

Major new RC and diamond drilling program launched to grow 1Moz Resource[#]

Strong preliminary drill results in three new areas
outside Resource

Key Points

- ✦ Geochemical drilling has extended the overall length of a greenfields gold system to 8.5km at the Lake Roe Project, 100km east of Kalgoorlie, Western Australia
- ✦ Major RC and diamond drilling program launched to systematically build value by expanding the 1Moz gold Resource[#] in areas of known reconnaissance-level gold mineralisation
- ✦ Main focus on discovery and extensions outside the 3.2km Resource envelope to unlock the full potential of the 8.5km system, both along strike and at depth
- ✦ Strong post-quarter results from three new areas; The results are particularly significant given their shallow, wide-spaced, preliminary nature:
 - High-grade intersection of 3.22m @ 11.22g/t Au at Bombora South establishes +400m-long zone of west-dipping gold mineralisation upgrading potential over a large area
 - Bedrock (primary) gold results up to 4m @ 2.72g/t Au upgrade potential for significant new gold zone at Claypan Prospect, 1.3km southeast of Bombora Resource
 - New +400m-long zone of >1g/t bedrock gold identified by geochemical drilling at new Kopai Prospect, situated 3km north of Bombora, expanding the growth of the 4km-long zone directly north of Bombora that includes the Crescent Prospect
- ✦ Ongoing positive results at Lake Roe continue to support material growth potential (after 225,000m of RC and diamond drilling, Bombora deposit is open in all directions)
- ✦ Third (diamond) drill rig start-up imminent, targeting extensions of the Tura, Daisy and Mindil lodes below the current Resource

ASX: BRB

**Board**

Tom Sanders
Mark Edwards
Mike Kitney
Linton Putland

Corporate

Issued Equity:
231.3m FPO
5.5m options

Cash:
\$9.5m

Market Cap:
\$60.1m @
\$0.26/share

Lake Roe Gold Project

Breaker Resources NL's (ASX: BRB) corporate objective is the discovery and development of large, new, gold deposits concealed by transported cover in unexplored parts of Western Australia's Eastern Goldfields Superterrane in the Yilgarn Craton.

The Company's core focus is the large (600km²), 100%-owned Lake Roe Project, situated between two established gold deposits, 100km east of Kalgoorlie. Access is by bitumen and high-quality gravel road from Kalgoorlie.

The 3.2km-long, 1Moz Bombora Resource[#] (Figure 1) is limited by shallow drilling to a vertical depth of 180m to 300m below surface and is open in all directions. Aircore drilling, used to guide follow-up reverse circulation (RC) and diamond drilling, recently extended the Lake Roe gold system to ~8.5km. The deposit is open in all directions after 225,000m of RC and diamond drilling.

The Bombora deposit shares many geological similarities to several well-known, Western Australian multi-lode dolerite-hosted gold deposits, such as the Golden Mile and Paddington.

