



2 May 2016

The Manager
Market Announcements Office
ASX Limited
PO Box H224 Australia Square
SYDNEY NSW 2001

Dear Sir/Madam

SHARE PURCHASE PLAN – SHAREHOLDERS’ INVITATION TO PARTICIPATE

Please find attached a letter being sent to shareholders in Breaker Resources NL (ASX: BRB) regarding the Company’s share purchase plan which was announced on 29 April 2016 (**SPP**). In addition to the *Invitation to Participate*, the correspondence provides details of the SPP Terms and Conditions.

Yours faithfully

A handwritten signature in black ink, appearing to read "M. Simson".

MICHELLE SIMSON
Company Secretary

12 Walker Avenue
WEST PERTH WA 6005
PO Box 244
WEST PERTH WA 6872



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Dear Shareholder,

Invitation to Participate in Share Purchase Plan

On 29 April 2016, Breaker Resources NL (ACN: 145 011 178) (**Breaker** or the **Company**) announced that it had successfully undertaken an institutional placement of fully paid ordinary shares at a price of \$0.13 per share to sophisticated and professional investors, to raise approximately \$500,000 (**Placement**). Part of the Placement is subject to shareholder approval.

In order to provide all eligible Shareholders with the ability to participate in this capital raising, the Company is pleased to provide details of its Share Purchase Plan (**SPP**) offer. Under the SPP, Breaker is giving each Eligible Shareholder the opportunity to purchase up to \$15,000 worth of fully paid ordinary shares (**Shares**) at the same price as the Placement, irrespective of the size of their shareholding, without incurring brokerage or transaction costs.

The offer under the SPP (**Offer**) is intended to raise at least \$500,000 (before expenses) on the terms and conditions (**Terms and Conditions**) enclosed with this letter. The SPP is underwritten to the amount of \$500,000 by Patersons Securities Limited (**Underwriter**). Any Shares not subscribed for by Eligible Shareholders (**Shortfall**) will be taken up by the Underwriter or its nominees as provided for under the terms of the underwriting agreement in place between the Company and the Underwriter.

Shareholders Eligible to Participate in the SPP

The right to participate under the SPP is optional and is available exclusively to shareholders who are registered as holders of Shares and partly paid shares at 5.00pm WST on 28 April 2016 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Share Purchase Plan

The SPP entitles Eligible Shareholders to purchase up to \$15,000 worth of Shares priced at a discount of 19% to the volume weighted average market price (**VWAP**) for the Shares over the last five (5) days on which sales in the Shares were recorded before the day on which the issue was announced, being \$0.13 (**Price**). This Price is the same price as Shares were offered to sophisticated and professional investors under the Placement.

The VWAP of Shares traded on the ASX during the five (5) trading days immediately prior to the announcement date of the Offer was \$0.1605.

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Whilst Breaker intends to raise at least \$500,000, the Company may accept additional applications subject to shareholder demand. The Company may also, in its absolute discretion, undertake a scale-back so that, in order to comply with regulatory requirements, not more than 30% of the number of Shares already on issue, are issued under the SPP.

The directors of Breaker who are Eligible Shareholders intend to participate under the Share Purchase Plan. Executive Chairman Tom Sanders has committed to act as a sub-underwriter to the Offer up to an amount of \$100,000. The issue of Shares to Mr Sanders as a sub-underwriter will be subject to shareholder approval at a general meeting to be held in the near future.

An outline of the SPP is set out in this letter and the enclosed Terms and Conditions. An application form for the SPP (**Application Form**) is included in this package.

Subscription and Application Procedure

Eligible Shareholders may participate by selecting only one of the following offers to purchase Shares under the SPP:

	Total amount payable	Number of Shares which may be purchased
Offer A	\$15,000	115,385
Offer B	\$10,000	76,924
Offer C	\$5,000	38,462
Offer D	\$3,000	23,077
Offer E	\$1,000	7,693

The number of Shares to which you are entitled is calculated by dividing the subscription amount you have elected by the Price per Share, rounded up.

