

## Target Statement in response to Recommended Takeover Offer by Ramelius

In accordance with Item 14 of section 633(1) of the *Corporations Act 2001* (Cth), Breaker Resources NL (**Breaker**) attaches its Target's Statement (**Target's Statement**) in response to the off-market takeover offer by Ramelius Kalgoorlie Pty Ltd (a wholly-owned subsidiary of Ramelius Resources Limited (AXS: RMS) (**Ramelius**), for all of the fully paid ordinary shares of Breaker (**Offer**).

The Target's Statement has been sent to Ramelius and lodged with the Australian Securities and Investments Commission today and is in the process of being dispatched to Breaker shareholders in accordance with the *Corporations Act 2001* (Cth).

Your directors unanimously recommend that you **ACCEPT** the offer to acquire all of the Breaker shares in the absence of a superior proposal being received, and they have or will **ACCEPT** the Offer in relation to the Breaker shares that they respectively hold or control.

In considering the Board of Breaker's recommendation, Breaker shareholders should review the comprehensive information provided in the Bidders Statement and in the Target's Statement Lodged today.

An electronic copy of the Target's Statement and updates in relation to the Offer will be made available on Breaker's website (<https://www.breakerresources.com.au/>).

*This announcement was authorised for release by the Board of Breaker Resources NL*

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Enquiries:  
Sam Smith  
**Executive Director & CEO**  
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# TARGET'S STATEMENT

in response to the off-market takeover bid by Ramelius Resources Limited ACN 001 717 540 through its wholly-owned Subsidiary Ramelius Kalgoorlie Pty Ltd ACN 654 590 039 (the **Bidder**) to acquire all of your Shares in Breaker Resources NL.

**Your Directors unanimously recommend that you**

# ACCEPT

the Offer from the Bidder to acquire all of your Breaker Shares on the basis of 1 Ramelius Share for every 2.82 Breaker Shares in the absence of a Superior Proposal

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**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR  
IMMEDIATE ATTENTION**

IT SHOULD BE READ IN ITS ENTIRETY, IF YOU ARE IN DOUBT ABOUT HOW TO DEAL WITH THIS DOCUMENT, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

 HopgoodGanim  
LAWYERS  
Legal Adviser

# IMPORTANT NOTICES

## Nature of this document

This Target's Statement is dated 6 April 2023 and is given under part 6.5 division 3 of the Corporations Act by Breaker Resources NL ACN 145 011 178 (**Breaker**) in response to the Bidder's Statement dated 27 March 2023 and Offer dated 27 March 2023 by Ramelius Kalgoorlie Pty Ltd ACN 654 590 039 (**Bidder**), a wholly-owned Subsidiary of Ramelius Resources Limited ACN 001 717 540 (**Ramelius**), to acquire all of the Shares in Breaker.

A copy of this Target's Statement was lodged with ASIC and sent to the ASX on 6 April 2023. Neither ASIC, ASX nor any of their officers take any responsibility for the content of this Target's Statement.

This Target's Statement and the Bidder's Statement contain important information. You should read both documents carefully and in their entirety.

## Investment Decision

This Target's Statement does not take into account the individual investment objectives, financial situation and particular needs of each Shareholder. You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer for your Shares.

## Shareholder Information

If you have any questions in relation to the Offer, please email [ssmith@breakerresources.com.au](mailto:ssmith@breakerresources.com.au) or call Breaker on +61 8 9226 3666 from Monday to Friday between 9.00am to 5.00pm (Perth time).

Announcements relating to the Offer can be obtained from Breaker's website at <https://www.breakerresources.com.au/>.

## Interpretation

Capitalised terms used in this Target's Statement are defined in section 10 of this document.

## Forward Looking Statements

This Target's Statement contains certain forward looking statements and statements of current intention. Such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Breaker and Ramelius are involved as well as general economic conditions and conditions in the financial markets. Actual events or results may differ

materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected. None of Breaker, any of its officers, or any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood in any forward looking statement, and you should not place undue reliance on these statements.

Forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

## Foreign Jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law, and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

## Maps and Diagrams

Any maps, diagrams, charts, graphs and tables contained in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in maps, diagrams, charts, graphs and tables is based on information available as at the date of this Target's Statement.

## Information about Bidder, Ramelius and Merged Group in this Target's Statement

Except where disclosed in this Target's Statement, the information about the Bidder, Ramelius, Ramelius' securities and the Ramelius Group contained in this Target's Statement has been prepared by Breaker using publicly available information including the Bidder's Statement, which has not been independently verified by Breaker. Accordingly, except to the extent required by law, Breaker does not assume responsibility for the accuracy or completeness of such information.

The information on the Merged Group contained in this Target's Statement, to the extent it incorporates or reflects information on Ramelius and the Ramelius Group, has also been prepared using publicly available information, including the Bidder's Statement, which has not been independently verified. Accordingly, except to the extent required by law, Breaker does not assume responsibility for the accuracy or completeness of such information.

## Privacy

Breaker has collected your information from the register of Breaker Shareholders for the purpose of providing you with this Target's Statement. The type of information Breaker has about you includes your name, contact details and information on your shareholding (as applicable) in Breaker. Without this information, Breaker would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to external service providers (including the Breaker Share Registry and print and mail service providers) and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by Breaker, please contact the Breaker Share Registry on 1300 288 664 (within Australia), or +61 2 9698 5414 (outside Australia) between 9.00am and 5.00pm (Perth time) Monday to Friday.

## Rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Target's Statement.

## Risk Factors

Shareholders should note that there are a number of risks attached to their investment in Breaker. Shareholders should also note that there are risks involved in accepting the Offer. Please refer to section 7 for further information.

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## CHAIRMAN'S LETTER

Dear Breaker Shareholders,

### **ACCEPT THE OFFER (in the absence of a Superior Proposal)**

I am writing to you in response to the off-market takeover bid announced by Ramelius Resources Limited (**Ramelius**), through its wholly-owned subsidiary Ramelius Kalgoorlie Pty Ltd (**Bidder**) to acquire all of the Shares in Breaker. On behalf of the Board of Breaker, I am pleased to present you with this Target's Statement and the opportunity to combine with Ramelius via the Offer.

This Target's Statement sets out your Directors' response to the Offer and contains their recommendation, reasons for that recommendation, and other important information you should consider when deciding whether to accept or reject the Offer.

Under the Offer, Breaker Shareholders are being offered **1 Ramelius Share for every 2.82 Breaker Shares they hold**.

**Breaker's Board of Directors unanimously recommend that Breaker Shareholders ACCEPT the Offer in the absence of a Superior Proposal.**

The Board of Breaker believe that this is a sensible and complementary regional consolidation, bringing the Lake Roe Gold Project together with the Rebecca Gold Project (which is owned wholly by Ramelius) under a single ownership that has both the technical capability and financial capacity to create a new mining hub in the region.

Breaker Shareholders lose nothing in the share swap, but rather diversify their interests from owning part of a single undeveloped asset to become part of a larger and diversified gold producer which already exists as a profitable top 10 Australian domestic gold producer. If acceptances reach the 80% level it is expected that rollover-relief will be available in relation to Australian capital gains tax such that the swap into Ramelius Shares will not itself constitute a taxable event. This is discussed in section 14 of the Bidder's Statement but Breaker Shareholders should take their own advice.

Since the virgin discovery of gold at Lake Roe in 2016, Breaker has spent more than 6 years drilling out the deposit and towards the end of 2021 released an updated global resource estimate aggregating to total 1.7 million ounces<sup>1</sup> at the various deposits at the Lake Roe Gold Project. Breaker has also commenced and announced details of open pit and underground development studies in recent times. Whilst being solid potential outcomes, the stark reality is that the estimation of realistic capital and operating costs in an inflationary high cost environment means that Breaker would face many challenges in seeking to develop the Lake Roe Gold Project on its own as a standalone project.

Any commercial advantage of building a stand-alone gold project at Lake Roe is materially undermined by a substantial capital requirement and production output and, whilst it appears attractive on paper compared to the current market capitalisation of the group, also comes with the requirements for approvals, permitting, additional studies, finance and time, all which combine to detract from the eventual positive outcome for shareholders. This reality has been reflected for some time in Breaker's share price.

The Board's unanimous recommendation to ACCEPT the Offer in the absence of a Superior Proposal reflects a belief that the Offer is advantageous for Breaker Shareholders. Breaker Shareholders will become Ramelius shareholders at an attractive premium to where Breaker's stock has traded. Breaker's major shareholders have also demonstrated their support for the Offer, in the absence of a Superior Proposal, by entering into pre-bid acceptance agreements.

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<sup>1</sup> Source of estimate: Breaker ASX Announcement 'Lake Roe Gold Project Mineral Resource Update', as released to the ASX on 20 December 2021. Breaker confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The recommended Offer represents attractive premiums of:

Measure	Breaker Price <sup>2</sup>	Premium %
3-day VWAP	\$0.284	41.0%
10-day VWAP	\$0.282	41.7%
30-day VWAP	\$0.283	41.5%
90-day VWAP	\$0.307	30.5%

The Offer Price represents a total undiluted equity value for Breaker of approximately \$130.7 million<sup>3</sup>.

With Breaker having a net current cash surplus of \$73.7 million<sup>4</sup> (Current Assets less Current Liabilities) and a further potential tax liability (subject to available fraction application and the use of all group carried forward losses) from gains made in the FY2023, it is estimated that the EV ascribed to the Breaker mineral assets by the Offer is in the range of \$65-70 million.

Upon successful completion of the Offer, assuming 100% acceptances, Breaker Shareholders will own approximately 12% of the Merged Group by virtue of their aggregate shareholding in Ramelius.

After careful consideration of the Offer and the risks associated with Breaker proceeding as a stand-alone entity, Breaker's Board considers the opportunity to combine with Ramelius to be compelling for Breaker Shareholders. The reasons why it is recommended that you should **ACCEPT** the Offer are set out in the next section of this Target's Statement. In addition, the Target's Statement sets out other matters that may be relevant to your decision whether to **ACCEPT** the Offer. I encourage you to read both the Bidder's Statement and the Target's Statement and to seek independent advice if required.

Takeovers can often be emotive matters where the various views of individual shareholders can often vary. Your Board has considered both the emotive and commercial aspects in arriving at its recommendation. The Board believes that the Offer is commercially attractive, sensible and practical for Breaker Shareholders to swap their Breaker Shares for shares in Ramelius at the proposed ratio, in the absence of a Superior Proposal.

If you are in doubt as to whether to accept or reject the Offer, you should seek your own independent professional advice.

On behalf of all Directors of Breaker, I thank you for your continued support.

Yours faithfully



Peter Cook  
Non-Executive Chairman  
Breaker Resources NL

<sup>2</sup> Breaker VWAPs are up to and including 17 March 2023, being the last trading day for Breaker prior to the Announcement Date.

<sup>3</sup> Up to and including 17 March 2023, being the last trading day for Breaker prior to the Announcement Date.

<sup>4</sup> Breaker Half-Yearly Financial Report for the period ending 31 December 2022, as released to the ASX on 15 March 2023.

## KEY REASONS TO ACCEPT THE OFFER

The Breaker Board has considered the advantages and disadvantages of the Offer and unanimously recommends that you ACCEPT the Offer (in the absence of a Superior Proposal) for the following key reasons.

In reaching a decision on whether to accept or reject the Offer, Breaker Shareholders should carefully consider section 7 of this Target's Statement and section 11 of the Bidder's Statement which summarises relevant key risks.

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### **REASON 1            Opportunity to become a shareholder in an enlarged top-10 Australian domestic gold producer with production in the stable, major goldfields of Western Australia**

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On successful completion of the Offer, and assuming 100% acceptances, Breaker Shareholders will own approximately 12% of the Merged Group. Breaker Shareholders then instantaneously join the coveted ranks of being a purely West Australian gold producer and an Australian Top-10 domestic gold producer.

Breaker Shareholders will continue to have exposure to the future of the Lake Roe Gold Project and upside associated with Breaker's assets whilst mitigating and diversifying their risks by becoming part of a larger, and more diversified company that has:

- Two steady gold production hubs with an annual profitable gold output of 240,000-280,000oz<sup>5</sup> and growing. The combination of the Lake Roe Gold Project and Rebecca Gold Project creates a solid platform for a third long term hub further enhancing this output and Ramelius' relevance and future as a significant gold producer.
- A substantial combined Total Mineral Resource base of approximately 2.9 million ounces of gold<sup>6</sup> through the combination of the Rebecca and Lake Roe Gold Projects in the region of the proposed third hub.
- With the addition of the Lake Roe Gold Project, the Group Total Mineral Resource base of the expanded Ramelius Group is expected to grow to 7.9Moz<sup>7</sup> across all its projects.
- A management team with proven exploration expertise to continue to grow the existing Mineral Resource and Ore Reserves as well as proven technical capacity to successfully develop and operate both open pit and underground gold mines, and operate gold processing plants.
- The financial capacity that significantly assists in the building of a third gold hub as a result of the Merged Group having a proforma cash estimate of approximately \$231m<sup>8</sup> (before transaction costs) and Ramelius having an undrawn debt facility of \$100m<sup>9</sup>.

The merger will create a natural pairing between the Lake Roe Gold Project and the Rebecca Gold Project where a single larger scale processing plant could be established with higher gold output, operating synergies and lower operating costs than competitive smaller stand-alone projects.

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<sup>5</sup> Ramelius FY23 production guidance, as released to the ASX on 25 January 2023 and 20 March 2023 via its investor presentation.

<sup>6</sup> Ramelius 'Resources and Reserves Statement 2022' as released to the ASX on 13 September 2022; refer to footnote 1.

<sup>7</sup> Ramelius 'Resources and Reserves Statement 2022' as released to the ASX on 13 September 2022; section 9.5 of the Bidder's Statement; refer to footnote 1.

<sup>8</sup> As reported in Ramelius' Half-Yearly Financial Report for the period ending 31 December 2022, as released to the ASX on 21 February 2023; section 9.4 of the Bidder's Statement.

<sup>9</sup> As reported in Ramelius' Half-Yearly Financial Report for the period ending 31 December 2022, as released to the ASX on 21 February 2023; see also Ramelius investor presentation, as released to the ASX on 20 March 2023.

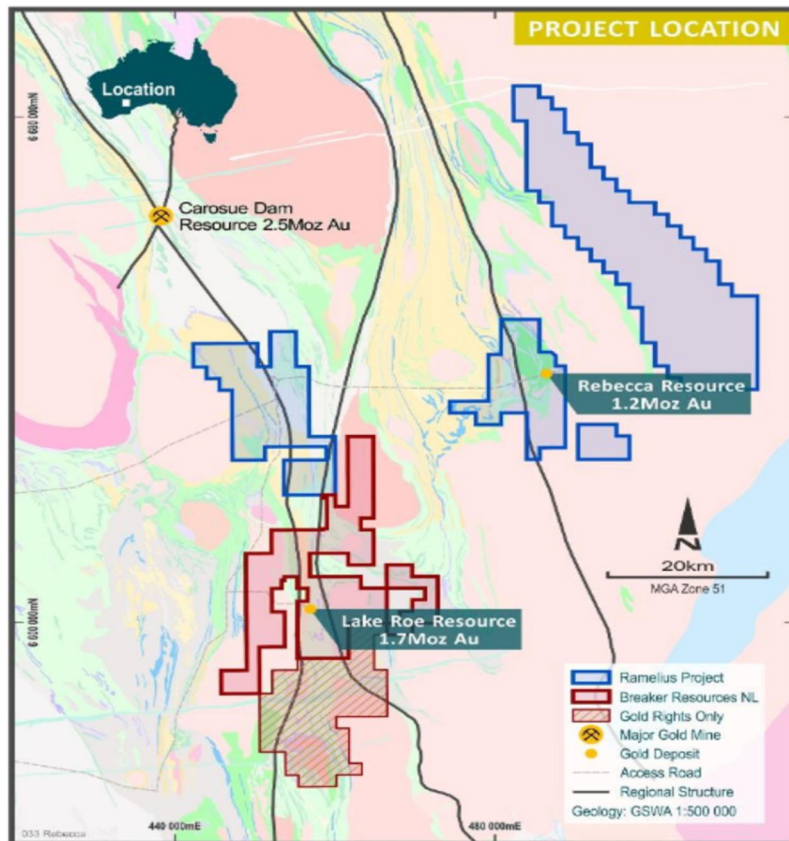


Figure 1: Map showing location of Merged Group assets

Ramelius is already a leading mid-tier ASX-listed gold producer with a history of solid financial performance and dividends. Breaker Shareholders will share in Ramelius' solid reputation and future fiscal performance if the Offer is accepted.

## REASON 2      You may benefit from enhanced scale, funding capability and market re-rating prospects

Your Directors believe a merger of Breaker and Ramelius will create a Merged Group with more attractive attributes relative to Breaker remaining a separate stand-alone company.

Over the past few years, the gold sector and in particular the explorers and potential developers have struggled for market interest, equity capital and relevance. Your Directors have had to respond to these factors by successfully choosing alternative routes to ensure the Company is funded and the potential value of its assets are reflected in its share price.

For various reasons, Breaker has struggled to gain market support and have the value of its assets reflected in its share price. This is an opportunity for Breaker Shareholders to receive further upside in consideration as the enhanced Merged Group could re-rate above the levels from where the takeover has been made. The Board's opinion and analysis suggest the combination of assets is likely to appeal to the investment community which therefore could potentially lead to a market re-rating of the Merged Group that is superior to the market rating of Ramelius and Breaker as stand-alone companies.

These additional attributes of the Merged Group are expected to be:

- A larger available gold resource and future mining reserve to underwrite and establish a new third production hub for Ramelius in the Lake Roe-Rebecca region which could ultimately translate to a potentially larger annual gold production output.
- A higher gold sales and enhanced scale with potential production from two mining areas simultaneously providing a higher rate of annual throughput and a commensurate reduction in unit costs due to economies of scale.



- A demonstrable capacity due to existing proforma cash and undrawn debt facilities enabling a solid platform for a simple path to production.
- An elevation in market relevance as a purely West Australian gold production company in a shrinking number of investment choices.
- A consolidated group market capitalisation of approximately \$1.32 billion<sup>10</sup> making the Merged Group attractive and a clear choice for international gold investors, gold ETF and quant funds.
- A significantly enhanced trading liquidity given the strong daily liquidity of Ramelius Shares compared to Breaker Shares, giving Breaker Shareholders a simpler path of divestment if desired.
- Increased coverage from financial analysts and the international investment community.

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### **REASON 3            There are material risks in Breaker continuing as a stand-alone entity**

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Since the discovery of gold at Lake Roe, Breaker has completed more than 330,000m of drilling and taken more than 6 years to define its current Global Resource estimate of 1.7 million ounces<sup>11</sup>. An essential path for Breaker is the infill drilling of its Global Resource to enable an upgrade in its JORC 2012 categorisation from Inferred to Indicated and hence the capacity to consider the overall resource as Reserves in economic and financing processes.

A significant amount of expenditure is required to complete this work which also takes time due to the logistics of drilling on salt lakes and the depth of the holes required. It is likely that this process may consume quite a bit of Breaker's available cash with no increase in overall resource inventory.

Over the past 12 months, Breaker has progressed its works to focus on commercial studies for the project's development. These have shown that in the current high inflationary environment for mining and construction costs, the conversion rate of its Global Resource into economically viable ounces is likely to be lower than anticipated.

Breaker has successfully traced the primary lodes beneath any proposed open pit showing that the structures continue to at least 600m vertical depth. This drilling is however sparse and the resources on these lodes are still categorised as Inferred. Preliminary mining evaluation studies suggest that the Tura and Northern Flats lodes have potential for economic underground mining extraction on a modest scale. However, the likely production rates from these are limited and would not be expected to feed a stand-alone processing facility on their own. Further, given the pre-production capital as well as the resource development drilling costs required to infill and upgrade the deeper resources from Inferred to Indicated resource categorisation, there is uncertainty as to the real economic impact these can add.

Breaker is also yet to advance the substantive permitting and approvals processes beyond the preliminary consideration stage to enable the development of any project to commence in the near term.

This aside, there is potentially other options for the commercialisation of initial open pits at the Lake Roe Gold Project via the owner mining route with the toll processing of ore in third party plants. Enquiry of near neighbours who own operating process plants has revealed limited or no capacity or desire to toll process ore from the Lake Roe Gold Project and if an opening did eventuate, it would be small capacity and expensive. Further, Breaker would have to build a substantial haul road from the Lake Roe Gold Project to the relevant treatment plant which would involve significant time and cost. Hence, there is significant risk in the execution of this option.

The Board of Breaker has concluded that it must consider other options. The two other commercialisation options are to commence a stand-alone mining feasibility or join with another group to form a bigger project to create the capacity to enable this decision to have a stronger fiscal outcome. Preliminary assessments

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<sup>10</sup> This figure assumes an aggregated market capitalisation of the Merged Group being equal to the sum of the respective market capitalisations of Ramelius and Breaker as at market close on 6 April 2023.

<sup>11</sup> Refer to footnote 1.

have shown that the economics, timing and requirements for Breaker to build a stand-alone operation do not suggest a sizeable, and long-term, sustainable option exists.

On balance, the Board has concluded that the commercial attractiveness of joining with another group to create more opportunity and optionality for a development is more advantageous and less risky to Breaker Shareholders than persisting with a potential stand-alone project concept. Further, the previous option of waiting for toll processing capacity to potentially become available is not advantageous when compared to consolidating with Ramelius.

There remains another option to do nothing and wait. Under this option we are hoping for a better commercial outcome, a higher gold price, a higher conversion rate of Resources into Reserves and a more stable cost and construction environment. Whilst there remains a possibility that all the cards fall in favour of this, the reality is that over time and as a consequence of continuing to chase this outcome, Breaker's cash position will diminish, and the Breaker Share price is likely to drift downwards in the absence of positive forward momentum with the Lake Roe Gold Project.

Hence, Breaker as a stand-alone company, faces material risks including the following:

- While Breaker has existing Mineral Resources and other Exploration Targets on its Tenements with the potential for these to aggregate to a quantum that makes for a stand-alone project with strong margins at current gold prices and costs, this outcome is not certain and would likely take several years to unravel.
- Breaker would consume significant high-risk capital looking to expand its resources and even if it does, there is no certainty that exploration would be successful, or that Breaker will be in a fiscal position to capitalise on them in the future.
- Breaker has yet to complete a feasibility study for the Lake Roe Gold Project and the undertaking of such a study would take time with the outcome as a stand-alone project uncertain.
- Breaker faces substantial time risk in the permitting and approvals process with regulators and third-party stakeholders before it can make a decision on any development let-alone a complex stand-alone development.
- Breaker would need to significantly upscale its workforce experience and capability to start mining or to build a stand-alone project in an extremely tight labour and skills market.

