

The Company Announcements Officer

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**The following is an *Inside Briefing* interview with
Breaker Resources' Chairman, Tom Sanders**

In this interview, Tom Sanders discusses the recently announced maiden Mineral Resource estimate for Breaker's Bombora gold deposit, part of its 100%-owned Lake Roe Gold Project, 100km east of Kalgoorlie in WA, and the outlook for the project. Key points in this interview include:

- *Breaker's responses to some key questions on the maiden Bombora Resource including its grade, geometry, key characteristics and growth potential;*
- *The Company's view of the broader potential of the Lake Roe Project and its strategy to maximise the value of the project moving forward;*
- *Plans to mobilise a fourth drilling rig to Bombora; and*
- *Comparisons between Bombora and other well-known WA gold deposits.*

Inside Briefing: Firstly, can you provide a brief overview of the Bombora deposit and the maiden resource in terms of its geometry, dimensions and key characteristics?

Tom Sanders: Bombora is a classic dolerite-hosted gold deposit, typical of many major gold deposits found in Western Australia's Eastern Goldfields. The mineralisation has so far been defined by drilling over a north-south oriented, 2.2km-long zone which we refer to as the Bombora discovery zone – a completely greenfields gold discovery which we announced in February 2016.

Gold occurs in sulphide-bearing mineralised shears and quartz lodes in steep NNW-trending faults and in linking flat and west-dipping faults situated marginal to the steep structures. The gold is largely stratabound, occurring preferentially in quartz dolerite. Mineralisation can be modelled in 3D and similar controls and geometries are apparent in many other deposits, including the Golden Mile in Kalgoorlie.

The Mineral Resource is 624,000oz grading 1.6g/t Au which forms part of an Exploration Target of 1.1Moz to 1.3Moz grading 2.0g/t Au to 2.2g/t Au (ASX Release 18 April 2018). It has a high-grade component of 306,000oz grading 4.2g/t Au (detailed below). The Resource has so far been drilled to a vertical depth of 130m-200m below surface and is about 200m wide over a distance of 2.2km (see plan and long section below). Optimisation studies indicate good mineability and we expect to have sufficient open pit mineralisation for a standalone operation in approximately one year, subject to feasibility.

It's an interim Resource on a large new discovery and it summarises progress in the first year of what I expect to be a three-year drill out. Importantly, it remains completely open at depth and along strike to the north and south, and to the east; and we have reconnaissance drill intersections in each area. We firmly believe that we are onto something special and rare.

