

# Notice of General Meeting

incorporating Explanatory  
Memorandum & Proxy Form

Date of Meeting:

**10 June 2016**

Time of Meeting:

**1.00pm WST**

Place of Meeting:

**Breaker Resources NL**

**12 Walker Avenue**

**WEST PERTH WA 6005**

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary Michelle Simson on (+61 8) 9226 3666.

**BREAKER RESOURCES NL**

ACN: 145 011 178

**NOTICE OF A GENERAL MEETING OF SHAREHOLDERS**

Notice is hereby given that a General Meeting of Shareholders of Breaker Resources NL (**Company**) will be held at the Company's office at 12 Walker Avenue, West Perth, Western Australia on Friday, 10 June 2016 at 1.00pm WST for the purpose of transacting the business outlined below.

**The business at the Meeting affects your shareholding and your vote is important.**

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice. Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

**RESOLUTION 1: RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES**

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

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,461,503 Shares under the Placement on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue, and any Associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**RESOLUTION 2: APPROVAL FOR ISSUE OF RP PLACEMENT SHARES TO A DIRECTOR**

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

*"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 384,616 Shares to Thomas Sanders (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 2 by Mr Thomas Sanders and/or his nominee/s and any of their Associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**RESOLUTION 3: RATIFICATION OF PRIOR ISSUE OF UNDERWRITER SHARES**

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

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of up to 3,846,153 Shares to Patersons Securities Limited (or its nominees) on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 3 by any person who participated in the issue, and any Associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **RESOLUTION 4: APPROVAL FOR ISSUE OF RP SUB-UNDERWRITER SHARES TO A DIRECTOR**

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

*"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 769,231 Shares to Thomas Sanders (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 4 by Mr Thomas Sanders and/or his nominee/s and any of their Associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **RESOLUTION 5: RATIFICATION OF PRIOR ISSUE OF MARCH AUSDRILL SHARES**

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

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 315,670 Shares to Ausdrill International Pty Ltd on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 5 by Ausdrill International Pty Ltd and/or its nominee/s and any of its Associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **RESOLUTION 6: RATIFICATION OF PRIOR ISSUE OF APRIL AUSDRILL SHARES**

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

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 444,920 Shares to Ausdrill International Pty Ltd on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 6 by Ausdrill International Pty Ltd and/or its nominee/s and any of its Associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**RESOLUTION 7: APPROVAL FOR FUTURE ISSUE OF NEW AUSDRILL SHARES**

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

*"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares that, when multiplied by the issue price, will equal up to \$500,000 to Ausdrill International Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 7 by Ausdrill International Pty Ltd and/or its nominee/s and a person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any Associates of any of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By order of the Board.



Michelle Simson  
Company Secretary

Date: 10 May 2016

**PROXIES**

To vote by proxy, please complete and sign the enclosed Proxy Form and return no later than **1.00pm WST on 8 June 2016**:

- ✦ by hand delivery to: Breaker Resources NL  
12 Walker Avenue  
WEST PERTH WA 6005; or
- ✦ by post to: Breaker Resources NL  
PO Box 244  
WEST PERTH WA 6872; or
- ✦ by facsimile on **+61 8 9226 3668**; or
- ✦ by email to **breaker@breakerresources.com.au**.

A Shareholder entitled to attend and vote at the Meeting has the right to appoint up to two (2) proxies. Where more than one (1) proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. A proxy may, but need not be, a Shareholder of the Company and may be an individual or a body corporate.

The instrument appointing the proxy must be in writing, executed by the appointer or their attorney duly authorised in writing or, if such appointer is a corporation, either under seal or under hand of an officer/s duly authorised.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, facsimile or email and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

***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 (ie. as directed); and
- ✘ if the proxy has two (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 (ie. 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 (ie. 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; or
  - 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.

**ENTITLEMENT TO VOTE**

For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have determined that members holding Shares at **4.00pm WST on 8 June 2016** will be entitled to attend the Meeting and vote in accordance with the number of Shares held at this time.

