

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To: Company Name/Scheme
ACN/ARSN

Breaker Resources NL
145 011 178

1. Details of substantial holder (1)

Name

Electrum Strategic Opportunities Fund II L.P. (**ESOF II**) and each of its related parties listed in Annexure A (each a **Related Party**, and together, the **Related Parties**)

ACN/ARSN (if applicable)

The holder became a substantial holder on

15 / 11 / 2019

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	23,015,211	23,015,211	9.95%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
ESOF II	Relevant interest pursuant to section 608(1)(a) of the <i>Corporations Act 2001</i> (Cth), being the registered holder of securities and by reason of having voting and disposal rights as detailed in Annexure B	23,015,211 fully paid ordinary shares
Related Parties	Each Related Party has a relevant interest in the securities by virtue of section 608(3) of the <i>Corporations Act 2001</i> (Cth)	As above

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
ESOF II	ESOF II	ESOF II	23,015,211 fully paid ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-Cash	
ESOF II	15 / 11 / 2019	A\$8,055,323.85		23,015,211 fully paid ordinary shares
Related Parties	15 / 11 / 2019	Nil		23,015,211 fully paid ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Related Parties	Each Related Party is a related party of ESOF II

7. Addresses

The address of persons named in this form are as follows:

Name	Address
ESOF II	535 Madison Avenue, 12 th Floor, New York, NY 10022, USA
Related Parties	c/o The Electrum Group LLC, 535 Madison Avenue, 12 th Floor, New York, NY 10022, USA

Signature

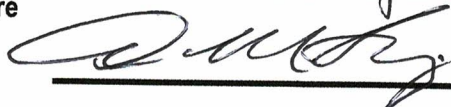
print name

Andrew M. Shapiro

capacity

Authorized Person

sign here



date

11/15/2019

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
 - (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
 - (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
 - (4) The voting shares of a company constitute one class unless divided into separate classes.
 - (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
 - (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
 - (7) Includes details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particularly securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
 - (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional upon the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A
Breaker Resources NL (ACN 145 011 178)

Details of Substantial Holders

In this Form 603, references to "Related Parties" are references to the following persons and entities:

- Electrum Strategic Opportunities Fund II GP L.P. (general partner of ESOF II)
- ESOF II GP Ltd (general partner of Electrum Strategic Opportunities Fund II GP L.P.)
- Electrum Global Holdings L.P.
- Leopard Holdings LLC
- GRAT Holdings LLC
- Thomas Kaplan

This is the annexure A of 1 page referred to in ASIC Form 603 – Notice of Initial Substantial Holder signed by me and dated *15* November 2019.

Name

Andrew M. Shapiro

Signature

[Handwritten Signature]

Capacity

Authorized Person

Annexure B

Breaker Resources NL (ACN 145 011 178)

This is the annexure B of 28 pages referred to in ASIC Form 603 – Notice of Initial Substantial Holder signed by me and dated 15 November 2019.

Name *Andrew M. Nagio*

Signature *A.M. Nagio*

Capacity *Authorized Person*

WHITE & CASE

Dated November 12 November 2019

Subscription Agreement

between

Electrum Strategic Opportunities Fund II L.P.
as Subscriber

and

Breaker Resources NL
as Company

White & Case
Level 32, 525 Collins Street
Melbourne VIC 3000
Australia

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This Subscription Agreement is made on November 12, 2019

Between the Parties:

- (1) **Electrum Strategic Opportunities Fund II L.P.** of 535 Madison Avenue, 12th Floor, New York, NY 10022 ("**Subscriber**"); and
- (2) **Breaker Resources NL** ABN 87 145 011 178 of 12 Walker Avenue, West Perth, Western Australia (the "**Company**")

Background

- (A) The Company proposes to issue the Subscription Shares to the Subscriber on the terms of this agreement.
- (B) The Subscriber agrees to subscribe for the Subscription Shares on the terms of this agreement.

This agreement witnesses that, for valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. Definitions and Interpretation

1.1 Agreement Components

This agreement includes any schedule.

1.2 Definitions

The meanings of the terms used in this document are set out below.

"Alternative Pre-emption Right" has the meaning given in clause 9.6(b)(ii).

"ASIC" means the Australian Securities and Investments Commission.

"ASX" means ASX Limited (ACN 008 624 691).

"ASX Listing Rules" means the official listing rules of ASX, as amended and waived by ASX from time to time.

"ASX Waiver" has the meaning given in clause 9.6(b).

"Authorisation" includes:

- (a) a consent, registration, filing, agreement, notice of non-objection, notarisation, certificate, licence, approval, permit, authority or exemption from, by or with a Government Agency; and
- (b) in relation to anything which a Government Agency may prohibit or restrict within a specific period, the expiry of that period without intervention or action.

"Board" means the board of directors of the Company.

"Business Day" means a day on which banks are open for business in Perth, Western Australia and New York, New York, excluding a Saturday, Sunday or public holiday.

"Cleansing Notice" means a notification to the ASX in accordance with the Corporations Act, and in particular with the applicable sections of section 708A of the Corporations Act.

"Company Warranties" means the representations and warranties set out in Schedule 1 (*Company Warranties*).

“Completion” means the completion of the subscription and issue of the Subscription Shares in accordance with the terms of this agreement.

“Completion Date” means that date that is 2 Business Days after the date of this agreement (unless a Condition has not been satisfied or waived by that date, then 2 Business Days after the last of the Conditions is satisfied) or such other date as agreed between the parties in writing.

“Conditions” means the conditions precedent set out in clause 2.1.

“Constitution” means the constitution of the Company.

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

“Duty” means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them, but excludes any Tax.

“Encumbrance” means any interest or power:

- (a) reserved in or over any interest in any asset including, but not limited to, any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of security for payment of a debt or any other monetary obligation or the performance of any other obligation and includes, but is not limited to, any agreement to grant or create any of the above.

