

Strong recoveries from preliminary metallurgical testwork at Lake Roe gold project in WA

Results point to low processing costs underpinned by amenability to conventional milling, modest energy requirements and no deleterious elements

Highlights

- ✦ Strong preliminary metallurgical testwork results indicate gold recoveries of 95% for weathered and fresh mineralisation at the Bombora gold discovery within the Lake Roe project near Kalgoorlie
- ✦ Up to 39% of gold is recoverable via gravity concentration prior to leaching; leach testwork exhibits rapid leach kinetics with 90% of total gold extraction achieved within four hours on weathered and fresh RC drill samples following gravity gold recovery
- ✦ Comminution (size reduction) studies indicate modest ore hardness and a bond ball mill work index of <16kWh/t for fresh mineralisation, indicating amenability to milling by conventional means with modest energy requirements
- ✦ Low reagent consumptions and no deleterious elements indicate no obvious processing issues and favourable treatment economics
- ✦ Further metallurgical testwork now underway; results expected in the December 2017 quarter
- ✦ Resource drilling is underway at Bombora with four rigs targeting a maiden JORC Resource by late December 2017



Photo 1: Core Samples

BBDD0016: 12.0-14.5m (oxide)

BBDD0016: 25.0-27.5m (transition)

BBDD0016: 104.0-107.0m (fresh)

Breaker Resources NL (ASX: BRB; **Breaker** or **the Company**) is pleased to announce excellent results from preliminary metallurgical testwork on oxide/transition (weathered) and fresh (primary) mineralisation at the Company's 100%-owned Lake Roe gold project, 100km east of Kalgoorlie in WA.

The results point to low processing costs at Lake Roe, where Resource drilling is underway as part of Breaker's strategy to complete a maiden JORC Resource by late December 2017.

The metallurgical testwork results indicate gold recoveries of 95% for weathered and fresh mineralisation with low reagent consumption. Up to 39% of the gold is recoverable by gravity concentration prior to leaching. Comminution testwork results indicate that the mineralisation is only of moderate hardness, suggesting amenability to milling by conventional means with modest energy consumption.

Breaker's Executive Chairman, Mr Tom Sanders, said the results were highly significant because they provided further evidence of the outstanding economic potential at Lake Roe.

"The testwork indicates favourable gold extraction characteristics with no significant processing issues identified in the fresh or weathered mineralisation," Mr Sanders said. "While the testwork is preliminary, the results highlight the potential for a conventional gold processing plant that can cost-effectively treat open pit and underground ore.

"A modest bond work index of <16kWh/t in fresh mineralisation is a great result as is the low reagent consumption and the lack of any obvious deleterious elements," he said.

Metallurgical Testwork Summary

The metallurgical testwork was undertaken in two parts by Australian Laboratory Services (ALS) in Perth.

The initial part of the testwork consisted of an assessment of the comminution characteristics using HQ diamond core from oxide/transition and fresh gold mineralisation.

The second (ongoing) part of the testwork involved an assessment of the gravity recoverable gold (**GRG**), and cyanide leach recoverable gold following gravity extraction. This work was undertaken on two composite samples of oxide/transition and fresh gold mineralisation from reverse circulation (**RC**) drilling. The results from a further six samples are pending.

Comminution

The whole HQ diamond core samples selected to reflect oxide/transition and fresh mineralised zones are summarised in Table 1.

Table 1: Lake Roe Diamond Core Samples

COMPOSITE PLAN					
Drill Hole ID	Interval (m)	Mass (kg)	Drill Hole ID	Interval (m)	Mass (kg)
Composite 1 (Oxide Ore)			Composite 3 (Fresh Ore)		
BBDD0016	12.0-13.0	6.22	BBDD0013	98.0-99.0	5.54
	13.0-14.0	5.30		99.0-100.0	5.08
	14.0-14.7	3.77		100.0-101.0	5.53
		101.0-101.5		2.72	
TOTAL		15.28	TOTAL		18.87
Composite 2 (Oxide Ore)			Composite 4 (Fresh Ore)		
BBDD0013	22.0-23.0	8.06	BBDD0016	104.0-105.0	8.62
	23.0-24.0	7.03		105.0-106.0	8.37
	24.0-25.0	7.27		106.0-107.0	8.65
BBDD0016	25.0-26.0	6.42			
	26.0-27.0	6.01			
	27.0-27.5	3.44			
TOTAL		38.23	TOTAL		25.64

Results - Comminution

Comminution results are summarised in Table 2. The results indicate that the mineralisation is of moderate hardness, suggesting amenability to milling by conventional means with modest energy requirements.