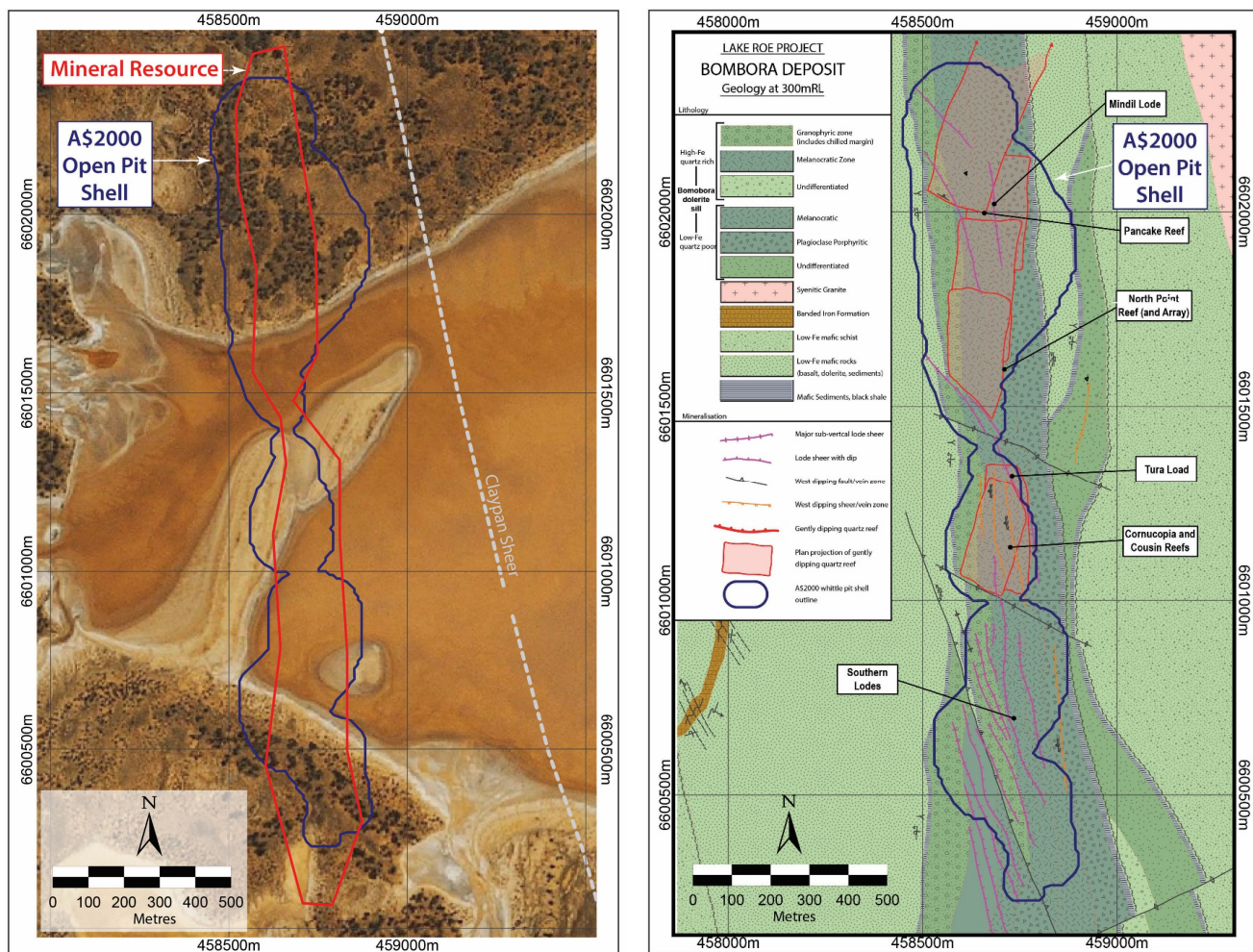


Figure 1: A\$2,000/oz open pit shell and Mineral Resource over aerial photo and geology

Inside Briefing: Can you elaborate on the high-grade component of the Mineral Resource; I'm not sure that the broader market understands this?

Tom Sanders: The Mineral Resource is reported in a way that we expect to initially mine it – in an open pit – using a lower cut-off grade appropriate for open cut mining (that is, a 0.2g/t Au lower cut-off grade to define the gold mineralisation and 0.5g/t Au for reporting purposes). It is also the approach that we expect will maximise the profit. Our maiden Mineral Resource is:

JORC Mineral Resource ¹			
Classification	Tonnes	g/t gold	Ounces
Indicated	5,276,000	1.6	264,000
Inferred	6,600,000	1.7	360,000
Total	11,876,000	1.6	624,000

Table 1: BRB Mineral Resource (ASX Release 18 April 2018)

¹ Lower cut-off grade of 0.2g/t Au reported above 0.5g/t Au; Variable top cuts used; All figures rounded to reflect the appropriate level of confidence (apparent differences may occur due to rounding)

If you apply a cut-off grade of 2.0g/t Au to the Mineral Resource above, which more closely reflects the potential economics of underground mining, you generate a high-grade subset of the Mineral Resource of 306,000oz grading 4.2g/t Au.