“End Date” has the meaning given in clause 9.3(a).

“Fully Diluted Basis” means calculating the number of Shares which would be held by the Subscriber or percentage holding which the Subscriber would have, having regard to the total aggregate Shares in the Company which would be on issue if all the Securities capable of conversion into Shares were converted into Shares.

“Government Agency” means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity.

“GST” means goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply.

“GST Act” means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

“GST Law” has the same meaning as in the GST Act.

“Immediately Available Funds” means payment by bank cheque or electronic funds transfer into an account nominated by the Company.

“Insolvency Event” means the happening of one or more of the following events in relation to a party:

- (a) except for the purpose of a solvent reconstruction or amalgamation which has the prior written consent of the party not the subject of such event:
 - (i) process is filed in a court seeking an order that it be wound up or that a Controller (as that term is defined in the Corporations Act) be appointed to it

or any of its assets, unless the application is withdrawn, struck out or dismissed within seven days of it being filed; or

- (ii) an order is made that it be wound up or that a Controller be appointed to it or any of its assets; or
- (iii) a resolution that it be wound up is passed or proposed;
- (b) a liquidator, provisional liquidator, Controller or any similar official is appointed to, or takes possession or control of, all or any of its assets or undertakings;
- (c) an administrator is appointed to it, a resolution that an administrator be appointed to it is passed or proposed, or any other steps are taken to appoint an administrator to it;
- (d) it enters into, or resolves to enter into, an arrangement, compromise or composition with any of, or any class of, its creditors or members, or an assignment for the benefit of any of, or any class of, its creditors, or process is filed in a court seeking approval of any such arrangement, compromise or composition;
- (e) a reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors is proposed or effected;
- (f) any action is taken by the ASIC with a view to its deregistration or its dissolution, or an application is made to the ASIC that any such action be taken;
- (g) it is insolvent within the meaning of section 95A of the Corporations Act, states that it is unable to pay its debts or it is presumed to be insolvent under any applicable law;
- (h) as a result of the operation of section 459F(1) of the Corporations Act, it is taken to have failed to comply with a statutory demand;
- (i) it stops or suspends or threatens to stop or suspend the payment of all or a class of its debts or the conduct of all or a substantial part of its business;
- (j) any event or circumstance set out in section 461 of the Corporations Act occurs in relation to it; or
- (k) anything having a substantially similar effect to any of the events specified in paragraphs (a) to (j) happens to it under the law of any jurisdiction.

“Material Adverse Effect” means an event where individually or when aggregated with all such other events, is likely to have a material adverse effect on the condition (financial or otherwise), assets, earnings, business, affairs, results of operations, management or prospects of the Company.

“Nominated Director” has the meaning given in clause 9.3(a).

“Nominated Observer” has the meaning given in clause 9.2(a).

“Official Quotation” means quotation by ASX.

“Options Issue” means the proposed issue of up to 1,000,000 options convertible into Shares to one senior employee of the Company, scheduled to occur on or about the date of Completion.

“Permitted Security Interest” means any:

- (a) Security Interest registered by the Subscriber;

- (b) lien that arises by the operation of law in the ordinary course of business which is not more than 60 days overdue (unless being contested or litigated in good faith);
- (c) Security Interest in respect of personal property acquired by the Company in the ordinary course of business arising from the sale of that property in favour of the seller of that property securing all or part of the purchase price for the property; and
- (d) a deemed security interest under section 12(3) of the PPS Act which does not secure payment or performance of an obligation.

"PPS Act" means the *Personal Property Securities Act 2009* (Cth).

"PPS Security Interest" means a security interest as defined in the PPS Act.

"Pre-emptive Right" has the meaning given in clause 9.6(a).

"Project" means the Lake Roe Gold Project and any contiguous tenements that the Company may acquire.

"Related Body Corporate" has the meaning given to that term in the Corporations Act.

"Security Interest" means:

- (a) any third party rights or interests including a mortgage, bill of sale, charge, lien, pledge, trust, encumbrance, power or title retention arrangement, right of set-off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements or any arrangement having a similar effect; and
- (b) a PPS Security Interest,

and includes any agreement to create any of them or allow them to exist.

"Shares" means the ordinary issued shares in the capital of the Company.

"Subscriber Warranties" means the representations and warranties set out in Schedule 2 (*Subscriber Warranties*).

"Subscription Price" means \$8,055,323.85.

"Subscription Shares" means 23,015,211 newly issued Shares in accordance with this agreement, representing 9.95% of the Shares immediately following Completion.

"Subsidiary" has the meaning given to that term in the Corporations Act.

"Tax" means any tax, levy, charge, import, fee, deduction, goods and services tax, compulsory loan or withholding, which is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above, including any Duty.

"Warranties" means the Company Warranties and the Subscriber Warranties.

1.3 Interpretation

In this agreement:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this agreement;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;

- (d) other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning;
- (e) an expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this agreement and a reference to this agreement includes any schedule, attachment and exhibit;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (h) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assignees;
- (j) a reference to money (including \$, dollars or AUD) is a reference to the lawful currency of Australia;
- (k) a promise on the part of 2 or more persons binds them jointly and severally;
- (l) a reference to an agreement other than this agreement includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (m) a reference to liquidation or insolvency includes appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding-up, dissolution, deregistration, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death;
- (n) no provision of this agreement will be construed adversely to a party because that party was responsible for the preparation of this agreement or that provision;
- (o) a reference to a body, other than a party to this agreement (including an institute, association or authority), whether statutory or not:
 - (i) that ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,
 is a reference to the body that replaces it or that substantially succeeds to its powers or functions;
- (p) a reference to any thing (including, but not limited to, any right) includes a part of that thing. Nothing in this clause 1.3(p) implies that performance of part of an obligation constitutes performance of the obligation;
- (q) if an act prescribed under this agreement to be done by a party on or by a given day is done after 5.00 pm on that day, it is taken to be done on the next Business Day;
- (r) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;

- (s) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later; and
- (t) a reference to time is a reference to the time in Perth, Western Australia.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the preceding Business Day.

