



BREAKER Resources NL

7 August 2020

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

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 30 July 2020 (**SPP**). In addition to the *Invitation to Participate*, the correspondence provides details of the SPP Terms and Conditions and an example of the Application Form.

Authorised by the Board of Directors

MICHELLE SIMSON
Company Secretary



BREAKER

Resources NL

7 August 2020

Dear Shareholder,

Invitation to Participate in Share Purchase Plan

On 30 July 2020, Breaker Resources NL (ACN: 145 011 178) (**Breaker** or the **Company**) announced that it had received binding commitments to undertake a placement of fully paid ordinary shares at a price of \$0.24 per share, to raise \$20 million (**Placement**). The Placement is being undertaken in two tranches, with the first tranche issued to institutional and sophisticated investors utilising the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A. The issue of shares under the second tranche will be subject to shareholder approval at the Company's upcoming annual general meeting, as will an issue to the Company's current major shareholder, Electrum Strategic Opportunities Fund II LP (**Electrum**).

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 (as defined below) the opportunity to purchase up to \$30,000 worth of fully paid ordinary shares (**New Shares**), irrespective of the size of their shareholding, without incurring brokerage or transaction costs.

The offer under the SPP (**Offer**) is intended to raise \$3,000,000 (before expenses) on the terms and conditions (**Terms and Conditions**) enclosed with this letter.

Shareholders Eligible to Participate in the SPP

Participation under the SPP is optional and is available exclusively to shareholders who are registered as holders of Shares at 5.00pm AWST on 29 July 2020 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Share Purchase Plan

The SPP entitles Eligible Shareholders to purchase up to \$30,000 worth of New Shares. The issue price of the New Shares will be \$0.24 (**Price**), being the same price as shares issued under the Placement.

The volume weighted average price of Shares traded on the ASX during the five (5) trading days immediately prior to the announcement date of the Offer was \$0.260 (**VWAP Price**), and the Price under the Offer represents a discount of 7.7% to the VWAP Price.

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



Telephone: (08) 9226 3666
Facsimile: (08) 9226 3668
Email: breaker@breakerresources.com.au
Web: www.breakerresources.com.au

ASX: BRB; ABN: 87 145 011 178



Whilst Breaker intends to raise \$3,000,000, the Company may accept additional applications over that aggregate amount subject to shareholder demand, the discretion of the Company and any necessary approvals. 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 in the SPP.

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 New Shares under the SPP:

	Total amount payable
Offer A	\$30,000
Offer B	\$20,000
Offer C	\$15,000
Offer D	\$10,000
Offer E	\$5,000
Offer F	\$2,000

If you apply for New Shares under the Offer you are applying for a certain value of New Shares at the Price, rather than a certain number of New Shares. Any fraction of a New Share will be rounded up to the nearest whole number of New Shares.

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

- ✘ make an electronic funds transfer (**EFT**) payment from your cheque or savings account by using the unique Reference Number shown on your Application Form which is required to identify your holding. If you make your payment using EFT you do not need to return your Application Form. Payments must be received by the share registry no later than 5.00pm (AWST) on 9 September 2020 (**Closing Date**) however the Company may close the SPP prior to the indicative Closing Date depending on demand; 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 paid by EFT or BPAY[®], the Company reserves the right to either:

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



- ✘ return your payment and not allot any New Shares to you; or
- ✘ allot to you the number of New 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 as soon as possible, without interest.

Any monies returned by the Company will be by cheque in Australian currency.

The maximum investment any Eligible Shareholder may apply for will remain \$30,000 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 New 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 \$30,000.

Custodians and Nominees

Eligible Shareholders who hold Shares as Custodian or Nominee (**Custodian**) for one or more persons on the Record Date (**Participating Beneficiary**) may apply for up to a maximum amount of \$30,000 worth of Shares in respect of each Participating 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	29 July 2020 (5.00pm AWST)
Announcement Date	30 July 2020
Dispatch of Offer document and Application Forms to Eligible Shareholders	7 August 2020
Opening date of Offer	7 August 2020
Closing date for acceptance	9 September 2020 (5.00pm AWST)
Date of issue of New Shares	15 September 2020
Annual General Meeting of shareholders	17 September 2020

These dates are indicative only. The Company may vary the dates and times of the Offer without notice and as such the Company may close the SPP prior to the indicative Closing Date. Accordingly, shareholders are encouraged to submit their application as early as possible upon receipt of the SPP documentation.