Each Shareholder shall be entitled to one (1) vote on a show of hands. In the case of a poll, the holders of Shares are entitled to one (1) vote for every one (1) Share held, and holders of Partly Paid Shares are entitled to a fraction of one (1) vote which is equivalent to the proportion which the amount paid bears to the total issue price (excluding any amounts paid up in advance of a call). An example is provided below:

Shareholding	Number	Calculation Basis	Attaching Votes
Number of Shares held	50,000	1:1	50,000
Number of Partly Paid Shares held	5,000	1:20 (paid up \$0.01 of \$0.20 issue price)	250
Total votes			50,250

**CORPORATIONS**

A corporation may elect to appoint a representative in accordance with section 250D of the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

## EXPLANATORY MEMORANDUM

---

This Explanatory Memorandum has been prepared for the Shareholders of Breaker Resources NL ACN: 145 011 178 in connection with the business to be conducted at the General Meeting to be held at the Company's office at 12 Walker Avenue, West Perth, Western Australia, on Friday, 10 June 2016 commencing at 1.00pm WST.

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions. Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them as in the glossary contained in this Explanatory Memorandum.

At the Meeting, Shareholders will be asked to consider the following Resolutions:

- ✦ ratifying the prior issue of Shares under the Placement;
- ✦ approving the issue of Shares under the Placement to director Tom Sanders;
- ✦ ratifying the prior issue of Shares to Patersons Securities Limited (or its nominees);
- ✦ approving the issue of Shares as a sub-underwriter to director Tom Sanders;
- ✦ ratifying the prior issue of Shares to Ausdrill International Pty Ltd (two Resolutions); and
- ✦ approving the future issue of Shares to Ausdrill International Pty Ltd (or its nominee).

### INTRODUCTION: BACKGROUND TO CAPITAL RAISING

On 29 April 2016, the Company announced that it was undertaking a capital raising comprising a placement (**Placement**) and a share purchase plan (**SPP**) (together **Capital Raising**) with the purpose of raising \$1million or more. The Company appointed Patersons Securities Limited (**Patersons**) to act as lead manager to assist with the Capital Raising.

The first tranche of the Placement comprises the issue of 3,461,503 Shares to professional, institutional and sophisticated investors and Patersons' clients at an issue price of \$0.13 (**Placement Shares**). The second tranche of the Placement comprises the issue of up to 384,616 Shares to a director of the Company, Mr Thomas Sanders, at an issue price of \$0.13 (**RP Placement Shares**).

The SPP provides all Shareholders with the opportunity to subscribe for Shares on the same terms as the Placement up to a total investment of \$15,000 per Eligible Shareholder. The SPP is intended to raise \$500,000 or more and is underwritten by Patersons to that amount (**Underwritten Amount**). Should the SPP be fully subscribed to the Underwritten Amount, a total of 3,846,153 Shares (subject to rounding) will be issued to Eligible Shareholders although the Company reserves the right to accept over-subscriptions. In such case, the maximum number of Shares that may be issued via the SPP to Eligible Shareholders under the ASX Listing Rules is 25,044,217 being 30% of the Company's fully paid share capital on issue at the date that the SPP was announced.

The Placement Shares were issued on 4 May 2016 and ratification by Shareholders of this issue is sought under Resolution 1. The issue of the RP Placement Shares to Tom Sanders is subject to Shareholder approval under Resolution 2.

As at the date of this Notice, the SPP will close on 25 May 2016. In the event that Eligible Shareholders subscribe for an amount less than \$500,000 (**Shortfall Amount**), then Patersons (as underwriter) will apply for Shares to the value of the difference between the Shortfall Amount and the Underwritten Amount (**Shortfall Shares**). Director Tom Sanders has committed to act as a sub-underwriter to the SPP up to an amount of \$100,000, with the issue of any Shares subject to shareholder approval. Mr Sanders will be paid a fee of 1.5% of the sub-underwritten amount by Patersons, the same fee being paid to other sub-underwriters.

Should the SPP close fully subscribed up to the Underwritten Amount or partially subscribed, the sub-underwriters to Patersons may elect to subscribe for up to 3,846,153 additional Shares (**Top-Up Shares**) at the same price as the Placement and SPP (**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 that Patersons (or the sub-underwriters) would otherwise subscribe for under the underwriting agreement in place between Patersons and the Company.