1.5 Inclusive Expressions

Specifying anything in this agreement after the words 'including', 'includes' or 'for example' or similar expressions does not limit what else is included.

2. Conditions Precedent

2.1 Conditions Precedent

Clauses 3 and 6 do not become binding on the parties and are of no force or effect if either of the following conditions has not been satisfied or waived in accordance with clause 2.4, by the Completion Date:

- (a) **(quotation):** ASX not having indicated to the Company or the Subscriber that it will not grant permission for the Official Quotation of the Subscription Shares on or before Completion; or
- (b) **(material adverse change):** there has not been, and there are no circumstances that may reasonably be expected to give rise to, a Material Adverse Effect.

2.2 Reasonable Endeavours

Each party must:

- (a) use their reasonable endeavours to procure the fulfilment of the Conditions; and
- (b) provide reasonable assistance to the other party as is necessary to satisfy the Conditions.

2.3 Notice

Each party must promptly notify the other in writing if it becomes aware that any Condition has been satisfied or has become incapable of being satisfied.

2.4 Waiver

The Conditions are for the benefit of the Subscriber and may only be waived by written agreement of the Subscriber.

2.5 No Binding Agreement for Issue

For the avoidance of doubt, nothing in this agreement will cause a binding agreement for the issue of the Subscription Shares unless and until the Conditions have been satisfied or waived, and no person will obtain rights in relation to the Subscription Shares as a result of this agreement unless and until the Conditions have been satisfied or waived.

3. Subscription

3.1 Subscription Shares

On the Completion Date, the Subscriber agrees to subscribe for, and the Company must issue, the Subscription Shares for the Subscription Price.

3.2 Rights and Ranking

- (a) All Subscription Shares issued to the Subscriber under this agreement will:
 - (i) be issued as fully paid;
 - (ii) be free and clear of any Encumbrances;
 - (iii) be freely transferable; and
 - (iv) in all respects rank equally with, and have the same rights as (including without limitation regarding voting, dividends and winding up), the other ordinary shares on issue in the capital of the Company as at the Completion Date.
- (b) The Subscription Shares will only carry the right to participate in a distribution which is declared by the Company in respect of the Subscription Shares after the date on which the Subscription Shares are registered in the Company's register of members in accordance with clause 6.3(c).

4. Subscriber Acknowledgements

By signing this agreement, the Subscriber acknowledges that it has:

- (a) made and relied entirely upon its own assessment of the Company and the Subscription Shares through due diligence, other than in respect of the Company Warranties;
- (b) conducted its own independent investigation with respect to the Subscription Shares and the Company; and
- (c) determined that the Subscription Shares are a suitable investment for it, both in the nature and the number of the Subscription Shares being acquired.

5. Company Undertakings

The Company agrees that it:

- (a) **(notification of breach):** must at all times prior to Completion notify the Subscriber immediately:
 - (i) if it becomes aware of anything which would cause a Company Warranty to not be true and accurate, detailing the nature and effect of the relevant circumstances; or
 - (ii) of any breach of a Company Warranty or undertaking given by it under this agreement or the occurrence of any event as set out in clause 8.1, as applicable;
- (b) **(constitution):** will not, before Completion, vary any term of its Constitution without the prior written consent of the Subscriber to the terms of the variation, such consent not to be unreasonably withheld or delayed;
- (c) **(breach):** will not, before Completion, commit, be involved in or acquiesce in any activity which breaches in any material respect:

- (i) the Corporations Act;
 - (ii) any other applicable laws;
 - (iii) the ASX Listing Rules;
 - (iv) the Constitution; or
 - (v) any legally binding requirement of ASIC or ASX; and
- (d) **(business):** will, until Completion, conduct its business in the ordinary course and will not:
- (i) dispose of any material part of its business or property;
 - (ii) grant any Security Interest (other than a Permitted Security Interest) over any material part of its business or property; or
 - (iii) enter into any agreement or commitment which is material,
- except in the ordinary course of business, pursuant to the Options Issue, or with the prior written consent of the Subscriber, which consent may not be unreasonably withheld or delayed.

6. Completion

6.1 Time and Place for Completion

Unless otherwise agreed between the parties in writing, Completion of the issue of Subscription Shares must take place at the office of HopgoodGanim Lawyers in Perth, at 12:00 pm, or such other time required to ensure the Subscriber does not hold 10% or more of the Shares at any time, on the Completion Date.

6.2 Subscriber's obligations at Completion

- (a) At Completion, the Subscriber must:
- (i) subscribe for and accept the issue of the Subscription Shares; and
 - (ii) pay to the Company the Subscription Price in Immediately Available Funds by direct deposit to the credit of:

Name:	
Bank:	
BSB:	
Account:	
Reference:	

- (b) Upon receipt by Automic Pty Ltd of the Subscription Price paid by the Subscriber under clause 6.2(a)(ii):

- (i) the Company must issue the Subscription Shares to the Subscriber in accordance with this agreement; and
- (ii) the Subscriber will be deemed to have satisfied and is automatically released from any obligations it has under or arising from this agreement in relation to payment of the Subscription Price.
- (c) Upon the issue of Subscription Shares to the Subscriber, the Subscriber agrees to become a member of the Company and to be bound by the Constitution in respect of those Subscription Shares.
- (d) Upon the issue of Subscription Shares, the Subscriber must provide the requisite initial substantial shareholder notice pursuant to the Corporations Act.