If you would like to participate in the Offer, you can either:

- ✦ complete the enclosed Application Form and send it together with your payment by cheque to be received by the share registry no later than 5.00pm (WST) on 25 May 2016 (**Closing Date**); or
- ✦ make a BPAY^{®1} payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding. If you make your payment using BPAY[®] you do not need to return your Application Form. Payments must be received by the share registry by the Closing Date.

Further details relating to payment options are provided in the Terms and Conditions.

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the Closing Date. If the exact amount of money is not tendered with your application, the Company reserves the right to either:

¹ ® Registered to BPAY Pty Ltd; ABN 69 079 137 518



- ✦ return your Application Form and/or payment and not allot any Shares to you; or
- ✦ allot to you the number of Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

The maximum investment any Eligible Shareholder may apply for will remain \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account). It is the responsibility of the applicant to ensure that the aggregate of the application price paid for the Shares the subject of the application and any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission does not exceed \$15,000.

Custodians and Nominees

Eligible Shareholders who hold Shares as Custodian or Nominee (**Custodian**) for one or more persons on the Record Date (**Beneficiary**) may apply for up to a maximum amount of \$15,000 worth of Shares in respect of each Beneficiary who is resident in Australia or New Zealand, subject to providing a Custodian Certificate to the Company, as described in the Terms and Conditions enclosed with this letter. Please refer to the Terms and Conditions for more details.

Indicative Timetable

Record Date for SPP	28 April 2016 (5.00pm WST)
Announce SPP	29 April 2016
Dispatch Share Purchase Plan booklet to shareholders and release Offer Letter on the ASX	2 May 2016
Opening date for SPP	2 May 2016
Closing date for SPP	25 May 2016 (5.00pm WST)
Allotment and issue of new shares under the SPP	30 May 2016

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Application Forms as early as possible.

Acceptance of Risk Factors

On the last trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$0.22. The market price of Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your application under this Offer.

By making an application under this Offer and applying for Shares under the SPP, each Eligible Shareholder will be acknowledging that although the Price is at a discount, Shares are a speculative investment and the price of Shares on ASX may change between the date of Breaker announcing its intention to make an Offer and the date of issue of Shares under that Offer and that the value of the Shares received under the SPP may rise or fall accordingly.



The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in Breaker prior to making an application under this Offer.

Current Activities and Use of Funds

Details of the Company's current activities are set out in the announcements made by Breaker to the ASX and are available from the ASX, or the Company's website at www.breakerresources.com.au.

In conjunction with the Placement, the SPP is expected to provide the Company with additional funds of \$1 million (or more). It is anticipated that approximately \$650,000 of the funds raised will be utilised to undertake aircore (6,000m), reverse circulation (4,000m) and diamond (1,500m) drilling at the Company's Lake Roe Gold Project. The final mix of drilling may vary based on new results. The balance of funds will be used for a maiden aircore drilling program at the Company's Duketon North Project and for general working capital.

Exploration Development Incentive

Breaker will be participating in the federal government's Exploration Development Incentive (EDI) Scheme for the 2014/15 tax year. The EDI enables eligible exploration companies to create exploration credits by giving up a portion of their tax losses from eligible exploration expenditure and distributing these exploration credits to equity shareholders. Australian resident shareholders that are issued with an exploration credit will be entitled to a refundable tax offset (individuals or superannuation funds) or additional franking credits (companies). The exploration company's carry forward losses are reduced proportionately to reflect the amount of exploration credits created.

The Australian Taxation Office has declared a modulation factor of 1 for the purposes of calculating a company's maximum exploration credit amount in the current year. Breaker has claimed a tax loss of \$787,884 in 2014/15 and expects that \$236,365.20 (being the tax loss multiplied by the modulation factor multiplied by the company tax rate of 30%) is eligible to be distributed to shareholders.