The Shortfall Shares or Top-Up Shares (as the case may be) (together the **Underwriter Shares**) are expected to be issued on or around 31 May 2016 (may be issued on different dates) and ratification of this issue is sought under Resolution 3. The issue of either Shortfall Shares or Top-Up Shares to Tom Sanders as a sub-underwriter of the SPP (**RP Sub-Underwriter Shares**) is subject to Shareholder approval and is considered in Resolution 4.

Further information relating to each of the Resolutions is provided below.

### **RESOLUTION 1: RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES**

#### **1.1 General**

ASX Listing Rule 7.1 requires shareholder approval for an issue of Equity Securities if, over a 12 month period, the amount of the Equity Securities issued by a company is more than 15% of the number of ordinary shares on issue at the start of that 12 month period. ASX Listing Rule 7.1A provides that a company may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital, provided that it is an Eligible Entity.

At the time of its 2015 annual general meeting, Breaker was an Eligible Entity and received approval from Shareholders under ASX Listing Rule 7.1A. This approval is valid for 12 months and therefore expires on 18 November 2016, being 12 months since the date of the 2015 annual general meeting.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of Equity Securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those Equity Securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Whilst issue of the Placement Shares falls within the Company's 25% capacity of ASX Listing Rules 7.1 and 7.1A, approval of the issue is being sought from members to allow for future equity fundraising flexibility. If Shareholder approval is received, the issue of Placement Shares will not detract from the Company's 15% limit under ASX Listing Rule 7.1. If Shareholder approval is not received, the Company's ability to issue Equity Securities for the 12 month period following the issue of the Placement Shares will be restricted.

Resolution 1 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

#### **1.2 Technical information required by ASX**

Pursuant to and in accordance with ASX Listing Rule 7.5, the information below is provided in relation to this Resolution 1:

(a) Number of securities issued

The number of Equity Securities issued by the Company to investors was 3,461,503 Shares.

(b) Issue price

The issue price of the Placement Shares was \$0.13 per Share.

- (c) Terms of the securities  
The Placement Shares rank equally with all other fully paid ordinary shares on issue.
- (d) Allottees  
The Placement Shares were issued to “sophisticated”, “institutional” or “professional” investors in accordance with sections 708(8), 708(10) and 708(11) of the Corporations Act, as selected by Patersons in consultation with the Company. None of these subscribers are related parties of the Company.
- (e) Intended use of funds  
The funds raised will be used to support the Company’s exploration activities, particularly drilling at the Lake Roe and Duketon North Projects, and for general working capital purposes.
- (f) Voting exclusion statement  
A voting exclusion statement is included in this Notice.

### 1.3 Directors’ recommendation

All of the Directors recommend that Shareholders vote in favour of Resolution 1.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolution 1. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 1 or to abstain from voting.

## **RESOLUTION 2: APPROVAL FOR ISSUE OF RP PLACEMENT SHARES TO A DIRECTOR**

### 2.1 Overview

The Company’s Executive Chairman, Mr Thomas Sanders, proposes to participate in the Placement. Specifically, he wishes to subscribe for up to 384,616 Shares on the same terms of issue as for other investors in the Placement (refer to the Introduction for further details).

### 2.2 General

#### 2.2.1 Chapter 2E, Corporations Act

Chapter 2E of the Corporations Act requires a public company to seek shareholders’ approval for the provision of a financial benefit to a related party unless the benefit falls within the exceptions provided in sections 210 to 216 of the Corporations Act. Mr Sanders’ participation in the Placement will result in the issue of Shares which constitutes giving a financial benefit and Mr Sanders is a Director of the Company and therefore a related party.

The Directors (other than Mr Sanders who has a material personal interest in Resolution 2) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Mr Sanders’ participation in the Placement as the RP Placement Shares will be issued on the same terms as the Placement Shares issued to non-related party participants and as offered to all Shareholders in the SPP, and as such, the giving of the financial benefit is reasonable on arm’s length terms (an allowable exemption under section 210 of the Corporations Act).

#### 2.2.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval for an issue of (or agreement to issue) Equity Securities to a Related Party, unless an exception applies. None of the exceptions outlined in ASX Listing Rule 10.12 apply and for this reason, Shareholder approval under ASX Listing Rule 10.11 is required for the issue of the RP Placement Shares to Mr Sanders (or his nominee). If approval is given for the purpose of ASX Listing Rule 10.11, approval is not required for the purposes of ASX Listing Rule 7.1.



Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

### 2.3 Technical information required by ASX

Pursuant to and in accordance with ASX Listing Rule 10.13, the information below is provided in relation to this Resolution 2:

- (a) Allottee/s  
The RP Placement Shares will be issued to Mr Thomas Sanders or his nominee.
- (b) Maximum number of securities  
The maximum number of Equity Securities the Company will issue to Mr Sanders is 384,616 Shares.
- (c) Issue date  
The RP Placement Shares will be issued to Mr Sanders on or around 15 June 2016. In any event, the RP Placement Shares will be issued no later than one (1) month after the date of the Meeting.
- (d) Issue price  
The issue price of the RP Placement Shares will be \$0.13 per Share.
- (e) Terms of the securities  
The RP Placement Shares will rank equally with all other fully paid ordinary shares on issue.
- (f) Intended use of funds  
The funds raised will be used to support the Company's exploration activities, particularly drilling at the Lake Roe and Duketon North Projects, and for general working capital purposes.
- (g) Voting exclusion statement  
A voting exclusion statement is included in this Notice.

### 2.4 Directors' recommendation

The Directors, other than Mr Sanders, welcome Mr Sanders' participation in the Placement on the same terms as other investors and recommend that Shareholders vote in favour of Resolution 2. Mr Sanders has a material personal interest in the matter and makes no recommendation.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolution 2. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 2 or to abstain from voting.

## **RESOLUTION 3: RATIFICATION OF PRIOR ISSUE OF UNDERWRITER SHARES**

### 3.1 General

As mentioned above in the Introduction, the Company expects to issue the Shortfall Shares or Top-Up Shares (as the case may be) (together the **Underwriter Shares**) on or around 31 May 2016. At this time, the issue will be undertaken utilising the Company's 15% capacity under ASX Listing Rule 7.1. As per the issue of Placement Shares contemplated in Resolution 1, the Company is seeking ratification of the issue to meet the exception in ASX Listing Rule 7.4 and thereby deem the issue of the Underwriter Shares to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Resolution 3 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

### 3.2 Technical information required by ASX

Pursuant to and in accordance with ASX Listing Rule 7.5, the information below is provided in relation to this Resolution 3:

- (a) Number of securities issued  
The number of Equity Securities to be issued by the Company to Patersons (or its nominees), (whether via the underwriting or the Top-Up Placement) will be no more than 3,846,153 Shares.
- (b) Issue price  
The issue price of the Underwriter Shares will be \$0.13 per Share.
- (c) Terms of the securities  
The Underwriter Shares will rank equally with all other fully paid ordinary shares on issue.
- (d) Allottees  
The Underwriter Shares will be issued to Patersons Securities Limited, which is acting as underwriter to the SPP or Patersons' nominees, who will be "sophisticated", "institutional" or "professional" investors in accordance with sections 708(8), 708(10) and 708(11) of the Corporations Act. None of these subscribers are related parties of the Company.
- (e) Intended use of funds  
The funds raised will be used to support the Company's exploration activities, particularly drilling at the Lake Roe and Duketon North Projects, and for general working capital purposes.
- (f) Voting exclusion statement  
A voting exclusion statement is included in this Notice.

### 3.3 Directors' recommendation

All of the Directors recommend that Shareholders vote in favour of Resolution 3.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolution 3. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 3 or to abstain from voting.

## **RESOLUTION 4: APPROVAL FOR ISSUE OF RP SUB-UNDERWRITER SHARES TO A DIRECTOR**

### 4.1 Overview

The Company's Executive Chairman, Mr Thomas Sanders, has committed to sub-underwriting the SPP up to an amount of \$100,000. Specifically, he wishes to be able to subscribe for up to 769,231 Shares on the same terms as for other sub-underwriters to the SPP (including under the Top-Up Placement as applicable).

### 4.2 General

#### 4.2.1 Chapter 2E, Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in section 2.2.1 of this Explanatory Memorandum.