6.3 Company's obligations at Completion

At Completion, the Company must:

- (a) issue or procure the issue of the Subscription Shares to the Subscriber free from any Encumbrance or other third-party rights;
- (b) instruct the Company's share registry to cause a holding statement to be issued in the name of the Subscriber for all the Subscription Shares; and
- (c) update the register of members of the Company to reflect the Subscriber as the registered holder of the Subscription Shares.

6.4 Board meetings

- (a) On or before the Completion Date, the Company must hold a duly convened meeting of the directors of the Company (or pass circulating resolutions) at which the directors resolve, subject to the Subscriber complying with its obligations under clause 6.2:
 - (i) to allot and issue the Subscription Securities to the Subscriber;
 - (ii) to approve the registration of the Subscriber as the holder of the Subscription Shares; and
 - (iii) to approve the attendance at each meeting of the directors of the Company, the Nominated Observer, as an ongoing observer in accordance with the terms of this agreement.
- (b) Following the conclusion of its annual general meeting scheduled for 21 November 2019, and subject to the Subscriber receiving Foreign Investment Review Board approval (if required by the Subscriber) and written notification of the same being given to the Company, the Company must hold a duly convened meeting of the directors of the Company (or pass circulating resolutions) at which the directors resolve, subject to receiving a signed consent to act by the relevant individual, to appoint as a director of the Company the Nominated Director in accordance with the terms of this agreement.

6.5 Company's obligations immediately following Completion

The Company must immediately following Completion:

- (a) apply for and use its reasonable endeavours to obtain Official Quotation of the Subscription Shares by ASX;

- (b) but in any event no later than 5 Business Days following Completion, issue a Cleansing Notice to the ASX, in order to ensure there are no on-sale restrictions and the Subscription Shares issued to the Subscriber are and continue to be freely transferable; and
- (c) use the Subscription Amount solely for the purposes of exploration of the Project and working capital, with the goal of advancing the Project along the value chain through expansion of the Project's existing resource.

7. Warranties

7.1 Company Warranties

The Company gives the Company Warranties to and for the benefit of the Subscriber.

7.2 Subscriber Warranties

The Subscriber gives the Subscriber Warranties to and for the benefit of the Company.

7.3 Repetition of Warranties

The Warranties given by the Company and the Subscriber are given:

- (a) in respect of each Warranty which is expressed to be given on a particular date, on that date; and
- (b) in respect of each other Warranty or where no particular date is expressed, on the date of this agreement and immediately before Completion.

7.4 Survival

The Warranties survive the execution of this agreement.

7.5 Reliance

- (a) The Company acknowledges that the Subscriber enters into this agreement in reliance on each Company Warranty.
- (b) The Subscriber acknowledges that the Company enters into this agreement in reliance on each Subscriber Warranty.

7.6 Independent Warranties

Each Warranty is separate and independent and not limited by reference to any other Warranty or any notice or waiver given by any party in connection with anything in this agreement.

8. Termination

8.1 Termination

This agreement may be terminated:

- (a) by the Company, if:
 - (i) **(material breach):** the Subscriber commits a material breach of this agreement and that breach is incapable of remedy, or if capable of remedy, is not remedied by the Subscriber within 3 Business Days of receiving written

- notice from the Company specifying the breach and stating an intention to terminate the agreement; or
- (ii) **(warranties):** any of the Subscriber Warranties ceases to be true and accurate;
- (b) by the Subscriber, if:
 - (i) **(notifications):** ASIC or the Australian Takeovers Panel commences, or threatens to commence, any inquiry, hearing investigation or regulatory action or issues any order or interim order or other proceedings in relation to the Company or the Subscription;
 - (ii) **(material breach):** the Company commits a material breach of this agreement and that breach is incapable of remedy, or if capable of remedy, is not remedied by the Company within 3 Business Days of receiving written notice from the Subscriber specifying the breach and stating an intention to terminate the agreement;
 - (iii) **(warranties):** any of the Company Warranties cease to be true and accurate; or
 - (iv) **(removal from official list):** the ASX announces that the Company will be removed from the official list or that any shares in the Company will be delisted or suspended from quotation by ASX for any reason (excluding any voluntary suspensions or trading halts); or
- (c) by either party:
 - (i) **(conditions precedent):** in accordance with clause 2.5;
 - (ii) **(unable to issue Shares):** if the Company is prevented from issuing or allotting the Subscription Shares on the Completion Date by the order of a court of competent jurisdiction or by a Government Agency;
 - (iii) **(insolvency):** at any time before Completion by written notice if the other party is the subject of an Insolvency Event; or
 - (iv) **(agreement):** at any time by agreement between the Company and the Subscriber.

8.2 Effect of Termination

If this agreement is terminated under this clause 8, each party retains the rights it has against the other in respect of any breach of this agreement occurring before termination.

9. Pro rata issues and Director Appointment

9.1 Participation in pro rata issues

From Completion, the Subscriber shall be entitled to participate in any pro rata issue of Securities, as that term is defined in the ASX Listing Rules, with respect to any Shares held by the Subscriber at the time of the relevant record date for the pro rata issue.

9.2 Nomination of Observer

- (a) From Completion and until a Nominated Director is appointed in accordance with clause 9.3, the Subscriber will be entitled by notice in writing to the Company to nominate an ongoing observer to the Board (the “**Nominated Observer**”).

- (b) The Nominated Observer shall be entitled to:
 - (i) receive notice of and attend meetings of the Board, but shall not be entitled to participate or vote at such meetings; and
 - (ii) receive all information provided to and available on request by directors of the Company in their capacity as directors of the Company, subject at all times to the Constitution, the Corporations Act and the ASX Listing Rules.