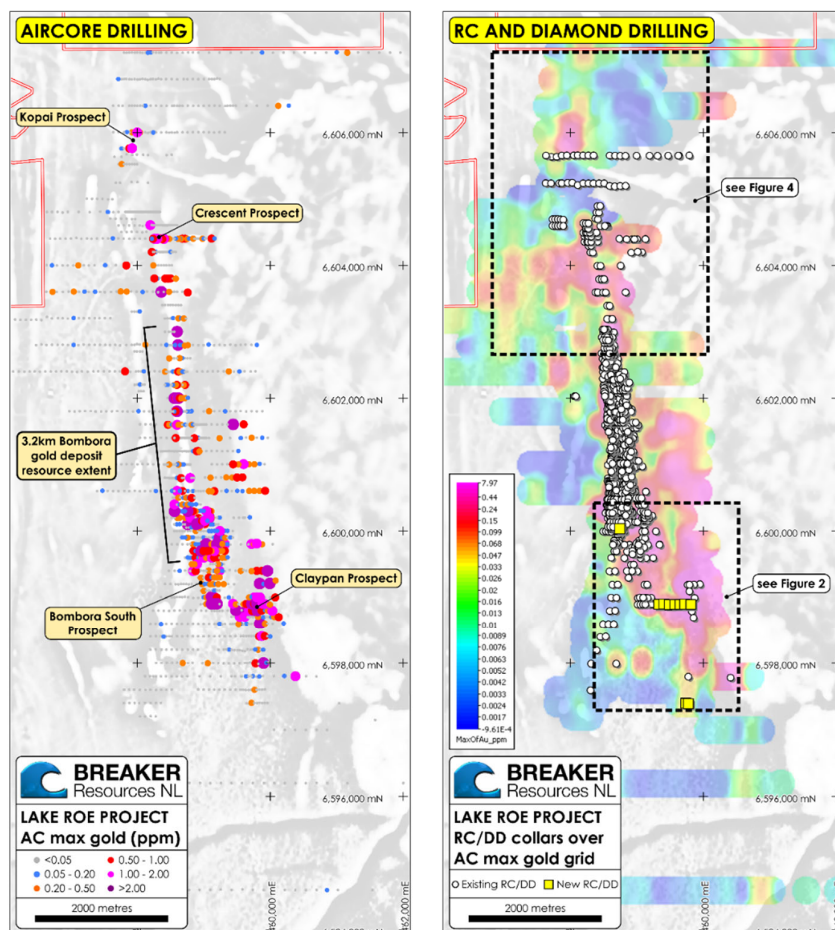


Figure 1: Bombora Extended Aircore and RC drilling colour codes by maximum downhole gold over aeromagnetic image

Operations Overview (December 2019 Quarter)

Breaker commenced a major RC and diamond drilling program in the December 2019 quarter to systematically build the 1Moz Resource# at Bombora. The main focus of the drilling is on extensions and discovery **outside** the 3.2km Resource envelope, both along strike and at depth.

Aircore drilling in the quarter extended the Bombora-Crescent-Claypan gold mineralisation to a strike length of at least 8.5km.

The initial emphasis of the drilling is discovery in areas of known reconnaissance-level gold mineralisation using the knowledge gleaned from Bombora after 225,000m of drilling, and applying this to the rest of the 8.5km system ahead of systematic long-term resource definition drilling.

The drilling will include both shallow drilling along strike, and systematic drilling below the Resource to extend the deposit at depth.

There are several areas situated along strike from Bombora that have already yielded strong reconnaissance intersections, but which do not have enough drilling to establish the full potential (eg. Bombora Deeps, Bombora South, Crescent Prospects). Other shallow targets have returned compelling geochemistry with significant aircore and RC drilling intersections that elevate the probability of fresh discovery (eg. Claypan and Kopai Prospects).

The deeper drilling will systematically target the down-plunge extensions of the Tura, Daisy and Mindil lodes below the current Resource. Reconnaissance drilling in these areas has previously identified high-grade gold mineralisation over a strike length of 1.5km up to 200m below the Resource (eg. 1.48m @ 42.02g/t Au, 5.25m @ 12.71g/t Au, 0.6m @ 21153g/t Au and 4.10m @ 6.46g/t Au (ASX Releases 12 July 2019, 7 August 2017 & 21 March 2019)).

Based on the nature of the targets, the probability of discovery, and the probability of cost-effective extensional ounces, is considered to be high.

The business case for building value through the drill bit is simple. The discovery cost at Bombora is ~\$18/oz (refer ASX Release 6 September 2018) and the market is valuing resource ounces typically at around \$65/oz, rising to over \$250/oz in many cases as projects progress to the development phase. Drilling to expand the resource base has the potential to add significant value as well as increase the development optionality.

RC and diamond drilling in progress at the Claypan and Bombora South areas will shortly transition to the Kopai/Crescent area while pending assay results are assessed. A third (diamond) drill rig start-up is imminent, targeting extensions of the Tura, Daisy and Mindil lodes below the current Resource.

ASX Release 24 October 2019
Aircore drilling identifies large gold anomaly 1.3km south-east of 1Moz# Bombora deposit

Reported in September 2019 Quarterly Report.