The Directors have determined that the record date for the EDI will be 31 May 2016, with the intention that the new shares issued by that date under the Placement and SPP will be included in calculating each shareholders' pro-rata entitlement under the EDI scheme. EDI credits will be issued on 30 June 2016 and will be eligible for tax deduction by shareholders in the 2015/16 income year.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact Breaker's Company Secretary, Michelle Simson on (08) 9226 3666 or email breaker@breakerresources.com.au.

Yours faithfully

Tom Sanders
Executive Chairman

Breaker Resources NL (ACN: 145 011 179)

Share Purchase Plan - Terms and Conditions

1. Offer

- 1.1 This Offer entitles each Eligible Shareholder in Breaker Resources NL (**Company**) to subscribe through the Company's Share Purchase Plan (**SPP**) for a maximum of \$15,000 worth of fully paid ordinary shares in the Company (**Shares**) (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the SPP – the Company has not issued a share purchase plan in the last 12 months) without incurring brokerage in accordance with the following terms and conditions (**Offer**).
- 1.2 Subject to section 7.3, the Plan is expected to raise \$500,000 (or more).
- 1.3 The SPP is underwritten to \$500,000 by Patersons Securities Limited who is acting as Lead Manager and Underwriter to the offer.
- 1.4 The issue price under the SPP will be at a discount of 19% to the average market price for the Shares over the last five (5) days on which sales in the shares were recorded on the financial market operated by ASX Limited (**ASX**) before the day on which the issue was announced, being \$0.13 (**Price**).
- 1.5 All Shares issued under the SPP will rank equally with existing fully paid ordinary shares from the date of issue, and carry the same voting rights, dividend rights and other entitlements as existing Shares.
- 1.6 The SPP is established pursuant to the *Corporations Act 2001* (Cth) as amended by Australian Securities and Investment Commission (**ASIC**) Class Order [CO 09/425] (**CO 09/425**) and the ASX Listing Rules. Compliance with CO 09/425 exempts the Company from having to issue a disclosure document (eg. prospectus) for the offer of the Shares. This SPP is intended to be a "Purchase Plan" for the purposes of CO 09/425 and is to be read and construed and administered in a manner which causes the SPP to qualify and satisfy the requirements of a Purchase Plan under CO 09/425. The issue of the Shares under the Offer falls within ASX Listing Rule 7.2 (exception 15) and consequently such Shares issued will not count towards the Company's 25% limit under ASX Listing Rules 7.1 and 7.1A.
- 1.7 The SPP is governed upon such terms and conditions as the board of directors of the Company, in its absolute discretion, sees fit (subject to compliance with CO 09/425 and the ASX Listing Rules).

2. Eligibility

- 2.1 Registered holders of Shares and partly paid shares that are registered with an Australian or New Zealand address at the record date of 28 April 2016 (5.00pm WST) (**Record Date**) are eligible shareholders (**Eligible Shareholders**) and may participate in the SPP.
- 2.2 For the purposes of determining Eligible Shareholders, joint holders of Shares and partly paid shares are taken to be a single registered holder of Shares or partly paid shares.
- 2.3 The maximum investment any Eligible Shareholder may apply for will remain \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account). Applicants must ensure that the aggregate of the application price paid for the Shares the subject of the application and any other shares and interests in the class applied for under the SPP or any similar arrangement in the 12 months prior to the date of submission does not exceed \$15,000.

- 2.4 Directors of the Company who qualify as Eligible Shareholders may participate in the Offer on the same terms and conditions as all other Eligible Shareholders and their participation is not subject to shareholder approval.
- 2.5 Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the SPP (refer section 4 for further information).