9.3 Nomination of Director

- (a) Subject to the Subscriber obtaining Foreign Investments Review Board approval (if required by the Subscriber) and written notification of the same being given to the Company, and until the Subscriber ceases to be the registered holder or sole beneficial owner of at least 5% of the total number of issued Shares (considered on a Fully Diluted Basis) (the “**End Date**”), the Subscriber will be entitled by notice in writing to the Company to nominate for appointment to the Board one director, who:
 - (i) has consented and is eligible to act; and
 - (ii) has signed a letter of appointment acceptable to the Company acting reasonably, including an agreement to resign if the Subscriber ceases to be the registered holder or sole beneficial owner of at least 5% of the total number of issued Shares (considered on a Fully Diluted Basis),
 (the “**Nominated Director**”).
- (b) Thereafter, and subject to satisfaction of the conditions in clauses 9.3(a)(i) to (ii), the Subscriber may replace the Nominated Director on a date notified to the Company being not less than 10 Business Days before such replacement.
- (c) The Subscriber’s right to appoint a Nominated Director is subject always to any applicable ASX Listing Rules or applicable corporate governance principle applicable to such appointment.

9.4 Terms of Appointment

- (a) The terms of appointment (including remuneration and re-election) of any Nominated Director will at all times be governed by the Constitution, the Corporations Act and the ASX Listing Rules, subject to which the parties agree that any Nominated Director from time to time will be entitled to indemnification from the Company to the extent permitted by law as is offered to current and future directors, and the Company will maintain directors and officers insurance coverage that is appropriate in form and substance for companies similar to the Company in the jurisdictions in which the Company operates.
- (b) The Subscriber acknowledges that any Nominated Director appointed by the Board will be subject to re-election by shareholders at the next annual general meeting and will thereafter be subject to retirement and re-election by shareholders by rotation in accordance with the ASX Listing Rules and the Constitution.

9.5 Resignation on End Date

On the End Date, the Subscriber must procure the immediate resignation of any Nominated Director appointed under clause 9.3(a) or (b), as a director of the Company.

9.6 Pre-emption Right

- (a) **(Pre-emption Right):** From Completion, and until the End Date, the Subscriber shall (subject to obtaining any required ASX Waiver and subject also to obtaining any shareholder approval which may be required under the ASX Listing Rules) be entitled to participate in future issuance of Shares in the Company (other than issues of Shares arising from exercise of options or other executive or employee options or rights), in proportion to the pro rata percentage ownership of outstanding shares held by the Subscriber relative to the total amount of share capital of the Company outstanding at the time of such proposed capital increase issuance up to an amount necessary to maintain unchanged the Subscriber's pro rata percentage ownership of outstanding shares relative to the total amount of share capital of the Company outstanding immediately following such capital increase (the "**Pre-emptive Right**").
- (b) **(ASX Waiver):** To the extent that the Pre-emptive Right requires any waiver by the ASX, the Company will use its best endeavours to seek such waiver from the ASX immediately after the Completion (the "**ASX Waiver**"). To the extent the ASX Waiver is not granted, the Company will be under a continuing obligation to:
 - (i) seek a waiver on similar terms if it becomes reasonably likely that the ASX policy position with respect to the grant of such waivers has changed and in any event upon the reasonable request of the Subscriber; and
 - (ii) in order to give effect to the substance of the Pre-emptive Right, reasonably agree to grant to the Subscriber rights similar to the Pre-emptive Right ("**Alternative Pre-emption Right**"), to the extent that such similar rights would be able to be granted without an ASX Waiver or to the extent that the ASX Waiver would reasonably be likely to be able to be obtained in respect of the grant of the Alternative Pre-emption Right, subject always to the ASX Listing Rules and any shareholder approval which may be required under the ASX Listing Rules.

10. Tax Information

At the Subscriber's written request, the Company will provide any information reasonably available to it or its affiliates in order for the Subscriber:

- (a) to determine whether the Company or any of its Subsidiaries is a "passive foreign investment company" or "controlled foreign corporation" within the meaning of the United States Internal Revenue Code; and
- (b) to satisfy the Subscriber's (and the Subscriber's direct and indirect owners) tax reporting and filing obligations related to the Subscriber's investment in the Company.

11. Confidentiality

11.1 Confidentiality

Each party (“**recipient**”) must keep secret and confidential, and must not divulge or disclose any information relating to another party or its business (which is disclosed to the recipient by the other party, its representatives or advisers), or relating to this agreement other than to the extent that:

- (a) the information is in the public domain as at the date of this agreement (or subsequently becomes in the public domain other than by breach of any obligation of confidentiality binding on the recipient);
- (b) the recipient is required to disclose the information by applicable law or the rules of any recognised stock exchange on which its shares or the shares of any of its related bodies corporate are listed, provided that the recipient has, unless immediate disclosure is required by applicable law or the rules of such stock exchange, consulted with the provider of the information as to the form and content of the disclosure;
- (c) the disclosure is made by the recipient to its financiers, potential financiers or lawyers, accountants, investment bankers, consultants or other professional advisers to the extent necessary to enable the recipient to properly perform its obligations under this agreement or to conduct its business generally, in which case the recipient must take reasonable steps to ensure that such persons keep the information secret and confidential and do not divulge or disclose the information to any other person;
- (d) the disclosure is required for use in legal proceedings regarding this agreement; or
- (e) the party to whom the information relates has consented in writing before the disclosure.

11.2 Extent of Obligation

Each recipient must ensure that its directors, officers, employees, agents, representatives, financiers, advisers and related bodies corporate comply in all respects with the recipient’s obligations under clause 11.1.

12. GST

12.1 Definitions

Words used in this clause 12 that have a defined meaning in the GST Law, have the same meaning as in the GST Law unless the context indicates otherwise.