Breaker completed a regional geochemical aircore drilling campaign in early November 2019 with the primary objective of identifying new areas of gold mineralisation outside the 1.0Moz# Bombora Resource envelope.

The results reported relate to the first 249 holes (13,322m) of the aircore drilling program, which targeted the Claypan, Claypan Shear Zone South and Woodline Camp Prospects located in the central and southern parts of Lake Roe (Figure 2). Sterilisation drilling (186 holes for 7,195m) was also undertaken over areas of potential mine infrastructure directly west of the proposed Bombora open pit, and a further 31 holes (677m) were water exploration holes for potential processing and camp requirements.

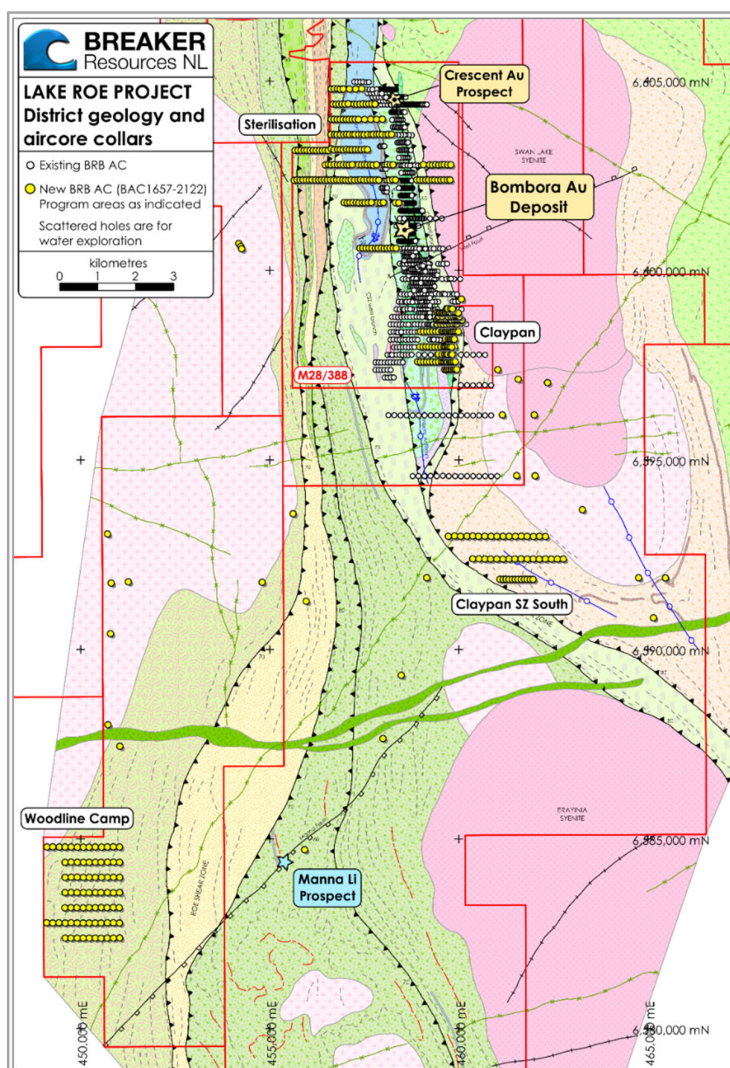


Figure 2: Lake Roe project district geology interpretation, with AC collar locations and program areas

Results

The reconnaissance aircore drilling successfully identified a large gold anomaly up to 2.5km-long and up to 500m-wide, located 1.3km south-east of the Bombora gold deposit (Figure 3). Results included:

- ✦ BAC2072: 4m @ 1.36g/t Au from 40m;
- ✦ BAC2093: 4m @ 0.95g/t Au from 48m;
- ✦ BAC2096: 12m @ 1.32g/t Au from 48m, including 4m @ 2.75g/t from 48m;
- ✦ BAC2102: 2m @ 1.16g/t Au from 80m to end-of-hole (EOH); and
- ✦ BAC2111: 3m @ 2.66g/t Au from 72m to EOH.