Classification	Tonnes	g/t gold	Ounces
Indicated	875,000	4.3	121,000
Inferred	1,390,000	4.1	185,000
Total	2,265,000	4.2	306,000

Table 2: BRB Mineral Resource reported above a cut-off grade of 2.0g/t Au

The plus 2.0g/t Au component of the Mineral Resource is in three dimensionally coherent lodes which I believe could be mined underground.

So the high-grade mineralisation we have seen in drill assay results hasn't gone anywhere. It is built into the Resource and is reflected in the high gold endowment which we see across the deposit – typically measured by a key metric known as ounces per vertical metre (OVM). This is a black and white indicator of the quality of the deposit and is difficult to argue with. The Bombora deposit already compares very favourably with many well-known gold mines even though our resource drilling isn't complete.

Inside Briefing: Can you explain the apparent discrepancy between this maiden Resource estimate and your initial expectations regarding the scale and potential of the discovery?

Tom Sanders: When we first discovered gold at Bombora in 2016 we were struck by the vast scale of the system and the widespread distribution of mineralisation in what appeared to be a classic dolerite-hosted gold deposit. These gold systems in Western Australia are capable of hosting really significant deposits, typically of at least 1 million ounces and often much larger.

I expressed this view to investors in a number of presentations during the early stages of the resource drill-out, which began just over a year ago. As we sit here today, with our maiden JORC Resource and Exploration Target now on the table, my view of the scale and potential of the project has not changed at all.

Inside Briefing: So why didn't you wait to complete the drilling before publishing the Resource?

Tom Sanders: We have a mineralisation footprint that is at least 2.2km-long and we need a close drill hole spacing of 40m x 20m to unambiguously define the geometry of the lodes. This is a function of the mineralisation style.

Large-scale discoveries generally take around three years to progress from a discovery hole to a potentially economic Resource. Dacian Gold's 3.3Moz Mt Morgans Gold Project is a great recent example of this. In our case, we have only been drilling for one year and counting.

It simply takes time to drill out unless you have a tabular mineralisation style (such as Gold Road's Gruyere deposit or Capricorn's Bibra deposit) or something that is significantly smaller in dimension (such as the Nova nickel and DeGrussa VMS copper-gold deposits, which are 350m and 450m long respectively).

The Company needs some milestones along the way such as a maiden Resource and open pit optimisations to manage the progress of the project and also to prioritise drill targeting. For example, we can't know where to stop drilling for open pit mineralisation until we know where the boundary between open pit and underground mineralisation is, and that is what open pit optimisation tells us. This also triggers the need for continuous disclosure as we progressively delineate the deposit on a staged basis in tandem with evolving an understanding of the likely mining approach.

I also think that it is reasonable to provide investors with enough information to form an interim view of the economic potential or mineability of the deposit. In our case, we have demonstrated a very high conversion rate of Mineral Resource into potentially mineable mineralisation and we are full steam ahead even though the drilling is incomplete. More on this shortly.

Inside Briefing: So why don't you just drill faster? Why not get five or six rigs on the case and get to the end result quicker?

Tom Sanders: When you are drilling out a large new gold system and are coming to grips with understanding it, it is far too easy to waste money by drilling in the wrong place. Layered on top of this are unknown aspects – such as how deep the mineralisation goes, whether it can potentially be mined underground, how far down can you economically mine it in an open pit, and other questions such as whether we are drilling in the best spot to maximise value.

We need to keep a tight control on the effectiveness of our drilling and the flow of results, and it can be a fine line between speeding things up and wasting money.

Having said that, in response to results of the maiden Resource, we are taking steps to accelerate our drilling and move from three to four drill rigs. Breaker is well-positioned to fund the exploration with \$11.8 million in cash/receivables at the end of the December 2017 quarter.

Inside Briefing: Why have you been doing open pit "optimisations" when the resource drilling isn't finished?