3. Custodians, Trustees and Nominees

- 3.1 An Eligible Shareholder that holds Shares or partly paid shares as a custodian (as defined in CO 09/425 (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the SPP), may apply for up to the maximum value of Shares for each beneficiary for whom they act as custodian provided they annexe to their Application Form a certificate (**Custodian Certificate**) with the following information:
 - (a) that they held Shares or partly paid shares on behalf of one or more other persons who are resident in Australia or New Zealand (each a **Participating Beneficiary**) at 28 April 2016 who have subsequently instructed them to apply for Shares under the SPP on their behalf;
 - (b) the number of Participating Beneficiaries and their names and addresses;
 - (c) the number of Shares or partly paid shares that they hold on behalf of each Participating Beneficiary;
 - (d) the dollar amount of Shares that each Participating Beneficiary has instructed them, either directly or indirectly through another custodian, to apply for on their behalf;
 - (e) that the application price for Shares applied under the Offer for each Participating Beneficiary for whom they act plus the application price for any other Shares issued to them as custodian for that Participating Beneficiary under any arrangement similar to the SPP in the prior 12 months does not exceed \$15,000;
 - (f) that a copy of the written offer document was given to each beneficiary; and
 - (g) where they hold Shares or partly paid shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.
- 3.2 For the purposes of CO 09/425 an entity is a 'custodian' if they are a registered holder that:
 - (a) holds an Australian financial services licence that allows them to perform custodian or depositary services or operate IDPS accounts;
 - (b) is exempt from holding an Australian financial services licence by virtue of Class Order [CO 03/184] or by relying on the Australian financial services licence of their master custodian under regulation 7.1.06(k) of the *Corporations Regulations 2001* (Cth);
 - (c) is a trustee of a self-managed superannuation fund;
 - (d) is a trustee of superannuation master trusts;
 - (e) is a responsible entity of IDPS like schemes;
 - (f) is noted on the Company's register of members as holding the shares on account of another person.
- 3.3 If an entity holds Shares or partly paid shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, they cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

- 3.4 Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if they would like further information on how to apply, they should contact Advanced Share Registry (**Share Registry**) at any time from 8.30am to 5.00pm (WST) Monday to Friday during the Offer period on (08) 9389 8033.
- 3.5 The Company reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. Breaker reserves the right to reject applications in accordance with these Terms and Conditions.

4. Foreign Shareholder Restrictions

- 4.1 This document and the accompanying letter (**Documents**) may not be released or distributed in any country other than Australia and New Zealand. The Documents do not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in the Documents have not been, and will not be, registered under the *US Securities Act of 1933* (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.
- 4.2 The Shares offered under the SPP are not being offered or sold to the public within New Zealand other than to existing shareholders of Breaker with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).
- 4.3 The Documents have not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). The Documents are not an investment statement or prospectus under New Zealand law and are not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

5. Issue Price

- 5.1 The price of Shares to be issued under the SPP is \$0.13, being a discount of 19% of the volume weight average price for the Shares over the last five (5) days on which sales in the Shares were recorded before the day on which the issue was announced.
- 5.2 No brokerage, commissions or other transaction costs are payable by Eligible Shareholders under the Offer.

6. Participation

- 6.1 Eligible Shareholders may acquire a maximum of \$15,000 worth of Shares under the SPP by agreeing to accept one of the following parcels:

	Total amount payable	Number of Shares which may be purchased
Offer A	\$15,000	115,385
Offer B	\$10,000	76,924
Offer C	\$5,000	38,462
Offer D	\$3,000	23,077
Offer E	\$1,000	7,693

- 6.2 The maximum investment for each Eligible Shareholder is \$15,000 and the minimum investment is \$1,000.
- 6.3 No fractions of Shares will be issued. Any fraction of a Share will be rounded up to the nearest whole number of Shares.
- 6.4 The Offer is non-renounceable. This means that Eligible Shareholders cannot transfer their entitlement to purchase Shares under the SPP to another person.
- 6.5 Participation in the SPP is entirely at the option of each Eligible Shareholder. If you are in any doubt as to whether you should participate in the SPP or how such participation will affect you (including taxation implications), you should contact your professional adviser. The Company makes no recommendations as to the desirability or otherwise of your participation in the SPP.