The Directors have considered the strategic and replacement value of Breaker's assets and acknowledge that the Company's current market capitalisation, and the implied value of the Offer, may not reflect that value. However, given the risks associated with Breaker proceeding as a stand-alone entity and the advantages presented by the Merged Group as set out in section 7 of this Target's Statement, and section 9 of the Bidder's Statement respectively, the Board considers that the combination of Breaker and Ramelius under the Offer represents a more attractive proposition for Breaker Shareholders than Breaker continuing with exploration with a view to proceeding with development on a stand-alone basis.

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## **REASON 4            The Offer represents a premium for your Breaker Shares**

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Under the Offer, Breaker Shareholders will receive 1 new Ramelius Share for every 2.82 Breaker Shares held.

This represents an implied premium<sup>12</sup> of:

<b>Measure</b>	<b>Breaker Price<sup>13</sup></b>	<b>Premium</b>
3-day VWAP	\$0.284	41.0%
10-day VWAP	\$0.282	41.7%

<sup>12</sup> The implied premium of the Offer will vary depending on the price at which Ramelius Shares and Breaker Shares trade on the ASX during the Offer Period. Breaker VWAPs listed were calculated up to and including trading on 17 March 2023.

<sup>13</sup> Breaker VWAPs are up to and including 17 March 2023, being the last trading day for Breaker prior to the Announcement Date.

Measure	Breaker Price <sup>13</sup>	Premium
30-day VWAP	\$0.283	41.5%
60-day VWAP	\$0.307	30.5%

The Offer represents an undiluted implied value of Breaker of approximately \$130.7 million<sup>14</sup>.

The Merged Group's share price may rise or fall based on market conditions and the Merged Group's financial and operational performance. If the Group's share price falls, the value of the Ramelius Shares received by Breaker Shareholders that accept the Offer will decline in value.

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## **REASON 5      The Offer is subject to a minimum acceptance condition of 50.1%**

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The Offer is subject to minimal and market standard conditions, including (among other things) a 50.1% minimum acceptance condition, no material acquisitions or disposals, no material adverse change and no prescribed occurrences in relation to Breaker.

The conditions of the Offer are summarised in Section 2.3 of this Target's Statement and set out in full in Section 13 of the Bidder's Statement.

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## **REASON 6      Ramelius has a significant stake in Breaker**

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Ramelius currently has a Relevant Interest in Breaker Shares, comprising 70,293,124 Breaker Shares (being approximately 21.51% of Breaker Shares as the date of this Target's Statement) pursuant to pre-bid acceptance agreements in relation to the Offer with Electrum and Paulson and as a result of acceptances of the Offer already received as at the date of this Target's Statement.

The commitment by Electrum and Paulson supports the view of your Directors as to the merits of a merger with Ramelius. This commitment also improves the prospects of the merger between Breaker and Ramelius being consummated in a timely manner.

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## **REASON 7      Reasonable entry price into Ramelius Shares**

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The determined ratio of 2.82 Breaker Shares for each Ramelius Share means the entities are joined at the hip and the final outcome of premium is determined by the movements in the Ramelius Share price.

Over the past 12 months, Ramelius had a highest closing price of \$1.575 per share<sup>15</sup> on 22 March 2022 and a lowest closing price of \$0.60 per share on 17 October 2022. During this time its 12-month VWAP was \$0.93 per Ramelius Share.

Over the past 12 months Breaker had a highest closing price of \$0.365 per share<sup>16</sup> on 5 January 2023 and a lowest closing price of \$0.18 per share on 29 June 2022. During this time its 12-month VWAP was \$0.29 per Breaker Share.

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<sup>14</sup> Up to and including 17 March 2023, being the last trading day for Breaker prior to the Announcement Date.

<sup>15</sup> Source: 22 March 2022 closing price Ramelius ASX data.

<sup>16</sup> Source: 5 January 2023 closing price Breaker ASX data.

Ratio analysis over this longer period suggests a number of range scenarios but with consideration that both entities trade within the gold sector, a low-low share price over the 12 month period gives a 3.33:1 ratio of Breaker:Ramelius and a high-high ratio of 4.31:1 with the below graph showing three distinct phases over the last 12 months:

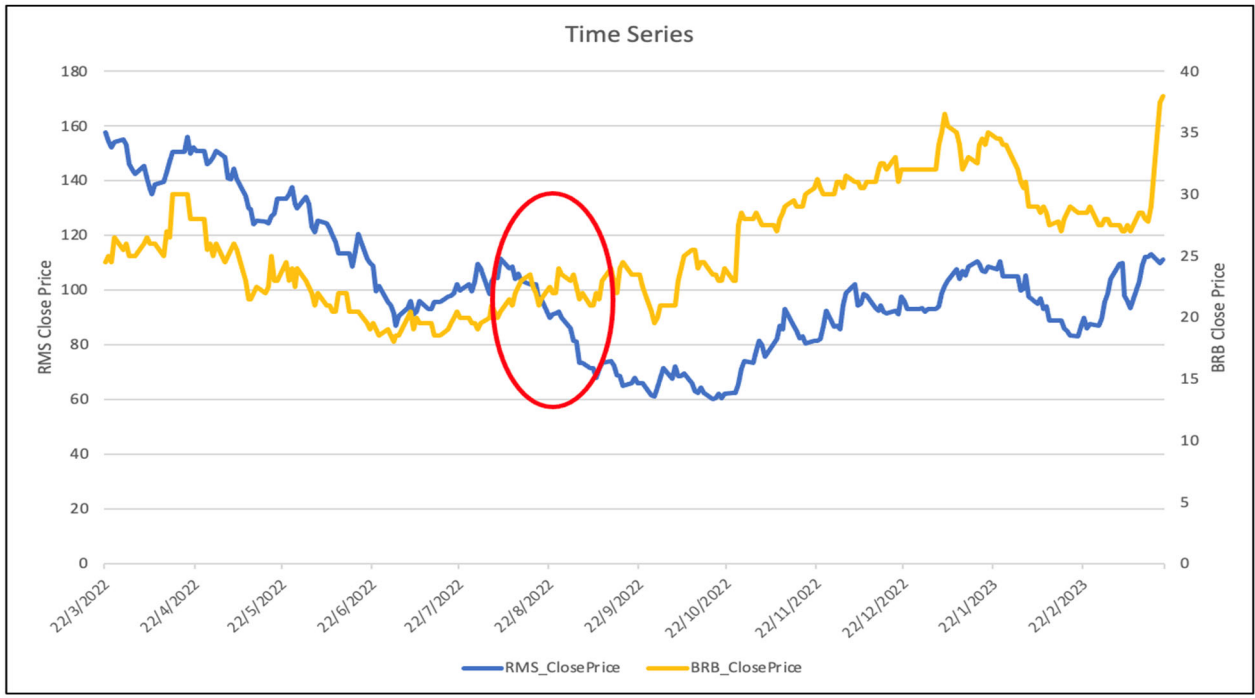


Figure 2: Time series of Breaker Share Price and Ramelius Share Price.

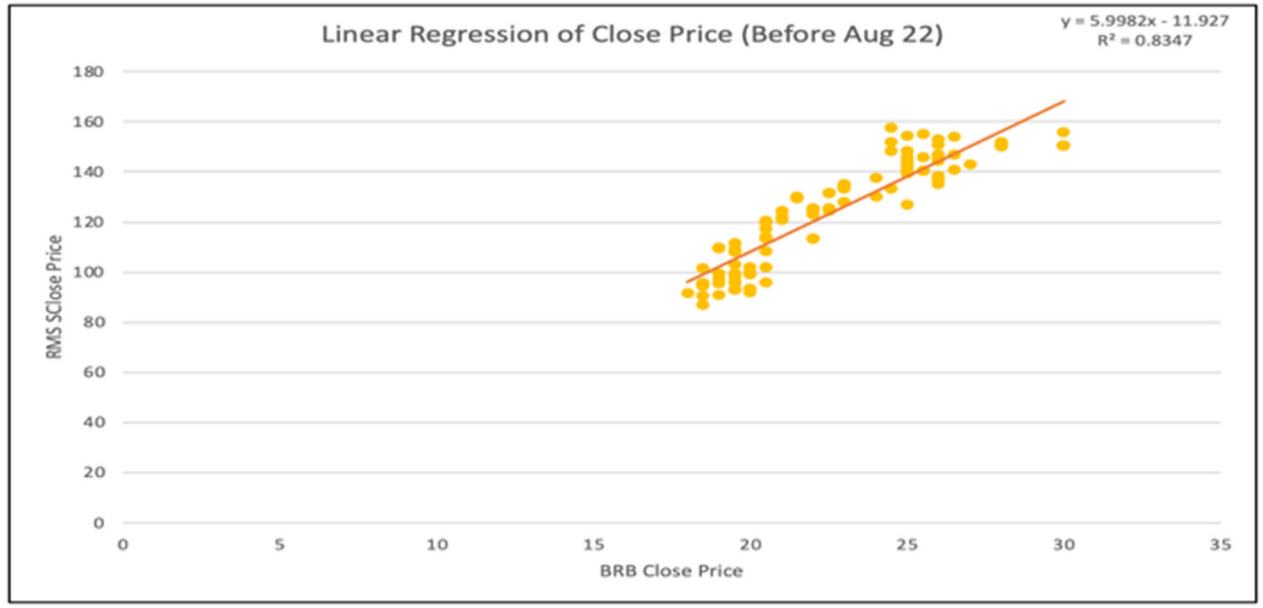


Figure 3: Linear Regression (before August 2022) of Close Price of Ramelius Close Price and Breaker Close Price

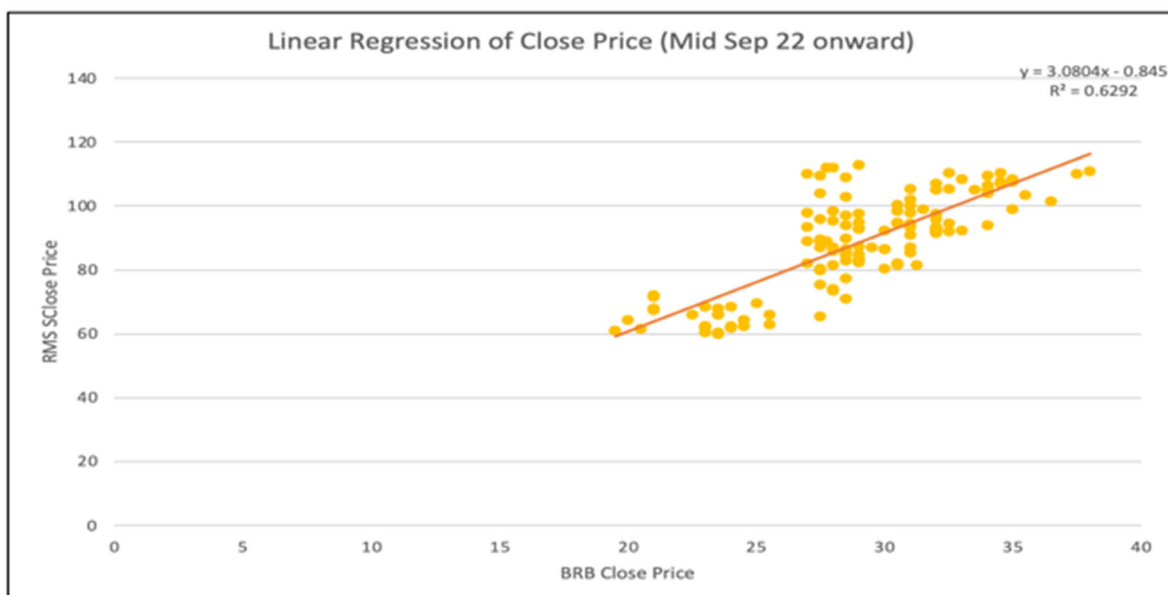


Figure 4: Linear Regression (after mid-September 2022) of Close Price of Ramelius Close Price and Breaker Close Price

Notes:

1. A general correlation of  $R^2 = 0.8347$  before August 2022 by regression analysis.
2. A break down in correlations in late August interpreted to be related to gold price breakdown impacts on producers.
3. A general correlation of  $R^2 = 0.6292$  from mid-September 2022 by regression analysis.

Whilst the data is open to interpretation, Breaker suggests it means that since September 2022 after the correction in the gold price and the heavy sell-off of Ramelius, there is a re-set of correlations between the two groups of share price data. Since that time, for every one cent the Ramelius Share price has risen, the Breaker Share price has risen by 0.63c.

The agreed takeover ratio of 2.82 Breaker Shares for each Ramelius Share is now fixed in the takeover and any appreciation in Ramelius' Share price is more advantageous for Breaker Shareholders.

As at the date of this Target's Statement for example, the Ramelius Share price has risen to \$1.37 per Ramelius Share which when divided by the set ratio increased the deemed offer price to  $(\$1.37/2.82)$  \$0.436 per Breaker Share, with a commensurate relative 3-day VWAP premium up to 71% from the initial 41%.

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**REASON 8            No Superior Proposal has emerged to date**

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Prior to recommending the Offer, your Directors assessed various options to maximise shareholder value in Breaker. The Offer was announced to the market on 20 March 2023. As at the date of this Target's Statement, no Superior Proposal has emerged that would cause the Directors to reconsider their current recommendation.

If a competing transaction for Breaker emerges, your Directors will carefully consider the proposal to determine whether it is a Superior Proposal and will inform you of any material developments which may affect your Directors' views that the Offer is presently the most favourable proposal for all your Breaker Shares.

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**REASON 9            The value of Breaker Shares may fall if the Offer is not successful**

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There are many factors that affect the price of Breaker Shares, however since the Offer was announced Breaker Shares have traded above Breaker's Share price prior to the announcement of the Offer, at a level that broadly reflects the terms of the Offer.

As such, your Directors consider that, in the absence of the Offer or Superior Proposal emerging, the price of Breaker Shares may fall below current levels, at least in the short term.

The implied value of the Offer will change with fluctuations in the market price of Ramelius Shares.

The Breaker Board unanimously recommends that you ACCEPT the Offer by the Bidder (in the absence of a Superior Proposal).

## 1. FREQUENTLY ASKED QUESTIONS ABOUT THE OFFER

For the purposes of enabling you to understand some of the complex issues which arise during the process of a takeover bid, we have provided this question and answer guide.

This section is not intended to address all issues that may be relevant to you. This section should be read together with the rest of this Target's Statement.

Question		Answer	Further Information
1.1	<b>What is this Target's Statement?</b>	This Target's Statement has been prepared by Breaker and provides Breaker's response to the Offer. The Target's Statement contains information to help you decide whether to accept or reject the Offer, including the recommendation of your Directors. Breaker is required by law to produce this Target's Statement in response to the Offer.	
1.2	<b>What is the Bidder's Statement?</b>	The Bidder's Statement is the document setting out the terms of the Offer. The Bidder lodged the Bidder's Statement with ASIC on 27 March 2023 and sent the Bidder's Statement to Breaker Shareholders on 29 March 2023.	
1.3	<b>Who is the Bidder and who is Ramelius?</b>	<p>Ramelius is making the Offer through the Bidder, its wholly-owned Subsidiary, Ramelius Kalgoorlie Pty Ltd (ABN 18 654 590 039).</p> <p>Under the Bid Implementation Agreement, Ramelius has agreed to guarantee that the Bidder performs and observes all of its obligations under the Bid Implementation Agreement.</p> <p>Ramelius is a gold producer, explorer and developer of gold mines in Western Australia. Ramelius is listed on the ASX (ASX Code: RMS) and one of its development assets is the Rebecca Gold Project, which is in close proximity to Breaker's Lake Roe Gold Project in the Kalgoorlie district of Western Australia.</p> <p>Information in relation to the Bidder and Ramelius is set out in section 4 of the Bidder's Statement or can otherwise be obtained via the Ramelius website at <a href="http://www.rameliusresources.com.au">www.rameliusresources.com.au</a>.</p>	Section 5
1.4	<b>What is the Offer?</b>	<p>The Bidder is offering to acquire your Breaker Shares by issuing Breaker Shareholders 1 Ramelius Share for every 2.82 Breaker Shares held (<b>Offer</b>).</p> <p>If the calculation of the number of Ramelius Shares you are to receive as part of the Offer results in an entitlement to a fraction of a Ramelius Share, that fraction will be rounded up to the next whole number of Ramelius Shares.</p> <p>You may only accept the Offer in respect of all of your Breaker Shares. You may accept the Offer only in respect of all, and not part, of the Breaker Shares that you hold.</p> <p>The Offer extends to any Breaker Shares that are issued during the Offer Period, from the exercise of Breaker Options.</p>	Section 2

Question	Answer	Further Information
	<p>If you are a Foreign Breaker Shareholder or an Unmarketable Parcel Shareholder, you will not be provided Ramelius Shares. Instead, you will be paid the net proceeds of the sale of the Ramelius Shares you would have been entitled to.</p> <p>The Offer is subject to certain Conditions. See section 2.3 for a detailed summary of the Conditions.</p>	
<p><b>1.5 What is the value of the Offer Consideration?</b></p>	<p>The Offer Consideration is 1 (one) Ramelius Share for every 2.82 Breaker Shares.</p> <p>The Bidder's Statement provides that the aggregate value of the Offer Consideration is approximately \$0.40 per Breaker Share, based on the 3-day VWAP of Ramelius Shares as at 17 March 2023 of \$1.127, the business day prior to the Announcement Date.</p> <p>As Ramelius Shares are listed on the ASX, the market price of Ramelius Shares can fall as well as rise and may be subject to varied and unpredictable influences. Accordingly, there is no guarantee that a Ramelius Share will continue to be worth equal to or above \$1.127.</p> <p>Refer to section 5.2 of this Bidder's Statement for further details regarding the recent trading values of Ramelius Shares.</p>	
<p><b>1.6 What are the Conditions of the Offer?</b></p>	<p>The Offer is subject to the Conditions, which are set out in detail in section 2.3 of this Target's Statement and more specifically in 13.8 of the Bidder's Statement.</p> <p>These conditions include (by way of summary only):</p> <ul style="list-style-type: none"> <li>(a) a minimum acceptance condition of 50.1%;</li> <li>(b) receipt of any regulatory approvals required;</li> <li>(c) no order, investigation or application is made which restrains, prohibits or impedes the Takeover Bid and the Offer;</li> <li>(d) no person exercises any rights under any provision of any agreement or other instrument to which a member of the Breaker Group is a party;</li> <li>(e) no change of control rights as a result of Ramelius making the Offer;</li> <li>(f) no material disposals, acquisitions, cancellation or new commitments by Breaker;</li> <li>(g) no material adverse change occurring;</li> <li>(h) no untrue statements are made to ASX;</li> <li>(i) restrictions on the conduct of Breaker's business;</li> <li>(j) Breaker's Tenements are maintained in their current form;</li> <li>(k) no litigation against Breaker which may impact Breaker or reasonably result in a judgment of \$500,000 or more is</li> </ul>	<p>Section 2.3</p>



Question	Answer	Further Information
	<p>commenced, threatened, announced or made known to Ramelius;</p> <p>(l) access to all information that is not generally available relating to the Breaker Group;</p> <p>(m) no 'prescribed occurrences' occurring in relation to Breaker;</p> <p>(n) no distribution, or announcement or declaration of a distribution, is made to Breaker Shareholders by Breaker; and</p> <p>(o) no person (together with its Associates) (other than the Bidder and its Associates) acquires any Breaker Shares that result in that person having a Relevant Interest in 10% or more of Breaker's Shares.</p> <p>If any of the Conditions are not satisfied or waived by the Bidder by the end of the Offer Period, then the Offer will lapse and not proceed (i.e. you will retain your Breaker Shares).</p> <p>In addition, there is a statutory condition (refer section 13.11 of the Bidder's Statement) relating to the ASX quotation of Ramelius Shares to be issued under the Offer. If this condition is not fulfilled, the Offer will lapse and not proceed (i.e. you will retain your Breaker Shares).</p> <p>The Bidder may in its sole discretion declare the Offer to be free from any conditions at any time.</p>	
<p><b>1.7</b> What are my alternatives?</p>	<p>As a Breaker Shareholder you have the following choices in respect of your Shares:</p> <p>(a) accept the Offer (as recommended by the Directors in the absence of a Superior Proposal);</p> <p>(b) reject the Offer by doing nothing; or</p> <p>(c) sell your Shares on the ASX at the prevailing market price (unless you have previously accepted the Offer and you have not validly withdrawn your acceptance).</p> <p>When deciding what to do, you should carefully consider the Directors' recommendation and other important considerations in this Target's Statement.</p>	<p>Section 3</p>
<p><b>1.8</b> What do the Directors recommend?</p>	<p>Your Directors unanimously recommend that you accept the Offer (in the absence of a Superior Proposal).</p> <p>The reasons for this recommendation are set out in this Target's Statement.</p> <p>If there is a change in this recommendation or any other material developments in relation to the Offer, Breaker will lodge a supplementary target's statement.</p>	<p>Section 6</p>
<p><b>1.9</b> What do some of the major shareholders of Breaker intend to</p>	<p>On 20 March 2023, Breaker major shareholders, Electrum Strategic Opportunities Fund II L.P. (<b>Electrum</b>) and Paulson &amp; Co. Inc. (<b>Paulson</b>),</p>	

Question	Answer	Further Information
	<p>entered into pre-bid acceptance deeds with Ramelius (<b>Pre-Bid Acceptance Deeds</b>). The Pre-Bid Acceptance Deeds provide that Electrum and Paulson will accept the Offer, subject to certain conditions (as are more particularly described in sections 7.4 and 12.2 of the Bidder's Statement).</p> <p>The Pre-Bid Acceptance Deeds relate to, in aggregate, 65,100,314 Breaker Shares or 19.92% in total.</p>	
<p><b>1.10 What interests do the Breaker Directors have in relation to the Offer?</b></p>	<p>The interests of the Breaker Directors in Breaker are set out in section 6.4.</p> <p>Each Breaker Director who holds a Relevant Interest in Breaker Shares has made an Intention Statement in respect of 4,675,136 Breaker Shares (in aggregate) they own or control (representing 1.43% of all Breaker Shares), in the absence of Superior Proposal.</p> <p>The Bidder has advised Breaker that the Bidder will offer to enter into agreements with each Breaker Director who holds options in Breaker to cancel or acquire their options on terms materially consistent (including as to the consideration amount) as the Offer.</p>	<p>Sections 2.8 and 6.4</p>
<p><b>1.11 If I accept the Offer, can I withdraw my acceptance?</b></p>	<p>No. You cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act.</p> <p>Such a withdrawal right will arise if, after you have accepted the Offer, the Bidder varies the Offer in a way that postpones, for more than one month, the time when the Bidder has to meet its obligations under the Offer, and at that time, the Offer is subject to one of the Conditions.</p> <p>If this occurs, a notice will be sent to you at the relevant time that explains your rights to withdraw your acceptance of the Offer.</p>	<p>Section 2.10</p>
<p><b>1.12 Can the Bidder vary the Offer?</b></p>	<p>Yes, the Offer can be varied by increasing the consideration or waiving the Conditions. The Directors do not know if the Bidder will vary its Offer. Any such variation will be announced to the ASX.</p> <p>If the Bidder increases the Offer consideration during the Offer Period, you will be entitled to that increased consideration if you have accepted, or choose to accept, the Offer.</p>	<p>Section 2.7</p>
<p><b>1.13 When does the Offer close?</b></p>	<p>The Offer is scheduled to close at 7.00pm (Sydney time) on 1 May 2023 (unless extended or withdrawn). The Offer Period may also be automatically extended in certain circumstances.</p>	<p>Section 2.2</p>
<p><b>1.14 Can the Bidder extend the closing date of its Offer?</b></p>	<p>The Bidder has stated that its Offer remains open until 7.00pm (Sydney time) on 1 May 2023.</p> <p>It is possible that the Bidder may choose to extend the Offer Period in accordance with the Corporations Act.</p>	<p>Section 2.2</p>

