

Notice of Annual General Meeting

incorporating Explanatory
Memorandum & Proxy Form

Date of Meeting:
20 November 2014

Time of Meeting:
1.00pm WST

Place of Meeting:
**The Celtic Club
48 Ord Street
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 ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Breaker Resources NL will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 20 November 2014 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.

2014 FINANCIAL REPORT

To receive the Financial Report of the Company for the year ended 30 June 2014 consisting of the Financial Statements and Notes, the Directors' Report, the Directors' Declaration and the Independent Audit Report.

The reports referred to above are included in the 2014 Breaker Resources NL Annual Report which has been released to ASX and may be viewed on the Company's website at www.breakerresources.com.au.

Short Explanation: Section 317 of the Corporations Act requires a listed company to lay before the shareholders at each annual general meeting the financial report, the directors' report and the auditor's report for the last financial year that ended before the annual general meeting. There is no associated resolution. A reasonable opportunity will be provided to Shareholders for discussion of the 2014 Financial Report at the AGM.

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2014 Annual Report be and is hereby adopted."

Short Explanation: Section 250R(2) of the Corporations Act requires a listed company to put to shareholders at each annual general meeting a resolution adopting the report on the remuneration of the company's directors, executives and senior managers included in the annual report. The above Resolution is being proposed to comply with this requirement. The vote on this Resolution is advisory and binds neither the Directors nor the Company. A reasonable opportunity will be provided to Shareholders for discussion of the Remuneration Report at the AGM.

Voting Exclusion: The Company will, in accordance with the Corporations Act, disregard any votes cast on Resolution 1 by a member of the Key Management Personnel (details of whose remuneration are included in the Remuneration Report) or a Closely Related Party of such a member. However, a person (**the voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

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

RESOLUTION 2: RE-ELECTION OF MR MARK EDWARDS AS 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 clause 6.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Mark Edwards, a director who retires by rotation, and being eligible, is re-elected as a director of the Company."

Short Explanation: Pursuant to the Constitution, one-third of the Directors of the Company (other than the managing director) must retire at each annual general meeting and, being eligible, may offer themselves for re-election at that annual general meeting.

RESOLUTION 3: APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass, the following resolution as a **special resolution**:

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

Voting Exclusion: The Company will disregard any votes cast on Resolution 3 by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any Associates of those persons. However, the Company will 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 Chair 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: 9 October 2014

PROXIES

To vote by proxy, please complete and sign the enclosed Proxy Form and return no later than **1.00pm WST on 18 November 2014**:

- ✦ 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 AGM 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 chairman 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 chairman – 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-chairman proxy to chairman 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 chairman 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 chairman 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 Securities at **4.00pm WST on 18 November 2014** will be entitled to attend the AGM and vote in accordance with the number of Securities held at this time.

Each Shareholder shall be entitled to one 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. 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 Annual General Meeting of the Company to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia, on Thursday, 20 November 2014 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 AGM, Shareholders will be asked to consider the following Resolutions:

- ✦ adopting the Remuneration Report;
- ✦ re-electing Mr Mark Edwards as a Director, who retires by rotation in accordance with the Constitution; and
- ✦ approving an additional 10% placement capacity for Equity Securities in the 12 months following the date of the Meeting.

FINANCIAL AND OTHER REPORTS

As required by section 317 of the Corporations Act, the Financial Statements and Notes for the year ended 30 June 2014 and the accompanying Directors' Report, Directors' Declaration and Independent Audit Report will be laid before the meeting. Neither the Corporations Act nor the Constitution requires a vote on the reports however Shareholders will have an opportunity to ask questions about them at the AGM.

RESOLUTION 1: REMUNERATION REPORT

1.1 Introduction

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote. The Remuneration Report contains:

- ✦ information about the Board's policy for determining the nature and amount of remuneration of the Directors and senior executives of the Company;
- ✦ a description of the relationship between the Company's remuneration policy and the Company's performance;
- ✦ where applicable, a summary of performance conditions for each of the Directors and senior executives, including a summary of why they were chosen and how performance is measured against them; and
- ✦ remuneration details for each Director and for each of the specified executives.