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 \$0.26. The market price of Shares in the Company may rise and fall between the date of the Offer or the date of acceptance of the Offer, and the date that any New Shares are issued to you.



By making an application under this Offer and applying for New Shares under the SPP, each Eligible Shareholder will be acknowledging that although the Price of \$0.24 is at a discount to trading immediately prior to announcement, 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 New Shares under that Offer and that the value of the New 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 announced on 30 July 2020, the SPP is expected to provide the Company with additional funds of \$3 million (or more) before costs, taking the entire capital raising to \$23 million (or more) before costs. It is anticipated that the funds raised will be mainly used to progress drilling activities aimed at growing the Bombora Mineral Resource and expanding future development options at the 600km² Lake Roe Gold Project, together with working capital.

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. Summary of 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 \$30,000 worth of fully paid ordinary shares in the Company (**New 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 SPP is expected to raise \$3,000,000.
- 1.3 The issue price of the New Shares is \$0.24 (**Price**), being the same price as the fully paid ordinary shares (**Shares**) offered under a \$20million placement to institutional and sophisticated investors announced on 30 July 2020 (**Placement**). The Placement is being undertaken in two tranches, with the first tranche of shares to be issued to investors utilising the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A. The issue of shares under the second tranche, also with an issue of shares to the Company's major shareholder, Electrum Strategic Opportunities Fund II LP (**Electrum**), will be subject to approval at the upcoming annual general meeting of shareholders.
- 1.4 All New 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.
- 1.5 The SPP is established pursuant to the *Corporations Act 2001* (Cth) as amended by Australian Securities and Investment Commission (**ASIC**) regulatory instrument *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (RI 2019/547)* and in accordance with ASIC Regulatory Guide 125 and the ASX Listing Rules. Compliance with RI 2019/547 exempts the Company from having to issue a disclosure document (eg. prospectus) for the offer of the New Shares. This SPP is intended to be a "Purchase Plan" for the purposes of RI 2019/547 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 RI 2019/547. The issue of the New Shares under the Offer falls within ASX Listing Rule 7.2 (exception 5) and consequently such New Shares issued will not count towards the Company's 25% limit under ASX Listing Rules 7.1 and 7.1A.
- 1.6 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 RI 2019/547 and the ASX Listing Rules).
- 1.7 This document does not provide financial advice and has been prepared without taking into account any person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the SPP having regard to your investment objectives, financial situation or particular needs. Shareholders should seek independent financial and taxation advice before making any investment decision in relation to these matters. No cooling off regime applies in respect of the acquisition of the New Shares (whether the regime is provided for by law or otherwise).

2. Eligibility

- 2.1 Registered holders of Shares that are registered with an Australian or New Zealand address at 5.00pm AWST on 29 July 2020 (**Record Date**) are eligible shareholders (**Eligible Shareholders**) and may participate in the SPP, unless:

- (a) you hold Shares on behalf of another person who resides outside Australia or New Zealand in which case you will not be eligible to participate in respect of the Shares of that person unless participation complies with all applicable foreign laws; or
 - (b) you are, or are acting for the account or benefit of, a US Person as defined in Regulation S under the *US Securities Act of 1933*, as amended (**US Person**).
- 2.2 The maximum investment any Eligible Shareholder may apply for will remain \$30,000 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 New 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 \$30,000.
- 2.3 Joint holders of Shares will be taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and a certification under section 9.5 by one joint holder will be effective in respect of the other joint holder(s).
- 2.4 The SPP will be offered on the same terms and conditions to each Eligible Shareholder. For the avoidance of doubt, all Eligible Shareholders will receive the same offer, irrespective of the number of Shares which they hold at the Record Date.
- 2.5 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.
- 2.6 Due to foreign securities laws, it is not practical for shareholders resident in, or with registered addresses in, countries other than Australia or New Zealand to be offered the opportunity to participate in the SPP (refer section 4 for further information). The Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.
- 2.7 Participation in the Offer is optional and is subject to these Terms and Conditions. Offers made under the SPP are non-renounceable (ie. Eligible Shareholders may not transfer their rights to any New Shares offered under the SPP). Eligible Shareholders who wish to take up New Shares issued under the SPP agree to be bound by the Company's Constitution in respect of New Shares issued under the SPP.