The Directors (other than Mr Sanders who has a material personal interest in Resolution 4) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Mr Sanders' participation as a sub-underwriter as the Equity Securities will be issued on the same terms as the Equity Securities issued to non-related party sub-underwriters and as offered to all Shareholders in the SPP, and as such, the giving of the

financial benefit is on reasonable arm's length terms (an allowable exemption under section 210 of the Corporations Act).

#### 4.2.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval for an issue of (or agreement to issue) Equity Securities to a Related Party, unless an exception applies. None of the exceptions outlined in ASX Listing Rule 10.12 apply and for this reason, Shareholder approval under ASX Listing Rule 10.11 is required for the issue of RP Sub-underwriter Shares to Mr Sanders (or his nominee). If approval is given for the purpose of ASX Listing Rule 10.11, approval is not required for the purposes of ASX Listing Rule 7.1.

Resolution 4 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

### 4.3 Technical information required by ASX

Pursuant to and in accordance with ASX Listing Rule 10.13, the information below is provided in relation to this Resolution 4:

- (a) Allottee/s  
The RP Sub-Underwriter Shares will be issued to Mr Thomas Sanders or his nominee.
- (b) Maximum number of securities  
The maximum number of Equity Securities the Company will issue to Mr Sanders is 769,231 Shares.
- (c) Issue date  
The RP Sub-Underwriter Shares will be issued to Mr Sanders on or around 15 June 2016. In any event, the RP Sub-Underwriter Shares will be issued no later than one (1) month after the date of the Meeting.
- (d) Issue price  
The issue price of the RP Sub-Underwriter Shares will be \$0.13 per Share.
- (e) Terms of the securities  
The RP Sub-Underwriter Shares will rank equally with all other fully paid ordinary shares on issue.
- (f) Intended use of funds  
The funds raised will be used to support the Company's exploration activities, particularly drilling at the Lake Roe and Duketon North Projects, and for general working capital purposes.
- (g) Voting exclusion statement  
A voting exclusion statement is included in this Notice.

### 4.4 Directors' recommendation

The Directors, other than Mr Sanders, welcome Mr Sanders' participation as a sub-underwriter to the SPP on the same terms as other sub-underwriters and recommend that Shareholders vote in favour of Resolution 4. Mr Sanders has a material personal interest in the matter and makes no recommendation.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolution 4. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 4 or to abstain from voting.

**RESOLUTION 5: RATIFICATION OF PRIOR ISSUE OF MARCH AUSDRILL SHARES****5.1 General**

On 4 March 2016 the Company issued 315,670 Shares (**March Ausdrill Shares**) to Ausdrill International Pty Ltd (**Ausdrill**) in part consideration for drilling services performed at the Company's Lake Roe Gold Project during February 2016. The deemed issue price was calculated based on the volume weighted average of the market price of the Company's Shares (**VWAP**) on the five (5) days of trade prior to the Company committing to issue the March Ausdrill Shares, being \$0.291.

The Directors took the opportunity to utilise the ability to issue equity in part consideration for the drilling services to preserve the Company's cash position. The issue of the March Ausdrill Shares was undertaken utilising the Company's 15% capacity under ASX Listing Rule 7.1. The Company is seeking ratification of the issue to meet the exception in ASX Listing Rule 7.4 and thereby deem the Ausdrill Shares to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Resolution 5 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

**5.2 Technical information required by ASX**

Pursuant to and in accordance with ASX Listing Rule 7.5, the information below is provided in relation to this Resolution 5:

- (a) Number of securities issued  
The number of Equity Securities issued by the Company was 315,670 Shares.
- (b) Issue price  
The deemed issue price of the March Ausdrill Shares was \$0.291 per Share (although as mentioned above this amount was not paid in cash as the Shares were issued in part consideration for drilling services).
- (c) Terms of the securities  
The March Ausdrill Shares rank equally with all other fully paid ordinary shares on issue.
- (d) Allottees  
The March Ausdrill Shares were issued to Ausdrill International Pty Ltd, who is a "sophisticated", "institutional" or "professional" investor in accordance with sections 708(8), 708(10) and 708(11) of the Corporations Act. Ausdrill is not a related party of the Company.
- (e) Intended use of funds  
The March Ausdrill Shares were issued in part consideration for drilling services conducted at the Company's Lake Roe Gold Project during February 2016. As such, no funds were raised.
- (f) Voting exclusion statement  
A voting exclusion statement is included in this Notice.