Tom Sanders: That's a good question. When you're dealing with such a large, new greenfields deposit which is growing as we drill and which takes time to drill out, it's extremely helpful to have some idea of where to prioritise drilling. The best way to do that is to run the initial Mineral Resource through some open pit optimisation software (Whittle) to get an idea of how much of the mineralisation is potentially mineable and where.

Inside Briefing: What has the optimisation work told you about the economic potential or mineability of the Resource?

The optimisation results provide a reasonable indication that most of the mineralisation we have encountered in our drilling can be mined. It indicates that most of the deposit could be mined with a gold price as low as A\$1,000. It is a major de-risking event for the project.

Due to the scale of the deposit, the Mineral Resource and the open pit optimisation are constrained by a lack of drilling. You can only optimise an open pit meaningfully if you have done enough drilling to define the mineralisation in the first place, and at the moment the lack of drilling in the lower part of the Mineral Resource, and the lack of drilling below it, are limiting the open pit optimisation.

So despite the incomplete nature of the drilling, the optimisation results indicate the likelihood of high-margin, mineable mineralisation that is open in all directions and therefore likely to grow, particularly given the deeper, high-grade mineralisation encountered in reconnaissance drilling below the Mineral Resource (Figure 2).

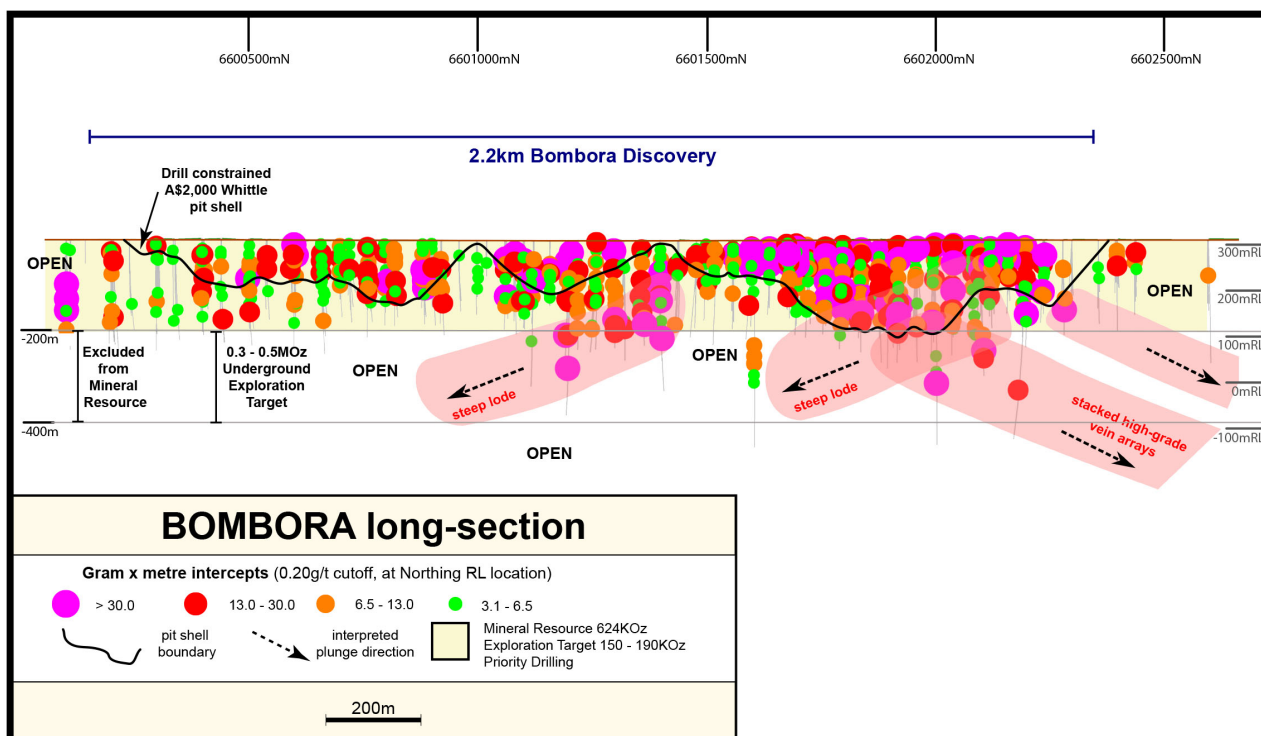


Figure 2: Long Section showing A\$2,000/oz open pit shell in relation to Exploration Target, priority drilling and significant drilling intersections (all intersections by down-hole length);
(Note: 6601400N is incorporated in the A\$2,500/oz optimisation and is expected to be captured by the A\$2,000/oz optimisation with further drilling on the shoulders)

Inside Briefing: How do I interpret the Mineral Resource in the context of the optimisation work?

Our maiden Mineral Resource is summarised above in Table 1.

The table below means that, constrained by a Whittle open pit shell at a gold price of say A\$2,000/oz, a sub-set of the Mineral Resource of 7,283,000t @ 1.9g/t Au (or 448,000oz for 72% of the Mineral Resource) is within the Whittle shell and is therefore profitable (subject to feasibility studies).

Constraining Pit shell gold price A\$oz	Indicated			Inferred			Total		
	Tonnes (t)	Grade (g/t Au)	Ounces (oz)	Tonnes (t)	Grade (g/t Au)	Ounces (oz)	Tonnes (t)	Grade (g/t Au)	Ounces (oz)