3. Custodians, Trustees and Nominees

- 3.1 An Eligible Shareholder that holds Shares as a custodian (as defined in RI 2019/547 (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 New 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 on behalf of one or more other persons who are resident in Australia or New Zealand (each a **Participating Beneficiary**) at 5.00pm AWST on 29 July 2020 who have subsequently instructed them to apply for New Shares under the SPP on their behalf;
 - (b) the number of Participating Beneficiaries and their names and addresses;
 - (c) the number of Shares that they hold on behalf of each Participating Beneficiary;
 - (d) the dollar amount of New 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 New Shares applied for 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 \$30,000;
 - (f) that a copy of the written offer document was given to each beneficiary; and
 - (g) where they hold 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 RI 2019/547 an entity is a 'custodian' if they are a registered holder that:
- (a) holds an Australian financial services licence covering the provision of a custodial or depository service;
 - (b) is exempt under:
 - i. paragraph 7.6.01(1)(k) of the *Corporations Regulations 2001* (**Regulations**); or
 - ii. paragraph 7.6.01(1)(na) of the Regulations; or
 - iii. ASIC Class Order [CO 14/1000] or ASIC Class Order [CO 14/1001]; or
 - iv. Schedule 2 to the ASIC Corporations (Repeal and Transitional) Instrument 2016/396; or
 - v. an individual instrument of relief granted by ASIC to the person in terms similar to one of the class orders referred to in section 3.2(b)(iii) above; or
 - vi. paragraph 911A(2)(h) of the *Corporations Act 2001* (Cth);from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service; or
 - (c) holds an Australian financial services licence covering the operation of an IDPS or is responsible entity of an IDPS-like scheme (where IDPS and IDPS-like scheme have the meanings as defined in ASIC Class Orders [CO 13/763] and [CO 13/762] respectively);
 - (d) is a trustee of a self-managed superannuation fund or a superannuation master trust (as defined in RI 2019/547);
 - (e) is a registered holder of shares or interests in the class and is noted on the register of members of the Company as holding the shares or interests on account of another person.
- 3.3 If an entity holds Shares as a trustee or nominee for another person or persons but is 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 (refer section 2.3) 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 Automic Registry Services (**Share Registry**) during the Offer period on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).
- 3.5 The Company reserves the right to reject any application for New Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company 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 or New Zealand. The Documents do not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country.

- 4.2 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), or the securities laws of any state or other jurisdiction of the United States and may not be directly or indirectly offered, sold or resold to:
- (a) a US Person or a person acting for the account or benefit of a US Person; or
 - (b) a person within the United States or a person acting for the account or benefit of a person within the United States.

Because of the legal restrictions, and consistent with the representations contained in these Terms and Conditions and the Application Form, you must not:

- (a) send copies of the Documents or any other material relating to the SPP to any person in the United States or who is, or is acting for the account or benefit of, US Persons; or
 - (b) submit an Application Form or make payment for New Shares for any person in the United States or who is, or is acting for the account or benefit of, US Persons.
- 4.3 The Documents have not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand) (**FMC Act**). 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.

The New Shares offered under the SPP are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (as amended) (New Zealand).

Other than under the SPP, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

5. Issue Price

- 5.1 The issue price of the New Shares is \$0.24, being the same price as the Shares offered under the Placement. The Price represents a 7.7% discount to the volume weighted average price of the Company's shares on the ASX during the five (5) trading days immediately prior to the announcement date of the SPP (being 30 July 2020), which was \$0.260.
- 5.2 No brokerage, commissions or other transaction costs are payable by Eligible Shareholders in respect of the application for, and allotment under, the Offer.
- 5.3 The New Shares are a speculative investment, and the price of Shares may rise or fall between the date of this Offer and the date the New Shares are issued. This means that the price paid for a New Share under the SPP may be greater or less than the price of Shares at the time the Offer is accepted by Eligible Shareholders.