**5.3 Directors' recommendation**

All of the Directors recommend that Shareholders vote in favour of Resolution 5.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolution 5. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 5 or to abstain from voting.

**RESOLUTION 6: RATIFICATION OF PRIOR ISSUE OF APRIL AUSDRILL SHARES****6.1 General**

On 6 April 2016 the Company issued 444,920 Shares (**April Ausdrill Shares**) to Ausdrill in part consideration for drilling services performed at the Company's Lake Roe Gold Project during March 2016. The deemed issue price was calculated based on the VWAP on the five (5) days of trade prior to the Company committing to issue the April Ausdrill Shares, being \$0.262.

As for the March Ausdrill Shares the subject of Resolution 5, the issue of the April Ausdrill Shares was undertaken utilising the Company's 15% capacity under ASX Listing Rule 7.1 and ratification of the issue is sought to meet the exception in ASX Listing Rule 7.4 and thereby deem the April Ausdrill Shares to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Resolution 6 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

**6.2 Technical information required by ASX**

Pursuant to and in accordance with ASX Listing Rule 7.5, the information below is provided in relation to this Resolution 6:

- (a) Number of securities issued  
The number of Equity Securities issued by the Company was 444,920 Shares.
- (b) Issue price  
The deemed issue price of the April Ausdrill Shares was \$0.291 per Share (although as mentioned above this amount was not paid in cash as the Shares were issued in part consideration for drilling services).
- (c) Terms of the securities  
The April Ausdrill Shares rank equally with all other fully paid ordinary shares on issue.
- (d) Allottees  
The April Ausdrill Shares were issued to Ausdrill International Pty Ltd, who is a "sophisticated", "institutional" or "professional" investor in accordance with sections 708(8), 708(10) and 708(11) of the Corporations Act. Ausdrill is not a related party of the Company.
- (e) Intended use of funds  
The April Ausdrill Shares were issued in part consideration for drilling services conducted at the Company's Lake Roe Gold Project during March 2016. As such, no funds were raised.
- (f) Voting exclusion statement  
A voting exclusion statement is included in this Notice.

**6.3 Directors' recommendation**

All of the Directors recommend that Shareholders vote in favour of Resolution 6.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolution 6. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 6 or to abstain from voting.

**RESOLUTION 7: APPROVAL OF FUTURE SHARE ISSUE OF NEW AUSDRILL SHARES****7.1 General**

The Company has the ability, through an agreement with Ausdrill Limited, to elect to issue equity in part consideration for drilling services undertaken by that company at Breaker's exploration projects. Previous issues under this arrangement were discussed in Resolutions 5 and 6.

As previously outlined, ASX Listing Rule 7.1 provides for a 15% placement capacity within a 12 month period and any issue of Shares to Ausdrill, unless subsequently ratified or pre-approved by shareholders, will utilise this capacity. With the view to maximising the Company's ability to raise funds to enable an aggressive exploration program to continue, the Directors believe it is prudent to seek shareholder approval for the future issue of Shares to Ausdrill (**New Ausdrill Shares**).

Resolution 7 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

**7.2 Technical information required by ASX**

Pursuant to and in accordance with ASX Listing Rule 7.3, the information below is provided in relation to this Resolution 7:

**(a) Maximum number of securities**

The maximum number of New Ausdrill Shares to be issued for which prior approval is being received, is up to that number of Shares which, when multiplied by the issue price, equals \$500,000.

**(b) Date of issue**

It is anticipated that, subject to Shareholder approval being received, the New Ausdrill Shares will be issued progressively and in any event no later than three (3) months after the date of the Meeting, or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules.

**(c) Issue price**

The deemed issue price of the New Ausdrill Shares will be the VWAP calculated over the five (5) days on which sales in the Shares are recorded before the day on which the Company elects to pay any invoice received from Ausdrill Limited for drilling services via a mixture of cash and equity.

**(d) Allottees**

The New Ausdrill Shares will be issued to Ausdrill International Pty Ltd (or its nominee). Ausdrill is not a related party of the Company.