7. Number of Shares Offered

- 7.1 The SPP is intended to raise \$500,000. In the case of the Offer being fully subscribed, the number of Shares to be issued will be 3,846,153 (subject to rounding).
- 7.2 Subject to section 7.3 below, if the Company receives applications for more than \$500,000 of Shares under the SPP, it may in its absolute discretion, undertake a scale-back, particularly where implementing a scale-back is necessary to comply with ASX Listing Rule restrictions on the total number of Shares that may be issued under the SPP via ASX Listing Rule 7.2 (exception 15; refer section 7.4 below. If there is a scale-back applicants may not receive all the Shares for which they have applied however all applicants will be treated equally and scaled back on a pro rata basis in a manner which complies with CO 09/425. If a scale-back produces a fractional number when applied to an application, the number of Shares to be allotted will be rounded up to the nearest whole number of Shares and any excess monies promptly refunded without interest. Any application monies refunded by the Company will be paid by cheque in Australian currency.
- 7.3 The Directors reserve the right, in consultation with the Underwriter and subject to the ASX Listing Rules, to expand the size of the SPP and accept subscriptions above \$500,000 in which case subscriptions will be accepted in a manner that ensures that the Offer complies with CO 09/425.
- 7.4 The maximum number of Shares that are able to be issued under the SPP in order to comply with ASX Listing Rule requirements is 25,044,217, being 30% of the Company's fully paid share capital on issue at the date of the Offer.

8. Underwriting

- 8.1 The Offer is underwritten to \$500,000 (**Underwritten Amount**) by Patersons Securities Limited (**Underwriter**). The underwriting agreement between the Company and the Underwriter contains customary conditions, warranties and undertakings and is subject to various termination events exercisable by the Underwriter.
- 8.2 Executive Chairman Tom Sanders has committed to sub-underwriting the Offer up to an amount of \$100,000, representing a maximum of 769,231 Shares. Any issue of Shares to Mr Sanders as a sub-underwriter will be subject to approval by shareholders in general meeting. If shareholders do not approve any issue to Mr Sanders, the effective amount of the underwriting may reduce to \$400,000.
- 8.3 In the event that Eligible Shareholders subscribe for an amount less than \$500,000 (**Shortfall Amount**), then the Underwriter will apply for Shares to the value of the difference between the Shortfall Amount and the Underwritten Amount (**Shortfall Shares**). The placement of any Shortfall Shares to the Underwriter is subject to the Company having the capacity to do so under the ASX Listing Rules and, at the date of the Offer, such capacity is available to the Company.

- 8.4 In addition to the Underwritten Amount, the sub-underwriters to the Underwriter may elect to undertake a placement of up to 3,846,153 additional Shares at the Price (**Top-Up Placement**). The Top-Up Placement will only apply to the extent that Eligible Shareholders subscribe for Shares and thereby reduce the number of Shortfall Shares the Underwriter would otherwise subscribe for under the Underwriting Agreement.
- 8.5 The Underwriter will be entitled to a fee of 5% on the amounts underwritten or raised in the Top-Up Placement and a 1% management fee on amounts raised under the SPP and via the Top-Up Placement. The fee is not payable on amounts subscribed for or sub-underwritten by the Company's Executive Chairman Tom Sanders or his related parties.

9. Timetable

- 9.1 The indicative timetable for the SPP is as follows:

Event	Date
Record Date	28 April 2016 (5.00pm WST)
Announcement Date	29 April 2016
Dispatch of Offer and Application Forms to Eligible Shareholders	2 May 2016
Opening date of Offer (Opening Date)	2 May 2016
Closing date for acceptances (Closing Date)	25 May 2016 (5.00pm WST)
Issue Date	30 May 2016

- 9.2 Subject to the ASX Listing Rules, the dates in the above table are indicative only and may change. The Company reserves the right to vary these dates, including whether to close the Offer early or accept late applications, either generally or in particular cases, without notifying any recipient of this Offer or any applicants. Eligible Shareholders who wish to submit an Application are encouraged to do so as soon as practicable after the SPP opens.
- 9.3 The Company will apply for the issued Shares to be quoted on the ASX within the relevant period specified in the ASX Listing Rules.