6. Participation

- 6.1 Eligible Shareholders may acquire a maximum of \$30,000 worth of New Shares under the SPP by agreeing to accept one of the following parcels:

	Total amount payable
Offer A	\$30,000
Offer B	\$20,000
Offer C	\$15,000
Offer D	\$10,000
Offer E	\$5,000
Offer F	\$2,000

- 6.2 The maximum investment for each Eligible Shareholder is \$30,000 and the minimum investment is \$2,000. You may not apply for more than \$30,000 of New Shares in aggregate under the Offer, even though you may receive more than one offer, or offers in more than one capacity, under the Offer.
- 6.3 If you apply for New Shares under the Offer you are applying for a certain value of New Shares at the Price (defined in section 1.3), rather than a certain number of New Shares. No fractions of New Shares will be issued. Any fraction of a New Share will be rounded up to the nearest whole number of New Shares.
- 6.4 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 \$3,000,000.
- 7.2 Subject to section 7.3 below, if the Company receives applications for more than \$3,000,000 of New 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 New Shares that may be issued under the SPP via ASX Listing Rule 7.2 (exception 5; refer section 7.4 below). If there is a scale-back, applicants may not receive all the New 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 RI 2019/547. If a scale-back produces a fractional number when applied to an application, the number of New Shares to be allotted will be rounded down to the nearest whole number of New 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, subject to the ASX Listing Rules, to expand the size of the SPP and accept subscriptions above \$3,000,000 in which case subscriptions will be accepted in a manner that ensures that the Offer complies with RI 2019/547.
- 7.4 The maximum number of New Shares that is able to be issued under the SPP in order to comply with ASX Listing Rule requirements is 69,396,023, being 30% of the Company's fully paid share capital on issue at the date the Offer was announced (see section 14.1 below).

8. Timetable

8.1 The indicative timetable for the SPP is as follows:

Event	Date
Record Date	29 July 2020 (5.00pm AWST)
Announcement Date	30 July 2020
Dispatch of Offer and Application Forms to Eligible Shareholders	7 August 2020
Opening date of Offer (Opening Date)	7 August 2020
Closing date for acceptances (Closing Date)	9 September 2020 (5.00pm AWST)
Date of issue of New Shares (Issue Date)	15 September 2020
Date of annual general meeting of shareholders	17 September 2020

8.2 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 Documents are received and the SPP opens.

8.3 The Company will apply for the issued New Shares to be quoted on the ASX within the relevant period specified in the ASX Listing Rules.

9. How to accept the Offer

9.1 Eligible Shareholders wishing to accept the Offer for New Shares under the SPP have two payment options – by electronic funds transfer or BPAY[®]¹, details of which are set out below. Cheques are not currently being accepted and please do not forward cash. Receipts for payment will not be issued. Application money will not bear interest under any circumstances. The Company will pay any brokerage or transaction costs.

9.2 **To pay by electronic funds transfer (EFT)** from your cheque or savings account you must use the unique Reference Number shown on your Application Form which is required to identify your holding. If you make your payment using EFT, 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 via EFT with sufficient time for it to be received by the Company by the Closing Date and that the amount to be paid does not exceed any limit.

9.3 **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.

9.4 If you have multiple holdings you will have multiple personalised EFT or BPAY[®] Reference Numbers. To ensure you receive your New Shares under the Offer in respect of that holding you must use the unique Reference Number (EFT) or specific Biller Code and Reference Number (BPAY[®]) shown on each personalised Application Form when paying for any New Shares that you may wish to apply for in respect of that holding. If you inadvertently use the same Reference Number for more than

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

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.

9.5 By paying by EFT or 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 New Shares in accordance with these Terms and Conditions and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- (b) acknowledge that your application will be irrevocable and unconditional (and cannot be withdrawn);
- (c) agree to pay the Price per New Share up to a maximum of the value selected on the Application Form (which cannot exceed \$30,000);
- (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 and your acceptance of this Offer is not unlawful;
- (f) warrant that all details and statement in your application are true and complete and not misleading;
- (g) represent that the total of the application price for the following does not exceed \$30,000:
 - the New Shares the subject of the application;
 - any other shares in the same class 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;
 - any other shares in that class that you have instructed a Custodian to acquire on your behalf under the SPP;
 - any other shares in that class issued to a Custodian under an arrangement similar to the SPP in the 12 months before the application as a result of instructions given by you to the Custodian or another custodian and which resulted in you holding beneficial interests in the shares;
- (h) acknowledge and agree that if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating is resident in Australia or New Zealand, and you have not sent the Documents or any materials relating to the SPP, to any person outside of Australia or New Zealand that would result in a breach of any applicable securities laws;
- (i) 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;
- (j) 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;
- (k) acknowledge that the market price of Shares may rise or fall between the date of the Offer and the Issue Date and that the Price you pay for New Shares may be greater or less than the market price of the Shares at the time you accept the Offer;
- (l) 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;

- (m) 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 11 below; and
- (n) agree to be bound by the Company's Constitution (as amended from time to time).