**(e) Terms of the securities**

The New Ausdrill Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

**(f) Use of funds**

The New Ausdrill Shares will be issued in part consideration for drilling services conducted at the Company's exploration projects. As such, no funds will be raised.

**(g) Voting exclusion statement**

A voting exclusion statement is included in this Notice.

**7.3 Directors' recommendation**

All of the Directors recommend that Shareholders vote in favour of Resolution 7.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolution 7. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 7 or to abstain from voting.

## GLOSSARY

---

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

<b>\$</b>	means Australian dollars.
<b>April Ausdrill Shares</b>	is defined in section 6.1.
<b>Associate</b>	has the same meaning as defined in section 11 and sections 13 to 17 of the Corporations Act.
<b>ASX</b>	means ASX Ltd (ACN: 008 624 691) and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
<b>Ausdrill</b>	means Ausdrill International Pty Ltd (ACN: 069 769 811), a nominee of Ausdrill Limited (ACN: 009 211 474)
<b>Board</b>	means the board of Directors of the Company.
<b>Capital Raising</b>	means the capital raising announced by the Company on 29 April 2016 comprising the Placement and the SPP.
<b>Chair</b>	means the chair of the Meeting.
<b>Company</b>	means Breaker Resources NL (ACN: 145 011 178).
<b>Constitution</b>	means the constitution of the Company.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	means a director of the Company.
<b>Eligible Entity</b>	means an entity that, at the date of the relevant general meeting: <ul style="list-style-type: none"><li>(i) is not included in the S&amp;P/ASX 300 Index; and</li><li>(ii) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.</li></ul>
<b>Eligible Shareholder</b>	means a Shareholder eligible to participate in the SPP.
<b>Equity Securities</b>	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.
<b>Explanatory Memorandum</b>	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
<b>Introduction</b>	means the section titled "Introduction: Background to Capital Raising" in the Explanatory Memorandum.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>March Ausdrill Shares</b>	is defined in section 5.1.
<b>Meeting</b>	means the General Meeting of Shareholders the subject of this Notice and Explanatory Memorandum
<b>Notice or Notice of Meeting</b>	means the Notice of General Meeting accompanying this Explanatory Memorandum.

<b>New Ausdrill Shares</b>	is defined in section 7.1
<b>Patersons</b>	means Patersons Securities Limited (ACN: 008 896 311; AFSL: 239 052)
<b>Placement</b>	means the placement to raise \$500,000 announced by the Company on 29 April 2016.
<b>Placement Shares</b>	is defined in the Introduction.
<b>Proxy Form</b>	means the proxy form attached to this Notice.
<b>Related Party</b>	has the same meaning as defined in Chapter 19 of the Listing Rules.
<b>Resolution</b>	means a resolution contained in the Notice.
<b>RP Placement Shares</b>	is defined in the Introduction.
<b>RP Sub-Underwriter Shares</b>	is defined in the Introduction.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a Share.
<b>Shortfall Amount</b>	is defined in the Introduction.
<b>Shortfall Shares</b>	is defined in the Introduction.
<b>SPP</b>	means the share purchase plan announced by the Company on 29 April 2016.
<b>Top-Up Placement</b>	is defined in the Introduction.
<b>Top-Up Shares</b>	is defined in the Introduction.
<b>Underwritten Amount</b>	is defined in the Introduction.
<b>Underwriter Shares</b>	is defined in the Introduction.
<b>VWAP</b>	means volume weighted average price
<b>WST</b>	means Western Standard Time as observed in Perth, Western Australia.