10. How to accept the Offer

- 10.1 Eligible Shareholders wishing to accept the Offer for Shares under the SPP have two payment options – by cheque or BPAY^{®1}, details of which are set out below. Please do not forward cash. Receipts for payment will not be issued. Cheques will only be accepted if they are drawn in Australian currency. Application money will not bear interest under any circumstances. The Company will pay any brokerage or transaction costs.

- 10.2 **To pay by cheque** you must:

- complete the accompanying Application Form in accordance with the instructions set out in that form;
- prepare a cheque for the appropriate amount in Australian dollars, payable to "Breaker Resources NL"; and
- send the Application Form and cheque to the Share Registry.

The completed Application Form and cheque must be received by the Closing Date. Applications received after that time may not be accepted.

¹ ® Registered to BPAY Pty Ltd; ABN 69 079 137 518

- 10.3 **To pay by** BPAY® from your cheque or savings account you must use the Biller Code and Reference Number shown on your Application Form which is required to identify your holding. If you make your payment using BPAY®, you do not need to return the Application Form. Eligible Shareholders should be aware that their own financial institution may implement earlier cut-off times with regards to electronic payment or limits on amounts that can be transacted. It is the responsibility of each applicant to ensure that the application money is submitted through BPAY® with sufficient time for it to be processed by their own financial institution and received by the Company by the Closing Date and that the amount to be paid does not exceed any limit.
- 10.4 If you have multiple holdings you will have multiple BPAY® Reference Numbers. To ensure you receive your Shares under the Offer in respect of that holding you must use the specific Biller Code and Reference Number shown on each personalised Application Form when paying for any Shares that you may wish to apply for in respect of that holding. If you inadvertently use the same Reference Number for more than one of your applications, you will be deemed to have applied only for that application to which that Reference Number applies and any excess amount will be refunded.
- 10.5 By completing and returning the Application Form or paying by BPAY®, you:
- (a) acknowledge that you have read and understood the terms and conditions of this Offer (including the risks – see section 13 below) and subscribe for Shares in accordance with these terms and conditions;
 - (b) acknowledge that your application will be irrevocable and unconditional (and cannot be withdrawn);
 - (c) agree to pay the Price per Share up to a maximum of the value selected on the Application Form (which cannot exceed \$15,000);
 - (d) warrant you are an Eligible Shareholder;
 - (e) warrant that you are eligible under all applicable securities laws to receive an offer under the SPP;
 - (f) certify that you have not applied for Shares with an aggregate application price in excess of \$15,000 under the SPP or any similar arrangements in the 12 months prior to the date of application, even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
 - (g) authorise the Company (and each of its officers and agents) to correct any error in, or omission from, the Application Form and complete the Application Form by inserting any missing details;
 - (h) acknowledge that the Company may at any time irrevocably determine that your application is valid, in accordance with these terms and conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
 - (i) acknowledge that neither the Company, nor the Share Registry has provided any investment advice or financial product advice, and that neither has any obligation to provide this advice;
 - (j) acknowledge that the Company (and each of its officers and agents) is not liable for any consequences of the exercise or non-exercise of its discretions referred to in section 12 below; and
 - (k) agree to be bound by the Company's constitution.

11. Issue of Shares

- 11.1 Shares to be issued under the SPP will be issued as soon as reasonably practicable after the Closing Date. Shares issued under the SPP will rank equally in all respects with all other fully paid ordinary shares in the Company from the date of issue.
- 11.2 Breaker will, promptly after the issue of Shares under the SPP, make application for those Shares to be listed for quotation on the official list of ASX.
- 11.3 Shareholding statements or CHESS notification will be issued in respect of all Shares issued under the SPP. If you trade any Shares before you receive your Holding Statement, then you do so at your own risk.