10. Issue of Shares

- 10.1 The Company intends to issue the New Shares pursuant to the SPP on 15 September 2020. New Shares will rank equally in all respects with all other fully paid ordinary shares in the Company from the Issue Date.
- 10.2 Breaker will, promptly after the issue of New Shares under the SPP, make application for those New Shares to be listed for quotation on the official list of ASX.
- 10.3 Shareholding statements or CHES notification will be issued in respect of all New Shares issued under the SPP. If you trade any New Shares before you receive your Holding Statement, then you do so at your own risk.

11. Company's discretions regarding Applications

- 11.1 Provided it does so in a manner which complies with RI 2019/547, the Company has the right to accept or reject any applications under the SPP, including where:
 - (a) any Application Form submitted is incorrectly completed or incomplete or otherwise determined by the Company to be invalid;
 - (b) the exact payment for the New Shares applied for is not received;
 - (c) the application money is not submitted via EFT or through BPAY® within sufficient time for it to be received by the Company before the Closing Date;
 - (d) it appears that an Eligible Shareholder is applying for more than \$30,000 (in aggregate) of New Shares; or
 - (e) the Company reasonably believes that the applicant is not an Eligible Shareholder.
- 11.2 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.
- 11.3 The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions. The powers of the Company under these Terms and Conditions may be exercised by the directors or any delegate of the directors.
- 11.4 If the Company is not satisfied with the Custodian Certificate, the Company cannot issue New Shares to the Custodian on behalf of the Participating Beneficiary.
- 11.5 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 New 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.
- 11.6 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. If the SPP is terminated, all application

money received by the Company will be refunded. No interest will be paid on any refunded application money.

- 11.7 The Company reserves the right to issue no New Shares or fewer New Shares than an Eligible Shareholder applies for under the SPP if the Company believes the issue of those New Shares would contravene ASIC requirements (including RI 2019/547) or policy, any law or any ASX Listing Rule. In any such case, excess application money will be returned to the relevant applicant(s). No interest will be paid on application money so returned.

12. Shortfall

- 12.1 The SPP is not underwritten. Breaker Resources NL reserves its right at its discretion to place any shortfall under the SPP at a price not less than the Price in accordance with its share issue capacity under the ASX Listing Rules and any necessary approvals.

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 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 or the date the Offer is accepted, and the date when the New Shares are issued.
- 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. The contents of this document have not been reviewed by any regulatory authority in any jurisdiction.
- 13.5 There are specific risks that relate to the Company's business. In addition, there are general risks, many of which are largely beyond the control of the Company and the directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares. The following is not intended to be an exhaustive list of risk factors to which the Company is exposed.

Company-Specific Risks

- (a) *Exploration and Development*: The future value of the Company will depend on its ability to find and develop gold, or other mineral resources that are economically recoverable within the Company's granted mining and exploration tenements. Mineral exploration and development is inherently highly speculative and involves a certain degree of risk. There can be no assurance that the Company's planned exploration, appraisal and development activities will be successful. Even if mineral resources are identified, there is no guarantee that it will be economic to extract these resources or that there will be commercial opportunities available to monetise these resources. Proposed exploration drilling program/s could experience cost overruns that reduce the Company's ability to complete planned exploration drilling program/s in the time expected.
- (b) *Environmental Regulations*: Mineral exploration, development and production generates potential environmental risks and is therefore subject to environmental regulation pursuant to a variety of state and federal laws and regulations. These laws and regulations set various

standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violations of such standards. Compliance with these standards can require significant expenditure and a breach may result in substantial financial liability to the Company. These risks will be minimised by the Company conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, carrying appropriate insurance coverage.