Table 2: Lake Roe Comminution Parameters

Parameter	Unit	Oxide/transition	Fresh
Unconfined compressive strength (UCS)	MPa	6.4 – 106.8	16.1 – 198.5
Crushing work index (CWi)	kWh/t	1.7 – 22.5	3.2 – 12.9
Bond ball mill work index (BBWi)	kWh/t	13.4 – 14.3	13.4 – 15.5

Gravity/Cyanide Gold Extraction

The second part of the testwork assessed gold recovery using gravity and cyanide leach techniques. The GRG value provides an indication of the amenability of an ore sample to gravity concentration, while the cyanide leach recovery provides an indication of the efficiency of cyanide leaching.

RC chip samples were composited from several wide-spaced northings to produce a suite of four oxide/transition samples and four deeper fresh samples to provide material for eight individual tests as shown in Table 3.

The preliminary results in this announcement relate to the initial two samples on 6602120N.

Table 3: Lake Roe RC Metallurgical Samples

Sample Number	Northing	Type	Weight (kg)	Grade (g/t Au)
BRBMET_RC001	6602120N	Oxide/Transition	32.991	3.085
BRBMET_RC002	6602120N	Fresh	20.628	1.544
BRBMET_RC003	6601840N	Oxide/Transition	15.075	4.517
BRBMET_RC004	6601840N	Fresh	19.597	2.091
BRBMET_RC005	6601640N	Oxide/Transition	29.896	2.441
BRBMET_RC006	6601400N	Fresh	5.767	1.966
BRBMET_RC007	6601100N/6601080N	Oxide/Transition	18.88	70.824
BRBMET_RC008	6601120N	Fresh	12.438	4.164



Photo 2: Metallurgical Samples

Results – Gravity/Cyanide Gold Extraction

Up to 39% of gold is recoverable via gravity concentration prior to leaching. The significant GRG results reflect earlier Breaker observations of the occurrence of free gold in drill core samples and RC samples.

Results of the first two leach tests are reported here. Leach recovery curves are shown graphically in Figure 1.

The results of the two preliminary tests suggest the response of Lake Roe oxide/transition and fresh ore types to industry standard GRG and cyanidation testing compares favourably to free milling ores encountered elsewhere in the Eastern Goldfields region of WA. Significantly, the leach testwork exhibits rapid leach kinetics, with 90% of total gold extraction achieved within four hours on weathered and fresh RC drill samples following gravity gold recovery.

Multi-element assay results demonstrate low sulphide sulphur and organic carbon values in each sample, and significant levels of deleterious elements were not detected. There is no evidence of significant preg-robbing behaviour, as is supported by the low organic carbon content of the samples tested. Similarly, there is no evidence of undue impact of other deleterious elements including sulphur and tellurium on gold leaching efficiency.

The testwork indicates modest reagent demands as summarised in Table 4.