12.2 GST

- (a) Unless expressly included, the consideration for any supply under or in connection with this agreement does not include GST.
- (b) To the extent that any supply made under or in connection with this agreement is a taxable supply (other than any supply made under another agreement that contains a specific provision dealing with GST), the recipient must pay, in addition to the consideration provided under this agreement for that supply (unless it expressly includes GST) an amount (additional amount) equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. The recipient must pay the additional amount at the same time as the consideration to which it is referable.

- (c) Whenever an adjustment event occurs in relation to any taxable supply to which clauses 12.2(a) and 12.2(b) apply:
 - (i) the supplier must determine the amount of the GST component of the consideration payable; and
 - (ii) if the GST component of that consideration differs from the amount previously paid, the amount of the difference must be paid by, refunded to or credited to the recipient, as applicable.

12.3 Tax Invoices

The supplier must issue a tax invoice to the recipient of a supply to which clause 12.2 applies no later than 7 days following payment of the GST inclusive consideration for that supply under that clause.

12.4 Reimbursements

If either party is entitled under this agreement to be reimbursed or indemnified by the other party for a cost or expense incurred in connection with this agreement, the reimbursement or indemnity payment must not include any GST component of the cost or expense to the extent that the cost or expense is the consideration for a creditable acquisition made by the party being reimbursed or indemnified, or by its representative member.

13. Notices

- (a) Any notice or other communication (including, but not limited to, any request, demand, consent or approval) to or by a party to this agreement must be in legible writing and in English addressed as shown below (or as specified to the sender by any party by notice issued in accordance with this clause 13):

- (i) if to the Subscriber:

Electrum Strategic Opportunities Fund II L.P.

Address:

E-mail:

Attention:

- (ii) if to the Company:

Breaker Resources NL

Address:

E-mail:

Attention:

- (b) All notices or other communication in relation to this agreement must be given or made via email, post or hand.
 - (c) A notice can be relied on by the addressee and the addressee is not liable to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorised by the sender.

- (d) Any notice or other communication to or by a party to this agreement is regarded as being given by the sender and received by the addressee:
- (i) if by delivery in person, when delivered to the addressee;
 - (ii) if by post, 3 Business Days from and including the date of postage; or
 - (iii) if by email, when the sender receives an automated message confirming delivery, or four hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered, whichever occurs first,
- but if the delivery or receipt is on a day that is not a Business Day or is after 4.00 pm (addressee's time) it is regarded as received at 9.00 am on the following Business Day.
- (e) In this clause 13, a reference to an addressee includes a reference to an addressee's agents or employees.

14. Announcements

- (a) The Company will not issue any press release or other public disclosure regarding the transactions contemplated by this agreement without the approval of the Subscriber, except as required by applicable law or the ASX Listing Rules.
- (b) So long as it does not prevent the Company from complying with applicable securities laws or the ASX Listing Rules, the Company will provide the Subscriber with an opportunity to review any press release or disclosure contemplated in clause 14(a) prior to the issue of such press release and shall use its reasonable commercial efforts to incorporate the Subscriber's comments.

15. General

15.1 Duties

The Company must pay all Duties in respect of the execution, delivery and performance of this agreement and any agreement, transaction or document entered into or signed under this agreement.

15.2 Costs and Expenses

- (a) Subject to clause 15.2(c), each party must pay its own costs and expenses in respect of the negotiation, preparation, execution, delivery and registration of this agreement and any other agreement or document entered into or signed under this agreement.
- (b) Subject to clause 15.2(c), any action to be taken by the Subscriber or the Company in performing their obligations under this agreement must be taken at their own cost and expense unless otherwise provided in this agreement.
- (c) The Company will reimburse the Subscriber for the Subscriber's due diligence and legal costs incurred in connection with of the negotiation, preparation, execution, delivery and registration of this agreement and any other agreement or document entered into or signed under this agreement, provided such costs do not exceed \$45,000.

15.3 Governing Law and Jurisdiction

- (a) This agreement is governed by the laws of Western Australia, Australia and each party submits to the exclusive jurisdiction of the courts of that state.
- (b) The parties irrevocably waive any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.

15.4 Service of Process

Without preventing any other mode of service, any document in an action (including without limitation, any writ of summons or other originating process or any third or other party notice) may be served on any party by being delivered to or left for that party at its address for service of notices under clause 13, or in the case of the Subscriber, to the Australian address for service of process notified to the Company on or as soon as reasonably practicable after Completion.

15.5 Prohibition and Enforceability

- (a) Any provision of, or the application of any provision of, this agreement or any right, power, authority, discretion or remedy conferred by this agreement that is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of, this agreement that is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.

15.6 Waivers

- (a) A provision of, or a right, discretion or authority created under, this agreement may not be:
 - (i) waived except in writing signed by the parties granting the waiver; and
 - (ii) varied except in writing signed by the parties.
- (b) A failure or delay in exercise, or partial exercise, of a power, right, authority, discretion or remedy arising from a breach of, or default under this agreement does not result in a waiver of that right, power, authority, discretion or remedy.

15.7 Variation

A variation of any term of this agreement must be in writing and signed by the parties.

15.8 Assignment

The rights and obligations of each party under this agreement cannot be assigned, encumbered or otherwise dealt with, without the prior written consent of the parties.

15.9 Further Assurances

Each party must do all things and execute all further documents necessary to give full effect to this agreement and their obligations under it.

15.10 Entire Agreement

This agreement contains the entire agreement between the parties with respect to its subject matter and supersedes all prior agreements and understandings between the parties in connection with it.

15.11 No Merger

The Warranties, undertakings and indemnities in this agreement will not merge on completion.

15.12 No Reliance

Neither party has relied on any statement by the other party not expressly included in this agreement.

