

# The Depository Trust Company

# IMPORTANT

**B#:** 3239

**DATE:** April 12, 2002

**TO:** All Participants

**CATEGORY:** Dividends

**FROM:** Nilesh Desai, Supervisor, Dividend Department

**ATTENTION:** Dividend Managers, Cashiers and Reorganization Managers

**SUBJECT:** Rights: Breakwater Resources Ltd.  
Common CUSIP#: 106902307 R/D: 4/5/02  
Expires: 5/1/02 (4:30 p.m. Toronto time)  
Rate: one right for each common share held

\*\*\*\*\*WARNING TIME CRITICAL\*\*\*\*\*

Breakwater Resources Ltd. (the "Corporation") is issuing to holders of its outstanding common shares ("Common Shares") of record as at the close of business on April 5, 2002 (the "Record Date") transferable rights ("Rights") to subscribe for Common Shares. Each registered holder of Common Shares at the close of business on the Record Date with an address of record in Canada or in a jurisdiction outside of Canada where it is not unlawful for such holder to participate in the offering (collectively the "Eligible Jurisdictions") is entitled to receive one Right for each Common Share held. Each Right entitles the holder thereof to subscribe for one fully paid and non-assessable Common Share at a price of \$0.20 (Canadian funds) per Common Share.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The offer of these securities is being made in each province and territory of Canada and in those jurisdictions outside of Canada where they may be lawfully offered for sale. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered, sold or delivered in the United States of America or any territory or possession thereof or to any U.S. person as defined in Regulation S under such act.

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**B#:3239**

Computershare Trust Company of Canada (the "Subscription Agent") did not send Rights Certificates to registered holders residing in the United States.

**Participants with eligible holders wishing to have the Rights released to them, must submit written instructions to the Depository Trust Company ("DTC") no later than 3:00 p.m. New York City time on 4/22/02. Participants must fax their instructions to the attention of Ms. Susan Alvino at (212) 855-4545 and call (212) 855-4532 for confirmation of receipt. The instructions will be processed only after acceptance by the Subscription Agent.**

If instructions are not received, the Subscription Agent will attempt to sell the Rights on DTC's behalf on a best effort basis.

**THE DIVIDEND POSITION AND ALLOCATION HISTORY (DPAL) OPTION, ACCESSED VIA THE PTS DIVIDEND ANNOUNCEMENTS INQUIRY (DIVA) FUNCTION, SHOULD BE USED TO CONFIRM YOUR RECORD DATE POSITION HISTORY.**

If participants have any questions regarding this Important Notice, please contact Mr. John McCarthy or Ms. Susan Alvino of DTC's Stock Dividend Department at (212) 855-4521/4532.

If participants have any questions regarding the Rights Offering, they may contact the Subscription Agent at (800) 663-9097.