Question	Answer	Further Information
	<p>In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period:</p> <p>(a) the Bidder improves the consideration offered under the Offer; or</p> <p>(b) the Bidder's voting power in Breaker increases to more than 50%.</p> <p>If either of these two events occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.</p>	
<p><b>1.15</b> What will happen if the Bidder improves the consideration under the Offer?</p>	<p>If the Bidder improves the consideration offered under the Offer, all Breaker Shareholders who have accepted the Offer will be entitled to the benefit of that improved consideration (whether they accepted the Offer before or after the consideration is improved).</p> <p>If this occurs, the Directors will carefully consider the revised Offer and advise Shareholders accordingly. However, there is no guarantee that the Bidder will improve the consideration offered.</p>	<p>Section 2.7</p>
<p><b>1.16</b> What do you need to do?</p>	<p>Read this Target's Statement and the Bidder's Statement.</p> <p>If you are unsure whether to accept the Offer, consult your legal, financial, tax or other professional advisers.</p> <p>If you wish to accept the Offer (and have not previously accepted the Offer or validly withdrawn your acceptance), follow the instructions in the Bidder's Statement, in particular section 3.</p> <p>If you wish to reject the Offer, do nothing.</p> <p>There are implications for you in relation to each of these choices. An outline of these implications is set out in section 3 of this Target's Statement.</p>	<p>Section 3</p>
<p><b>1.17</b> What happens if I do nothing?</p>	<p>If you do not accept the Share Offer, you will retain your Shares and will not receive the Offer Consideration.</p> <p>Refer also to section 1.18 below (which details the potential right of the Bidder to compulsorily acquire your Shares in certain circumstances).</p>	<p>Section 3</p>
<p><b>1.18</b> Can I be forced to sell my Shares?</p>	<p>If the Bidder obtains sufficient acceptances from other Shareholders to give it a relevant interest in 90% or more of the total number of Shares, the Bidder may compulsorily acquire your Shares. If this happens, you will receive the Offer Consideration at the end of the compulsory acquisition process. This means you will receive the Offer Consideration for your Shares later than you would have received it if you had accepted the Share Offer.</p>	<p>Section 3</p>
<p><b>1.19</b> How many Shares does Ramelius hold in Breaker?</p>	<p>In its Bidder's Statement, the Bidder states that it has a Relevant Interest in 19.92% of Breaker arising from the Pre-Bid Acceptance Deeds. In total, the Bidder has a Relevant Interest in approximately 21.51% of</p>	<p>Section 8.6</p>

Question	Answer	Further Information
	Breaker as at the date of this Target's Statement as a result of acceptances of the Offer.	
<p><b>1.20 How do I accept the Offer?</b></p>	<p>If you choose to accept the Offer, how you accept the Offer will depend on whether your Shares are in an Issuer Sponsored Holding or a CHES Holding.</p> <p>You may only accept the Offer in respect of all of your Breaker Shares, not only some.</p> <p><b>Issuer sponsored shareholders</b></p> <p>If you hold your Shares in an Issuer Sponsored Holding (your Securityholder Reference Number will begin with "I"), you must complete the Acceptance Form in accordance with the instructions on it and return it to the address on the Acceptance Form so that it is received before of the Offer closes</p> <p><b>CHES Shareholders</b></p> <p>If you hold your Shares in a CHES Holding (your Holder Identification Number will begin with "X") either contact your Controlling Participant (usually your Broker) and instruct them to accept the Offer on your behalf, or complete the Acceptance Form in accordance with the instructions on it and return it to the address on the Acceptance Form.</p> <p>Full details of how to accept the Offer are set out in section 13.3 of the Bidder's Statement.</p> <p><b>Controlling Participants</b></p> <p>If you are a Controlling Participant, acceptance of the Share Offer must be initiated in accordance with rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.</p> <p><b>Holders of Breaker Options</b></p> <p>If you hold Breaker Options on the date of the Offer and are entitled to and wish to exercise the Breaker Options during the Offer Period and accept the Offer in respect of the Breaker Shares issued upon exercise, you should exercise the Breaker Options in accordance with their terms and accept the Offer in respect of the resulting Breaker Shares.</p>	Section 3.1
<p><b>1.21 What if I am a Foreign Breaker Shareholder?</b></p>	<p>The Bidder's Statement provides that generally speaking, if your address on Breaker's register of members is in a jurisdiction other than Australia, the United Kingdom, Canada or New Zealand, or you are a Breaker Shareholder who does not qualify as an Institutional Accredited Investor in the United States, you will be considered to be a Foreign Breaker Shareholder.</p> <p>If you are a Foreign Breaker Shareholder you are entitled to accept the Offer just like any other Breaker Shareholder. However, you will not be entitled to receive Ramelius Shares as a result of acceptance. Instead, the Ramelius Shares to which you would otherwise be entitled to will be issued to a sale nominee approved by ASIC who will sell those</p>	

Question	Answer	Further Information
	<p>Ramelius Shares on the ASX and provide you with the net sale proceeds.</p> <p>Please refer to sections 12.16 and 13.7 of the Bidder's Statement for further information.</p>	
<p><b>1.22 Can I accept the Offer if I would receive an Unmarketable Parcel of Ramelius Shares?</b></p>	<p>Yes, but if you are an Unmarketable Parcel Shareholder you will not receive Ramelius Shares. Instead you will be paid the net proceeds of the sale of the Ramelius Shares you would have been entitled to.</p> <p>Please refer to section 12.16 and 13.7 of the Bidder's Statement for further information.</p>	
<p><b>1.23 What happens if I accept the Offer?</b></p>	<p>If you accept the Offer while it is still conditional, unless withdrawal rights are available, you will not be able to:</p> <ul style="list-style-type: none"> <li>(a) sell your Shares accepted under the Offer on the ASX (that is, you will not be able to settle the trade using those Shares);</li> <li>(b) sell your Shares accepted under the Offer to any other bidder that may make a takeover offer; and</li> <li>(c) otherwise sell or deal with your Shares accepted under the Offer while the Offer remains open.</li> </ul> <p>If the Conditions are not satisfied or waived and the Offer lapses, all contracts resulting from acceptance of the Offer will be void and you will be free to deal with your Shares accepted under the Offer.</p>	<p>Section 2.10</p>
<p><b>1.24 Can the Bidder withdraw the Offer?</b></p>	<p>Yes, but only in limited circumstances with the consent of ASIC.</p>	
<p><b>1.25 Can I accept the Offer for less than all of my Shares?</b></p>	<p>No, you can only accept for all of your Shares.</p>	
<p><b>1.26 What if I want to sell my Shares on-market?</b></p>	<p>During the Offer Period, you may sell your Shares on market for cash (less brokerage), provided you have not accepted the Offer for those Shares. If you have already accepted the Offer, you will be unable to settle any subsequent on-market sale of your Shares, unless you become entitled to withdraw your acceptance.</p> <p>You should contact your Broker for information on how to sell your Shares on the ASX and your tax adviser to determine your tax implications of such a sale.</p>	<p>Section 3.3</p>
<p><b>1.27 Does the Offer extend to Breaker Options?</b></p>	<p>The Bidder is not offering to acquire the Breaker Options under the Offer but intends to make separate offers to acquire unexercised Breaker Options. The Bidder has also confirmed that it is offering to buy any Breaker Shares issued during the Offer Period due to the conversion of Breaker Options on the terms set out in the Bidder's Statement.</p>	<p>Section 8.5</p>

Question	Answer	Further Information
1.28 <b>Are there any risks associated with the Offer?</b>	Yes. Breaker Shareholders who accept the Offer will be exposed to a number of risks. You should carefully consider the risk factors that could affect the performance of Ramelius and the Merged Group before deciding whether to accept the Offer. A summary of the key risk factors is set out in section 7 of this Target's Statement and section 11 of the Bidder's Statement.	Section 7
1.29 <b>Are there risks in not accepting the Offer?</b>	<p>There are risks in retaining your Breaker Shares.</p> <p>If you do not accept the Offer, and Ramelius acquires:</p> <p>(a) more than 90% of Breaker Shares during or at the end of the Offer Period, Ramelius may compulsorily acquire your Breaker Shares for the same consideration as under the Offer; or</p> <p>(b) more than 50% but less than 90% of Breaker Shares, you will become a minority shareholder in Breaker, which will be controlled by Ramelius and may be delisted from the ASX. Ramelius may also waive the Offer condition that it must acquire at least 50.1% of Breaker Shares and, on completion of the Offer, hold less than 50% of Breaker Shares.</p> <p>Further details about the risks associated with retaining Breaker Shares are set out in section 7 of this Target's Statement. Refer to section 8 of the Bidder's Statement for more information regarding the Ramelius' intentions in relation to Breaker, including at different Relevant Interests held in Breaker.</p>	Section 7
1.30 <b>What are the tax implications of accepting the Offer?</b>	<p>There may be tax implications from the sale of your Shares.</p> <p>Section 14 of the Bidder's Statement provides a general outline of possible Australian tax implications for Shareholders arising from the Offer.</p> <p>As these outlines are general in nature and do not take into account your individual circumstances, you should not rely on that outline as advice for your particular circumstances. You should obtain independent advice from your professional adviser or tax adviser in this regard.</p>	Section 2.12
1.31 <b>When will I receive my consideration if I accept the Offer?</b>	<p>The Bidder's Statement provides that generally, the Offer Consideration will be issued to you on or before the earlier of:</p> <p>(a) one month after the Offer is accepted or one month after all of the conditions have been freed or fulfilled (whichever is the later); and</p> <p>(b) 21 days after the end of the Offer Period.</p> <p>If the Conditions of the Offer are not satisfied or waived by the time the Offer closes, the Offer will lapse and your acceptance will be void. In those circumstances you will not receive the Offer</p>	Section 2.6

Question	Answer	Further Information
	<p>Consideration for your Accepted Shares and you will retain your Accepted Shares.</p> <p>Foreign Breaker Shareholders and Unmarketable Parcel Shareholders will be provided with the net proceeds of sale to which they are entitled under the Offer at a different time.</p> <p>Full details regarding the consideration for your Shares are set out in section 13.6 of the Bidder's Statement.</p>	
<p><b>1.32 Will the Ramelius Shares issued as the Offer Consideration be quoted on the ASX?</b></p>	<p>The Bidder's Statement provides that Ramelius will apply for the Ramelius Shares to be issued under the Offer to be quoted on the ASX within 7 days after the date of the Bidder's Statement. Quotation of these Ramelius Shares will not be automatic but will depend on the ASX exercising its discretion. However, as Ramelius is already admitted to the official list of the ASX and Ramelius Shares in the same class as to those to be issued under the Offer are already quoted, Ramelius believes quotation of the new Ramelius Shares will be granted.</p>	
<p><b>1.33 How is the Offer being funded?</b></p>	<p>The Bidder's Statement provides that the consideration for the acquisition of the Breaker Shares will be satisfied by the issue of 120,564,123 Ramelius Shares if acceptances are received for all Breaker Shares on issue as at the date of the Bidder's Statement and all outstanding Breaker Options are exercised.</p> <p>Ramelius has the capacity to issue the maximum number of Shares which it may be required to issue under the Offer.</p>	
<p><b>1.34 How will I know when the Offer is unconditional?</b></p>	<p>The Bidder is required to inform Breaker, ASX and Breaker Shareholders as soon as any Conditions are satisfied or waived.</p> <p>Notices from the Bidder will be available on the ASX website at <a href="http://www.asx.com.au">www.asx.com.au</a> (ASX code: RMS). These notices will also be available on the Breaker ASX company announcement platform.</p> <p>The Bidder has set 24 April 2023 as the date on which it will give Breaker and ASX a notice required by law on the status of the Conditions. This date may be extended if the Offer Period is extended.</p>	<p>Section 2.4</p>
<p><b>1.35 Will I need to pay stamp duty if I accept the Offer?</b></p>	<p>The Bidder's Statement provides that if your Breaker Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to the Bidder, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer.</p> <p>If your Breaker Shares are registered in a CHES Holding, or if you are a beneficial owner whose Breaker Shares are registered in the name of a broker, bank custodian or other nominee, you will not be obliged to pay stamp duty by accepting the Offer, but you should ask your Controlling Participant (usually your broker) or that nominee whether it will</p>	

Question	Answer	Further Information
	charge any transactional fees or service charges in connection with acceptance of the Offer.	
<p><b>1.36 Will I need to pay any Broker handling fees?</b></p>	<p>The Bidder's Statement provides that the Bidder may offer to pay a commission to brokers who solicit acceptances of the Offer from their clients but has made no final decision in relation to the matter at this stage. If the Bidder decides to offer such a commission to brokers, it will make an announcement to ASX confirming this.</p> <p>The commission is payable to brokers only and subject to the condition that no part of the fee will be able to be passed on or paid to Breaker Shareholders.</p>	
<p><b>1.37 What if I have other questions about the Offer?</b></p>	<p>You should contact your legal, financial taxation or other professional adviser.</p> <p>If you have any enquiries in relation to your Breaker shareholding, please email <a href="mailto:ssmith@breakerresources.com.au">ssmith@breakerresources.com.au</a> or call Breaker on +61 8 9226 3666 from Monday to Friday between 9.00am to 5.00pm (Perth time).</p> <p>The Bidder has also established an Offer Information Line in relation to the Offer. Please contact the Offer Information Line on 1300 918 421 (within Australia) or +61 3 9946 4436 (from outside of Australia), Monday to Friday (excluding public holidays) between 8.30am and 5.00pm (Sydney time). Please be aware that any calls to these numbers may be recorded.</p>	



## **2. DETAILS OF THE OFFER**

### **2.1 Summary of the Offer**

This section contains a summary of the terms and conditions of the Offer.

On 20 March 2023, Ramelius and Breaker jointly announced that they had entered into the Bid Implementation Agreement under which Ramelius agreed to make an off-market takeover offer for all of the Breaker Shares.

Under the Offer, the Bidder is offering to acquire all of your Breaker Shares on the basis of 1 Ramelius Share for every 2.82 Breaker Shares you hold. Each new Ramelius Share will rank equally with the Ramelius Shares currently on issue. If the number of Ramelius Shares to which you are entitled is not a whole number, then any fractional entitlement will be rounded up to the nearest whole number.

The Offer relates to Breaker Shares that exist or will exist as at the Register Date and is made to each person registered as a holder of Breaker Shares on such date. It also extends to:

- (a) holders of securities that come to be Breaker Shares during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by, such securities and which are on issue as at the Register Date; and
- (b) any person who becomes registered, or entitled to be registered, as the holder of Breaker Shares during the Offer Period.

The full terms and conditions of the Offer are set out in section 13 of the Bidder's Statement.

### **2.2 Offer Period**

Unless withdrawn, the Offer will remain open for acceptance during the period commencing on the date of the Offer and ending at 7.00pm (Sydney time) on the later of:

- (a) 1 May 2023; or
- (b) any date to which the Offer Period is extended.

The Bidder has reserved the right exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.

If, within the last 7 days of the Offer Period, either of the following events occurs:

- (c) the Offer is varied to improve the consideration offered; or
- (d) the Bidder's voting power in Breaker increases to more than 50%,

then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

### **2.3 Conditions of the Offer**

The Offer is subject to a number of Conditions. The completion of the Offer and any contract that results from an acceptance of the Offer, is subject to the fulfilment or waiver of the Conditions before the end of the Offer Period.

The Conditions are set out in section 13.8 of the Bidder's Statement and are summarised briefly below:

- (a) Ramelius obtaining a Relevant Interest in at least 50.1% of the Breaker Shares on issue at the end of the Offer Period;

- (b) receipt of any regulatory approvals required;
- (c) no order, investigation or application is made which restrains, prohibits or impedes the Takeover Bid and the Offer;
- (d) no person exercises any rights under any provision of any agreement or other instrument to which a member of the Breaker Group is a party;
- (e) no change of control rights as a result of the Bidder making the Offer;
- (f) no material disposals, acquisitions, cancellations or new commitments by Breaker;
- (g) no material adverse change occurring;
- (h) no untrue statements are made to ASX;
- (i) restrictions on the conduct of Breaker's business;
- (j) Breaker's Tenements are maintained in their current form;
- (k) no litigation against Breaker which may impact Breaker or reasonably result in a judgment of \$500,000 or more is commenced, threatened, announced or made known to Ramelius or Breaker;
- (l) Breaker providing Ramelius access to all information that is not generally available relating to the Breaker Group that has been provided to any Third Party;
- (m) no 'prescribed occurrences' occurring in relation to Breaker;
- (n) no distribution, or announcement or declaration of a distribution, is made to Breaker Shareholders by Breaker; and
- (o) no person (together with its Associates) (other than the Bidder and its Associates) acquires any Breaker Shares that result in that person having a Relevant Interest in 10% or more of Breaker's Shares.

In addition, the Offer and any contract that results from your acceptance of it are subject to a statutory condition that permission for admission to official quotation by ASX of the Ramelius Shares to be issued pursuant to the Offer being granted no later than 7 days after the end of the Offer Period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offers will be automatically void. Please refer to section 13.11 of the Bidder's Statement for further information in this regard.

As at the date of this Target's Statement, Breaker is not aware of any act, omission, event or fact that would result in any of the Conditions being triggered (or not being satisfied, as appropriate).

## **2.4 Notice of status of Conditions**

The Bidder has indicated in section 13.12 of the Bidder's Statement that it will give a notice on the status of the Conditions on 24 April 2023 (subject to extension in accordance with section 630(2) if the Offer Period is extended).

The Corporations Act requires that such notice state:

- (a) whether the Offer is free from Conditions;
- (b) whether the Conditions have been fulfilled as at the date of the notice; and
- (c) the Voting Power of the Bidder in Breaker.

If the Offer Period is extended before the date the notice is required to be given, the date that the Bidder must give its notice is taken to be postponed for the same period. In this case, the Bidder is

required, as soon as reasonably practicable after the extension, to notify Breaker and the ASX of the new date for giving the notice.

If a Condition is fulfilled (so that the Offer becomes free of that Condition) during the Offer Period but before the date on which the notice of status of conditions is required to be given, the Bidder must, as soon as reasonably practicable, give Breaker and the ASX a notice that states that the particular Condition has been fulfilled.

## 2.5 Consequences if Conditions are not satisfied

Your acceptance of the Offer, and any contract resulting from your acceptance of the Offer, will be automatically void if at the end of the Offer Period the Conditions have not been fulfilled or waived. In that situation, you will be free to deal with the relevant Shares as you see fit.

## 2.6 Payment of consideration

The Bidder has set out in section 13.6 of the Bidder's Statement the timing of the provision of the consideration to holders of Shares who accept the Offer. In general terms, if you accept the Offer and the contract resulting from your acceptance of the Offer becomes unconditional, you will receive the consideration to which you are entitled under the Offer on or before the earlier of:

- (a) one month after the date of your acceptance or, if at the time of your acceptance the Offer is subject to a Condition, one month after the Offer becomes unconditional; and
- (b) 21 days after the end of the Offer Period.

## 2.7 Changes to the Offer

The Bidder may vary the Offer in accordance with the Corporations Act.

In general terms, this means that the Bidder can vary the Offer by:

- (a) waiving the Conditions (subject to the Corporations Act);
- (b) extending the Offer Period (subject to the Corporations Act); or
- (c) increasing the consideration offered under the Offer.

If you accept the Offer and the Bidder subsequently increases the consideration offered in respect of that Offer, you are entitled to receive the improved consideration.

The Directors do not know if the Bidder will vary its Offer. Any such variation will be announced to the ASX.

## 2.8 Director's intentions in relation to the Offer

In addition to recommending the Offer, each Breaker Director who holds a Relevant Interest in Breaker Shares has provided Breaker with a signed intention statement in respect of their intention to accept the Offer on the date that is 21 days from the Offer opening, in the absence of a Superior Proposal (**Intention Statements**). In total, the Breaker Board own or control 4,675,136 Breaker Shares, representing 1.43% of the issued capital of Breaker.

A list of the Breaker Directors who have indicated their intention to accept, or procure the acceptance of, the Offer is set out in the table below:

Director	Number of Breaker Shares	% of Breaker Shares
Peter Cook - Non-Executive Chairman	1,821,032	0.56%

<b>Director</b>	<b>Number of Breaker Shares</b>	<b>% of Breaker Shares</b>
Samuel Smith - Executive Director and Chief Executive Officer	23,500	0.007%
Mark Edwards - Non-Executive Director	2,037,301	0.62%
Michael Kitney - Non-Executive Director	735,003	0.22%
Eric Vincent - Non-Executive Director	58,300	0.018%
<b>Total</b>	<b>4,675,136</b>	<b>1.43%</b>

The Breaker Board also own or control a total of 10 million unlisted Options with various exercise prices and expiry dates (refer to section 6.4 of this Target's Statement for more information). The Bidder has stated that it will offer to enter into agreements with each Breaker Director who holds options in Breaker to acquire their options on terms materially consistent (including as to the consideration amount) as the Offer.

To the extent required, Breaker will apply for a waiver from ASX Listing Rule 6.23.2 to enable Breaker to cancel the Options on issue (if not otherwise exercised in accordance with their terms of issue) for the consideration described in section 8.5 of this Target's Statement.

## **2.9 Intentions of Ramelius**

Please refer to section 8 of the Bidder's Statement for a summary of Ramelius' intentions in respect of Breaker following the Offer. Ramelius' intentions for Breaker vary depending upon the Relevant Interest it ultimately acquires in Breaker.

## **2.10 Effect of accepting the Offer and rights of withdrawal**

The effect of acceptance of the Offer is set out in section 13.5 of the Bidder's Statement. You should read that section in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Shares and the representations and warranties which you give by accepting the Offer.

In general, accepting the Offer would (subject to the withdrawal rights discussed below):

- (a) prevent you from selling your Share on the ASX (at the prevailing market price);
- (b) prevent you from accepting any higher takeover bid that may be made by a third party or any alternative transaction proposed that may be recommended by the Breaker Board;
- (c) relinquish control of your Shares to Ramelius with no guarantee of the provision of consideration until the Offer becomes, or is declared, unconditional – as the Offer Period can be extended by Ramelius, this could result in further delays in the provision of consideration to you; and
- (d) give Ramelius the option to keep your Shares even if the Conditions of the Offer are not satisfied (i.e. by waiving the Conditions), in which case you will still receive the Offer Consideration.