1000	2,975,000	1.8	168,000	1,546,000	3.1	152,000	4,521,000	2.2	321,000
1700	3,854,000	1.7	209,000	2,702,000	2.4	206,000	6,556,000	2.0	415,000
2000	4,049,000	1.7	217,000	3,234,000	2.2	230,000	7,283,000	1.9	448,000
2200	4,188,000	1.7	223,000	3,393,000	2.2	236,000	7,582,000	1.9	459,000
2500	4,707,000	1.6	244,000	4,095,000	2.0	266,000	8,802,000	1.8	510,000

Table 3: Bombara Mineral Resource within constraining gold price pit shells at A\$1,000/oz to A\$2,500/oz gold by Resource category (plus 0.5g/t Au reporting cut-off)

At a gold price as low as A\$1,000/oz, a sub-set of the Mineral Resource of 4,521,000t @ 2.2g/t Au (or 321,000oz for 51% of the Mineral Resource) is within the relevant open pit shell and therefore profitable, subject to feasibility studies. This result isn't too surprising when the +2.0g/t Au subset of the Mineral Resource is 306,000oz grading 4.2g/t Au.

Inside Briefing: Where do you see immediate opportunities to grow the mineable Resource? Where is the 'low hanging fruit'?

The optimisation results indicate that the mineable component of the Mineral Resource will continue to grow providing there is enough drilling to define the mineralisation. The low drilling density below the A\$2,000/oz open pit shell is clearly evident in Figure 2.

The A\$2,000/oz open pit shell is already 2.1km-long and is expected to get bigger with further drilling. This represents a big hole in the ground that already has a lot of critical mass.

We have already started closing the drill density below the A\$2,000/oz pit shell and we are taking steps to put on additional staff and get a fourth drill rig going to accelerate this.

After further drilling and a revised Mineral Resource, I expect that open pit optimisation will pull in additional mineralisation in our current Mineral Resource, as well as additional mineralisation that forms part of our Exploration Target (above and below the 100m RL).

Inside Briefing: How much of the maiden Resource and Exploration Target above 100m RL do you expect to be able to mine?

Tom Sanders: Based on the results so far, nearly all of it once we complete the drilling. This is the key reason why the maiden Mineral Resource is constrained by the 100m RL and not by a Whittle open pit shell.

We already have 624,000oz of Mineral Resource and my expectation is that we will have nearly 800,000oz of open pitable mineralisation ounces after the planned completion of the drilling to a depth of 200m below surface (~100m RL). I believe we will go close to providing the critical mass for a standalone development, subject to feasibility of course.

