required to terminate the contract and any termination payments provided for under the contract.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 "Two strikes rule"

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (Spill Resolution) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder

meeting (Spill Meeting) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous Voting Results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy Voting Restrictions

Shareholders appointing a proxy for this Resolution should note the following restrictions placed on certain proxies:

Proxy being appointed	Directed Votes	Undirected Votes
Key Management Personnel (other than the Chair) ¹	Can vote directed votes	Cannot vote undirected votes ³
Chair ²	Can vote directed votes	Can vote at discretion of Proxy ⁴
Other third party	Can vote directed votes	Can vote at discretion of Proxy

Notes:

- 1) Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.
- 2) Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).
- 3) Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.
- 4) The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3. Resolution 2 – Re-Election Of A Director (By Rotation) – Mr. John Kenny

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer.

Clause 14.2 of the Constitution requires that at an Annual General Meeting of the Company one third of the Directors (except the Managing Director or any alternate Director) or, if their number is not a multiple of 3, then such number as is appropriate to ensure that no Director other than alternate Directors and the Managing Director holds office for more than 3 years, shall retire from office.

Clause 14.2 states that a retiring director is eligible for re-election. Additionally, clause 14.2 states that the director to retire at any general meeting must be the director that has been in office the longest since their last election, but, as between persons who became directors on the same day, those to retire must be determined by drawing lots.

The Company currently has three Directors, and, in accordance with ASX Listing Rule 14.4 and the Company's Constitution, one must retire.

Mr John Kenny retires by rotation in accordance with this requirement, and being eligible for re-election puts himself forward for re-election at this Annual General Meeting.

Mr Kenny was appointed Director on 2 September 1999.

Mr Kenny is a corporate and resources lawyer with a specialised interest in venture capital, initial public offerings and mergers and acquisitions. He has extensive experience in public equity fundraisings and the pricing of equity, debt and derivative securities.

During the past three years Mr Kenny has served as a Director of the following listed companies:

- (a) The ARK Fund Limited - Appointed 18 June 2003;

- (b) Indus Coal Limited - Appointed 13 September 2011. Resigned 7 February 2014;
- (c) Sun Resources Limited - Appointed 1 March 2012. Resigned 19 November 2013; and
- (d) Winchester Energy Limited – Appointed 17 March 2014.

The Board considers Mr Kenny to be an independent director.

The Board supports the re-election of Mr Kenny.

4. Resolution 3 – Re-Election Of A Director (New Appointment) – Mr. Rowan Caren

Mr Caren was appointed as a Director on 24 April 2015.

Clause 14.4 of the Constitution requires that any Director appointed by the Directors, either as an addition to the existing Directors or to fill a casual vacancy, will hold office only until the next following annual general meeting and is then eligible for re-election.

Mr Caren retires in accordance with this requirement, and being eligible for re-election puts himself forward for re-election at this Annual General Meeting.

Mr Caren was employed by the chartered accountancy firm PricewaterhouseCoopers in Australia and overseas for six years and has been directly involved in the minerals exploration industry for a further 18 years. He also provides company secretarial and corporate advisory services to several exploration companies and is a member of Chartered Accountants Australia and New Zealand. Mr Caren has been Company Secretary of the Company since 2006.

The Company has undertaken appropriate checks in terms of a criminal history confirmation and professional qualifications in respect of Mr. Caren.

During the past three years Mr Caren has not served as a Director of any other listed company.

The Board does not consider Mr Caren to be an independent director as he is an Executive Director of the Company.

The Board supports the re-election of Mr Caren.

5. Resolution 4 - Additional Placement Capacity

5.1 Background

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 shareholder approval is sought at 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.

The Company is an Eligible Entity.

The Company is now seeking shareholder approval by way of a special resolution to give it the ability to issue Equity Securities under the 10% Placement Facility during the 12 month period following the passing of Resolution 4.

If Shareholders approve Resolution 4, the exact number of Equity Securities the Eligible Entity may issue under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 5.2 below).

The effect of Resolution 4 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

Arrowhead intends to use the funds raised for expenditure associated with securing new resources projects for the company, for general working capital and for the costs of raising the funds.

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that shareholders vote in favour of this Resolution.

5.2 Description of Listing Rule 7.1A

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$510,161 calculated by multiplying the current number of shares on issue, being 20,406,441, by the closing share price of the Company's Shares on 21 October 2015, being \$0.025.