If you accept the Offer, you will have a right to withdraw your acceptance in limited circumstances. Those withdrawal rights comprise general statutory withdrawal rights under the Corporations Act. In summary:

- (a) under the Corporations Act, you may withdraw your acceptance of the Offer if the Bidder varies that Offer in a way that postpones, for more than one month, the time when the Bidder needs to meet its obligations under the Offer and the Offer is still subject to one or more Conditions. This will occur if the Bidder extends the Offer Period by more than one month while the Offer is still subject to any of the Conditions; and

- (b) in those circumstances, you will have one month after the date that notice of the extension is given to Breaker to withdraw your acceptance. Your statutory withdrawal rights will terminate on the expiry of that one month, although if the Offer Period is then further extended you may receive further statutory withdrawal rights.

If you become entitled to withdraw your acceptance, you will be sent a notice from the Bidder, explaining your rights in this regard.

## **2.11 Foreign Breaker Shareholders and Unmarketable Parcel Shareholders**

Breaker Shareholders who are Foreign Breaker Shareholders (refer below) or Unmarketable Parcel Shareholders (refer below) will not be entitled to receive Ramelius Shares as consideration for their Breaker Shares pursuant to the Offer, unless the Bidder otherwise determines.

Instead, the Ramelius Shares which would otherwise have been issued to Foreign Breaker Shareholders and Unmarketable Parcel Shareholders will instead be issued to a nominee approved by ASIC, who will sell these Ramelius Shares. The net proceeds of the sale of such shares will then be remitted to the relevant Foreign Breaker Shareholders and Unmarketable Parcel Shareholders.

Please refer to sections 12.16 and 13.7 of this Bidder's Statement for further details.

### ***Foreign Breaker Shareholders***

If your address on the Breaker register of members on the Register Date is in a jurisdiction outside of Australia and its external territories, the United Kingdom, Canada or New Zealand, or you are a Breaker Shareholder who does not qualify as an Institutional Accredited Investor in the United States, then you will be considered a "Foreign Breaker Shareholder". However, you will not be a Foreign Breaker Shareholder if the Bidder is satisfied that it is not legally or practically constrained from making the Offer to a Breaker Shareholder in the relevant jurisdiction and to issue Ramelius Shares to such a shareholder on acceptance of the Offer, and that it is lawful for the shareholder to accept the Offer in such circumstances in the relevant jurisdiction.

The Bidder's Statement also provides in section 12.16 that a Breaker Shareholder will also be taken to be a Foreign Breaker Shareholder for the purposes of the Offer if the Bidder determines, acting reasonably and in good faith, that it must pay an amount to the Commissioner of Taxation (**Commissioner**) pursuant to Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953 (Cth)* (**TAA**) with respect to the acquisition of the Breaker Shares from the Breaker Shareholder.

Electrum Strategic Opportunities Fund II L.P. and Paulson & Co. Inc. and their nominee companies and other 'accredited investors' under relevant US securities laws are not classified as Ineligible Foreign Shareholders.

### ***Unmarketable Parcel Shareholders***

A Breaker Shareholder is an Unmarketable Parcel Shareholder if the total number of Ramelius Shares it would be entitled to on acceptance of the Offer is less than a Marketable Parcel (that is, generally a parcel of shares, the value of which is not less than \$500).

## **2.12 Taxation consequences**

In making a decision whether to accept the Offer, Shareholders should also have regard to the fact that the disposal of Shares may have taxation consequences. Shareholders should carefully read and consider the potential Australian taxation implications of accepting the Offer as set out in section 14 of the Bidder's Statement.

As the Bidder's Statement only contains a general overview of the potential Australian taxation implications of accepting the Offer, Breaker recommends that Shareholders seek independent professional advice in relation to their own particular circumstances.

## **2.13 Withdrawal of the Offer**

The Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, the Bidder will give notice of the withdrawal to ASX and to Breaker. Please refer to section 13.13 of the Bidder's Statement for further details.

## **2.14 Compulsory acquisition**

Ramelius has indicated in section 8.3 of the Bidder's Statement that if it satisfies the required thresholds it intends to compulsorily acquire any outstanding Breaker Shares. Ramelius will be entitled to compulsorily acquire any outstanding Breaker Shares for which it has not received acceptances on the same terms as the Offer if, during or at the end of the Offer Period, Ramelius (taken together with its associates) has a Relevant Interest in at least 90% (by number) of Breaker Shares and has acquired (taken together with its associates) at least 75% (by number) of the Breaker Shares that Ramelius offered to acquire under the Offer (whether the acquisitions happened under the Offer or otherwise).

If the compulsory acquisition thresholds are met, Ramelius will have one month from the end of the Offer Period within which to give compulsory acquisition notices to Breaker Shareholders who have not accepted the Offer, but it may choose to commence compulsory acquisition as soon as the relevant thresholds are satisfied. A Breaker Shareholder has statutory rights to challenge compulsory acquisition, however this will require the relevant Breaker Shareholder to establish that the terms of the Offer do not represent fair value for the Breaker Shares. Breaker Shareholders should be aware that, if their Breaker Shares are acquired compulsorily, they are not likely to receive any payment until at least one month after the compulsory acquisition notices are sent.

It is also possible that Ramelius will, at some time after the end of the Offer Period, become the beneficial holder of 90% of the Breaker Shares. Ramelius would then have rights to compulsorily acquire Breaker Shares not owned by it within six months of becoming the holder of 90%. Ramelius' price for compulsory acquisition under this procedure would have to be considered in a report of an independent expert.

### 3. YOUR CHOICES AS A SHAREHOLDER

As a Shareholder you can respond to the Offer in three ways.

#### 3.1 Accept the Offer

This is the course of action unanimously recommended by your Directors in the absence of a Superior Proposal. To accept the Offer, follow the instructions set out in section 13.3 of the Bidder's Statement.

In summary, if you choose to accept the Offer, how you accept the Offer will depend on whether your Shares are in an Issuer Sponsored Holding or a CHESS Holding.

##### (a) Issuer Sponsored Holding

To accept the Offer for all Breaker Shares held in your name on Breaker's issuer sponsored sub-register (in which case your Securityholder Reference Number will commence with 'I'), you must:

- (1) complete and sign the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form; and
- (2) ensure that the Acceptance Form (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at the address shown on the Acceptance Form.

##### (b) CHESS Holding

- (1) If your Breaker Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are not a Participant, you should instruct your Controlling Participant (for Breaker Shareholders who are not institutions, this is normally the stockbroker either through whom you bought your Breaker Shares or through whom you ordinarily acquire shares on the ASX) to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (2) If your Breaker Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are a Participant, you should initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (3) Alternatively, to accept the Offer for Breaker Shares held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you may sign and complete the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is received by the Bidder in time to give instructions to your Controlling Participant, and for your Controlling Participant to carry out those instructions, before the end of the Offer Period.
- (4) If your Breaker Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules. Your Acceptance will not be deemed a valid acceptance until your controlling participant confirms acceptance. Neither the Bidder nor the Registry will be responsible should your Controlling Participant not acknowledge and confirm your acceptance before the end of the Offer Period, after which time your submission will be deemed invalid.

##### (c) Shares of which you are entitled to be registered as holder

To accept the Offer for Breaker Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:

- (1) complete and sign the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form; and
- (2) ensure that the Acceptance Form (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.

Shareholders should specifically refer to the risks set out in section 7 of this Target's Statement.

### **3.2 Reject the Offer**

If you wish to reject the Offer you need not take any action. If you decide to do nothing, you should be aware of the rights of the Bidder to compulsorily acquire your Shares in certain circumstances.

If the Bidder acquires a relevant interest in at least 90% of the Shares during or at the end of the Offer Period, the Bidder has indicated that it intends to compulsorily acquire the Shares in which it has not acquired a relevant interest (see sections 2.14 and 3.2 of this Target's Statement for further details). In that situation, you may receive consideration for your Shares later than Shareholders who accept the Offer.

If the Offer is completed with the Bidder acquiring more than 50.1% but less than 90% of Breaker Shares, Breaker Shareholders who do not accept the Offer will become minority Breaker Shareholders.

The Offer is conditional on the Bidder acquiring at least 50.1% of Breaker Shares. The Bidder may waive this condition in its sole discretion, in which case the Bidder may become a minority Breaker Shareholder.

Shareholders should specifically refer to section 8 of the Bidder's Statement for Ramelius' intentions in these situations, and the risks set out in section 6 of this Target's Statement.

### **3.3 Sell your shares on the ASX**

During the Offer Period, you can still sell some or all of your Shares on market for cash if you have not already accepted the Offer in respect of those Shares.

The latest price for Shares may be obtained from the ASX website [www.asx.com.au](http://www.asx.com.au) (ASX:BRB).

If you sell your Shares on market you:

- (a) will lose the ability to accept the Offer and any higher offer in respect of those Shares (which may or may not eventuate);
- (b) will lose the opportunity to receive future returns from Breaker;
- (c) will lose any additional value that a successful takeover may have on the value of the consideration you may have received in Ramelius Shares;
- (d) any offer from a competing bidder if one eventuates;
- (e) may be liable for CGT on the sale; and
- (f) may incur a brokerage charge.

Breaker Shareholders who wish to sell their Breaker Shares on market should contact their broker for information on how to effect that sale. If you sell your Breaker Shares on market, you will receive the consideration for the sale of your Breaker Shares sooner than if you accept the Bidder's Offer.



### 3.4 Other considerations regarding the Offer

#### (a) Possible reasons to not accept the Offer

Breaker's Board of Directors unanimously recommends that Breaker Shareholders accept the Offer in the absence of a Superior Proposal. There are of course reasons why Breaker Shareholders may not choose to accept the Offer, including:

##### (1) You may disagree with the recommendation of Breaker Directors

You may have a different view on the merits of the Offer and believe that the consideration offered by Ramelius is inadequate to acquire your Breaker Shares.

Please refer to REASON 4 of the Key reasons to Accept the Offer as to the premium that the Offer represents for your Breaker Shares and REASON 9 of the Key reasons to Accept the Offer as regards the risk that the value of Breaker Shares may fall if the Offer is not successful.

##### (2) You may wish to remain a Breaker Shareholder

Accepting the Offer will result in you becoming part of a much larger and more diversified group. You will no longer be entitled to participate in the future financial performance of Breaker or exercise the rights (including voting rights) of being a Breaker Shareholder. You may feel that you have more upside and less downside as a Breaker Shareholder in a stand-alone Breaker.

In this regard, you should note that your Directors believe a merger of Breaker and Ramelius will create a Merged Group with more attractive attributes relative to Breaker remaining as a separate stand-alone company (refer REASON 2 and REASON 3 of the Key reasons to Accept the Offer).

##### (3) The tax consequences of the Offer may not be favourable to you given your financial position

Acceptance of the Offer may have tax implications for Breaker Shareholders. You should carefully read and consider the potential Australian taxation consequences of accepting the Offer in section 14 of the Bidder's Statement.

In particular, if total acceptances under the Offer represent less than 80% of the total Breaker Shares on issue, rollover relief from Australian capital gains tax will not be available.

Breaker Shareholders should consult with their own independent taxation advisers regarding the taxation implications of accepting the Offer given their particular circumstances.

##### (4) You may consider there is a potential for a Superior Proposal to the Offer to emerge for Breaker Shares

It is possible that a proposal that is superior to the Offer materialises in the future. Breaker Shareholders who accept the Offer would not have an opportunity to consider such future potential offer. As at the date of this Target's Statement, no alternative proposal has been received by Breaker and there can be no guarantee that one will eventuate in the future.

#### (b) Risks associated with accepting the Offer and being a Ramelius Shareholder

Details on the risks associated with accepting the Offer and becoming a Ramelius Shareholder are contained in section 7 of this Target's Statement and section 11 of the Bidder's Statement.

### **3.5 Enquires**

If you have any queries in relation to the Offer, you should contact your financial, legal or other professional adviser.

## 4. INFORMATION ABOUT BREAKER

### 4.1 Introduction

Breaker is an Australian ASX-listed gold exploration company that owns the Lake Roe Gold Project and the Ularring Project in Western Australia. The Lake Roe Gold Project is Breaker's core asset, located 100km east of Kalgoorlie and comprises a tenement package that includes a granted mining lease, eight exploration licenses and rights to explore for gold on exploration licenses E28/2522 and E28/2551.

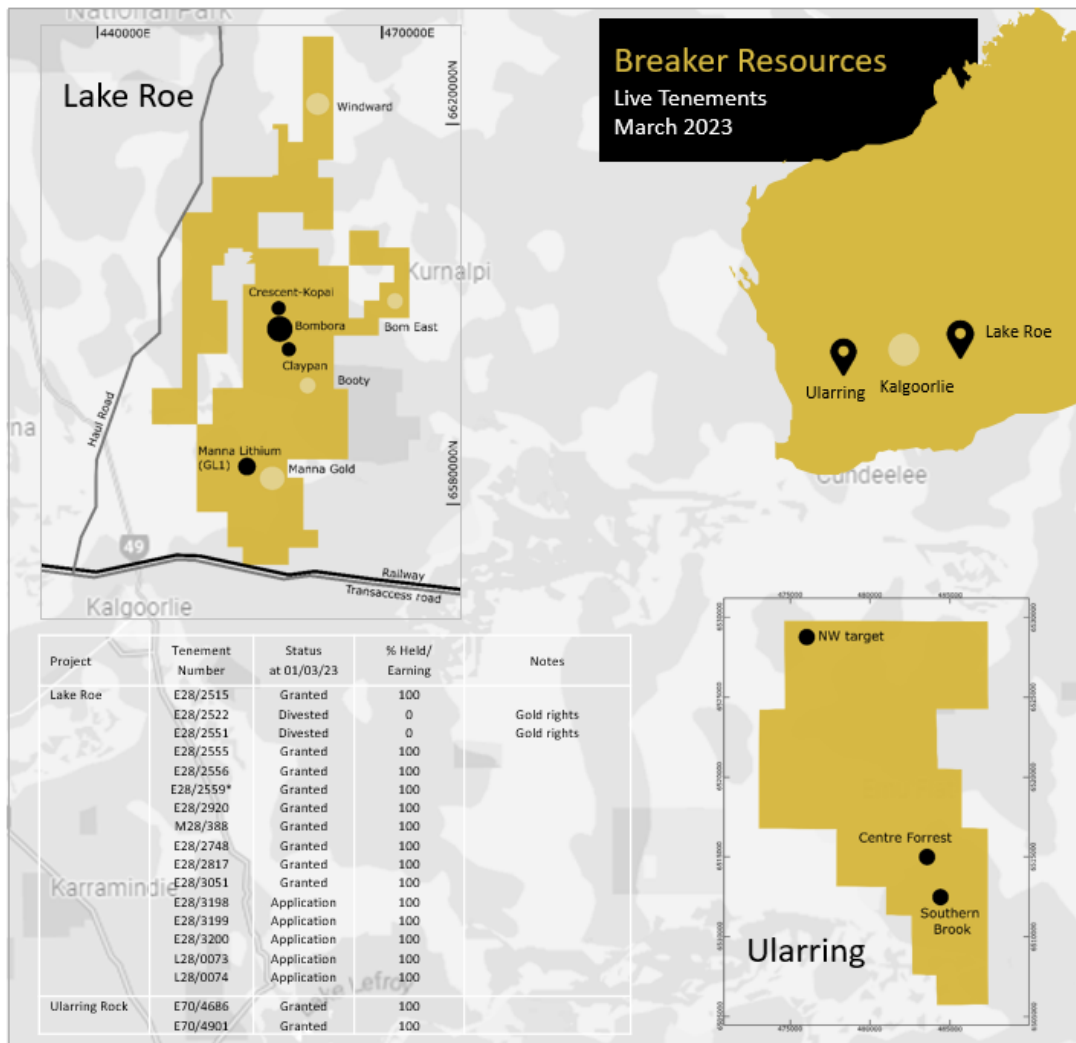


Figure 5: Location of Breaker Projects and Lake Roe Gold Project Tenement Package

Breaker was incorporated on 2 July 2010, listed on the ASX on 18 April 2012 and trades under the code 'BRB'.

As at 15 March 2023<sup>17</sup> Breaker has a global total Mineral Resource Estimate of 31.9 Million tonnes at 1.68 g/t containing circa 1.7 Million ounces.

### 4.2 Lake Roe Gold Project

The Lake Roe Gold Project is located approximately 100km east of Kalgoorlie. On 20 December 2021, Breaker released an updated JORC 2012 Mineral Resource Estimate for the Lake Roe Gold Project containing a total (all JORC categories) of 1.7 million ounces (32 million tonnes at 1.6g/t

<sup>17</sup> Refer to footnote 1.

Au).<sup>18</sup> The resource estimate was prepared and signed off by expert industry consultants, Snowden Optiro. There are three main deposits defined in the overall total resource:

- The Bombora Prospect: 25 million tonnes at 1.8g/t Au containing 1.5 million oz;
- The Claypan Prospect: 2 million tonnes at 1.1g/t Au containing 69,000oz;
- The Crescent Kopai Prospect: 4 million tonnes at 1.0g/t Au containing 132,000oz.<sup>19</sup>

The majority of the open-pittable resource is classified in the Indicated resource category, whilst the majority of the primary mineralisation (minable from underground) is classified in the Inferred category due to drill density.

The gold resources at the Lake Roe Gold Project are already on a granted mining lease and therefore have a simpler development pathway. Environmental, geotechnical, hydrological and metallurgical studies undertaken to date do not highlight any impediments to development.

Due to the passage of new legislation since the grant of the mining lease, it is expected that additional Aboriginal heritage studies and surveys and possible approvals will be required to comply with the new legislation.

Most of the Company's pre-mining studies are at scoping study level.

(a) Open Pit Study

On 12 April 2022 a scoping study for open pit mining was released to the ASX.

Initial open pit optimisations applying best current estimates of owner operator mining and processing costs, using a gold price of AUD\$2,500/oz were completed. Key outcomes were:

**Table 1. Open Pit Outcomes<sup>20</sup>:**

Global Bombora Open Pit Optimisation (1.8Mt per annum Processing Scenario)										
Shell	RF	Max. Pit Depth	Cumulative Tonnes	Cumulative Grade (diluted)	Cumulative Ounces	Inferred	Cumulative Strip Ratio	Cumulative Gold (recovered)	Cumulative Cost/oz	Pre-tax Net Cash
		m	t	g/t	oz	%	waste/ore	oz	\$/oz	\$m
7	0.32	65m	1,537,000	2.02	100,000	0.3%	3.2	94,900	753	166
17	0.52	115m	2,619,000	1.86	156,300	0.6%	5.2	147,800	913	234
25	0.68	150m	3,916,000	1.76	221,400	2.5%	7.7	208,600	1,100	292
30	0.78	205m	6,229,000	1.71	342,200	2.0%	11.2	322,000	1,351	370
41	1.00	215m	8,361,000	1.59	426,900	3.2%	12.5	399,900	1,536	386
74	1.66	265m	17,017,000	1.40	763,800	15%	17.4	708,845	2,166	237

(b) Underground Study – Tura

On 1 August 2022 Breaker released the outcomes of an underground scoping study on the primary Tura lode beneath the potential Bombora pit. The resource estimates applied to this scoping study were predominantly at an Inferred resource categorisation under JORC and hence the study was only used as an interim economic assessment to guide additional works. Key outcomes were:

<sup>18</sup> Refer to footnote 1.

<sup>19</sup> Note: Numbers are rounded up to the nearest whole number.

<sup>20</sup> Breaker 'Open pit scoping study lights up Lake Roe', as released to the ASX on 12 April 2022.

**Table 2. Indicative Tura Mining Quantities<sup>21</sup>:**

Tura Underground	Category	Tonnes	Tonnes	Grade	Ounces Mined
Stoping	Indicated	98,905	99,000	3.16	10,000
	Inferred	404,613	405,000	5.0	66,000
	<b>Subtotal</b>	<b>503,518</b>	<b>504,000</b>	<b>4.7</b>	<b>76,000</b>
Development	Indicated	23,193	23,000	1.16	1,000
	Inferred	137,573	138,000	3.8	17,000
	<b>Subtotal</b>	<b>160,765</b>	<b>161,000</b>	<b>3.4</b>	<b>18,000</b>
<b>Total Tura</b>	<b>Total</b>	<b>664,283</b>	<b>664,000</b>	<b>4.4</b>	<b>93,000</b>

**Table 3. Indicative Tura Economics<sup>22</sup>:**

Gold Price	\$2,300	\$2,500	\$2,700
Revenue (88,000oz recovered)	\$202,400,000	\$220,000,000	\$237,600,000
UG CAPEX	-\$26,700,000	-\$26,700,000	-\$26,700,000
UG OPEX	-\$89,700,000	-\$89,700,000	-\$89,700,000
2.5% Royalty	-\$5,060,000	-\$5,500,000	-\$5,940,000
<b>Pre-Tax Cash Flow</b>	<b>\$80,940,000</b>	<b>\$98,100,000</b>	<b>\$115,260,000</b>

### 4.3 Exploration Targets

In December 2022 Breaker temporarily halted diamond drilling at Bombora and re-deployed exploration teams to regional targets on the Lake Roe Gold Project tenement package.

The exploration team at the Lake Roe Gold Project developed targets for near surface gold deposits to add to the mineral inventory to compliment the Bombora deposit.

Target generation included analysis of historical data and geophysical surveys, geochemical soil sampling, and structural studies to select primary targets.

The Manna Gold Prospect was identified for fine-fraction soil sampling campaigns in Q1 2023 due to its historical gold in soil anomalies (coarse fraction), and its structural complexity in untested Archean magnetic dolerites. Regolith and geology mapping will take place using surface XRF scanning to assist in the evaluation of the local targets.

Following soil sampling campaigns at the Manna Gold Prospect, similar reconnaissance will be carried out at secondary targets such as Bombora East, Windward and Booty.

<sup>21</sup> Breaker ASX Announcement 'Bombora Underground study Opens High-grade Potential', as released to ASX on 1 August 2022.

<sup>22</sup> Breaker ASX Announcement 'Bombora Underground study Opens High-grade Potential', as released to ASX on 1 August 2022.

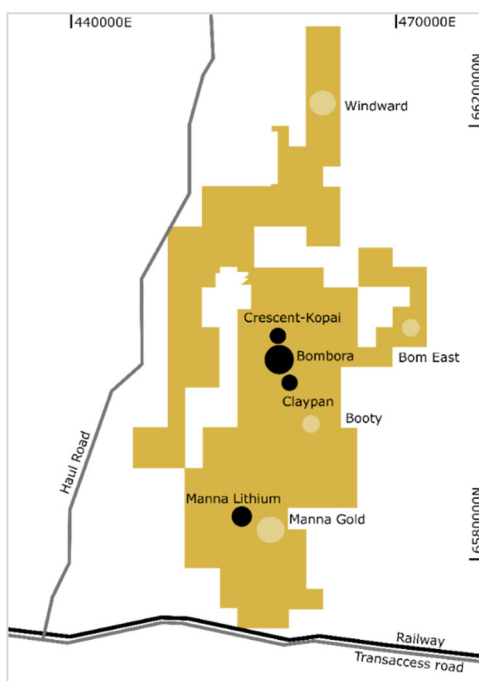


Figure 6: The Lake Roe Gold Project Exploration Targets

#### 4.4 Mineral Resources and Estimates

(a) Minerals Resources and Ore Reserves Estimates

Based on Breaker’s 2021 Mineral Resources and Ore Reserves updated released to ASX on 20 December 2021, Breaker’s Mineral Resources and Ore Reserves are summarised below:

(1) Mineral Resources Estimates

On 20 December 2021, Breaker released an updated JORC 2012 Mineral Resource Estimate for the Lake Roe Gold Project containing a total (all JORC categories) of 1.7 million ounces (32 million tonnes at 1.6g/t Au)<sup>23</sup> The resource estimate was prepared and signed off by industry consultants, Snowden Optiro.