This ignores everything in the next 200m below the 100m RL, where we have an Exploration Target of 0.3Moz to 0.5Moz, and everything else along strike.

Inside Briefing: How does Bombora compare to other WA gold deposits in your view?

Tom Sanders: A table of recent open pit scenarios, compiled from published feasibility studies and reserve statements, indicates that Bombora is well on the way even though resource drilling is incomplete.

Company	Reserve Oz (000)	Reserve t (Mt)	Au Grade (g/t)
CMM	713K	21	1.06
GCY	592K	14.1	1.3
DCN (open pit only)	643K	14.75	1.4
EAR	856K	15.6	1.7
	Resource Oz	Resource t (M)	Au Grade
BRB (Resource above 100m RL)	624K	11.87	1.6
BRB (inside Whittle \$1,700 shell)	415K	6.7	2.0

Table 4: Project Ore Reserves and Bombora Mineral Resource

Inside Briefing: What's next for Breaker from here? How quickly could investors expect to see an updated Resource?

Tom Sanders: This is a big system and a big discovery. For example, we were still discovering new lodes and expanding the footprint of the main discovery zone to the east as recently as March 2018 after one year of resource drilling. We have every confidence that it will continue to grow, and grow substantially.

Drilling is continuing without interruption, so we will continue to see a regular news-flow of results.

We expect to be able to update the Resource later this year. Our medium term goal is to define enough mineable mineralisation for a standalone operation over the next 8-12 months and to then keep growing the inventory while we gear up for production after appropriate feasibility studies. The cut-off for the maiden Resource calculation was in mid-March, so most of the next batch of results will be outside the current Resource envelope.

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Further information:**Breaker Resources****Tom Sanders****Chairman****T: +61-8 9226 3666****Investor Relations****Nicholas Read / Paul Armstrong****Read Corporate****T: +61-8 9388 1474****E: nicholas@readcorporate.com.au****COMPETENT PERSONS STATEMENT**

The information in this report that relates to Exploration Targets and Exploration Results is based on and fairly represents information and supporting documentation compiled by Tom Sanders, Alastair Barker and Christine Shore, Competent Persons, who are Members of the Australasian Institute of Mining and Metallurgy. Mr Sanders and Mr Barker are executives of Breaker Resources NL and their services have been engaged by Breaker on an 80% of full time basis; they are also shareholders in the Company. Ms Shore is a full time employee of Breaker Resources NL. Mr Sanders, Mr Barker and Ms Shore have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Sanders, Mr Barker and Ms Shore consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to the Mineral Resource is based on and fairly represents information and supporting documentation compiled by Christine Shore, who is a Competent Person and a Member of the Australasian Institute of Mining and Metallurgy. Ms Shore is a full time employee of Breaker Resources NL. Ms Shore has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Ms Shore consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

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These factors include, but are not limited to, the failure to complete and commission mine facilities, processing plant and related infrastructure in the timeframe and within estimated costs currently planned; variations in global demand and price for gold; fluctuations in exchange rates between the U.S. Dollar and the Australian dollar; failure to recover resource and reserve estimates; the failure of Breaker Resources’ suppliers, service providers and partners to fulfil their obligations under construction, supply and other agreements; unforeseen geological, physical or meteorological conditions, natural disasters or cyclones; changes in the regulatory environment, industrial disputes, labour shortages, political and other factors; the inability to obtain additional financing, if required, on commercially suitable terms; and global and regional economic conditions.

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The information concerning production aspirations in this announcement are not intended to be forecasts. They are internally generated goals set by the board of directors of Breaker Resources. The ability of the company to achieve these targets will be largely determined by the company’s ability to secure adequate funding, implement mining plans, resolve logistical issues associated with mining and enter into off-take arrangements with reputable third parties.

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information above relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.