The Remuneration Report, which is part of the Annual Report, has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the Annual Report are available by contacting the Company's share registry or visiting the Company's web site www.breakerresources.com.au.

1.2 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted be put to shareholders however such a resolution is advisory only and does not bind the company or its directors.

The remuneration report sets out the remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained within the annual financial report of the company for a financial year. The chairman of the meeting must allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the remuneration report at the annual general meeting.

1.3 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting. All of the directors of the company who were in office when the directors' report (as included in the company's annual report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

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

1.4 Previous voting results

At the Company's previous annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for the AGM.

1.5 Voting exclusions

In accordance with section 250R(4) of the Corporations Act, a vote on the Remuneration Report Resolution must not be cast (in any capacity) by or on behalf of either the following persons:

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

However, a person described above may cast a vote on the Resolution if:

- (c) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the Remuneration Report Resolution; and
- (d) the vote is not cast on behalf of the person described in paragraphs (a) or (b) above.

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.

1.6 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

- ✦ *If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:*
You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.
- ✦ *If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member):*
You do not need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, you should be aware of the acknowledgement on the Proxy Form that expressly authorises the Chair to exercise his/her discretion in exercising your proxy, and that the Chair intends to cast undirected proxies in favour of the Resolution, even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.
- ✦ *If you appoint any other person as your proxy:*
You do not need to direct your proxy how to vote on this Resolution.

RESOLUTION 2: RE-ELECTION OF MR MARK EDWARDS AS A DIRECTOR

2.1 Introduction

Clause 6.3 of the Constitution and ASX Listing Rule 14.4 both provide that no Director (except for the managing director) of the Company may hold office (without re-election) past the third annual general meeting following the Director's appointment or three (3) years, whichever period is longer. Clause 6.3 of the Constitution requires that one third of the Directors must retire at each annual general meeting.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. The Company currently has three (3) Directors and therefore one (1) must retire. A Director who retires by rotation under clause 6.3 of the Constitution is eligible for re-election. Accordingly, Mr Mark Edwards will retire by rotation and, being eligible, offers himself for re-election.

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.

2.2 Director's biography

Mr Mark Edwards was appointed as a non-executive director of the Company on 2 July 2010. He is a solicitor with over 25 years of experience in resources and corporate law. He has advised a number of ASX-listed companies active in the resources sector and on a range of projects in Australia and overseas, including significant nickel, gold and iron ore projects. Mark's professional work has involved him in many facets of the resources industry ranging from ASX listings, exploration and mining joint ventures to project development agreements and project financing.

2.3 Directors' recommendation

All of the Directors, except Mr Edwards, recommend that Shareholders vote in favour of Resolution 2.

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: APPROVAL OF 10% PLACEMENT CAPACITY

3.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**). The Company is an Eligible Entity.

If Shareholders approve Resolution 3, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 3.2 below). The effect of Resolution 3 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the AGM must be in favour of Resolution 3 for it to be passed.

3.2 ASX Listing Rule 7.1A

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

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$5,303,375 (based on the Company's closing price of Shares of \$0.077 on 8 October 2014).

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has three (3) classes of quoted Equity Securities on issue, being the Shares, Partly Paid Shares and listed Options (ASX Codes: BRB, BRBCA and BRBO respectively).

The exact number of Equity Securities that the Company may issue with an approval under ASX Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of Partly Paid Shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of Shareholders under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without Shareholder approval; and
 - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rules 7.1 or 7.4.

3.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) Minimum price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within five (5) ASX trading days of the date in Section 3.3(a)(i), the date on which the Equity Securities are issued.