The anomaly partially overlaps a newly identified, Bombora Sill-like quartz dolerite that is anomalous in several pathfinder elements including gold, silver and tellurium. The scale and tenor of the gold anomalism is comparable with that associated with the Bombora and Crescent primary discoveries.

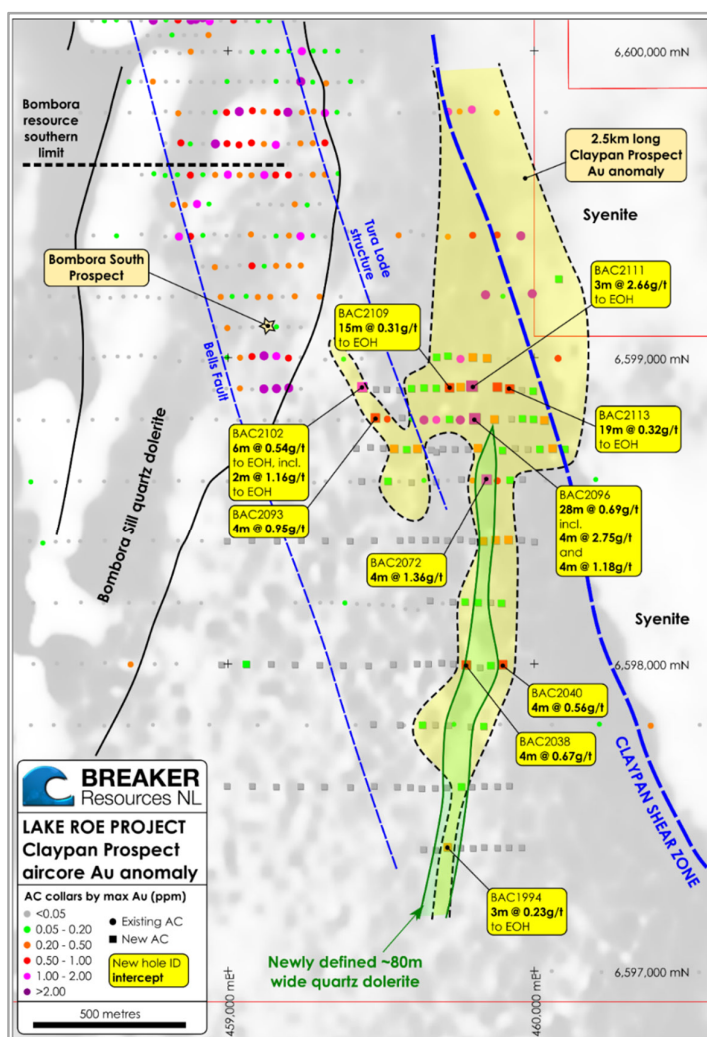


Figure 3: First vertical aeromagnetic image of the Claypan Prospect, with existing and new aircore collars coloured by maximum gold in hole (ppm or g/t Au). Key geological features are outlined in black.

The results extend the overall strike length of the camp-scale Lake Roe gold system to at least 8.5km and further highlight the substantial exploration upside at the Lake Roe Project (Figure 4).