**Table 4: Lake Roe Gold Project Mineral Resource using 0.5g/t and 1.0g.t cut-off grades**

Lake Roe Gold Project Global Base Case	Cut-off Grade	Category	Tonnes	Grade (g/t)	Ounces
Bombora Open Pit above 100mRL (87% Indicated)	0.5	Indicated	15,153,000	1.46	712,000
		Inferred	2,703,000	1.3	111,000
		Subtotal	17,856,000	1.4	824,000
Bombora Underground below 100mRL (10% Indicated)	1.0	Indicated	710,000	2.88	66,000
		Inferred	7,286,000	2.5	594,000
		Subtotal	7,996,000	2.6	659,000
Total Bombora		Total	25,852,000	1.8	1,483,000
Crescent-Kopai	0.5	Inferred	4,073,000	1.0	132,000
Claypan	0.5	Inferred	2,004,000	1.1	69,000
<b>Grand Total</b>			<b>31,929,000</b>	<b>1.6</b>	<b>1,684,000</b>

<sup>23</sup> Refer footnote 1.

(2) Ore Reserves

As at the date of this Target's Statement, Breaker has not been able to advance its commercial studies to the stage where it can declare definitive Ore Reserves estimates for its Lake Roe Gold Project.

(b) Exploration Target

Exploration targets as defined by Breaker in its regional tenure have not advanced to the point where any estimate of target size or scope can be determined with any level of confidence.

#### 4.5 Competent Person Statements

In relation to any Mineral Resources, and the Exploration Targets set out in this Target's Statement, Breaker confirms that it is not aware of any new information or data that materially affects the information included in the relevant ASX announcements referenced in the text and all material assumptions and technical parameters underpinning the estimates in the referenced announcements continue to apply and have not materially changed. Breaker also confirms that the form and context in which the Competent Persons findings are presented have not materially changed from the original announcements.

#### 4.6 Directors

The Directors of Breaker are:

- (a) Peter Cook (Non-Executive Chair);
- (b) Sam Smith (Executive Director & CEO);
- (c) Linton Putland (Non-Executive Director);
- (d) Mike Kitney (Non -Executive Director);
- (e) Mark Edwards (Non -Executive Director); and
- (f) Eric Vincent (Non-Executive Director).

##### **Peter Cook (Non-Executive Chairman)**

BSc (Applied Geology); MSc (Mineral Economics); MAusIMM

Mr Peter Cook is a Geologist (BSc (Applied Geology)) and a Mineral Economist (MSc (Min. Econ)), MAusIMM with over 35 years of experience in the field of exploration, project, operational and corporate management of mining companies. He is currently Non-Executive Chairman of Castile Resources Limited (ASX: CST) and Non-Executive Chairman of Titan Minerals Limited (ASX: TTM).

Over the past two decades, Mr Cook has founded and served as Managing Director or Chairman on many Boards and successful miners and developers in gold and base metals. He has served as Managing Director of Westgold Resources Limited (ASX: WGX) ("Westgold") and later as its Non-Executive Chairman before recently stepping back from all executive roles. He also served as Non-Executive Chairman of Nelson Resources Limited (ASX: NES) until February 2019.

Over his distinguished career he has been recognised by industry being awarded the GMJ Mining Executive of the year in 2001, the Asia – Mining Executive of the year in 2015 awarded at the Mines and Money Conference in Hong Kong in 2015, the Mining News CEO of the Year award in 2017 and the Gavin Thomas Mining Award in 2019. Peter was also appointed to the Board of NICO Resources Ltd (ASX:NC1) on 27 March 2023.

Peter Cook was appointed to the Breaker Board on 6 September 2021.

### **Sam Smith (Executive Director & CEO)**

GradDipMinEng (UNSW), M.B.A, B.Comms

Sam Smith is a mining engineer with over 15 years of industry experience. He also holds an M.B.A and a Bachelor of Communications. Mr Smith has worked in a broad range of commodities, domestically and internationally, in both underground and surface mining operations, and underground resource drilling operations.

Mr Smith began his career working for Swick Mining Services Ltd, responsible for growing the company in the APAC region. He has held senior management roles at numerous mining contractors including Global Surface Mining, and Macmahon Holdings Ltd. Most recently Mr Smith lead the Macmahon estimating and technical services team that was involved in establishing numerous open pit and underground mining operations globally.

Mr Smith's particular strengths are in project evaluation, mineral economics, and establishment of contract mining operations.

Sam Smith was appointed to the Breaker Board on 1 January 2023.

### **Linton Putland (Non-Executive Director)**

BEng (Mining) WA School of Mines; MSc (Mineral Economics) WA School of Mines; MAusIMM; GAICD

Linton Putland holds degrees in mining engineering (Bachelor of Engineering, Western Australian School of Mines) and a MSc (Mineral Economics, Western Australian School of Mines) and has over 30 years' experience in mining operations, joint ventures and corporate management, in Australia, Africa and the Americas over a wide range of commodities.

Mr Putland is principal of LJ Putland & Associates, a private mining consultancy company which was founded in 2002, providing advisory and consultancy services in mining project and company evaluation and due diligence appraisals with a focus on corporate growth. During this period he has also been Managing Director of a privately owned exploration company, with joint venture interests in Africa. Prior to this he held corporate and senior management roles in IAMGOLD, AurionGold, Delta Gold and Pancontinental Mining.

Mr Putland is a Member of AusIMM and a Graduate Member of AICD.

Linton Putland was appointed to the Breaker Board on 16 August 2018.

### **Mike Kitney (Non-Executive Director)**

Assoc. Met WA Institute of Technology; Post Grad Dip (Extractive Metallurgy) WA School of Mines; MSc (Mineral Economics) Curtin University; MAusIMM

Mike Kitney is a process engineer with over 40 years' experience in the mining industry. He has participated in the development and construction of projects throughout Australia, Africa, south east Asia and the former Soviet Union. Mr Kitney is a specialist in production, mineral processing, most aspects of environmental management, project evaluation, and the assessment and leadership of interdisciplinary project teams. He brings to the Company vast project development expertise and practical experience in commissioning new projects.

Mr Kitney has previously held senior technical and project management positions with Alcoa Australia Limited, Minproc Engineers Limited, Property Company of London plc, British Phosphate Commissioners, Nelson Gold Corporation Limited and Avocet Mining plc. He is most recently the Chief Operating Officer of Kasbah Resources Limited and a technical consultant to Prospect Resources Limited.

Mike Kitney was appointed to the Breaker Board on 2 July 2010.



### **Mark Edwards (Non-Executive Director)**

B Juris, LLB University of Western Australia

Mark Edwards is a solicitor with over 30 years' experience in resources and corporate law.

Mr Edwards has advised a range of ASX-listed companies active in the resources sector. He has advised on a range of resources projects in Australia and overseas, including significant nickel, gold and iron ore projects. His professional work has involved him in many facets of the resources industry ranging from ASX listings, exploration and mining joint ventures, project development agreements and project financing.

Mark Edwards was appointed to the Breaker Board on 2 July 2010.

### **Eric Vincent (Non-Executive Director)**

JD Harvard University; BA Williams College

Eric Vincent is the President of Sarissa Capital, a healthcare-focused activist investment firm. Most recently, he served as the Head of Business Development at Mubadala Capital, the financial investment arm of the sovereign wealth firm Mubadala Investment Company. From 2012 through 2017, Mr Vincent was Chief Executive Officer of Electrum Group.

Mr Vincent previously served as President of Ospraie Management, an investment firm focused on commodities and basic industries. From 2007 through October 2009, he served as Chairman of the Board of Directors of the Managed Funds Association, the leading trade association representing the US hedge fund industry.

He began his career as an attorney at Cravath, Swaine & Moore and holds a Juris Doctor degree from Harvard Law School and a Bachelor of Arts degree from Williams College. Mr Vincent was previously a member of the Global Markets Advisory Committee of the US Commodity Futures Trading Commission and a member of the Investor Advisory Group of the Public Company Accounting Oversight Board.

Eric Vincent was appointed to the Breaker Board on 23 March 2020.

## **4.7 Summary of financial information**

Set out below is an extract of Breaker's consolidated statement of financial position as at 31 December 2022 as contained in Breaker's Half Yearly Accounts for the Half-Year ended 31 December 2022 which was announced to the ASX on 15 March 2023. It should be read with its accompanying notes. As at 31 December 2022, Breaker had \$77.3 million in cash, and no debt.

### **(a) Historical financial information**

The historical financial information in this section 4 has been extracted from the audited consolidated financial statements of the Breaker Group for the financial years ended 30 June 2021 and 30 June 2022 and the reviewed consolidated financial statements for the half year ended 31 December 2022. The full consolidated financial statements for the financial periods ended 30 June 2021, 30 June 2022, and 31 December 2022, including the notes to those financial statements, can be found in the corresponding annual reports and half year reports that are available from Breaker's website [www.breakerresources.com.au](http://www.breakerresources.com.au) or from the ASX website.

### **(b) Historical consolidated statement of financial position**

The historical consolidated statement of financial position of Breaker set out below has been derived from Breaker's audited consolidated statement of financial position for the financial years ending 30 June 2021 and 30 June 2022 and from the reviewed consolidated statements of financial position for the half year ended 31 December 2022. The consolidated statement of financial position set out below should be read in conjunction with the

accompanying notes to Breaker's FY21 Annual Report, Breaker's FY22 Annual Report and Breaker's HY23 Interim Report.

	<b>As at 31 December 2022</b>	<b>As at 30 June 2022 \$</b>	<b>As at 30 June 2021 \$</b>
<b>Current Assets</b>			
Cash and cash equivalents	77,302,151	11,658,327	4,538,814
Term deposits	-	-	6,512,371
Trade and other receivables	370,585	318,544	338,035
Financial assets at fair value through other comprehensive income	-	8,431,146	-
Other financial assets	98,685	46,890	72,740
<b>Total Current Assets</b>	<b>77,771,421</b>	<b>20,454,907</b>	<b>11,461,960</b>
<b>Non-Current Assets</b>			
Plant and equipment	126,617	127,276	219,257
<b>Total Non-Current Assets</b>	<b>126,617</b>	<b>127,276</b>	<b>219,257</b>
<b>Total Assets</b>	<b>77,898,038</b>	<b>20,582,183</b>	<b>11,681,217</b>
<b>Current Liabilities</b>			
Trade and other payables	602,834	992,439	863,210
Income tax payable	3,604,929	-	-
<b>Total Current Liabilities</b>	<b>4,207,763</b>	<b>992,439</b>	<b>863,210</b>
<b>Total Liabilities</b>	<b>4,207,763</b>	<b>992,439</b>	<b>863,210</b>
<b>Net Assets</b>	<b>73,690,275</b>	<b>19,589,744</b>	<b>10,818,007</b>
<b>Equity</b>			
Contributed equity	83,920,879	83,880,379	83,880,379
Reserves	2,042,129	5,133,397	1,617,835
Accumulated loss	(12,272,733)	(69,424,032)	(74,680,207)
<b>Total Equity</b>	<b>73,690,275</b>	<b>19,589,744</b>	<b>10,818,007</b>

(c) Historical consolidated statement of profit and loss and other comprehensive income

The historical consolidated statements of profit or loss and other comprehensive income of the Breaker Group set out below have been derived from the audited consolidated statements of profit or loss and other comprehensive income for the financial years ending 30 June 2021 and 30 June 2022 and from the consolidated statements of profit or loss and other comprehensive income for the half year ended 31 December 2022 which was announced to the ASX on 15 March 2023. The consolidated statement of profit or loss and other comprehensive income set out below should be read in conjunction with the accompanying notes to Breaker's FY22 Annual Report, Breaker's FY21 Annual Report and Breaker's HY22 Interim Report. It should be read with its accompanying notes.

	As at 31 December 2022	As at 30 June 2022 \$	As at 30 June 2021 \$
<b>Income</b>			
Income from tenement interest farm-out	60,000,000	13,000,000	-
Gain on share consideration from tenement interest farm-out	-	1,624,223	-
Government grant and incentive	-	-	67,500
Interest income	134,273	8,261	85,480
Other income	83,221	19,541	41,017
<b>Total income</b>	<b>60,217,494</b>	<b>14,652,025</b>	<b>193,997</b>
<b>Expenses</b>			
Administration expenses	(523,279)	(745,788)	(610,215)
Depreciation expenses	(39,841)	(119,292)	(167,136)
Employee benefits expenses	(735,980)	(502,928)	(356,018)
Exploration and evaluation expenses	(7,806,700)	(11,220,828)	(13,707,750)
Share-based payment expenses	(26,649)	(1,324,550)	(523,772)
Other expenses	(50,856)	(48,375)	-
<b>Total expenses</b>	<b>(9,183,305)</b>	<b>(13,961,761)</b>	<b>(15,364,891)</b>
<b>Profit/(Loss) before income tax</b>	<b>51,034,189</b>	<b>690,264</b>	<b>(15,170,894)</b>
Income tax expense	(3,604,929)	-	-
<b>Profit/(Loss) for the year</b>	<b>47,429,260</b>	<b>690,264</b>	<b>(15,170,894)</b>
<b>Other comprehensive income</b>			
Fair value gain on financial assets at fair value through other comprehensive income	6,644,622	6,756,923	-
<b>Total comprehensive income/(loss) for the year</b>	<b>54,073,882</b>	<b>7,447,187</b>	<b>(15,170,894)</b>
<b>Total comprehensive income/(loss) attributable to owners of the Company</b>	<b>54,073,882</b>	<b>7,447,187</b>	<b>(15,170,894)</b>
Basic profit/(loss) per share attributable to the ordinary equity holders of the Company (cents per share)	14.55	0.21	(4.92)

(d) Historical consolidated statement of cash flows

The historical consolidated statement of cash flows of the Breaker Group set out below has been derived from Breaker's audited consolidated statement of cash flows for the financial years ending 30 June 2021 and 30 June 2022 and from the reviewed consolidated

statements of cash flows for the half year ended 31 December 2022. The consolidated statement of cash flows set out below should be read in conjunction with the accompanying notes to Breaker's FY21 Annual Report, Breaker's FY22 Annual Report and Breaker's HY22 Interim Report.

	<b>As at 31 December 2022</b>	<b>As at 30 June 2022 \$</b>	<b>As at 30 June 2021 \$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees	(1,388,135)	(1,219,512)	(1,129,790)
Payments for exploration and evaluation expenditure	(8,119,470)	(11,090,010)	(13,415,975)
Receipts from government grant and incentive	-	-	67,500
Proceeds from sale of tenement farm out rights	60,000,000	6,500,000	-
Other income received	83,221	966	41,017
Interest received	134,273	8,261	55,112
Net cash inflow/(outflow) from operating activities	<b>50,709,889</b>	<b>(5,800,295)</b>	<b>(14,382,136)</b>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment	(39,182)	(27,311)	(104,421)
Proceeds from/(Investments in) other financial assets	(51,795)	25,850	(505)
Investments in term deposits		-	(6,512,371)
Withdrawal of term deposits		6,512,371	-
Net proceeds on disposal of financial assets at fair value through other comprehensive income	15,024,912	6,401,625	-
Proceeds on disposal of plant and equipment		7,273	-
Net cash inflow/(outflow) from investing activities	<b>14,933,935</b>	<b>12,919,808</b>	<b>(6,617,297)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of ordinary shares	-	-	22,684,982
Share issue transaction costs	-	-	(789,919)
Net cash inflow/(outflow) from financing activities	-	-	21,895,063
<b>Net increase in cash and cash equivalents</b>	<b>65,643,824</b>	<b>7,119,513</b>	<b>895,630</b>
Cash and cash equivalents at the beginning of the year	11,658,327	4,538,814	3,643,184
<b>Cash and cash equivalents at the end of the year</b>	<b>77,302,151</b>	<b>11,658,327</b>	4,538,814

(e) Material changes in Breaker's financial position and financial performance

As at the date of this Target's Statement, in the opinion of and within the knowledge of the directors of Breaker, there have been no material changes to the financial position and financial performance of the Breaker Group since 30 June 2022, being the date of Breaker's latest Audited Annual Financial Report, except as disclosed in this Target's Statement or in Breaker's half-year accounts to 31 December 2022 and other announcements to the ASX since 30 June 2022.

Breaker's key operating metrics, profit and cashflows are fully disclosed in Breaker's Audited Annual Financial Report for 2022 which can be located on the ASX website at [www.asx.com.au](http://www.asx.com.au) using Breaker's ASX code 'BRB' or Breaker's website at [www.breakerresources.com.au](http://www.breakerresources.com.au).

(f) Pro-forma historical financial information for the Merged Group

Section 9.7 of the Bidder's Statement sets out the pro-forma financial information of the Merged Group for illustrative purposes only. The pro-forma financial information of the Merged Group provides an overview of the effects of the transaction assuming that the Bidder acquires 100% of Breaker Shares on completion of the transaction. It should be read subject to the qualifications and notes contained in the Bidder's Statement.

#### 4.8 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe they do not have a reasonable basis to forecast future earnings. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

#### 4.9 Corporate Structure

Controlled Entities	Place of Incorporation	Date of Incorporation	31 December 2022 ownership	30 June 2022 ownership
Breaker Resources Lithium Pty Ltd	Australia	21/12/2021	100%	100%
Lake Roe Gold Mining Pty Ltd	Australia	25/05/2022	100%	100%

#### 4.10 Issued capital

As at the date of this Target's Statement, Breaker's issued Share capital was 326,882,181 Ordinary Shares.

Breaker has also issued the following securities which are not quoted on the ASX:

Securities	Expiry Date	Exercise Price	Number
Unlisted options (ASX:BRBAAA)	15 May 2023	\$0.288	200,000
Unlisted options (ASX:BRBAAD)	31 August 2023	\$0.291	550,000
Unlisted options (ASX:BRBAAE)	30 September 2023	\$0.281	3,750,000
Unlisted options (ASX:BRBAAF)	31 May 2024	\$0.20	200,000
Unlisted options (ASX:BRBAAG)	6 September 2024	\$0.251	2,000,000
Unlisted options (ASX:BRBAAH)	4 November 2024	\$0.40	1,000,000
Unlisted options (ASX:BRBAAI)	31 December 2024	\$0.467	1,250,000
Unlisted options (ASX:BRBAAJ)	9 May 2025	\$0.261	300,000
Unlisted options (ASX:BRBAAK)	6 June 2025	\$0.251	3,000,000

Securities	Expiry Date	Exercise Price	Number
Unlisted options (ASX:BRBAAL)	30 June 2025	\$0.226	100,000
Unlisted options (ASX:BRBAAN)	31 December 2025	\$0.396	500,000
<b>Total</b>			<b>12,850,000</b>

Notes:

The Breaker Board also own or control a total of 10 million unlisted Options with various exercise prices and expiry dates (refer to section 6.4 of this Target's Statement for more information). The Bidder has stated that it will offer to enter into agreements with each Breaker Director who holds options in Breaker to acquire their options on terms materially consistent (including as to the consideration amount) as the Offer.

To the extent required, Breaker will apply for a waiver from ASX Listing Rule 6.23.2 to enable Breaker to cancel the Options on issue (if not otherwise exercised in accordance with their terms of issue) for the consideration described in section 8.5 of this Target's Statement.

#### 4.11 Substantial holders

As at the date of this Target's Statement, the following entities (together with any of their Associates) have a relevant interest in 5% or more of Breaker's shares:

Name	Shares	Relevant interest in shares <sup>1</sup>
Paulson & Co <sup>2</sup>	32,550,157	9.96%
Electrum Strategic Opportunities Fund II L.P. <sup>2</sup>	32,550,157	9.96%
Mr Thomas Stephen Sanders & Mrs Helen Sanders	25,654,596	7.85%
Franklin Resources, Inc., and its affiliates	20,833,333	6.37%
The Goldman Sachs Group, Inc., on behalf of itself and its subsidiaries	17,991,636	5.50%

- Percentages are based upon the total issued capital of Breaker as at the date of this Target's Statement, being 326,882,181 ordinary shares.
- The members of the Ramelius Group each have a relevant interest in the shares held by Paulson and Electrum under section 608(1)(b) of the Corporations Act, amounting to 65,100,314 Breaker Shares or a 19.92% relevant interest in Breaker as at the date of this Target's Statement, and arising as a result of the entry into the Pre-Bid Acceptance Agreements with those holders. In total, the Ramelius Group has an approximately 21.51% relevant interest in Breaker as at the date of this Target's Statement as a result of acceptances of the Offer.

#### 4.12 Recent trading in Breaker

Breaker Shares are quoted on the ASX. Set out below is a table showing relevant trading prices of Breaker Shares on ASX.

Comparative trading period price of Breaker Shares	Price of Breaker Shares (A\$)
Highest trading price in the 4 months prior to the Announcement Date	\$0.365
Lowest trading price in the 4 months prior to the Announcement Date	\$0.27
Closing trading price on the last trading day in which both Breaker and Ramelius Shares traded for the full trading day prior to the Announcement Date, being 17 March 2023	\$0.29
Last practicable closing price of Breaker Shares traded on ASX prior to the date this Target's Statement was lodged with ASIC, being 6 April 2023	\$0.47

#### **4.13 Breaker's dividend history**

Breaker has never declared or paid any dividends. No dividends were declared or paid during the financial year ending 30 June 2022 and no dividends are expected to be declared or paid for the financial year ending 30 June 2023.

#### **4.14 Publicly available information**

Breaker is a company listed on the ASX and is subject to periodic and continuous disclosure requirements of the ASX Listing Rules and the Corporations Act, which requires Breaker to disclose to the market through ASX any information Breaker has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. Breaker is in compliance with its continuous disclosure requirements under the Corporations Act and the ASX Listing Rules. A substantial amount of information on Breaker is publicly available, including Breaker's 2022 Annual Report, which can be accessed by referring to Breaker on [www.asx.com.au](http://www.asx.com.au) (ASX:BRB).

In addition, Breaker is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Breaker may be obtained from, or inspected at, an ASIC office.