**Lodge your vote by:****Mail:**

Breaker Resources NL  
PO Box 244  
West Perth WA 6872

**Hand:**

12 Walker Avenue  
West Perth WA 6005

**Facsimile:** (+61 8) 9226 3668**Email:** breaker

@breakerresources.com.au

## Proxy Form

**For all enquiries call:** (+61 8) 9226 3666

### Instructions

1. Every Shareholder has the right to appoint some other person or company of their choice, who need not be a Shareholder, to attend and act on their behalf at the Meeting. If you wish to appoint a person or company other than the Chair, please insert the name of your proxyholder(s) in the space provided (see reverse).
2. If the Securities are registered in the name of more than one (1) owner (for example, joint ownership, trustees, executors, etc.), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you may be required to provide documentation evidencing your power to sign this Proxy Form with signing capacity stated.
3. This Proxy Form should be signed in the exact manner as the name that appears on the proxy.
4. If a Shareholder appoints two (2) proxies, each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half (½) of the Shareholder's voting rights. Fractions shall be disregarded.
5. Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended whilst the Shareholder is present at the Meeting.
6. To be effective, proxies must be delivered prior to 1.00pm WST on 8 June 2016 by:
  - mail to: PO Box 244, West Perth WA 6872;
  - hand to: 12 Walker Avenue, West Perth WA 6005;
  - facsimile to: (+61 8) 9226 3668; or
  - email to: breaker@breakerresources.com.au
7. For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) the Company has determined that Shareholders holding Securities at 4.00pm WST on 8 June 2016 will be entitled to attend and vote at the Meeting.
8. The Chair intends to vote undirected proxies in favour of all Resolutions set out in the Notice of Meeting.
9. This proxy confers discretionary authority in respect of amendments to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting.
10. This proxy should be read in conjunction with the accompanying documentation provided by the Company.
11. The securities represented by this proxy will be voted or withheld from voting in accordance with the Shareholders' instructions on any poll that may be called for, and if the Shareholder has specified a choice in respect of any matter to be acted upon, the securities will be voted accordingly.

**Please turn over to complete the form →**



Details of shareholdings are available via the **ADVANCED SHARE REGISTRY** website:

[www.advancedshare.com.au](http://www.advancedshare.com.au)


- Check all holdings by using HIN/SRN
- Update your holding details
- Reprint various documents online

**Change of address.** If incorrect, please mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes to their details.


## Form of Proxy

Please mark  to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf


 **PLEASE NOTE:** This proxy is solicited on behalf of the management of Breaker Resources NL ACN: 145 011 178 for use at the General Meeting of the Shareholders of the Company to be held at 12 Walker Avenue, West Perth WA 6005 on 10 June 2016 at 1.00pm WST or any adjournment thereof.

I/We being a member/s of Breaker Resources NL hereby appoint:

 **PLEASE NOTE:** If you leave this section blank, the Chair will be your proxy.


or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) is named, the chairman 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 at the Meeting and at any adjournment of that Meeting.

If you have not appointed the Chair as your proxy and you are appointing a second proxy please complete the following:  
 Proxy 1 is appointed to represent \_\_\_\_\_% of my voting right and Proxy 2 is appointed to represent \_\_\_\_\_% of my voting right.  
 My total voting right is \_\_\_\_\_ Shares and \_\_\_\_\_ Partly Paid Shares.

 **PLEASE NOTE:** If the appointment does not specify the proportion of votes that the proxy may exercise, each proxy may exercise half (1/2) the votes.

With respect to any amendment or variations to the matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting, I/we confer discretionary authority on the person voting on behalf of me/us to vote as that person sees fit. At the time of printing this Proxy Form, management knows of no such amendment, variation or other matter.

### STEP 2 Items of Business

 **PLEASE NOTE:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on that Resolution.

If you wish to indicate how your proxy is to vote, please mark the appropriate places below.

	FOR	AGAINST	ABSTAIN
Resolution 1 – Ratification of Prior Issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Approval for Issue of RP Placement Shares to a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Ratification of Prior Issue of Underwriter Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Approval for Issue of RP Sub-Underwriter Shares to a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Ratification of Prior Issue of March Ausdrill Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Ratification of Prior Issue of April Ausdrill Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Approval for Future Issue of New Ausdrill Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no choice is specified, the Shareholder is conferring discretionary authority on the proxy to vote at his or her discretion. It should be noted that where appointed as proxy, the Chair intends to vote FOR each of the Resolutions.

### SIGN Signing by Shareholder

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

Individual or Member 1	Member 2 (if joint holding)	Member 3 (if joint holding)	/ /
<div style="border: 1px solid black; width: 150px; height: 20px;"></div>	<div style="border: 1px solid black; width: 150px; height: 20px;"></div>	<div style="border: 1px solid black; width: 150px; height: 20px;"></div>	_____
Sole Director/Sole Secretary	Director/Company Secretary	Director	Date