- (c) *Operational*: Mineral exploration and development activities involve numerous operational risks, including encountering unusual or unexpected geological issues, mechanical breakdowns or failures, human errors and other unexpected events which occur in the process of drilling activities and mining operations. The occurrence of any of these risks could result in substantial financial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, environmental damage or pollution, rehabilitation responsibilities and regulatory investigation, amongst other factors. Damages occurring to third parties as a result of such risks may give rise to claims against the Company which may not be covered fully by insurance or at all.
- (d) *Mineral Resources*: Estimates of economically recoverable mineral reserves and resources are based upon a number of variable factors and assumptions, all of which may vary considerably from actual results. They are estimates only and no assurance can be given that any particular level of recovery from reserves and resources will in fact be realised or that an identified resource will ever qualify as commercially viable which can be legally and economically exploited.
- (e) *Availability of Equipment*: The Company's mineral exploration and development activities are dependent on the availability of drilling rigs and related equipment in the area of its tenements. Should the appropriate equipment be unavailable, then the Company's planned exploration drilling programs may be postponed or not able to proceed.
- (f) *Reliance on Key Personnel*: The Company's future value will depend in part on the performance of its senior management and other key personnel. The Company's progress in pursuing its exploration and evaluation programs as currently envisaged could be adversely influenced by the loss of existing key personnel. There can be no assurance that the Company will be able to retain, or hire, all personnel necessary for the development and operation of its business. The impact of loss of key staff would be dependent upon the quality and timing of the employee's replacement.
- (g) *Land Access*: The Company requires land access in order to perform exploration and development activities. Access to land for exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and native title land or claims. The Company may need to enter into compensation agreements with private landowners or occupiers for the proposed exploration activities. The Company's operations may be adversely impacted or delayed in the event of a dispute with a land owner or occupier.
- (h) *Exploration Work Program Commitments*: The terms of the Company's granted tenements include minimum work program expenditure requirements and the estimated indicative expenditure associated with that work program. The actual work may be insufficient to meet those requirements. There is a risk that where the terms of the tenement/s are not complied with, the Minister may exercise their discretion to cancel the tenement/s or not renew the tenement/s. The Company intends to mitigate this risk by constantly monitoring and evaluating its exploration program and budget and if necessary, taking any permitted actions, in order to manage its minimum work program, expenditure and reporting obligations.
- (i) *COVID-19*: The occurrence of the COVID-19 pandemic has resulted in significant market uncertainty in global equity, currency, finance, trade and commodity markets. The effects of this pandemic are far-reaching and uncertain outcomes may impact the timing and viability of further investment in the Company and the Company's operations and activities generally. Global financial markets have been severely impacted by this pandemic and such impacts may affect the ability of the Company to raise equity and debt. To date, COVID-19 has not

had any material impact on the Company's operations, however, any future infections could result in operations being suspended or otherwise disrupted for an unknown period of time which may have an adverse impact and adverse implications. The general level of economic uncertainty caused by the COVID-19 pandemic may also adversely impact the Company's operations, financial position and prospects. The Company will continue to review its activities based on the latest guidance from health professionals and the government as the situation develops.

General Risks

- (j) *Funding Risk*: The Company's ability to effectively implement its business and operational plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production of the Company's properties or even loss of property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.
- (k) *Share Market Price and Liquidity Risk*: The price at which Shares trade cannot be accurately predicted. The trading price of Shares can be affected by general market conditions as well as factors specifically affecting the Australian resources sector. Factors that could impact the trading price that are unrelated to the Company's performance include domestic and global commodity prices and economic outlook, fiscal and monetary policies, currency movements, and market perceptions of the attractiveness of particular industries.
- (l) *Legislative Change*: Resources companies are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time. Changes in government regulations and policies may adversely affect the financial performance of the current and proposed operations generally of the Company. The Company is not currently aware of any proposed changes to legislation that may materially impact upon its operations.
- (m) *Exchange Rate*: The revenues, earnings, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuations. If the Company achieves commercial production, its revenue may be denominated in Australian dollars or a foreign currency. As a result, fluctuations in exchange rates could result in unanticipated and material fluctuations in the financial results of the Company.
- (n) *Labour*: The Company requires skilled workers in order to conduct its activities. The inability to secure the necessary labour resources, industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect performance.
- (o) *Insurance*: Resource exploration, development and production operations are subject to all the risks and hazards typically associated with such operations including events such as fires, spills and vehicle accidents which could result in property or environmental damage or personal injury. The Company intends to ensure that its insurance is maintained in accordance with industry practice and having regard to the nature of activities being conducted. No assurance however can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any potential claims.
- (p) *Unforeseen Expenses*: Whilst the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses or increases to existing expenditure plans were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

14. Additional Disclosure

14.1 The Company's capital structure is as follows:

Fully paid ordinary shares on issue at the date of announcement of this Offer (before issue of any Shares associated with the Placement)	231,320,076
Shares issued under Tranche 1 of the Placement	29,061,004
Shares to be issued under Tranche 2 of the Placement (subject to shareholder approval)*	44,737,383
Shares to be issued to Electrum (subject to shareholder approval)*	9,534,946
Anticipated number of New Shares to be issued under SPP**	12,500,000
Estimated number of fully paid ordinary shares on issue post-capital raising	327,153,409

Notes:

* Shareholder approval to be sought at the upcoming Annual General Meeting.