(b) Date of issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of:

- (i) 12 months after the date of the Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under ASX Listing Rule 7.1A ceases to be valid),
(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Shares under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue. If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares (rounded to a whole number of cents) and the current number of Shares on issue as at the date of this Notice. The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
		\$0.04 50% decrease in issue price	\$0.08 issue price	\$0.16 100% increase in issue price
68,875,005 (Variable A*)	10% voting dilution - Shares issued	6,887,500 Shares	6,887,500 Shares	6,887,500 Shares
	Funds raised	\$275,500	\$551,000	\$1,102,000
103,312,508 (50% increase in Variable A*)	10% voting dilution - Shares issued	10,331,250 Shares	10,331,250 Shares	10,331,250 Shares
	Funds raised	\$413,250	\$826,500	\$1,653,000
137,750,010 (100% increase in Variable A*)	10% voting dilution - Shares issued	13,775,001 Shares	13,775,001 Shares	13,775,001 Shares
	Funds raised	\$551,000	\$1,102,000	\$2,204,000

* Variable A represents the current number of Shares on issue. Variable A could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata entitlement issue or scrip issued under a takeover offer), the issue of Shares with Shareholder approval under ASX Listing Rule 7.1, or the exercise of Options or conversion of Partly Paid Shares to Shares.

The table above uses the following assumptions:

- (i) The Company currently has 68,875,005 Shares on issue.
- (ii) The issue price set out above is based on the closing price of the Shares on the ASX on 9 October 2014 of \$0.077, rounded to the closest whole number of cents.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- (v) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes Partly Paid Shares or quoted

Options, it is assumed that those Partly Paid Shares or quoted Options are converted or exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

- (vi) The calculations above do not show the dilution that any one particular Shareholder will be subject to as at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (vii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (viii) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower or higher on the issue date than on the date of the Meeting; and
 - (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.
- (d) Purpose of issue under 10% Placement Capacity
- The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:
- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's Attila West, Dexter, De La Poer, Duketon North, Kurrajong and Mt Gill projects (funds would then be used for exploration activities and ongoing project administration) and general working capital; or
 - (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

The purpose of seeking the 10% Placement Capacity is to enable the Company the flexibility to issue Equity Securities in addition to the 15% placement capacity afforded to the Company under ASX Listing Rule 7.1, should the Board identify a need to do so. The Directors are not currently aware of any matters which would require a change to the Company's current corporate and strategic objectives.

The Company's exploration programs on its Attila West, Dexter, De La Poer, Duketon North, Kurrajong and Mt Gill projects are detailed in the Annual Report. If the Company raises funds under the 10% Placement Capacity for the purpose of applying those funds towards further exploration expenditure on its projects, it will release details of the use of funds to ASX.

- (e) Allocation under the 10% Placement Capacity
- The allottees of any Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be a Related Party of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the allottees under the 10% Placement Capacity will be the vendors of the new resources, assets or investments.

(f) Previous Approvals under ASX Listing Rule 7.1A

The Company has previously obtained approval under ASX Listing Rule 7.1A at its annual general meetings on 20 November 2012 and 20 November 2013 (**Previous Approvals**). The Company has not issued any Equity Securities pursuant to the Previous Approvals.

In the 12 months preceding the date of the AGM, the Company has issued the following securities:

Date of Issue	27 December 2013	31 December 2013
Number of Shares	9,021,078	4,753,923
Number of Partly Paid Shares	4,510,543	2,376,955
Number of Options	4,510,543	2,376,955
Terms of Partly Paid Shares	Paid to \$0.01; fully paid up at \$0.20; no call for at least four (4) years from issue	Paid to \$0.01; fully paid up at \$0.20; no call for at least four (4) years from issue
Terms of Options	Listed Options exercisable at \$0.25 and expiring on 31 December 2014	Listed Options exercisable at \$0.25 and expiring on 31 December 2014
Names of allottees or basis for allotment	Shareholders of Breaker Resources NL issued new securities under a pro-rata entitlement issue	Shareholders and new investors of Breaker Resources NL issued new securities under the shortfall offer of a pro-rata entitlement issue
Equity Securities' price of issue and discount to market	Shares: \$0.11 Partly Paid Shares: \$0.01 Options: Nil The issue price of \$0.11 represented a 45% discount to the Share price on date of issue	Shares: \$0.11 Partly Paid Shares: \$0.01 Options: Nil The issue price of \$0.11 represented a 45% discount to the Share price on date of issue
Total cash consideration and use of funds	\$1,037,424; It is estimated that approximately \$830,000 of funds raised were used for exploration activities and the balance for working capital	\$546,701; It is estimated that approximately \$440,000 of funds raised were used for exploration activities and the balance for working capital
Total non-cash consideration and value	n/a	n/a