12. Company's discretions regarding Applications

- 12.1 Provided it does so in a manner which complies with CO 09/425, the Company has the right to accept or reject any applications under the SPP, including where:
- (a) an Application Form is incorrectly completed or incomplete or otherwise determined by the Company to be invalid;
 - (b) a cheque is dishonoured or has not been completed correctly;
 - (c) a cheque is not made out for the exact value of Shares selected on the Application Form;
 - (d) the Application money is not submitted through BPAY® within sufficient time for it to be received by the Company before the Closing Date;
 - (e) it appears that an Eligible Shareholder is applying for more than \$15,000 (in aggregate) of Shares;
 - (f) an Application Form is received after the Closing Date. (While the Company may accept late Application Forms and cheques, there is no assurance that it will do so. Late Application Forms and cheques, if not processed, will be returned to the shareholder's registered address); or
 - (g) the Company reasonably believes that the applicant is not an Eligible Shareholder.
- 12.2 If the Company rejects, or partially rejects, an application (including by way of scale-back) or terminates the SPP, the Company will promptly return to the Eligible Shareholder the relevant subscription monies, without interest.
- 12.3 The Company reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of the Company under these conditions may be exercised by the Directors or any delegate of the Directors.
- 12.4 If the Company is not satisfied with the Custodian Certificate, the Company cannot issue Shares to the Custodian on behalf of the Participating Beneficiary.
- 12.5 The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant, application or Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.
- 12.6 The Company may change, suspend or terminate the SPP and Offer at any time whether because of a change of law, ASX, ASIC requirements or policy or any other relevant circumstance. If the Company does this, it will post a notice on its website and make an

announcement to the ASX. Failure to notify shareholders of changes to or the suspension or termination of the SPP and Offer, will not invalidate the change, suspension or termination.

- 12.7 The Company reserves the right to issue no Shares or fewer Shares than an Eligible Shareholder applies for under the SPP if the Company believes the issue of those Shares would contravene ASIC requirements (including CO 09/425) or policy, any law or any ASX Listing Rule.

13. Risk Factors

- 13.1 Before deciding whether to accept the Offer, you should refer to the current market price of the Company's Shares, which can be obtained from daily newspapers, your stockbroker or financial adviser or the ASX.
- 13.2 Owning shares in the Company is considered a speculative form of investment and the future price of the Company's Shares can rise or fall.
- 13.3 Shareholders should be aware that there is a risk that the market price of the Shares may change between the date of this Offer and the date when the new shares are issued under the SPP. The value of the Shares received may rise or fall accordingly.
- 13.4 Shareholders should note that the Offer is not made under a prospectus or other disclosure document and does not require the type of disclosure required under the *Corporations Act 2001* (Cth). Shareholders must rely on their own knowledge of the Company and previous disclosures made by the Company on the ASX. You should consult your professional adviser when deciding whether or not to accept the Offer and participate in the SPP.

14. Privacy

- 14.1 By completing the Application Form, you will be providing personal information to the Company. The *Privacy Act 1988* (Cth) governs the use of a person's personal information and sets out principles governing the ways in which organisations should treat personal information. The Company collects information about each applicant provided on an application Form for the purposes of evaluating and processing the application and, if the application is successful, to administer the applicant's security holding in the Company. If the Company is obliged to do so by law, investors' personal information will be passed on to other parties strictly in accordance with legal requirements. Once personal information is no longer needed for the Company's records, the Company will destroy or de-identify it.
- 14.2 By submitting an Application Form, each applicant agrees that the Company may use the information provided by an applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

15. Governing Law

These Terms and Conditions are governed by the laws in force in Western Australia.

16. Questions and Contact Details

If you have any questions regarding the SPP or how to deal with this Offer, please contact your stockbroker or professional adviser or Michelle Simson, Company Secretary on (08) 9226 3666 or via email on breaker@breakerresources.com.au.

Record Date 5.00pm (WST) on 28 April 2016

Offer opens 2 May 2016

Offer closes 5.00pm (WST) on 25 May 2016

SHARE PURCHASE PLAN ("SPP") APPLICATION FORM

How do I apply for Shares under the SPP?

- Carefully read the SPP Terms and Conditions accompanying this form and the Important Information on the reverse of this form.
- Decide on the amount of Shares you wish to apply for.
- Pay for the Shares in accordance with the instructions outlined in the SPP Terms and Conditions and the further instructions on the reverse of this form.
 - Option 1: Paying by BPAY®.
 - Option 2: Paying by Cheque.
- Payments must be made in Australian dollars.