** This is subject to several factors including the amount raised under the SPP, any scale-back or acceptance of over-subscriptions, and rounding that occurs to the number of New Shares issued in relation to each investment amount.

The Company currently has 8,450,000 unlisted options at various exercise prices and expiry dates also on issue.

15. Privacy

15.1 By completing the Application Form, you will be providing personal information to the Company. The *Privacy Act 1988* (Cth) legislates 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.

15.2 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.

16. Governing Law

These Terms and Conditions are governed by the laws in force in Western Australia. By accepting the Offer, you submit to the non-exclusive jurisdiction of the courts of Western Australia.

17. 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.

[EntityRegistrationDetailsLine1Envelope]
 [EntityRegistrationDetailsLine2Envelope]
 [EntityRegistrationDetailsLine3Envelope]
 [EntityRegistrationDetailsLine4Envelope]
 [EntityRegistrationDetailsLine5Envelope]
 [EntityRegistrationDetailsLine6Envelope]

SRN/HIN: [HolderNumber]

ASX Code: BRB

Record Date: 5.00pm (AWST) on 29 July 2020

SHARE PURCHASE PLAN APPLICATION FORM

IMPORTANT: CLOSING DATE 5.00PM (AWST) ON 9 SEPTEMBER 2020 (UNLESS VARIED)

1: APPLICATION

Breaker Resources NL (**Company**) is offering its shareholders the opportunity to purchase up to A\$30,000 of fully paid ordinary shares in the Company (**New Shares**) by way of a share purchase plan (**SPP**) to raise \$3,000,000. The issue price of the New Shares is \$0.24 (**Price**).

Eligible Shareholders may apply for any one of the following parcels described below:

	Offer	Subscription Amount	Number of Shares
Maximum application	Offer A	A\$30,000	125,000
	Offer B	A\$20,000	83,334
	Offer C	A\$15,000	62,500
	Offer D	A\$10,000	41,667
	Offer E	A\$5,000	20,834
Minimum application	Offer F	A\$2,000	8,334

2: PAYMENT: You can pay either by BPAY or Electronic Funds Transfer "EFT"

Option A – BPAY



Biller Code: TBC

Ref No: [BPayCRN]

Contact your financial institution to make your payment from your cheque or savings account.

Note: You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your shareholding electronically.

Option B – Electronic Funds Transfer (EFT)

The unique reference number which has been assigned to your Application is: BRB[HolderId]

Funds are to be deposited directly to following bank account:

Account name: Automic Pty Ltd

Account BSB: TBC

Account number: TBC

Swift Code: WPACAU2S

IMPORTANT: You must quote your unique reference number as your payment reference/ description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and shares subsequently not issued.

Due to COVID-19 restrictions and for the purposes of public health and safety, Breaker Resources NL will not be accepting Cheque or Money Order payments for the SPP.

3: PROVIDE YOUR CONTACT DETAILS

Telephone Number

()

Contact Name (PLEASE PRINT)

Email Address

INSTRUCTIONS FOR COMPLETION OF THIS FORM

The right to participate in the Offer under the Share Purchase Plan is optional and is available exclusively to shareholders who are registered as holders of fully paid ordinary shares in the Company as at the record date and whose address is in Australia or New Zealand (**Eligible Shareholders**).

If the Company rejects or scales-back an application or purported application, the Company will return to the Shareholder the relevant application monies, without interest.

HOW TO APPLY FOR NEW SHARES UNDER THE SPP

1 Application

As an Eligible Shareholder, you can apply for up to a maximum of A\$30,000 worth of New Shares. Eligible Shareholders can select one of the parcels prescribed overleaf.