## **5. INFORMATION ABOUT RAMELIUS AND THE BIDDER**

### **5.1 Disclaimer**

The information about Ramelius and the Bidder contained in this Target's Statement has been prepared by Breaker using publicly available information, including information in the Bidder's Statement, and has not been independently verified. Accordingly, Breaker does not, subject to the Corporations Act, make any representation or warranty, express or implied as to the accuracy or completeness of this information about Ramelius nor does Breaker assume any responsibility for it.

If the information obtained from Ramelius and the Bidder or the publicly available information is inaccurate or incomplete, this may affect the information included in this Target's Statement. In particular, if the information has been used as the basis for forward-looking statements in this Target's Statement, this may add to the risk that actual values, results, performance or achievements will differ materially from those expressed or implied by the forward-looking statements.

The information on Ramelius in this Target's Statement should not be considered comprehensive. Please refer to the Bidder's Statement, in particular section 4, for further information in respect of Ramelius and the Bidder.

### **5.2 Overview of Ramelius and the Bidder**

Ramelius is an established ASX300 gold production and exploration company having produced over one million ounces over the last five financial years. Ramelius' shares listed on the ASX in 2003 under the ASX code "RMS".

The Bidder is a wholly-owned subsidiary of Ramelius.

Section 4.1 of the Bidder's Statement provides overview information regarding Ramelius.

### **5.3 Ramelius and Bidder Directors**

Section 4.6 of the Bidder's Statement provides biographical details for the directors of Ramelius and the Bidder.

The Ramelius Directors as at the date of this Target's Statement are:

- (a) Bob Vassie – Non-Executive Chairman. Mr Vassie is also a director of the Bidder;
- (b) Mark Zeptner – Managing Director. Mr Zeptner is also a director of the Bidder;
- (c) David Southam – Non-Executive Director;
- (d) Natalia Streltsova – Non-Executive Director;
- (e) Fiona Murdoch – Non-Executive Director; and
- (f) Colin Moorhead – Non-Executive Director.

### **5.4 Overview of assets and activities of Ramelius**

Ramelius operates two established production centres with four operating mines delivering ore into these centres. The Mt Magnet production centre processes ore from underground and open pit projects at the Mt Magnet Gold Project along with high-grade ore from the Penny Gold Mine, which has recently been developed and is now in its early stages of production.

A brief summary of Ramelius' principal operations and projects are set out below. Please refer to section 4.4 of the Bidder's Statement for further information in this regard.



(a) **Edna May and Mt Magnet Processing Centres**

The Edna May processing centre processes ore from the Edna May underground mine, the large Tampia open pit and a series of open pit mines at the Marda Gold Project.

The Mt Magnet processing centre is a 1.9 million tonne per annum (Mtpa) conventional semi-autogenous grinding mill.

(b) **Vivien Gold Mine**

Vivien was acquired by Ramelius in 2015 at a cost of \$10 million and, over its life, Vivien has generated cash flows of over \$130 million.

The high-grade Vivien underground mine is located near the Agnew Gold Mine, 15km west of Leinster in Western Australia. Mining commenced in late 2015 and ceased in the March Quarter 2023. The final reconciled gold production from Vivien over the period of Ramelius ownership (2015 – 2023) was 1.5 million tonnes at grade of 5.68g/t for 260,000 recovered ounces.

(c) **Penny Gold Mine**

Ramelius purchased the Penny Gold Mine in June 2020 via the acquisition of Spectrum Metals Limited. The Board of Ramelius has approved a decision to mine and first gold production occurred in December 2022.

(d) **Marda Gold Mine**

The Marda Gold Mine is an open pit project, located around 130km north of the town of Southern Cross and 400km north-east of Perth, Western Australia.

Ramelius acquired the project in February 2019 and mining operations commenced in the December 2019 Quarter. The Marda Gold Mine consists of a series of small to moderate size, medium to high-grade open pits with the ore mined being hauled to the Edna May production centre for processing.

(e) **Tampia Gold Mine**

The Tampia Gold Mine is an open pit project located near Narembeen in Western Australia, 148km (by sealed road) from the Edna May production centre.

Ramelius purchased a 90% interest in the Tampia Gold Mine in April 2019 via the acquisition of Explaurum Limited with the remaining minority interest acquired in January 2021. Mining operations commenced in April 2021. Ore from the Tampia Gold Mine is hauled to the Edna May production centre for processing.

(f) **Rebecca Gold Project**

The Rebecca Gold Project is located 150km NE from Kalgoorlie, Australia's premier gold province. It sits at the Southern end of the +30Moz Laverton Tectonic Zone.

Ramelius acquired the Rebecca Gold Project by way of the off-market takeover of Apollo Consolidated Limited (ACN 102 084 917) in December 2021 and has since generated a new Mineral Resource which confirmed the previous Apollo resource estimate.

Further information in relation to the assets and activities of Ramelius is located in section 4 of the Bidder's Statement.

## 5.5 Ramelius financial information

Ramelius released its:

- (a) full year financial accounts for the financial year ending 30 June 2022 on 29 August 2022; and
- (b) half year accounts for the financial half year ending 31 December 2022 on 21 February 2023.

Electronic copies of financial statements and information for Ramelius can be obtained from the ASX's website at [www.asx.com.au](http://www.asx.com.au) (ASX:RMS).

Section 4.8 of the Bidder's Statement includes consolidated financial statements of the Ramelius Group's financial position extracted from the financial statements of Ramelius for the half year ending 31 December 2022 (being the last reviewed financial statements prior to the date of this Target's Statement), the full year ending 30 June 2022, and the full year ending 30 June 2021.

## 5.6 Ramelius securities

As at the date of this Target's Statement, Ramelius' issued share capital was 873,248,671 Ordinary Shares.

Ramelius has also issued the following securities which are not quoted on the ASX:

Securities	Expiry Date	Vesting Date	Number
Performance Rights	1 July 2024	Vested	101,138
Performance Rights	1 July 2025	Vested	129,593
Performance Rights	1 July 2026	Vested	161,819
Performance Rights	1 July 2027	Vested	772,933
Performance Rights	1 July 2028	Vested	936,054
Performance Rights	1 July 2029	Vested	1,319,783
Performance Rights	1 July 2030	1 July 2023	1,080,293
Performance Rights	1 July 2031	1 July 2024	1,626,673
Performance Rights	1 July 2027	1 July 2025	3,889,793
<b>Total</b>			<b>10,018,079</b>

## 5.7 Ramelius substantial shareholders

As at the last practical Trading Day prior to this Target's Statement, Ramelius has been notified that the following shareholders held more than 5% or more of Ramelius:

Substantial holder	Person's votes	Voting Power
Dimensional Entities	52,354,544	6.00%

## 5.8 Publicly available information regarding Ramelius

Ramelius is a company listed on the ASX and is subject to the periodic and continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. Further information relating to the business and operations and financial performance and position of the Ramelius Group that has been disclosed by Ramelius in accordance with these obligations is available from the ASX website at [www.asx.com.au](http://www.asx.com.au) (ASX:RMS).

Further information regarding Ramelius and its business can be found on Ramelius' website at [www.rameliusresources.com.au](http://www.rameliusresources.com.au).

## 6. DIRECTORS' RECOMMENDATION AND INTERESTS OF BREAKER

### 6.1 The Directors

The following are Directors of Breaker as at the date of this Target's Statement:

- (a) Peter Cook – Non-Executive Chairman;
- (b) Sam Smith – Executive Director and Chief Executive Officer;
- (c) Linton Putland – Non-Executive Director;
- (d) Mike Kitney – Non-Executive Director;
- (e) Mark Edwards – Non-Executive Director; and
- (f) Eric Vincent – Non-Executive Director

Further details in respect of the Directors are set out in section 4.6 of this Target's Statement.

### 6.2 Directors' recommendation

After taking into account each of the matters in this Target's Statement and in the Bidder's Statement, each of your Directors recommends that you ACCEPT the Offer (in the absence of a Superior Proposal).

In considering whether to accept the Offer, your Directors encourage you to:

- (a) read the whole of this Target's Statement and the Bidder's Statement;
- (b) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- (c) consider the reasons for the Directors' recommendations noted in this Target's Statement; and
- (d) obtain financial advice from your broker or financial adviser about the Offer and obtain taxation advice on the effect of accepting the Offer.

### 6.3 Reasons to ACCEPT the Offer

The reasons that the Directors recommend that you ACCEPT the Offer (in the absence of a Superior Proposal) are outlined in the section of the Target's Statement entitled "KEY REASONS TO ACCEPT THE OFFER".

### 6.4 Directors' interests in Breaker

At the date of this Target's Statement, Directors and their Associates have a relevant interest in the following securities of Breaker:

Director	Class of security interest	Number	Nature of security interest
Peter Cook Non-Executive Chairman	Breaker Shares	1,821,032	Indirect
	Breaker Options	2,000,000	Indirect
Samuel Smith Executive Director and Chief Executive Officer	Breaker Shares	23,500	Direct
	Breaker Options	3,000,000	Direct

Director	Class of security interest	Number	Nature of security interest
Mark Edwards Non-Executive Director	Breaker Shares	2,037,301	Direct and Indirect
	Breaker Options	1,250,000	Direct
Michael Kitney Non-Executive Director	Breaker Shares	735,003	Indirect
	Breaker Options	1,250,000	Direct
Linton Putland Non-Executive Director	Breaker Shares	Nil	N/A
	Breaker Options	1,250,000	Indirect
Eric Vincent Non-Executive Director	Breaker Shares	58,300	Direct
	Breaker Options	1,250,000	Direct

Please see Breaker's 2022 Annual Report for further information.

Each Breaker Director who holds a Relevant Interest in Breaker Shares has provided Breaker with a signed intention statement in respect of their intention to accept the Offer on the date that is 21 days from the Offer opening, in the absence of a Superior Proposal (refer to section 2.8 of this Target's Statement).

## 6.5 Recent dealings in shares by Directors

In the four months preceding the date of this Target's Statement, none of the Directors (or their respective Associates, as the case may be) have acquired or disposed of Shares.

## 6.6 Interests or dealings in Ramelius securities

Between 14 September 2022 and 17 October 2022, an investment entity controlled by Peter Cook acquired 1,000,000 Ramelius Shares for a total outlay of \$660,447. That position was disposed of between 9 November 2022 and 5 December 2022 for proceeds of \$948,285.

Other than stated elsewhere in this Target's Statement, none of the Directors or any of their respective Associates have any relevant interest in the securities of Ramelius or any Related Body Corporate of Ramelius, or have acquired or disposed of any securities of Ramelius or any Related Body Corporate of Ramelius in the four months preceding the date of this Target's Statement.

## 6.7 No payments or benefits

No Director has agreed to receive, or is entitled to receive, any benefit in Ramelius or Breaker which is conditional on, or is related to, the Offer, other than in their capacity as a Breaker securityholder or as is noted below in section 6.8.

As a result of the Offer, no benefit (other than a benefit permitted by sections 200F or 200G of the Corporations Act) has been or will be given to a person:

- (a) in connection with the retirement of a person from the Board or management of Breaker or its Related Bodies Corporate; or
- (b) who holds, or has held a position on the board or management of Breaker or its Related Bodies Corporate, or a spouse, relative or Associate of such person, in connection with the transfer of the whole or any part of the undertaking or property of Breaker; or
- (c) which would require approval of Shareholders under section 200B of the Corporations Act.

## **6.8 Arrangements with Breaker Directors**

### **Board transition arrangements**

Ramelius has proposed that Messrs Smith, Cook, Edwards, Kitney and Vincent resign from the Breaker Board if Ramelius obtains acceptances of at least 90% of all Breaker Shares.

### **Options**

Under the terms of the Bid Implementation Agreement, Ramelius has also agreed to make offers to each holder of Breaker Options to acquire or cancel their Breaker Options. Refer to section 8.5 of this Target's Statement for more information regarding the acquisition of the Breaker Options.

Mr Peter Cook indirectly holds 2,000,000 Options (exercisable at \$0.251 each, expiring 6 September 2024) which Options Ramelius has indicated that it offer to acquire for \$0.149 per Option or \$298,000 in total.

Mr Samuel Smith holds 3,000,000 Options (exercisable at \$0.251 each, expiring 6 June 2025) which Options Ramelius has indicated that it offer to acquire for \$0.149 per Option or \$447,000 in total.

Mr Mark Edwards holds 1,250,000 Options (exercisable at \$0.281 each, expiring 30 September 2023) which Options Ramelius has indicated that it offer to acquire for \$0.119 per Option or \$148,750 in total.

Mr Linton Puntland indirectly holds 1,250,000 Options (exercisable at \$0.467 each, expiring 31 December 2024) which Options Ramelius has indicated that it offer to acquire for \$0.053 per Option or \$65,989 in total.

Mr Michael Kitney holds 1,250,000 Options (exercisable at \$0.281 each, expiring 30 September 2023) which Options Ramelius has indicated that it offer to acquire for \$0.119 per Option or \$148,750 in total.

Mr Eric Vincent holds 1,250,000 Options (exercisable at \$0.281 each, expiring 30 September 2023) which Options Ramelius has indicated that it offer to acquire for \$0.119 per Option or \$148,750 in total.

### **Special exertion and retention fees**

Peter Cook has a general agreement for any additional works completed above 25 hours per month at a rate of \$275 per hour.

### **D&O Policy arrangements**

Under each Director's Access, Indemnity and Insurance Deed with Breaker, Breaker is required to maintain in favour of each Director a Director and Officer's policy for a period of seven years after the Director ceases to be an officer of Breaker.

## **6.9 No agreement or arrangement with any Director of Breaker**

Except as described above, there is no agreement or arrangement made between any Director or any Related Body Corporate or Associate of any Director and any other person in connection with or conditional upon the outcome of the Offer.

## **6.10 Interests held by directors of Breaker in any contract entered into by Ramelius**

No Director, nor any Related Body Corporate or Associate of Ramelius, has an interest in any contract entered into by Ramelius or any Director, Related Body Corporate or Associate of Ramelius.

## **7. RISK FACTORS**

### **7.1 Introduction**

In considering the Offer, Breaker Shareholders should be aware that there are a number of risk factors associated with either accepting the Offer or rejecting the Offer and continuing to hold Breaker Shares.

In deciding whether to accept the Offer, Breaker Shareholders should read this Target's Statement and the Bidder's Statement carefully and consider these risks. While some of these risks can be mitigated, some are outside the control of Breaker and the Breaker Board and cannot be mitigated.

The risks set out in this section do not take into account the individual investment objectives, financial situation, position or particular needs of Breaker Shareholders. The risk factors set out in this section are not an exhaustive list of all risks. In addition, these risks are general in nature only and do not cover every risk that may be associated with an investment in Breaker now or in the future. The mining, exploration and development of natural resources are activities which are speculative in nature and are subject to significant risks.

There may also be additional risks and uncertainties not currently known to Breaker, or which are currently known to Breaker but which Breaker currently considers to be individually immaterial, which may adversely affect Breaker's business, operations and future prospectus and the price or value of Breaker Shares in the future.

Risks relating to accepting the Offer and being a holder of Ramelius Shares as part of the Merged Group are set out in section 11 of the Bidder's Statement. Some additional risks are summarised below.

Risks associated with rejecting the Offer and continuing as a Breaker Shareholder are set out in section 7.4 below and in the section headed Key Reasons to Accept the Offer.

Risks associated with holding Shares are summarised in section 7.5(a).

If you are unclear in relation to any matter you should consult your legal, investment, taxation or other professional adviser.

### **7.2 Risks associated with accepting the Offer**

#### **Conditions of the Offer**

As described in section 2.3 of this Target's Statement, the Offer is subject to the Conditions.

If the Conditions are not satisfied by the applicable date (or waived by the Bidder), the Offer will not be free of the Conditions and therefore will not proceed.

#### **Limited withdrawal rights**

Once you have accepted the Offer, you will only be able to withdraw such acceptance in very limited circumstances. Such a withdrawal right will arise if, after you have accepted the Offer, the Bidder varies the Offer in a way that postpones, for more than one month, the time when the Bidder has to meet its obligations under the Offer, and at that time, the Offer is subject to one of the Conditions.

Otherwise, you will be unable to withdraw your acceptance even if the value of Ramelius Shares varies significantly from the date of your acceptance of the Offer or a Superior Proposal is announced.

#### **CGT – Offer**

If the Offer becomes unconditional, CGT rollover relief will not be available if Ramelius acquires less than 80% of the Shares under the Offer. A general overview of the Australian tax implications of accepting the Offer for Australian resident Shareholders is set out in section 14 of the Bidder's Statement.

Shareholders should not rely on the Australian taxation considerations set out in section 14 of the Bidder's Statement as being advice on their own affairs. Shareholders should consult with their own independent taxation advisers regarding the taxation implications of accepting the Offer given their particular circumstances.

#### **Issue of securities as consideration**

Pursuant to each Offer, Ramelius Shares are to be issued as Offer Consideration. The market value of such securities will fluctuate depending on the market value of Ramelius Shares.

There are risks associated with investing in Ramelius. These risks are discussed in section 11 of the Bidder's Statement and in section 7.3 of this Target's Statement.

#### **Breaker has not independently verified Ramelius' information**

In preparing the information in this Target's Statement, Breaker has relied upon information in relation to Ramelius which is publicly available through Ramelius' continuous and periodic disclosure under the Corporations Act and ASX Listing Rules. Breaker has not been able to verify the accuracy, reliability or completeness of all of the information which was disclosed by Ramelius. In addition, there may be other potentially materially price sensitive information which Ramelius has not disclosed in reliance of an exception to the continuous disclosure requirements set out in ASX Listing Rule 3.1A.

As Breaker has conducted only limited due diligence on Ramelius, there could be circumstances relating to Ramelius which Breaker are unaware of and which could adversely affect the anticipated results of the operations of the Merged Group. If any of the data or information provided to and relied upon by Breaker in its limited due diligence process and its preparation of this Target's Statement proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of the Merged Group may be materially different to the pro-forma statement of financial position in the Bidder's Statement. It should also be noted that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the acquisition have been identified. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on the Merged Group in the future.

#### **If a Superior Proposal is announced you will not be able to withdraw your acceptance of the Offer**

If a Superior Proposal is announced, Breaker Shareholders who accept the Offer will not be able to withdraw their acceptance of the Offer and accept a Superior Proposal unless the Offer fails due to non-satisfaction of a condition (and Ramelius chooses not to waive that condition).

At the date of this Target's Statement, the Breaker Directors are not aware of any Superior Proposal.

#### **Possibility of future Breaker Share price appreciation**

You may be able to sell your Breaker Shares in the future for more valuable consideration than that offered under the Offer (although Breaker can give no assurances and makes no forecast of whether this will occur).

#### **Foreign Breaker Shareholders and Unmarketable Parcel Shareholders**

Foreign Breaker Shareholders and Unmarketable Parcel Shareholders will not be issued with Ramelius Shares. Instead, those Ramelius Shares will be sold on their behalf by a nominee and the proceeds of sale (net of expenses) remitted to the Foreign Breaker Shareholders and Unmarketable Parcel Shareholders. Those Foreign Breaker Shareholders and Unmarketable Parcel Shareholders will therefore no longer be exposed to any potential upside relating to the assets of Breaker or the Merged Group.

### **7.3 Risks associated with being a Ramelius securityholder**

There are certain risks involved in holding Ramelius Shares and those risks are outlined in section 11 of the Bidder's Statement. The Board also draws your attention to the risks set out below:

## **Issue of Ramelius Shares as Offer Consideration**

Shareholders are being offered consideration under the Offer that consists of a specified number of Ramelius Shares, rather than a number of Ramelius Shares with a specified market value. As a result, the value of the consideration will fluctuate depending upon the market value of the Ramelius Shares.

Furthermore, under the Share Offer, Ramelius will issue a significant number of Ramelius Shares (representing up to approximately 12% of the Ramelius' enlarged share capital). Some Shareholders may not intend to continue to hold Ramelius Shares and may wish to sell them on the ASX. There is a risk that if a significant number of Shareholders seek to sell their Ramelius Shares this may adversely impact the price of Ramelius Shares.

Unless Ramelius acquires at least 80% of the Shares under the Offer, CGT scrip for scrip rollover relief will not be available in respect of the Ramelius Shares received in exchange for the Shares.

There are also certain risks that relate to the merger of Breaker and Ramelius should the Offer succeed. Ramelius has summarised these risks in section 11 of the Bidder's Statement.

Many of these risks are risks that are common to most gold companies looking to explore, develop and operate gold projects and, to a large extent comprise of risks the Breaker Shareholders already face.

The Board draws your attention to the following additional risks:

### **Integration risks**

There are risks that any integration between the businesses of Breaker and Ramelius may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups, inability to achieve synergy benefits and cost savings, and the potential loss of key personnel.

### **Accounting**

Ramelius will be required to perform a fair value assessment of all of Breaker's assets and liabilities if the Offer is successful. This assessment may result in increased depreciation and amortisation charges. There is a risk that these charges may be substantially greater than those that would exist in Ramelius and Breaker as separate businesses. This may reduce the future earnings of the Merged Group.

### **Change in risk and investment profile**

Breaker Shareholders who accept the Offer will be exposed to risk factors relating to Ramelius, and to certain additional risks relating to the Merged Group and the integration of the two companies.

These include risks relating to the operation of a broader suite of assets (both in nature and scale) than Breaker owns.

## **7.4 Risks associated with not accepting the Offer**

### **No premium**

Shareholders who do not accept the Offer may not receive the premium implied by the Offer. Further, in the absence of the Offer, the price of Shares on the ASX may potentially decline.

### **Minority ownership consequences**

If Ramelius achieves the Minimum Acceptance Condition of 50.1%, then it is possible that effective control of Breaker passes without the ability of Ramelius to compulsorily acquire the remaining Shares (which requires a relevant interest in at least 90% of Shares).



Once effective control passes, Ramelius will have the ability to appoint a majority of directors to the Board and, in doing so, take control of the day-to-day operations of the business. Shareholders who do not accept the Offer will become minority shareholders and be subject to a number of additional risks, including:

- (a) reduced liquidity;
- (b) greater difficulty in realising value for Shares with Ramelius likely to hold a blocking stake to any proposals received from a rival bidder; and
- (c) if Ramelius acquires 75% or more of the Shares, it will be able to pass special resolutions of Breaker (which will enable Ramelius to amend Breaker's constitution).

It is also possible that Ramelius may waive the condition that it receive acceptances of 50.1% in which case Ramelius may end up a significant shareholder in Breaker.

### **Breaker's share price may fall**

If the Offer is unsuccessful and no other offers emerge, Breaker's Share price may fall below the current trading price and Breaker Shareholders will be exposed to the ongoing risks associated with an investment in Breaker. In particular:

- (a) Breaker Shareholders will have full exposure to the development risk associated with Breaker's existing projects, and will not benefit from Ramelius' development expertise or financial strength; and
- (b) there is a strong probability that Breaker will have to raise additional funds to fund the development of the Lake Roe Gold Project, potentially through an issue of equity at a discount to the trading price of Breaker Shares, which could dilute your investment in Breaker.