15.13 Counterparts

This agreement may be executed in any number of counterparts that together will constitute one instrument. A party may execute this agreement by signing any counterpart.

15.14 Relationship of the Parties

Neither party is the partner, agent, employee or representative of any other party and neither party has the power to incur any obligations on behalf of, or pledge the credit of, any other party.

15.15 Exercise of Discretions

- (a) Unless expressly required by the terms of this agreement, a party is not required to act reasonably in giving or withholding any consent or approval or exercising any other right, power, authority, discretion or remedy, under or in connection with this agreement.
- (b) A party may (without any requirement to act reasonably) impose conditions on the grant by it of any consent or approval, or any waiver of any right, power, authority, discretion or remedy, under or in connection with this agreement. Any conditions must be complied with by the party relying on the consent, approval or waiver.

Schedule 1

Company Warranties

The Company warrants that:

- (a) **(incorporation and existence):**
 - (i) Each of the Company (and its Subsidiaries, as applicable) is a body corporate validly existing under the laws of its place of incorporation.
 - (ii) The Company has the power and capacity to enter into and perform its obligations under or in connection with this agreement and to own its assets and to carry on its business as it is now being conducted.
 - (iii) The business and affairs of the Company (and its Subsidiaries, as applicable) have at all times been and continue to be conducted in accordance with:
 - (A) agreements binding on it;
 - (B) the Constitution;
 - (C) the Corporations Act; and
 - (D) the ASX Listing Rules.
- (b) **(power and authority):**
 - (i) The Company and its directors have taken all necessary action to authorise the signing, delivery and performance of this agreement and the documents required under this agreement in accordance with their respective terms.
 - (ii) This agreement constitutes valid and binding obligations upon the Company enforceable in accordance with its terms by appropriate legal remedy.
 - (iii) The signing and delivery of this agreement and the performance by the Company of its obligations under it complies with and will not breach:
 - (A) each applicable law and Authorisation;
 - (B) the Constitution;
 - (C) the ASX Listing Rules; and
 - (D) a Security Interest or document binding on the Company.
 - (iv) There is no restriction on the issue of the Subscription Shares and the issue and allotment of the Subscription Shares will not trigger any pre-emptive or similar right held by any person.
- (c) **(disclosure):** The Company is in full compliance with its continuous disclosure obligations under ASX Listing Rule 3.1 and, other than this agreement and the ongoing process from time to time arising from the strategic review announced by the Company on 4 October 2019, it is not withholding any excluded information for the purposes of sub-section 708A(6)(e) of the Corporations Act.
- (d) **(Subscription Shares):**

- (i) Neither the Company nor its Subsidiaries are obliged to issue or allot any Shares or other financial products or other equity interests in or of the Company or its Subsidiaries, and neither the Company nor its Subsidiaries (as applicable) have granted any person the right to call for the issue or allotment of any Shares or other financial products or other equity interests in or of the Company or its Subsidiaries.
- (ii) The Subscription Shares:
 - (A) will be issued fully paid, free from encumbrances and ranking equally with the other Shares then on issue;
 - (B) are in a class of Shares that was quoted at all times during the three months prior to the issue of the Subscription Shares; and
 - (C) that trading of such class of Shares has not been suspended for more than five days in the 12 months prior to the issue of the Subscription Shares.
- (iii) The Company is not the holder or beneficial owner of any shares or other capital in any body corporate (wherever incorporated) except in respect of its Subsidiaries (if any) which are legally and beneficially wholly owned by the Company.
- (iv) The issue of the Subscription Shares will not breach either of ASX Listing Rules 7.1 or 7.1A.
- (v) All relevant requirements of section 708A of the Corporations Act will be fulfilled so as to enable an offer for sale of Subscription Shares without disclosure to investors within 12 months of the date of issue of the Subscription Shares.
- (vi) On Completion, the Subscription Shares will constitute 9.95% of the issued capital of the Company.
- (e) **(use of funds):**

The Company has no current intention of undertaking any of the following: (a) commission or complete a pre-feasibility study, feasibility study or the like, (b) commit to any contract involving mining operations other than drilling and related activities, (c) sale of any interest in the Project, including by means of a royalty or joint venture, save for a possible joint venture or similar concerning the Manna lithium prospect, or (d) any activity outside the ordinary course of business as of the date of Completion, save for the announcement on 4 October 2019 as regards the Company undertaking a strategic review. For clarity, it is acknowledged that these are current intentions only and subject to change and further that, when the Project is in the Board's opinion sufficiently advanced along the value chain and macroeconomic conditions warrant, these intentions may change.
- (f) **(financial statements):**
 - (i) The financial statements of the Company in the Company's publicly available filings with ASIC and the Company's announcements on the ASX fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries (if any) as of and at the dates indicated and the results of their operations and cash flows for the periods specified.

- (ii) Such financial statements have been prepared in conformity with the Corporations Act and Australian Accounting Standards (as applicable), and applied on a consistent basis throughout the periods involved, except as may be expressly stated in the related notes thereto.
 - (iii) Since the date of the Company's most recent audited balance sheet, there has not occurred any event that has caused or reasonably could be expected to cause a Material Adverse Effect.
- (g) **(accounting controls):** The Company maintains a system of accounting controls sufficient to provide reasonable assurances that:
 - (i) transactions are executed in accordance with management's general or specific authorisation;
 - (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with the Corporations Act and the Australian Accounting Standards and to maintain accountability for assets;
 - (iii) access to assets is permitted only in accordance with management's general or specific authorisation; and
 - (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
- (h) **(disclosure controls):**
 - (i) The Company and its Subsidiaries (if any) maintain disclosure controls and procedures that comply with the requirements of all applicable laws and listing requirements, and the best practices and recommendations of the ASX.
 - (ii) Such disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company and its Subsidiaries (if any) in reports that they file or submit is recorded, processed, summarised and reported within the time periods specified in the Corporations Act and ASX Listing Rules, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management to allow timely decisions regarding disclosures.
 - (iii) The Company and its Subsidiaries have conducted evaluations of the effectiveness of their disclosure controls.
- (i) **(no broker fees):** Save for fees payable to Azure in connection with the strategic review announced on 4 October 2019, there is no broker, finder or other party that is entitled to receive from the Company any brokerage or finder's fee or other fee or commission as a result of any transactions contemplated by this agreement.
- (j) **(litigation):**
 - (i) There are no suits, proceedings or legal or governmental actions pending, or to the Company's knowledge, threatened, against or affecting the Company or any of its Subsidiaries, which suits, proceedings or actions, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.
 - (ii) The Company is not, and none of its Subsidiaries are, a party to or subject to the provisions of any injunction, judgment, decree or order of any court,