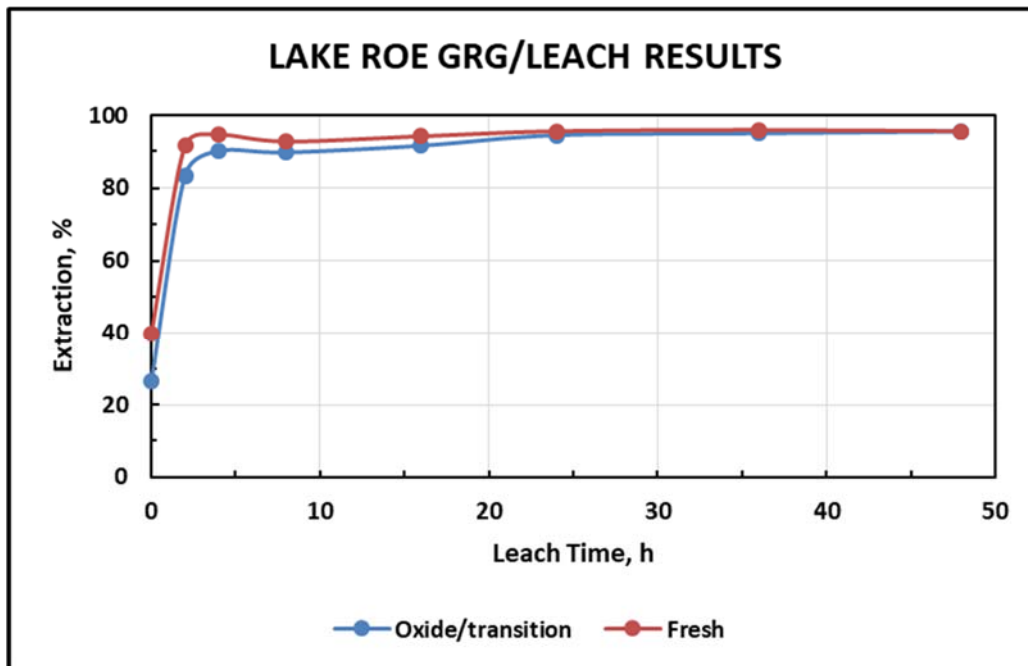


Figure 1: Lake Roe Gold Extraction Results – RC001 (oxide/transition) and RC002 (fresh)

Table 4: Lake Roe Leach Reagent Consumption

Sample	NaCN, kg/t	Lime, kg/t
RC001	0.55	1.81
RC002	0.66	0.48

Further Test Work

In the near term, the following work is planned to provide sufficient information for input to scoping-level project assessment:

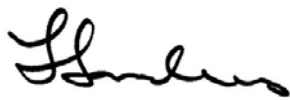
- (i) Complete initial GRG and cyanidation testing of samples RC003 through RC008 inclusive;
- (ii) Prepare oxide/transition ore composites from RC001, RC003, RC005 and RC007;
- (iii) Prepare fresh ore composites from RC002, RC004, RC006 and RC008;
- (iv) Determine optimum grind size (sample characteristics permitting) for cyanidation;
- (v) Determine GRG response for each composite;
- (vi) Determine optimum reagent consumption and oxygen uptake rates for each composite; and
- (vii) Determine response to carbon in leach (CIL) treatment.

Results are expected in the December 2017 quarter.

Background

The 2.2km Bombora discovery at Lake Roe is open along strike and depth and forms part of an 8km-long gold system that is itself open along strike. The Bombora discovery is hidden below thin transported cover (typically 5-10m).

Gold typically occurs as sulphide-rich lode and stockwork mineralisation in the upper, iron-rich part of a fractionated (layered) dolerite. The gold occurs in steep and flat lodes particularly where they intersect. The lodes are sulphide-impregnated fault zones (fluid pathways) with up to 10% pyrrhotite and pyrite accompanied by silica, albite, biotite and carbonate alteration and (tensional) quartz-pyrite veinlets that can form stockwork-style mineralisation.



Tom Sanders
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Breaker Resources NL

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For further information on Breaker Resources NL please visit the Company's website at www.breakerresources.com.au, or contact:

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COMPETENT PERSONS STATEMENT

Information in this report relates to metallurgical and exploration results based on information compiled by Mr Mike Kitney and Mr Tom Sanders respectively. Mr Kitney and Mr Sanders are each Members of the Australasian Institute of Mining and Metallurgy. Mr Kitney is a non-executive Director of Breaker Resources NL engaged as consultant to Breaker, and Mr Sanders is an executive of Breaker Resources NL engaged by Breaker on an 80% of full time basis; they are each shareholders in the Company. Each has sufficient experience which is relevant to the nature of work and style of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Kitney and Mr Sanders consent to the inclusion in the release of the statements based on their information, in the form and context in which it appears.