### **If you do not accept the Offer and the Offer becomes unconditional**

Liquidity in Breaker Shares may be significantly reduced, or Ramelius may be entitled to remove Breaker from the official list of the ASX and Ramelius may be entitled to acquire your Breaker Shares through compulsory acquisition (see sections 2.14 and 3.2 of this Target's Statement for further details). Refer to section 8 of the Bidder's Statement for more information regarding the Ramelius' intentions in relation to Breaker, including at different Relevant Interests held in Breaker.

## **7.5 Risks associated with Holding Breaker Shares**

If the Offer is not successful or if you decide not to accept the Offer and retain your Shares (subject to the Bidder not being able to compulsorily acquire your Shares as referenced in sections 2.14 and 3.2 of this Target's Statement), you will continue to be exposed to the risks associated with being a Shareholder. Holding Shares provides an economic interest in the ongoing operational activities of Breaker. However, there is no guarantee that Breaker will become profitable in the future as the business is affected by many risk factors.

These may be risks that are widespread risks associated with any form of business or specific risks associated with Breaker's business and the industry in which it is involved.

The following summary represents some of the major risk factors which affect Breaker. These risk factors ought not to be taken as exhaustive of the risks faced by Breaker or Shareholders. These factors, and others not specifically referred to, may in the future materially affect the financial performance of Breaker and the value of Shares. Where relevant, the risk factors below assume the Offer will not be successful and Breaker will continue to develop its projects.

- (a) General market risks

The economic condition of both domestic and global markets may affect the performance of companies such as Breaker. Adverse changes in macroeconomic conditions, including global, regional and local economic growth, the costs and general availability of credit, the

level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), general consumption and consumer spending, sentiment and levels of employment, amongst others, are outside of the control of Breaker and may have a material adverse effect on the financial performance of Breaker.

(b) Future Share price

There is a risk that the Breaker Share price may fall if the Offer is unsuccessful. The Directors are not in a position to speculate on the future trading price of the Shares, including if the Offer lapses. The future price of Shares is dependent not only on Breaker's performance, but also on external market and other factors.

(c) Financing and capital

Substantial capital expenditure is required for mineral exploration, appraisal, development and production. The future prospects of Breaker, including the successful development of Breaker's assets and/or the acquisition of new assets will be influenced by the ability of Breaker to access funding via operating cash flows or debt or equity markets on commercially acceptable terms. Operating cash flows and access to debt and equity markets is affected by a number of factors beyond the control of Breaker including commodity prices and general economic conditions.

There is also no assurance that Breaker will be successful in raising capital in the future as and when it is required, in order to fully finance and develop Breaker's projects. Volatile market conditions may prevent or make it difficult for Breaker to obtain debt financing or equity financing on commercially acceptable terms. If access to adequate funding is not maintained by Breaker, Breaker may not be able to take advantage of opportunities or otherwise respond to market conditions. Failure to obtain funding on a timely basis and on reasonably acceptable terms may also cause Breaker to postpone or abandon development plans, or to relinquish or forfeit rights in relation to the Breaker's assets, which may delay or suspend Breaker's business strategy and could have a material adverse effect on Breaker's activities.

(d) Exploration

Breaker's future value will be materially dependant on the success or otherwise of Breaker's activities which are directed towards the exploration, evaluation and development of gold and other resources.

Mineral exploration inherently involves significant risks, so that no assurances can be given that funds spent on exploration will result in discoveries that will eventually become commercially viable. As such, the value of Breaker's shares is directly related to the results of exploration activities which are currently being undertaken by Breaker. The future operating and financial performance and development strategies of Breaker will be influenced by the ability of Breaker to successfully explore for and identify further resources and commercially viable reserves which may support further production in the future. If at any stage Breaker is precluded from pursuing any of its exploration programs or from developing any resource it may identify, this may have an adverse effect on the value of Breaker Shares.

(e) Resource estimates

Resource estimates are expressions of judgements based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect Breaker's operations.

The Lake Roe Gold Project and Breaker's exploration projects may yield less gold under actual production conditions than estimated by Breaker's Mineral Resources Estimates and

preliminary economic assessments-related announcements, which are estimates based on a number of assumptions.

(f) Mine development

Possible future development of mining operations at the Lake Roe Gold Project is dependent on a number of factors including, but not limited to, the outcome of further studies including a feasibility study, upgrading resources estimates to reserves, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If Breaker commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control. No assurance can be given that Breaker will achieve commercial viability through the further development of its projects.

(g) Metallurgical

Metals and/or mineral recoveries are dependent on the metallurgical process that is required to liberate economic minerals and produce a saleable product and by nature contain elements of significant risk such as:

- (1) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (2) developing an economic process route to produce a metals and/or concentrate; and
- (3) changes in mineralogy in the ore deposit, which can result in inconsistent metal recovery, affecting the economic viability of the Lake Roe Gold Project.

(h) Production and cost estimates at Breaker's projects

Production forecasts and capital and operating cost estimates are based on certain forward looking assumptions which are inherently subject to significant uncertainties including inflation and cost pressures on certain expenses, including such items as employees and foreign currency based costs. It is likely that the actual results of Breaker's operations will differ from its current estimates and assumptions.

In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, and/or increase capital and/or operating costs above, Breaker's current estimates. If actual results are less favourable than Breaker currently estimates, Breaker's business, results of operations, financial condition and liquidity could be materially adversely impacted.

(i) Drilling

Breaker may encounter hazards inherent in mineral drilling activities. Examples of such hazards include unusual or unexpected formations, abnormal pressures or rock properties, adverse weather conditions, mechanical difficulties, conditions which could result in damage to plant or equipment or the environment or shortages or delays in delivery of rigs and/or other equipment. Drilling may result in wells that, while encountering minerals, may not achieve economically viable results.

Whilst Breaker intends to take adequate precautions to minimise risks associated with drilling activities, there can be no guarantee that Breaker will not experience one or more material incidents during drilling activities which may have an adverse impact on the operating and financial performances of Breaker, including costs associated with control of well operations,

recovery of plant and equipment, environmental rectification and compensation along with delays and other impacts on anticipated results.

(j) Environment

Mineral exploration, development and production can potentially be environmentally hazardous, giving rise to substantial costs for environmental rehabilitation, damage control and losses. Breaker is subject to environmental laws and regulations in connection with its operations. If Breaker is responsible for environmental harm it will be required to remediate the harm which may involve substantial expenditure. Additionally, a material environmental incident may result in operations being suspended, forfeiture of a critical permit or permits, and the imposition of a financial guarantee, surety, financial penalty or compensation order, as well as damage to Breaker's reputation.

(k) Security of tenure

The business activities of Breaker are dependent on the grant and maintenance of appropriate licences, permits and consents over their exploration interests. Licences and permits may be subject to compulsory work or expenditure obligations for each year which must be met to keep the licence or permit in good standing. It may be possible for these commitments to be varied by deferment and combination with later year requirements on application of the holders but any such variation is at the discretion of the Minister administering the relevant legislation. If a variation is not approved by the Minister then a failure to meet compulsory obligations could lead to forfeiture of the licence or permit. Any failure to meet tenure conditions may result in a loss of tenure and may impact on Breaker's reputation which, in turn, may hinder or prevent Breaker from successfully obtaining extensions to its existing tenure or new tenure associated with future opportunities.

(l) Land access and native title risk

Land access is critical to the operations of Breaker. Immediate and continuing access to land within Breaker's licence and permit areas cannot in all cases be guaranteed as Breaker may be required to obtain the consent of the owners and occupiers of the relevant land or surrounding land or may require clearance or approvals under Aboriginal heritage legislation. Compensation may be required to be paid to the owners and occupiers by Breaker in order for Breaker to carry out exploration activities and clearances or approvals may be required under legislation protecting Aboriginal cultural heritage.

In addition, Breaker operates in a number of areas within Australia that are or may become subject to claims or applications for native title determinations. These claims and applications have the potential to introduce delays in the granting of mining licences and other permits and consequently may have an effect on the timing and cost of exploration, development and production licences, as well as in respect of such operating costs associated with such licences (although it should be noted that Breaker already holds a mining lease over the Lake Roe Gold Project).

Various aspects of Breaker's future performance and profitability are dependent on the outcome of future negotiations with third parties. In addition to the outcome of negotiations on land access arrangements and native title issues, future negotiation with the government is expected in respect of licence renewals and work obligations and security for rehabilitation of areas of operation with Breaker's Tenements.

(m) Key contracts

Breaker's projects are dependent on securing key contracts and there can be no assurance that Breaker will be able to complete these contracts in time to ensure development and operation of the projects in accordance with the project schedule, that contract negotiations will achieve the estimates assumed in any of the studies prepared in relation to its projects, or that contractors will comply with their obligations under the key contracts. The current mining contract, current offtake contracts and logistics contract may not be renewable on the same or better terms and conditions of those currently executed by Breaker.

(n) Contractors

The business activities of Breaker rely on the engagement of experienced and qualified contractors and suppliers on commercially reasonable terms.

Breaker's business, operations and financial performance may be materially and adversely affected if any of its proposed contractors are not available as and when required or do not perform their contractual obligations as expected by Breaker. Where Breaker relies on third parties to deliver goods or perform services, there can be no guarantee that the relevant third parties will deliver those goods or perform those services in the manner that delivers upon Breaker's plans and expected outcomes which, in turn, may adversely affect the financial position, performance and prospects of Breaker.

(o) Insurances

Breaker maintains insurance directly for certain activities within ranges of coverage that they each believe to be consistent with industry practice. However, in certain circumstances insurance proceeds may not be adequate to cover all potential liabilities and losses. Additionally, recovery under insurances is subject to the terms and conditions of the relevant insurance policies which may include material exclusions and uninsured excess amounts (or deductibles).

Where Breaker does not have insurances in place in respect of a relevant loss or hazard, or a relevant insurance policy does not respond as anticipated, Breaker may be exposed to material uninsured losses which, in turn, may impact upon the financial performance of Breaker. In addition, insurance of all risks associated with mineral exploration, development and production is not always available and, where available this cost can be prohibitive. There is a risk that insurance premiums may increase to a level where Breaker considers it is unreasonable or, not to a level of coverage which is in accordance with industry practice. No assurance can be given that Breaker will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate to cover claims.

(p) Taxation

In addition to normal income taxes imposed on all industries by Federal, State or foreign governments, the mineral resources industry is required to pay government royalties, indirect taxes, sales taxes and other imposts which generally relate to revenue or cash flows. Breaker's operations and profitability may be affected by changes in government taxation policies, including changes to taxation regimes designed to address climate change and greenhouse gas emissions.

(q) Market, commodity price, and currency risk

Fluctuations in exchange rates between the Australian dollar and other operational currencies may result in foreign exchange gains or losses which may affect the financial performance of Breaker.

The Breaker Group is exposed to fluctuations in metals prices (principally gold), fluctuations in foreign currency and interest rates, in each case in relation to its future operational cash flows and its ability to service existing and planned funding of current projects. The market prices for gold fluctuate widely. These fluctuations are caused by numerous factors beyond Breaker's control, such as: speculative positions taken by investors or gold traders, changes in the demand and supply, actual or expected metal sales by central banks and The International Monetary Fund (IMF), global or regional economic events. A sustained period of significant gold price volatility may adversely affect Breaker's ability to evaluate the feasibility of undertaking new capital projects or continuing existing operations or to make other long-term strategic decisions.

(r) Compliance risk

Breaker is required to comply with a wide range of laws and regulations which govern the undertaking of resources exploration, development and production (and associated activities) in Australia.

Mining operators are required to obtain and maintain various permits to provide a regulatory 'licence to operate'. A failure to comply with relevant laws and regulations, including conditions imposed on Breaker's activities under relevant permits, may result in operations being suspended, a forfeiture of critical permits, the imposition of a financial guarantee or surety, or financial penalty or compensation order, along with the potential for associated reputational damage to Breaker.

(s) Regulatory and political risk

Government regulations and political factors, including those relating to prices, taxes, royalties, land tenure, security of mineral rights tenure, land use, the environment, and community constraints, including potential land claims or restrictions on exploration or development are all key considerations in mineral projects. The effects of these factors cannot be accurately predicted and any combination of one or other of the above may impede the operation or development of a project and even render it uneconomic.

(t) Loss of key personnel

Breaker relies on a number of well qualified and experienced key senior personnel. Loss of such personnel, or a failure to recruit and retain suitably qualified and experienced personnel in the future may adversely affect the financial performance of Breaker. Such failure may also result in damage to the reputation of Breaker which may have additional adverse consequences for the financial performance and prospects of Breaker.

(u) Litigation

Breaker may be involved in disputes and litigation relating to the conduct of its business. The risk of litigation is a general risk of Breaker's business and it may incur costs in making payments to settle claims or in complying with any court order (which may not be covered adequately, if at all, by insurance).

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even in circumstances where a claim lacks merit. Due to the inherent uncertainty of the litigation process, any material dispute or litigation could adversely affect the financial position and the financial performance of Breaker.

If native title claims over Breaker's Tenements are ultimately successful, Breaker will be liable to pay compensation under the *Native Title Act 1993* (Cth) to the native holders in relation to the impact on native title of those Tenements.

Litigation risks relating to Breaker include, but are not limited to, native title claims, tenement disputes, environmental claims, contractual claims, occupational health and safety claims, employee claims, regulatory disputes and the costs associated with those claims and disputes.

(v) Occupational health and safety risk

The mining industry is an inherently hazardous industry, and is subject to increasing occupational health and safety responsibility and liability. The potential for significant loss and liability is a constant risk. If Breaker fails to comply with necessary occupational health and safety legislative requirements, it could result in fines, penalties and compensation for damages as well as reputational damage.

(w) Risk of conflict

Conflict events including, but not limited to, significant riots or acts of terrorism, invasion, hostilities (whether war be declared or not), or war may adversely affect the operating and financial performance of Breaker. Escalation of the current conflict in Ukraine may increase market volatility generally and/or volatility in global commodity prices generally.

(x) Cyber security & IT

Breaker relies on IT infrastructure and systems and the efficient and uninterrupted operation of core technologies. Breaker's core technologies and other systems and operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication provider's failure or human error. These events may cause one or more of Breaker's core systems to become unavailable. Any interruptions to these operations would impact Breaker's ability to operate and could result in business interruption and loss of revenue and could therefore adversely affect Breaker's operating and financial performance.

(y) Force majeure

Breaker's projects now or in the future may be adversely affected by risks outside its control, including labour unrest, civil disobedience, subversive activities or sabotage, fires, floods, pandemics, explosions or other catastrophes, epidemics, quarantine restrictions, public health orders and directions.

(z) Other risks

Additional risks and uncertainties not currently known may also have an adverse effect on Breaker and the value of its Shares. The information set out in this section 7.5 does not purport to be, nor should it be construed as representing, an exhaustive summary of the risks that may affect the performance of Breaker's Shares.

## 8. ADDITIONAL INFORMATION

### 8.1 Notice under section 203D of Corporations Act

On 20 March 2023, Breaker announced to ASX that it had received notices pursuant to sections 203D and 249F of the Corporations Act from Thomas Stephen Sanders & Helen Sanders <Sanders Family Superannuation A/C>, Thomas Stephen Sanders, Helen Sanders, and Dr Super (WA) Pty Ltd <Ramachandran SF A/C> (ACN 650 982 004) (**Requisitioners**) of their intention to call and arrange to hold a general meeting of the Company (**Shareholder Requisition**). The Shareholder Requisition requires the Company to hold the requisitioned meeting in order for Breaker Shareholders to consider:

- (a) the removal of Mr Peter Cook as a Director;
- (b) the removal of Mr Linton Putland as a Director;
- (c) the removal of Mr Michael Kitney as a Director;
- (d) the removal of Mr Samuel Smith as a Director; and
- (e) the removal of any other person who is appointed as a Director of Breaker between 16 March 2023 and the commencement of the requisitioned general meeting, as a Director of Breaker.

The Shareholder Requisition states the Requisitioners intend to move resolutions for the appointment of Mr Thomas Sanders and Mr Devanathan Ramachandran as Directors of Breaker. Mr Sanders was a previous Director and Managing Director of Breaker who resigned from the Board of Breaker on 19 October 2022. The Shareholder Requisition does not specify the date on which the Requisitioners intend to arrange to hold the requisitioned meeting.

As at the date of this Target's Statement, the Board is awaiting details of the basis on which the Requisitioners seek to remove four the Directors of the Company and the draft meeting materials.

On the basis the Offer is supported by major Breaker Shareholders, being Electrum and Paulson, as evidenced by their execution of the Pre-Bid Acceptance Agreements, the proposed convening of a meeting under section 249F of the Corporations Act is not expected to have any impact on the outcome of the Offer.

### 8.2 Bid Implementation Agreement

On 20 March 2023, Ramelius and Breaker entered into the Bid Implementation Agreement in relation to the Offer.

A full copy of the Bid Implementation Agreement was released by Breaker to the ASX on 20 March 2023.

- (a) (**Use of Subsidiary to make Offer**) The Bid Implementation Agreement permits Ramelius to use a wholly-owned Subsidiary to make the Offer (as it has done through its use of the Bidder). Where Ramelius uses a wholly-owned Subsidiary to satisfy its obligations under the Bid Implementation Agreement, Ramelius unconditionally and irrevocably guarantees to Breaker the due performance and observance of its wholly-owned Subsidiary of all of Ramelius' obligations under the agreement.
- (b) (**Conditions**) The Offer is subject to a number of Conditions. These Conditions are detailed in full at section 13.8 of the Bidder's Statement.
- (c) (**Board Appointment**) Subject to Ramelius declaring the Offer (or the Offer otherwise becoming) unconditional and Ramelius having acceptances of at least 50.1% of all Breaker Shares, Ramelius will have the right to appoint such number of directors so as to comprise a majority on the Breaker Board. If Ramelius obtains acceptances of at least 90% of all Breaker Shares, Breaker agrees to procure the resignation of all Breaker directors other than Ramelius appointed directors.



- (d) **(Conduct of Business)** During the exclusivity period (expiring at the end of the Offer Period), Breaker must conduct its business in the ordinary course, in accordance with all applicable laws and regulations and consistent with the Budget and Work Program. This is subject to nothing restricting Breaker from engaging in anything required or permitted to be done or not done under this Bidder's Statement or otherwise required to be done in connection with the legal obligations for the implementation of the Bid or matters consented to in writing by the Bidder (acting reasonably).
- (e) **(Variation)** The Bid Implementation Agreement provides that Ramelius may vary the Offer in any manner permitted by the Corporations Act so far as the terms are no less favourable to Breaker Shareholders than the Agreed Bid Terms (detailed at Schedule 3 of the Bid Implementation Agreement). Further, Ramelius may in its sole discretion declare the bid to be free from any Bid Condition and extend the Offer Period at any time.
- (f) **(Breaker Convertibles)** Prior to the Bid Offer becoming unconditional and subject to any necessary ASX waivers, the Bidder must make an offer to acquire all of the Breaker Convertibles (outstanding as at such date) from each holder of Breaker Convertibles or seek such holder's consent for the cancellation of its Breaker Convertibles on terms materially consistent (including the Breaker Convertible consideration amount) as the Offer. The Bidder agrees that the Bid Offer will extend to all Breaker Shares issued as a result of exercise of Breaker Convertibles from the Register Date to the end of the Offer Period.
- (g) **(Compensating Amount)** Breaker has agreed to compensate Ramelius \$950,000 (excluding GST) where, among other things, Breaker enters into, approves or recommends, any agreement regarding a Competing Proposal, the Breaker Directors fail to make the recommendation referred to above or is in breach of the Bid Implementation Agreement. Breaker must pay the Compensating Amount to the Bidder within 10 Business Days of receipt of the demand. The Compensating Amount will only be payable if at the time the Bidder has not acquired (or gained enforceable rights to acquire) more than 50.1% of Breaker Shares.
- (h) **(Exclusivity)** Subject to the Fiduciary Exception at section 8.2(j) below, Breaker has agreed to exclusivity obligations. The Bid Implementation Agreement contains no shop, no talk and no due diligence restrictions on Breaker. During the Exclusivity Period (commencing from 20 March 2023 and expiring at the end of the Offer Period or the date that the Bid Implementation Agreement is terminated (whichever occurs first)), Breaker warrants that, amongst other things:
- (1) it is no longer involved in or otherwise participating in negotiations or discussions, other than the discussions with Ramelius in respect of the Takeover Bid, in respect of any:
    - (A) actual, proposed or potential Competing Proposal; or
    - (B) transaction that would, or would reasonably be expected to, reduce the likelihood of success of the Takeover Bid,with any Third Party and has ceased any such discussions or negotiations to the extent that they were on foot prior to 20 March 2023;
  - (2) will not solicit, invite, encourage or initiate any inquiry, expression of interest, offer, proposal or discussion by any Third Party in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal;
  - (3) will not directly or indirectly engage in or participate in any discussions or negotiations, communicate any intention to do any of these things, with any Third Party in relation to (or which may reasonably be expected to lead to) a Competing Proposal, even if that Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Breaker or any of its Related Persons or that Third Party has publicly announced the Competing Proposal;

- (4) will not directly or indirectly solicit, invite, initiate or encourage or facilitate, enable or permit any Third Party to undertake due diligence investigations or make available to any Third Party (or permit any such Third Party to receive) any non-public information, in respect of or relating to Breaker, its Subsidiaries, or any of their businesses, Tenements, assets and operations, in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, an actual, proposed or potential Competing Proposal.
- (i) **(Notification of approaches)** During the Exclusivity Period, Breaker must, within 2 Business Days, with all material details of the relevant event, provide to Ramelius information regarding:
- (1) any approach, inquiry or proposal made by any Third Party to Breaker or any Related Person, to initiate any discussions or negotiations that concern, or that could reasonably be expected to lead to, a Competing Proposal;
  - (2) any request made by any Third Party to Breaker or any Related Person for any information relating to Breaker, its Subsidiaries, or any businesses, Tenements, assets or operations, in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, an actual, proposed or potential Competing Proposal; or
  - (3) the provision by Breaker or any Related Person of any information relating to Breaker or any of its Subsidiaries or any of their businesses, Tenements, assets or operations to any Third Party in connection with or for the purposes of any actual, proposed or potential Competing Proposal.

This clause applies regardless of any prior discussions or negotiations between Breaker and that Third Party or any advisor to that Third Party.

- (j) **(Fiduciary exception)** The restrictions detailed at 8.2(h) above do not apply to the extent that it restricts Breaker from responding to a written bona fide actual, proposed or potential Competing Proposal, provided the Breaker Board has determined in good faith based on the information then available and after consultation from its independent financial and legal advisers, that:
- (1) the Competing Proposal is, or may reasonably be expected to lead to a Superior Proposal; and
  - (2) failing to respond with respect to the Competing Proposal would be reasonably likely to constitute a breach of any of the legal obligations or fiduciary duties of the members of the Breaker Board.

Before Breaker can rely on this fiduciary exception, the Breaker Board must obtain a written opinion from a legal adviser confirming that failing to take action which is proposed to be taken with respect to the relevant Competing Proposal would, or would be likely to, involve a breach of the legal obligations or fiduciary duties of each Breaker Director.