regulatory body administrative agency or other governmental agency or body that could reasonably be expected to have a Material Adverse Effect.

(k) **(licences and permits):**

- (i) The Company and any of its Subsidiaries possess such valid and current Authorisations, certificates, approvals, licenses, clearances, consents, grants, exemptions, notifications, orders, or other authorisations and permits issued by the appropriate Government Agency or a foreign, federal, state, provincial court, reasonably necessary for the ownership, lease or use of their respective properties or to be able to conduct its business, including with respect to or in connection with the Project (collectively, the “Permits”), except for such Permits the failure of which to possess, obtain or make the same would not reasonably be expected to have a Material Adverse Effect.
- (ii) The Company and its Subsidiaries (if any) are in compliance with all the material terms and conditions of all such Permits, including proper payment of all required fees and charges for those Permits as they become due and payable and all of the Permits are valid and in full force and effect.
- (iii) Neither the Company nor any of its Subsidiaries has received any written notice of any enquiry, investigation or proceedings relating to the limitation, revocation, cancellation, suspension, modification or non-renewal of any such Permit which, singly or in the aggregate, if the subject of an unfavourable decision, ruling or finding, would be likely to have a Material Adverse Effect.
- (iv) Each of the Company and its Subsidiaries (if any) has no reason to believe that any such Permit will not be renewed in the ordinary course and has no reason to believe that any of the Permits will be terminated or suspended as a result of the transactions contemplated by this agreement, except, in each case, as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(l) **(taxes):**

- (i) There are no taxes due and payable by the Company which have not been timely paid.
- (ii) There are no accrued and unpaid taxes of the Company which are due, whether or not assessed or disputed.
- (iii) There have been no examinations or audits of any tax returns or reports by any applicable governmental agency.
- (iv) The Company has duly and timely filed all tax returns required to have been filed by it and there are in effect no waivers of applicable statutes of limitations with respect to taxes for any year.

(m) **(no Insolvency Event):** No Insolvency Event has occurred in relation to the Company or any of its Subsidiaries.

Schedule 2

Subscriber Warranties

The Subscriber represents and warrants that:

- (a) **(corporate existence):** it is a body corporate validly existing under the laws of its place of incorporation (as applicable);
- (b) **(power and capacity):** it has the power and capacity to enter into and perform its obligations under or in connection with this agreement and to own its assets and to carry on its business as it is now being conducted;
- (c) **(authority):** it and its directors (as applicable) have taken all necessary action to authorise the signing, delivery and performance of this agreement and the documents required under this agreement in accordance with their respective terms;
- (d) **(validity of obligations):** this agreement constitutes valid and binding obligations upon it enforceable in accordance with its terms by appropriate legal remedy;
- (e) **(no breach):** the signing and delivery of this agreement and the performance by the Subscriber of its obligations under it complies with and will not breach:
 - (i) the Subscriber's constitution or other constituent documents (as applicable);
 - (ii) a Security Interest or document binding on the Subscriber;
- (f) **(voting power):** the issue of Subscription Shares contemplated by this agreement will not result in the Subscriber or, to the best of the Subscriber's knowledge, any other person, obtaining voting power in the Company in excess of 19.99%;
- (g) **(no Insolvency Event):** no Insolvency Event has occurred in relation to the Subscriber or any of its Subsidiaries; and
- (h) **(sophisticated or professional investor):** it is an Accredited Investor as defined in Rule 501(a) under the U.S. Securities Act of 1933 (the "**Securities Act**") that is purchasing the Subscription Shares for investment purposes and not with a view to the distribution thereof; it did not become aware of the offering of the Subscription Shares by any form of general advertising or general solicitation; it understands that the Company is offering and selling the Subscription Shares pursuant to an exemption from registration pursuant to Section 4(a)(2) of the Securities Act, that the Subscription Shares will be "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, and that it may not resell the Subscription Shares except pursuant to a transaction registered under the Securities Act or subject to an exemption from such registration. The Subscriber further warrants that based on this exemption from registration pursuant to Section 4(a)(2), the Company is not required to make any filing or take any further action under the Securities Act.

Signing Page

Executed as an agreement

Executed by Breaker Resources NL ACN 145 011
178 pursuant to section 127 of the Corporations Act:



Director



Director/Secretary

THOMAS SANDERS

Print full name of Director

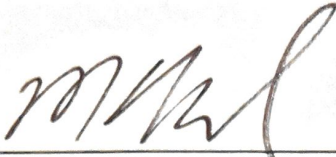
MICHELLE SIMSON

Print full name of Director/Secretary

Executed by ELECTRUM STRATEGIC OPPORTUNITIES FUND II L.P.

By: Electrum Strategic Opportunities Fund II GP L.P., its general partner

By: ESOF II GP Ltd., its general partner

A handwritten signature in dark ink, appearing to read 'MHW', is written over a horizontal line.

Name: Michael H. Williams

Title: Director