PAYMENT OPTIONS

Option 1: Paying by BPAY®

If paying by BPAY®, you do NOT need to complete below or return this Application Form. By paying by BPAY® you will be deemed to have made the statements and certifications that are set out in the Important Information notice on the reverse of this form.

Payment must be received by the Registry by BPAY® by 5:00pm (WST) on 25 May 2016. By paying by BPAY®, you will be deemed to have completed an Application Form for the number of Shares the subject of your application payment. If you make a payment by BPAY® and Breaker Resources NL ("Breaker") receives an amount which is not equal to either A\$1,000, A\$3,000, A\$5,000, A\$10,000 or A\$15,000, Breaker may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$1,000.

BPAY	
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Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account.

More info: www.bpay.com.au; ® Registered to BPAY Pty Ltd; ABN 69 079 137 518

Option 2: Paying by Cheque

If paying by cheque, complete and return the Application Form with your payment.

- Tick the box beside the amount you wish to apply for, either A\$1,000, A\$3,000, A\$5,000, A\$10,000 or A\$15,000.
- Enter your cheque details. The amount of your application payment should be equal to the amount applied for in section A below. Cheques must be drawn in Australian currency, made payable to "Breaker Resources NL" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque for an amount that is not equal to either A\$1,000, A\$3,000, A\$5,000, A\$10,000 or A\$15,000, Breaker may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$1,000.
- Enter your contact telephone number at which we may contact you regarding your application for Shares, if necessary.

A I/we wish to purchase a parcel of Shares to the dollar amount of (tick one box only):

<input type="checkbox"/>	A\$1,000	OR	<input type="checkbox"/>	A\$3,000	OR	<input type="checkbox"/>	A\$5,000	OR	<input type="checkbox"/>	A\$10,000	OR	<input type="checkbox"/>	A\$15,000
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B Make your cheque payable to "Breaker Resources NL" and crossed "Not Negotiable"

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$.00

C Telephone Number – Business Hours

Telephone Number – After Hours

Contact Name

IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase Shares under the SPP, there is no need to take action.
3. Please ensure you have read and understood the SPP Terms and Conditions and this Important Information, before you make the application payment by BPAY® or you submit your Application Form with your application payment.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] you must complete and submit an additional certificate certifying the matter sets out in paragraph 9 of ASIC Class Order [CO 09/425] (the "**Custodian Certificate**") before your application for Shares is accepted. The Certificate can be obtained by contacting the Registry: (08) 9389 8033 (in Australia) or +61 8 9389 8033 (outside of Australia). Applications received by custodians that are not accompanied by the Certificate will be rejected.
6. For applicants that are not required to complete the Certificate, by submitting the Application Form (with a cheque) or making payment by BPAY®, **you certify** that the aggregate of the payment made by you for:
 - the parcel of Shares indicated on the Application Form or BPAY® payment; and
 - any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Acceptance Application Form or payment by BPAY® does not exceed A\$15,000.
7. Breaker reserves the right to make amendments to this Application Form where appropriate.
8. Applicants are not assured of receiving the Shares for which they have applied as Breaker may scale-back applications in accordance with the SPP Terms and Conditions and any regulatory requirements.

How to Lodge your Application Form and Application Payment

The Application Form and the application payment must be received by the Share Registry no later than the closing date shown overleaf. If paying by BPAY® you do not need to complete or return the Application Form. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the Offer.

Mailing Address
Advanced Share Registry
PO Box 1156
Nedlands WA 6909

or

Hand Delivery
Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009

Make sure you send your Application Form and application payment allowing enough time for mail delivery, so Advanced Share Registry Services Ltd receives them no later than 5:00pm (WST) on 25 May 2016. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Breaker reserves the right not to process any Application Forms and application payments received after the closing date referred to above.

**If you require information on how to complete this Application Form, please contact the Share Registry on:
(08) 9389 8033 (in Australia) or +61 8 9389 8033 (outside of Australia).**