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 this Notice, has on issue a single class of Equity Securities, being ordinary shares (ASX Code: GIP). The number of equity securities is set out in the table below:

Security	Number on issue
Listed ordinary shares	20,406,441

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:

$(A \times D) - E$

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (iii) plus the number of shares issued in the previous 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 ordinary shares under the entity's 15% placement capacity without shareholder approval; and
- (iv) less the number of Shares cancelled in the previous 12 months;

D is 10%; and

E is the number of Equity Securities issued or agreed to be issued under ASX 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 holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

At the date of this Notice, the Company has on issue 20,406,441 ordinary shares and, after adjusting for securities issued in the past 12 months without shareholder approval, therefore has the capacity to issue:

- (a) 3,060,966 Equity Securities under Listing Rule 7.1; and
- (b) 2,040,644 Equity Securities under a Listing Rule 7.1A approval obtained on 27 November 2013. The existing Listing Rule 7.1A approval will expire no later than 25 November 2015.

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.

5.3 Specific Information required by Listing Rule 7.1A

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) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the VWAP of Equity Securities in that class, calculated over the 15 ASX 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 ASX trading days of the date in section 6.3(a)(i) above, the date on which the Equity Securities are issued.

(b) Date of Issue

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) 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),

(10% Placement Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Facility, the economic and voting dilution of existing Shares would be as shown in the below table.

The table below shows the dilution of existing shareholders on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice, calculated in accordance with the formula in ASX Listing Rule 7.1A(2).

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity. The number of Shares on issue (Variable A in the formula) may increase as a result of the issues of Shares 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.

Variable 'A' in Listing Rule 7.1A.2		50% decrease in Issue Price (\$0.0125)	Dilution	
			Issue Price (\$0.025)	50% Increase in Issue Price (\$0.05)
20,406,441	10% voting dilution	2,040,644	2,040,644	2,040,644
Current Variable 'A'	Funds raised	\$25,508	\$51,016	\$102,032
30,609,661	10% voting dilution	3,060,966	3,060,966	3,060,966
50% increase in current Variable 'A'	Funds raised	\$38,262	\$76,524	\$153,048
40,812,882	10% voting dilution	4,081,288	4,081,288	4,081,288
100% increase in current Variable 'A'	Funds raised	\$51,016	\$102,032	\$204,064

The table has been prepared on the following assumptions:

- (a) There are currently 20,406,441 existing Shares on issue as at the date of this Notice of Meeting.
- (b) The Company issues the maximum number of equity securities available under the 10% Placement

Facility;

- (c) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares;
- (d) 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%;
- (e) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (f) The table shows only the dilution effect of issuing the equity securities under Listing Rule 7.1A, not under the 15% placement capacity the Company has under Listing Rule 7.1;
- (g) The issue price is \$0.025 being the closing price of the Shares on 21 October 2015 (**“Reference Share Price”**).

Shareholders should note that there is a risk that:

- (i) the market price for the Company’s Shares may be significantly lower on the issue date than on the date of the annual general meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity securities will cease to be valid in the event that the 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) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as non-cash consideration for the acquisition of 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) as cash consideration. In such circumstances, the Company intends to allocate the funds towards expenditure associated with securing new resources projects for the company, for general working capital and for the costs of raising the funds.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon the issue of any Equity Securities.

(e) Allocation policy under the 10% Placement Capacity

The Company’s allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined at the date of this Notice but may include existing shareholders and/or new shareholders who are not related parties of the Company.

The identity of the recipients of Equity Securities under the 10% Placement Capacity will be determined having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) alternative methods of raising funds that are available to the Company at that time, including but not limited to, rights issues or other offers in which existing Shareholders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company; and

(v) advice from corporate, financial and broking advisors (if applicable).

Further if the Company is successful in acquiring new resources, assets or investments, it is possible that the recipients under the 10% Placement Capacity may include vendors of the new resources, assets or investments.

(f) Previous approval under ASX Listing Rule 7.1A

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its Annual General Meeting held on 16 November 2012, 27 November 2013 and 21 November 2014.

The Company has not issued any Equity Securities pursuant to the Previous Approvals.

In the 12 months preceding the date of the 2015 Annual General Meeting, the Company issued 1,425,000 Equity Securities, on a post-consolidation basis.

Date of Issue	Number of Securities	Type of Security	Recipient of Security	Issue Price and discount to Market Price (if applicable) ¹	Consideration & Use of Funds as at 14 October 2015
Issue - 14/08/2015 App 3B – 14/08/2015	1,425,000 (on a post consolidation basis)	Ordinary Shares ²	Ayman Ayyash 425,000 Mandu Pty Limited 1,000,000	10 cents per share (on a post consolidation basis)	Non-cash, therefore no use of funds. Shares were issued in respect of services provided. Current value ³ = \$35,625
Issue - 06/03/2015 App 3B – 12/12/2014	5,224,228 (on a post consolidation basis)	Ordinary Shares ²	Investors under a Rights Issue	20 cents per Shares (on a post-consolidation basis)	Amount raised = \$1,044,846 Amount spent = \$1,044,846 Use of funds: costs associated with seeking a financing of the Abu Dabbab tantalum tin project, working capital and the costs of the issue. Amount remaining = \$Nil Proposed use of remaining funds N/A

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: AR1 (formerly GIP) (terms are set out in the Constitution).
3. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.025) as the context requires on the ASX on the trading day prior to the date of this Notice.

