



# BREAKER Resources NL

25 November 2013

Dear Optionholder

## Breaker Resources NL - pro-rata renounceable rights issue

As announced on 22 November 2013, Breaker Resources NL (ACN 145 011 178) (**Company**) is undertaking a pro rata renounceable rights issue to eligible shareholders to raise up to \$1.58 million before costs. The rights issue will be conducted on the basis of 1 fully paid ordinary share (**Shares**) for every 4 Shares held by shareholders at the record date (4 December 2013) at an issue price of \$0.11 per Share together with one (1) free attaching Option (**BRBO Option**) and one (1) partly paid share (**Partly Paid Share**) for every two (2) Shares subscribed for. The Partly Paid Shares will have a total issue price of \$0.20 paid to \$0.01 on application with no call for at least four (4) years (**Offer**), (together, the Shares, Partly Paid Shares and BRBO Options are the **Securities**).

The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 25 November 2013 and a copy is available on the ASX and Company websites. Eligible shareholders will be mailed a Prospectus together with a personalised Entitlement and Acceptance Form no later than 6 December 2013. Shareholders wishing to participate in the Offer will need to follow the instructions contained within the Entitlement and Acceptance Form and the Prospectus.

The Offer is fully underwritten by Patersons Securities Limited (**Patersons**). Patersons is also acting as lead manager to the Offer and nominee to sell ineligible shareholders' entitlements under ASX Listing Rule 7.7.

The Offer is being made to all shareholders of the Company named on its register of members at 5:00pm (WST) on 4 December 2013, whose registered address is in Australia, New Zealand or Germany. It will initially raise up to \$1,584,125 (assuming maximum subscription) and a total of \$2,892,750 if all Partly Paid Shares are fully paid up in accordance with their terms.

The proposed use of funds raised under the Offer is set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Exploration – Dexter Project Drilling	890,000	56
2.	Exploration – Other Project Activities	296,000	19
3.	Expenses of the Offer	143,530	9
4.	Working capital	254,595	16
	<b>Total</b>	<b>1,584,125</b>	<b>100%</b>

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The Shares being offered pursuant to the Offer will rank equally with all fully paid ordinary shares in the capital of the Company already on issue. The Partly Paid Shares will form a new class of shares in the Company with details of the rights and liabilities attaching to the Partly Paid Shares being disclosed in the Prospectus. Upon the Partly Paid Shares becoming fully paid up they will rank equally with all fully paid ordinary shares in the capital of the Company. The BRBO Options will be exercisable at \$0.25 on or before 31 December 2014 and will rank equally in all respects with the existing class of Options quoted on ASX (ASX Code: BRBO).

Following completion of the Offer (assuming maximum subscription) the Company will have issued approximately:

- (a) 13,775,001 new Shares resulting in total Shares on issue of approximately 68,875,005;
- (b) 6,887,501 Partly Paid Shares resulting in 6,887,501 Partly Paid Shares being on issue; and
- (c) 6,887,501 BRBO Options resulting in 28,137,501 BRB Options being on issue.

### Optionholders

The terms and conditions of the options you currently hold do not entitle you to participate in the Offer unless you exercise your options in time for new Shares to be issued and entered on the Company's members' register before 5:00pm (WST) on 4 December 2013 (**Record Date**).

To exercise your options and thereby participate in the Offer, you will need to deliver the following to the Company at either:

12 Walker Avenue  
West Perth WA 6005                      or                      PO Box 244  
West Perth WA 6872

- (a) A notice of exercise of options (attached to this letter);
- (b) An option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "Breaker Resources NL" or otherwise in immediately available funds.

To ensure that your new Shares are issued prior to the Record Date, the above must be received by Breaker Resources NL **no later than** 5:00pm (WST) on 28 November 2013. If received after this date, issue of Shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires immediate attention. If you have any queries concerning the Offer, please contact your financial adviser or Michelle Simson, the Company Secretary, on +61 8 9226 3666.

Yours sincerely

**Tom Sanders**  
Executive Chairman