The issue of the above securities represents 32.5% of the total number of Equity Securities on issue at the commencement of the 12 month period (being 20 November 2013), which was 84,750,004 on a fully diluted basis.

The securities were issued under a fully underwritten pro-rata entitlement issue (Exceptions 1 and 3 noted in ASX Listing Rule 7.2) and therefore do not fall within either the 15% placement capacity of ASX Listing Rule 7.1 or the previously approved 10% placement capacity of ASX Listing Rule 7.1A.

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

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

- (i) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (ii) the information required by ASX Listing Rule 3.10.5A for release to the market.

3.4 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.

3.5 Voting exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

GLOSSARY

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

\$	means Australian dollars.
Annual General Meeting or AGM	means the Company's Annual General Meeting for the financial year ended 30 June 2014.
Annual Report	means the directors' report, the annual financial report and auditors' report in respect of the financial year ended 30 June 2014.
Associate	has the same meaning as defined in section 11 and sections 13 to 17 of the Corporations Act.
ASX	means ASX Ltd ACN: 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
Board	means the board of Directors of the Company.
Chair	means the chairman of the Meeting.
Closely Related Party	has the same meaning as defined in section 9 of the Corporations Act.
Company	means Breaker Resources NL ACN: 145 011 178.
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Eligible Entity	means an entity that, at the date of the relevant general meeting: (i) is not included in the S&P/ASX 300 Index; and (ii) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.
Equity Securities	includes a share, a right to a share or option, an option, a convertible security and any security that ASX decides to classify as an Equity Security.
Explanatory Memorandum	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained within the Notice.

Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the company, or if the company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the company, or if the company is part of a consolidated entity, of an entity within the consolidated group.
Listing Rules	means the listing rules of ASX.
Meeting	means the Annual General Meeting.
Notice or Notice of Meeting	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
Option	means an option to acquire a Share.
Partly Paid Share	means a partly paid share in the capital of the Company.
Previous Approvals	is defined in Section 3.3(f).
Proxy Form	means the proxy form attached to this Notice.
Related Party	has the same meaning as defined in Chapter 19 of the Listing Rules.
Remuneration Report	means the remuneration report of the Company outlined in the Annual Report.
Resolution	means a resolution contained in the Notice.
Securities	means a fully paid ordinary share or partly paid share in the capital of the Company.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share or Partly Paid Share.
Spill Meeting	is defined in Section 1.4.
Spill Resolution	is defined in Section 1.4.
Variable A	means "A" as set out in the calculation in Section 3.2 of this Notice.
WST	means Western Standard Time as observed in Perth, Western Australia.
10% Placement Capacity	is defined in Section 3.1.
10% Placement Capacity Period	is defined in Section 3.3(b).

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 18 November 2014 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 18 November 2014 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

- 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 Annual General Meeting of the Shareholders of the Company to be held at The Celtic Club, 48 Ord Street, West Perth WA 6005 on 20 November 2014 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.

Where I/we have appointed the Chair as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is to approve the Remuneration Report and is connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chair.

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 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Mr Mark Edwards as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Approval of 10% Placement Capacity	<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; height: 20px;"></div>	<div style="border: 1px solid black; height: 20px;"></div>	<div style="border: 1px solid black; height: 20px;"></div>	_____
Sole Director/Sole Secretary	Director/Company Secretary	Director	Date