In order to comply with ASIC Instrument 2019/547, the maximum value of New Shares each Eligible Shareholder (irrespective of the size of their shareholding) may apply for under this Offer is A\$30,000 (including through joint holding(s), multiple share accounts or any holding in which they have a beneficial interest/s). This limit will apply even if you receive more than one offer from the Company (for example, because you are a joint holder of shares or because you hold more than one shareholding under separate share accounts).

If the Company receives an amount that does not equal one of the amounts specified overleaf or a subscription of over A\$30,000 worth of New Shares by a shareholder through multiple applications or joint holdings, the Company may either:

- (a) reject the Application and refund in full the Application money (without interest) to the Eligible Shareholder; or
- (b) apply the dollar amount of the payment to the highest designated parcel that is less than the amount of the payment and refund the excess Application money (without interest) to the Eligible Shareholder.

No fractions of New Shares will be issued.

2 Payment

Payment by BPAY®: You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number quoted on the front of this form. Multiple acceptances must be paid separately.

If you make a payment by BPAY® and the Company receives an amount which is not equal to either A\$30,000, A\$20,000, A\$15,000, A\$10,000, A\$5,000, or A\$2,000, the Company may round down the dollar amount of New Shares that you are applying for to the lowest parcel at their discretion. Your payment must be for a minimum of A\$2,000. Payment must be received by the Share Registry by 5:00pm (AWST) on 9 September 2020.

You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your shareholding electronically and you will be deemed to have applied for such shares for which you have paid.

Payment by EFT: You can make a payment via Electronic Funds Transfer "EFT". Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time and any associated fees with processing a funds transfer.

If you make a payment by EFT and the Company receives an amount which is not equal to either A\$30,000, A\$20,000, A\$15,000, A\$10,000, A\$5,000, or A\$2,000, the Company may round down the dollar amount of New Shares that you are applying for to the lowest parcel at their discretion. Your payment must be for a minimum of A\$2,000. Payment must be received by the Share Registry by 5:00pm (AWST) on 9 September 2020.

Please ensure you use your unique reference number located on the reverse page. This will ensure your payment is processed correctly to your application electronically.

Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight) and it is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time. The Company and the Share Registry accept no responsibility for delayed or misdelivered Application Forms or payments.

Due to COVID-19 restrictions and for the purposes of public health and safety, **Breaker Resources NL will not be accepting Cheque or Money Order payments for the SPP.**

3 Contact Details

Please enter an email address and a contact number we may reach you on between the hours of 9:00am and 5:00pm AWST. We may use this email or number to contact you regarding your application for New Shares, if necessary.

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 Share Purchase Plan, there is no need to take action.
3. Please ensure you have read and understood the terms and conditions of the Share Purchase Plan in the Offer Document accompanying this Application Form before making payment by BPAY® or EFT.
4. The offer for New Shares under the Share Purchase Plan 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 meaning of "Custodian" as defined in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, you must complete and submit an additional schedule that contains further certifications and details (Schedule) that must be provided before your application will be received. The Schedule can be obtained by contacting the Share Registry on the telephone number set out below. Applications received by Custodians that are not accompanied by the Schedule will be rejected.
6. For applicants that are not required to complete the Schedule, by making payment by BPAY® or EFT, you certify that the aggregate of the payment paid by you for:
 - the parcel of New Shares indicated on this Application Form or BPAY® payment; and
 - any other New Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the Share Purchase Plan or any other similar arrangement in the 12 months prior to making payment does not exceed A\$30,000.
7. The maximum subscription limitation of A\$30,000 will apply even if an Eligible Shareholder has received more than one Application Form (whether in respect of a joint holding or because the applicant has more than one holding under separate security accounts).
8. The Company reserves the right to make amendments to this Application Form where appropriate.
9. Applicants are not assured of receiving the shares for which they have applied as the Company may scale back applications in its discretion.
10. By making payment of application monies, you certify that:
 - you wish to apply for New Shares under the Share Purchase Plan as indicated on this Application Form;
 - you have read and understood the terms and conditions of the Share Purchase Plan;
 - you agree to be bound by the Constitution of the Company and the terms and conditions of the Share Purchase Plan;
 - you agree to accept any lesser number of New Shares than the number of New Shares applied for; and
 - you are not in the United States and are not acting for the account or benefit of a person in the United States and have not sent any offering materials relating to the SPP offer to any person in the United States.

If you require further information about the Offer, please contact Automic on 1300 288 664 or +61 2 9698 5414 between 9:00am and 5:00pm (AWST).