- (k) **(Warranties)** Both Ramelius and Breaker have provided standard warranties to one another.
- (l) **(Termination)** Standard termination clauses have been agreed to in the Bid Implementation Agreement. Further, Ramelius may terminate the Bid Implementation Agreement where:
- (1) a Superior Proposal is made or publicly announced by a Third Party;
  - (2) Breaker accepts or enters into or offers to accept or enter into, any agreement arrangement or understanding regarding a Competing Proposal;
  - (3) any Breaker Director fails to make, withdraws or adversely modifies the unanimous recommendation of the Breaker Directors; or
  - (4) any Breaker Director fails to make, withdraws or adversely modifies the public statement to be made.

Breaker may terminate the Bid Implementation Agreement where the Breaker Board changes or withdraws their recommendation provided that, before termination, Breaker has paid the Compensating Amount to Ramelius.

### 8.3 Transaction costs associated with the Offer

Breaker estimates that in the event that the Offer completes, Breaker will have incurred or committed costs of up to approximately \$125,000 (excluding GST and disbursements) in relation to the Offer.

One-off transaction costs associated with the Offer primarily relate to legal, accounting and other costs associated with the Offer.

### 8.4 ASIC and ASX modifications, exemptions and waivers

To the extent required, Breaker will apply for a waiver from ASX Listing Rule 6.23.2 to enable Breaker to cancel the Options on issue (if not otherwise exercised in accordance with their terms of issue) for the consideration described in section 8.5 below.

### 8.5 Breaker Options

As noted above, the Bid Implementation Agreement provides that prior to the Bid Offer becoming unconditional and subject to any necessary ASX waivers, the Bidder must make an offer to acquire all of the Breaker Convertibles (outstanding as at such date) from each holder of Breaker Convertibles or seek such holder's consent for the cancellation of its Breaker Convertibles on terms materially consistent (including the Breaker Convertible consideration amount) as the Offer. The Bidder agrees that the Bid Offer will extend to all Breaker Shares issued as a result of exercise of Breaker Convertibles from the Register Date to the end of the Offer Period.

The Bidder has indicated that it proposes to make the following offers in relation to the Breaker Options:

Expiry date	Exercise price	Number	Consideration payable
15 May 2023	\$0.288	200,000	\$0.112 per Option
31 August 2023	\$0.291	550,000	\$0.109 per Option
30 September 2023	\$0.281	3,750,000	\$0.119 per Option
31 May 2024	\$0.20	200,000	\$0.200 per Option
6 September 2024	\$0.251	2,000,000	\$0.149 per Option
4 November 2024	\$0.40	1,000,000	\$0.061 per Option
31 December 2024	\$0.467	1,250,000	\$0.053 per Option
9 May 2025	\$0.261	300,000	\$0.139 per Option
6 June 2025	\$0.251	3,000,000	\$0.149 per Option
30 June 2025	\$0.226	100,000	\$0.174 per Option
31 December 2025	\$0.396	500,000	\$0.004 per Option
<b>Total</b>		<b>12,850,000</b>	

### 8.6 Notice of the Bidder's voting power

On 20 March 2023, Ramelius entered into Pre-Bid Acceptance Deeds with Paulson & Co. Inc. and Electrum Strategic Opportunities Fund II L.P. who held, in aggregate, 65,100,314 Breaker Shares, or 19.92% in total.

As such, as at the date of this Target's Statement the Bidder holds 70,293,124 Breaker Shares and its voting power is approximately 21.51%.

The Bidder is required to notify the ASX and Breaker before 7.30am (Perth time) on each trading day during the Offer Period where there is an increase in Ramelius' relevant interest representing at least 1% in Breaker's issued capital.

## **8.7 Potential impact of the Offer on Breaker's material contracts**

Other than as set out in this Target's Statement, Breaker is not, after due inquiry, aware of any financing arrangement or other contract that has been entered into by Breaker or any of its Subsidiaries, that Breaker considers to be material in the context of Breaker or the Breaker Group taken as a whole, that contains a change of control provision that may be triggered if Ramelius acquires Breaker Shares as a result of the Offer. Control of Breaker has not yet passed to Ramelius and its Associates, including the Bidder. As at the date of this Target's Statement, Ramelius announced that it had a Relevant Interest in approximately 21.51% of the Breaker Shares on issue.

Although Breaker and its Subsidiaries have entered into other contracts that contain change of control provisions that may be triggered if the Bidder acquires Breaker Shares as a result of the Offer, Breaker does not consider any of those contracts to be material in the context of Breaker or the Breaker Group taken as a whole.

## **8.8 Material litigation**

As at the date of this Target's Statement, there is no current litigation of a material nature against any member of the Breaker Group.

## **8.9 Disclosing entity**

Breaker is a disclosing entity and as such is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules.

Copies of the documents filed with the ASX may be obtained from the ASX website at [www.asx.com.au](http://www.asx.com.au) or Breaker's website at [www.breakerresources.com.au](http://www.breakerresources.com.au).

Copies of the documents lodged with ASIC in relation to Breaker may be obtained from, or inspected at, an ASIC office.

Shareholders may obtain a copy of:

- (a) the 2022 Annual Report of Breaker;
- (b) Breaker's constitution; and
- (c) any document lodged by Breaker with the ASX between the release of the 2022 Annual Report to the ASX and the date of this Target's Statement,

free of charge upon request by contacting Breaker or on the ASX website at [www.asx.com.au](http://www.asx.com.au).

## **8.10 No other material information**

This Target's Statement is required to include all information that Shareholders and their advisers would reasonably expect to receive to make an informed assessment whether to accept the Offer, but only to the extent that:

- (a) it is reasonable for the Shareholders and their professional advisers to expect to receive that information in the Target's Statement; and
- (b) the information is known to the Directors.

The Directors are of the opinion that the information that the Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept or reject the Offer is contained within:

- (a) this Target's Statement;

- (b) the Bidder's Statement (to the extent that the information contained in that document is not inconsistent with the Target's Statement); and
- (c) the annual and other financial reports, releases, announcements and documents lodged by Breaker with ASX and/or ASIC, prior to the date of this Target's Statement.

In preparing this Target's Statement, Breaker and the Directors have assumed, for the purposes of preparing this Target's Statement, that the information contained in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, Breaker or the Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all of the statements contained within it.

In deciding what information should be contained in this Target's Statement, the Directors have had regard to:

- (a) the nature of the Shares;
- (b) the matters that Shareholders may reasonably be expected to know;
- (c) the fact that certain matters may reasonably be expected to be known to the professional advisers of Shareholders; and
- (d) the time available to Breaker to prepare the Target's Statement.

## 9. CONSENTS

### 9.1 Directors

The Directors have given and have not, before the lodgement of this Target's Statement with ASIC, withdrawn their consent to be named in this Target's Statement in the form and context in which they are named.

### 9.2 Third Parties

HopgoodGanim Lawyers, has given and has not, before the lodgement of this Target's Statement with ASIC, withdrawn its written consent to be named in this Target's Statement as Australian legal adviser to Breaker in respect of the Offer in the form and context in which it is named.

HopgoodGanim Lawyers, does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based. To the maximum extent permitted by law, HopgoodGanim Lawyers, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name.

Automic has given and has not, before the lodgement of this Target's Statement with ASIC, withdrawn its written consent to be named in this Target's Statement as Share Registry to Breaker in respect of the Offer in the form and context in which it is named. Automic does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based. To the maximum extent permitted by law, Automic expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name.

### 9.3 Publicly available information and ASIC modifications

This Target's Statement contains statements which are made in, or based upon, statements contained in the Bidder's Statement lodged with ASIC. As permitted by ASIC Class Order [CO 13/521], the consent of Ramelius is not required for the inclusion of these statements in the Target's Statement.

Breaker has also relied on the modification to section 638(5) of the Corporations Act set out in ASIC Class Order [CO 13/521] to include, without obtaining specific consent, statements which are made in, or based on statements made in, any documents announced on the company announcements platform of ASX on the following dates:

Entity	Announcement	Date of Announcement
Breaker	Ceasing to be a substantial holder	29 March 2023
Breaker	Bidder's Statement	27 March 2023
Breaker	Ramelius and Breaker Resources Bid Implementation Agreement	20 March 2023
Breaker	Form 603 Notice of initial substantial shareholder from RMS	20 March 2023
Ramelius	Presentation Ramelius takeover offer for Breaker Resources	20 March 2023
Breaker	Half Year Accounts	15 March 2023
Ramelius	Half Year Results Presentation	21 February 2023
Ramelius	Financial Results for the Six Months to 31 December 2022	21 February 2023
Ramelius	December 2022 Quarterly Rpt, Rebecca & Marda drill results	25 January 2023
Breaker	Bonzana gold results from Bombora	17 January 2023

Entity	Announcement	Date of Announcement
Breaker	Appointment of Executive Director & CEO Sam Smith	13 December 2022
Breaker	Chairman's Address Annual General Meeting	24 November 2022
Breaker	Annual Report to shareholders	25 October 2022
Ramelius	Resources and Reserves Statement 2022	13 September 2022
Breaker	Bombora Underground Study Opens High-grade Potential	1 August 2022
Breaker	Open pit study lights up Lake Roe	12 April 2022
Breaker	Lake Roe Gold Project Mineral Resource Update	20 December 2021
Breaker	Annual Report to Shareholders	18 October 2021
Breaker	Peter Cook Joins Breaker as Non-Executive Chairman	7 September 2021
Breaker	US-based investment executive appointed to Board	24 March 2020
Breaker	Larger strong Board	16 August 2018

No person who has made any of these statements has consented to the statement being included in or accompanying this Target's Statement in the form and context in which it is included.

Breaker will, on request and during the bid period, provide a copy of those documents, or the relevant parts of those documents containing the statement, free of charge and within two business days of the request to any Breaker Shareholder. To obtain a copy of any of those documents, or the relevant parts of those documents containing the statements, please call Breaker on +61 8 9226 3666 from Monday to Friday between 9.00am to 5.00pm (Perth time).

As permitted by ASIC Corporations (Consent to Statements) Instrument 2016/72 (**Instrument 2016/72**), this Target's Statement may include or be accompanied by certain statements:

- (a) which fairly represent what purports to be a statement from an official person;
- (b) which are a correct and fair copy of, or extract from, what purports to be a public official document; or
- (c) which are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable publication.

Pursuant to Instrument 2016/72, the consent of persons whom such statements are attributed is not required for inclusion of those statements in this Target's Statement. As permitted by Instrument 2016/72, this Target's Statement also contains trading data obtained from IRESS without its consent.

Also, ASIC has published various class orders providing for modifications and exemptions that generally apply to all persons including Breaker, in relation to the operation of chapter 6 of the Corporations Act.

## 10. GLOSSARY AND INTERPRETATION

### 10.1 In this Target's Statement unless the contrary intention appears the following words have the following meanings:

**Acceptance Form** means the form of acceptance and transfer accompanying the Offer or any replacement or substitute acceptance form provided by or on behalf of Ramelius;

**Accepted Shares** has the same meaning as "Your Accepted Shares" in the Bidder's Statement.

**Announcement Date** means 20 March 2023.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning given to that term in the Corporations Act.

**ASX** means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it.

**ASX Listing Rules** means the official listing rules of the ASX.

**ASX Operating Rules** means the operating rules of ASX in force from time to time.

**ASX Operating Rules Procedures** means the procedures of the ASX Operating Rules.

**ASX Settlement Operating Rules** means the operating rules of the ASX Settlement Pty Limited as amended and replaced from time to time.

**ASX Settlement Participant** means a participant under the ASX Settlement Operating Rules.

**Authorisation** means any approval, licence, consent, authority or permit.

**BIA** or **Bid Implementation Agreement** means the bid implementation agreement executed by Breaker and Ramelius on 20 March 2023.

**Bid Conditions** means the Bid Conditions detailed in full at section 13.8 of the Bidder's Statement.

**Bidder** means Ramelius Kalgoorlie Pty Ltd ABN 18 654 590 039.

**Bidder Group** or **Ramelius Group** means Ramelius and each of its Related Bodies Corporate.

**Bidder's Statement** means the Bidder's Statement dated 27 March 2023 given by the Bidder to Breaker on 27 March 2023 in accordance with the provisions of Part 6.5 Division 2 of the Corporations Act;

**Breaker, Target** or **Company** means Breaker Resources NL (ABN 87 145 011 178).

**Breaker Board** or **Board** means the board of directors of Breaker.

**Breaker Convertibles** means an option or some other form of instrument (for instance a performance right or share) permitting the holder to subscribe for a Breaker Share and includes a Breaker Option.

**Breaker Director** or **Director** means each member of the Breaker Board.

**Breaker Group, Target Group** or **Group** means Breaker and each of its Subsidiaries and Breaker Group Member means any member of the Breaker Group.

**Breaker Option** or **Option** means an option, issued by Breaker, to acquire a Breaker Share under Breaker's employee incentive plans as amended or renewed from time to time and/or with the approval of Breaker Shareholders.



**Breaker Optionholder** means each person who is registered in the Breaker Option Register as the holder of a Breaker Option.

**Breaker Option Register** means the register of optionholders of Breaker maintained in accordance with the Corporations Act.

**Breaker Share** or **Share** means a fully paid ordinary share in the capital of Breaker.

**Breaker Shareholder** or **Shareholder** means each person who is registered as the holder of a Breaker Share.

**Broker** means a person who is a share broker and a participant in CHESSE.

**Budget and Work Program** means the expenditure budget and project work plan for Breaker as approved by the Breaker Directors and initialled for identification purposes by Ramelius and Breaker and as amended from time to time with the consent of the Bidder, acting reasonably.

**Business Day** means a day that is not a Saturday, Sunday or public holiday or bank holiday in Perth, Western Australia.

**CGT** means Australian Capital Gains Tax.

**Change of Control Date** means the date that Ramelius acquires a Relevant Interest in more than 50% of Breaker Shares and the Offer is declared unconditional.

**CHESSE** means the Clearing House Electronic Sub-registry System operated by the ASX which provides for the electronic transfer, settlement and registration of securities.

**CHESSE Holding** means a holding of Shares on the CHESSE Sub-register of Breaker.

**CHESSE Sub-register** has the meaning given in the ASX Settlement Operating Rules;

**Closing Date** means 1 May 2023 (unless extended or withdrawn).

**Compensating Amount** has the meaning given in section 8.2(g) of this Target's Statement.

**Competing Proposal** means any expression of interest, proposal (including a scheme of arrangement), offer or transaction (or series of transactions) that would, if completed substantially in accordance with its terms, result in:

- (a) any person or persons other than Ramelius or one of the Bidder's Associates acquiring:
  - (i) an interest in all or a substantial part of the Tenements or assets of Breaker or any of its Subsidiaries;
  - (ii) a Relevant Interest in more than 10% of the voting shares of Breaker or any of its Subsidiaries; or
  - (iii) control of Breaker or any of its Subsidiaries within the meaning of section 50AA of the Corporations Act; or
- (b) Breaker and another person or persons (other than Breaker or one of Breaker's Associates) operating under a dual listed company, or similar structure.

**Conditions** means the conditions of the Offer set out in section 13.8 of the Bidder's Statement.

**Controlling Participant** means the Broker or ASX Settlement Participant who is designated as the controlling participant for shares in a CHESSE Holding in accordance with the ASX Settlement Operating Rules.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of Breaker (unless the context requires otherwise).

**Electrum** means Electrum Strategic Opportunities Fund II L.P.

**Exclusivity Period** means the period commencing from the date of the Bid Implementation Agreement, being 20 March 2023, to the earlier of:

- (a) expiry of the Offer Period; or
- (b) the date that the Bid Implementation Agreement is terminated.

**Fiduciary Exception** has the meaning given in section 8.2(j) of this Target's Statement.

**Foreign Breaker Shareholder** means a Breaker Shareholder:

- (a) whose address shown in the register of members of Breaker is a place outside of Australia and its external territories, the United Kingdom, Canada or New Zealand, or they are a Breaker Shareholder who does not qualify as an Institutional Accredited Investor in the United States; or
- (b) who the Bidder determines, acting reasonably and in good faith, that it must pay an amount to the Commissioner of Taxation (Commissioner) pursuant to Subdivision 14-D of Schedule 1 of Taxation Administration Act 1953 (Cth) with respect to the acquisition of the Breaker Shares from that Breaker Shareholder.

**Government Agency** means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.

**Holder Identification Number** has the same meaning as in the ASX Settlement Operating Rules.

**Institutional Accredited Investor** has the meaning 'institutional accredited investor' as defined in Rule 501(a)(1), (2), (3), (7), (8), (9) or 12 under the US Securities Act of 1933.

**Issuer Sponsored Holding** means a holding of Breaker Shares on the Issuer Sponsored Sub-register of Breaker.

**Issuer Sponsored Sub-register** has the meaning given in the ASX Settlement Operating Rules.

**JORC Code** means the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

**Lake Roe Gold Project** means the Lake Roe Gold Project, which is located 100km east of Kalgoorlie, Western Australia.

**Marketable Parcel** has the meaning given in the ASX Operating Rules Procedures which, among other things, includes a parcel of shares, the value of which is not less than \$500.

**Merged Group** means the Ramelius Group (including the Breaker Group) which will exist following the Offer, should the Offer be successful and Breaker becomes a wholly-owned subsidiary of Ramelius.

**Mineral Resource** has the meaning given to it in the JORC Code.

**Nominee** has the meaning given to that term in section 13.7 of the Bidder's Statement.

**Offer** or **Bid Offer** means the offer for Breaker Shares under the Offer Terms.

**Offer Consideration** means the consideration offered pursuant to the Offer.

**Offer Period** means the period during which the Offer is open for acceptance as described in section 13.2 of the Bidder's Statement.

**Offer Terms** means the formal terms and conditions of the Offer set out in section 13 of the Bidder's Statement.

**Ore Reserve** has the meaning given to it in the JORC Code.

**Paulson** means Paulson & Co. Inc.

**Pre-Bid Acceptance Agreements** means the pre-bid acceptance deeds entered into between the Bidder and the Pre-Bid Breaker Shareholders dated 20 March 2023 .

**Pre-Bid Breaker Shareholders** means Electrum and Paulson.

**Ramelius** means Ramelius Resources Limited ACN 001 717 540.

**Ramelius Group** means Ramelius and each of its Subsidiaries and **Ramelius Group Member** means any member of the Ramelius Group.

**Ramelius Share** means a fully paid ordinary share in the capital of Ramelius.

**Rebecca Gold Project** means the Rebecca Gold Project, which is located approximately 50km from the Lake Roe Gold Project.

**Register Date** means 7.00pm (Sydney time) on 27 March 2023, being the date set by Ramelius under section 633(2) of the Corporations Act.

**Related Body Corporate** has the meaning given in the Corporations Act.

**Related Person** means:

- (a) in respect of a party or its Related Bodies Corporate, each director, officer, employee, adviser, agent or representative of that party or Related Body Corporate; and
- (b) in respect of any financial adviser retained by a party in relation to the Takeover Bid, each director, officer, employee or contractor of that financial adviser.

**Relevant Interest** has the meaning given in sections 608 and 609 of the Corporations Act.

**Security Interest** has the meaning given to that term in the Bidder's Statement.

**Securityholder Reference Number** has the same meaning as in the ASX Settlement Operating Rules.

**Share Registry** or **Automic** means Automic Pty Ltd ACN 152 260 814.

**Subsidiary** has the meaning given in Division 6 of Part 1.2 of the Corporations Act.

**Substantial Holding** has the meaning given in section 9 of the Corporations Act.

**Superior Proposal** means a bona fide Competing Proposal that in the determination of the Breaker Directors acting in good faith:

- (a) is reasonably capable of being valued and completed, taking into account all aspects of the transaction or proposed transaction, including the nature of the Competing Proposal, the **conditions** associated with the Competing Proposal and the likelihood of those conditions being satisfied within a reasonable period of time and the person or persons making it; and
- (b) is more favourable to Breaker Shareholders than the Offer, taking into account all terms and conditions of the Competing Proposal,

provided that a financial adviser has provided a written opinion to the Breaker Board which supports the determination of the matters in paragraphs (a) and (b) above.

**Takeover Bid** or **Bid** means the off-market takeover bid constituted by the dispatch of the Offers in accordance with the Corporations Act.

**Takeovers Panel** means the Takeovers Panel constituted under the Corporations Act.

**Target's Statement** means this document.

**Tenements** means any member of the Breaker Group's interest (including as holder, owner, operator or joint venturer) in a mining tenement, (by whatever name including a lease, licence, permit or similar) and includes:

- (a) any rights to explore, develop or mine on any such interest that is owned by a Third Party; and
- (b) any extension, renewal, modification, replacement or substitution of the whole or any part thereof and, unless the context otherwise requires, includes part of a tenement.

**Third Party** means a person other than Ramelius and its Associates.

**Trading Days** has the meaning given in the ASX Listing Rules.

**Unmarketable Parcel** means a parcel of Ramelius Shares that does not constitute a Marketable Parcel.

**Unmarketable Parcel Shareholder** means a Breaker Shareholder to whom, if they accept the Offer, Ramelius Shares would be issued which would not constitute a Marketable Parcel.

**VWAP** means Volume Weighted Average Price.

## **10.2 In this Target's Statement, unless the contrary intention appears:**

- (a) the singular includes the plural and vice versa;
- (b) the masculine gender includes the feminine and (where a corporation is or may be concerned) the neuter;
- (c) words and expressions defined in the Corporations Act have the same meanings;
- (d) headings are for ease of reference only and do not affect the meaning or interpretation;
- (e) all currency and dollar amounts are denominated in Australian dollars unless noted otherwise;
- (f) a reference to legislation or to a provision of legislation includes any modification or re-enactment of it, any legislative provision substituted for it and any regulations and statutory instruments issued under it;
- (g) if a word or phrase is defined, its other grammatical forms have a corresponding meaning; and
- (h) a reference to time is a reference to Australian Western Standard Time.

Dated 6 April 2023

Signed for and on behalf of Breaker Resources NL ACN 145 011 178 by Peter Cook, who is authorised so to sign pursuant to a resolution passed at a meeting of the Breaker Directors.

A handwritten signature in black ink, appearing to read 'Peter Cook', written in a cursive style.

Peter Cook  
Non-Executive Chairman

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## CORPORATE DIRECTORY

<b>Directors</b>	Peter Cook - Non-Executive Chairman Sam Smith - Executive Director and Chief Executive Officer Linton Putland - Non-Executive Director Mike Kitney - Non-Executive Director Mark Edwards - Non-Executive Director Eric Vincent - Non-Executive Director
<b>Registered Office</b>	12 Walker Avenue West Perth WA 6005
<b>Website</b>	<a href="http://www.breakerresources.com.au">www.breakerresources.com.au</a>
<b>Stock Exchange Listing</b>	Australian Securities Exchange ASX Code: BRB
<b>Share Registry</b>	Automic Registry Services
<b>Solicitors</b>	HopgoodGanim Lawyers Level 27, Allendale Square 77 St Georges Terrace Perth WA 6000