(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and

(ii) the information required by Listing Rule 3.10.5A for release to the market.

A voting exclusion statement is included in this Notice. At the date of this Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holders to participate in an issue of equity securities under ASX Listing Rule 7.1A. No existing shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

5.4 Directors recommendation in relation to Resolution 4

All the directors recommend that shareholders vote in favour of Resolution 4.

6. Enquiries

Shareholders are invited to contact the Company Secretary, Rowan Caren, on (08) 6102 2609 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

"\$"	means Australian dollars;
"10% Placement Capacity"	the capacity to issue additional Equity Securities by way of placement approved by Shareholders under Listing Rule 7.1A;
"ASIC"	means the Australian Securities and Investments Commission;
"Associate"	has the meaning given in Section 11 of the Corporations Act;
"Annual General Meeting" or "Meeting"	means the annual general meeting the subject of the Notice;
"ASX"	means ASX Limited and, where the context permits, the Australian Securities Exchange operated by ASX Limited;
"Board"	means the board of Directors;
"Chair"	means the chair of the Meeting;
"Closely Related Party"	of a member of the Key Management Personnel means: (a) a spouse or child of the member; (b) a child of the member's spouse; (c) a dependent of the member or the member's spouse; (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; (e) a company the member controls; or (f) a person prescribed by the Corporations Regulations 2001 (Cth);
"Company" or "Arrowhead"	means Arrowhead Resources Limited ABN 31 004 766 376 (formerly Gippsland Limited);
"Constitution"	means the Company's Constitution;
"Corporations Act"	means the Corporations Act 2001 (Cth);
"Director"	means a director of the Company;
"Eligible Entity"	means an entity that, at the date of the relevant general meeting: (a) is not included in the S&P/ASX 300 Index; and (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000;
"Equity Securities"	includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security;
"Explanatory Statement"	means the explanatory statement accompanying this Notice;
"Key Management Personnel"	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group;
"Listing Rules"	means the Listing Rules of the ASX;
"Notice", "Notice of Meeting" or "Notice of Annual General Meeting"	means the notice of annual general meeting which accompanies this Explanatory Statement;

"Placement Period"	the period during which Shareholder approval under Listing Rule 7.1A is valid;
"Relevant Interest"	has the meaning given in Sections 608 and 609 of the Corporations Act;
"Remuneration Report"	means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2015;
"Resolution"	means a resolution proposed pursuant to this Notice;
"Share"	means a fully paid ordinary share in the Company;
"Shareholder"	means the holders of a Share;
"Variable A"	means "A" as set out in the calculation in section 5.3 of the Explanatory Statement;
"Voting Power"	has the meaning given in Section 610 of the Corporations Act; and
"WST"	means Australian Western Standard Time.

«EFT_REFERENCE_NUMBER»

ARROWHEAD RESOURCES LIMITED (FORMERLY GIPPSLAND LIMITED)

ACN: 004 766 376

REGISTERED OFFICE:

SUITE 3
11 SHEPPARD WAY
MARMION WA 6020

SHARE REGISTRY:

Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535, APPLECROSS WA 6953
AUSTRALIA
770 Canning Highway, APPLECROSS WA 6153
AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

«Company_code»«Sequence_number»«Address_unknown»

Code:

AR1

Holder Number:

«HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

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The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10:00am WST on Friday 27 November 2015 at The Vic Boardroom, 226 Hay Street, Subiaco, WA, 6008, Australia and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. Non Binding Resolution to adopt Remuneration Report
2. Re-election of a Director (By Rotation) - Mr. John Kenny
3. Re-election of a Director (New Appointment) - Mr. Rowan Caren
4. Approval of Additional Placement Capacity

For Against Abstain

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If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * 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.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 10:00am WST on Wednesday 25 November 2015.

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My/Our contact details in case of enquiries are:

Name:

Number:

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1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Registrars Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX 535 Applecross WA 6953 AUSTRALIA
Street Address	Alexandrea House Suite 1, 770 Canning Highway Applecross WA 6153 AUSTRALIA
Telephone	+61 8 9315 2333
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.