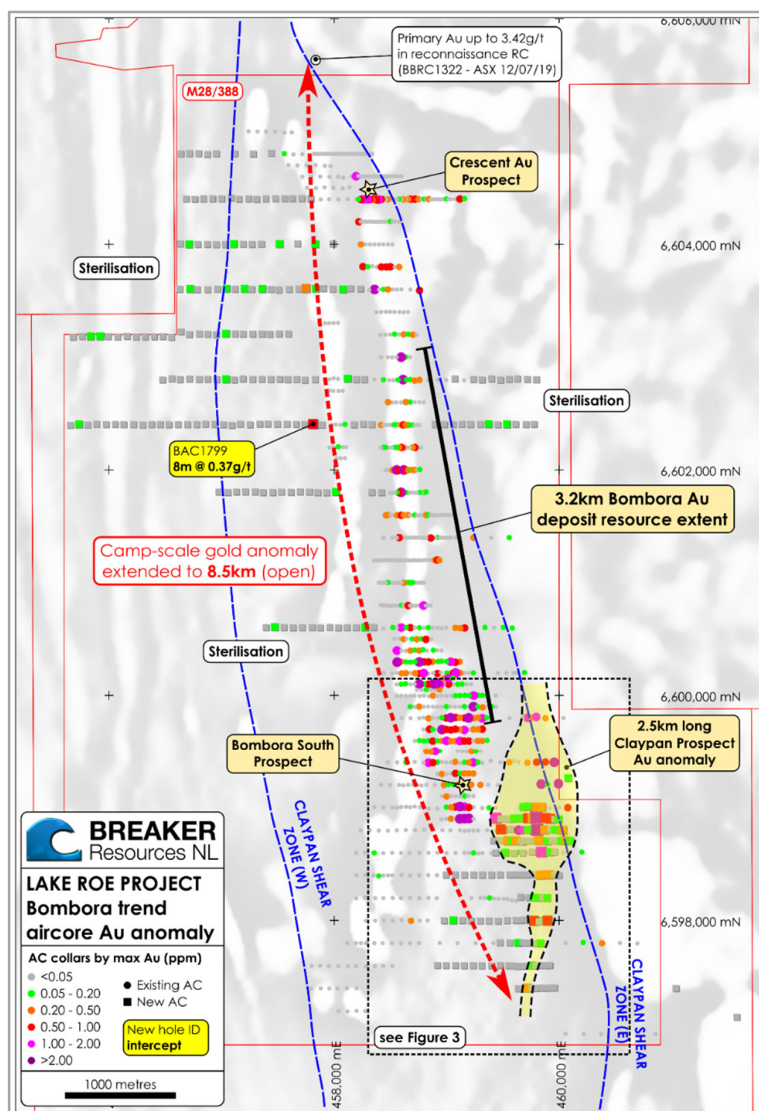


Figure 4: First vertical derivative aeromagnetic image of the Lake Roe gold camp, centred on the Bombora deposit. Existing and new aircore collars coloured by maximum gold in hole (ppm or g/t Au).
Note the scale and tenor of the Claypan anomaly.

ASX Release 5 December 2019

Breaker launches major drilling campaign to grow 1Moz# Resource at Bombora

Breaker commenced a major RC and diamond drilling program designed to systematically build the 1Moz Resource# at Bombora in mid-December 2019, with a main focus on extensions and discovery outside the 3.2km Resource envelope, both along strike and at depth.

The Bombora Resource is limited by shallow drilling to a vertical depth of 180m to 300m below surface and is open in all directions following 225,000m of RC and diamond drilling. Recent aircore drilling extended the Bombora-Crescent-Claypan gold mineralisation to a strike length of least 8.5km (Figure 4).

The initial emphasis of the drilling is discovery after applying the knowledge gleaned from Bombora to the rest of the 8.5km mineralisation system ahead of long-term resource definition drilling.

The drilling will include shallow drilling along strike, and systematic drilling below the Resource to extend the deposit at depth.

Shallow Drilling Along Strike

The shallow drilling along strike includes many areas that have already yielded strong reconnaissance intersections, but which don't have enough drilling to establish the full potential (eg. Bombora Deeps, Bombora South, Crescent Prospects; Figure 5).

Other shallow targets have compelling geochemistry with significant geochemical aircore drilling intersections that elevate the probability of fresh discovery (Claypan, Claypan North).

Depth Extensions

The deeper drilling will systematically target the down-plunge extensions of the Tura, Daisy and Mindil lodes below the current Resource (Figure 6).

Reconnaissance drilling in these areas has previously identified high-grade gold mineralisation over a distance of 1.5km up to 200m below the Resource (eg. 1.48m @ 42.02g/t Au, 5.25m @ 12.71g/t Au, 0.6m @ 21153g/t Au and 4.10m @ 6.46g/t Au (ASX Releases 12 July 2019, 7 August 2017 & 21 March 2019); Figure 6).

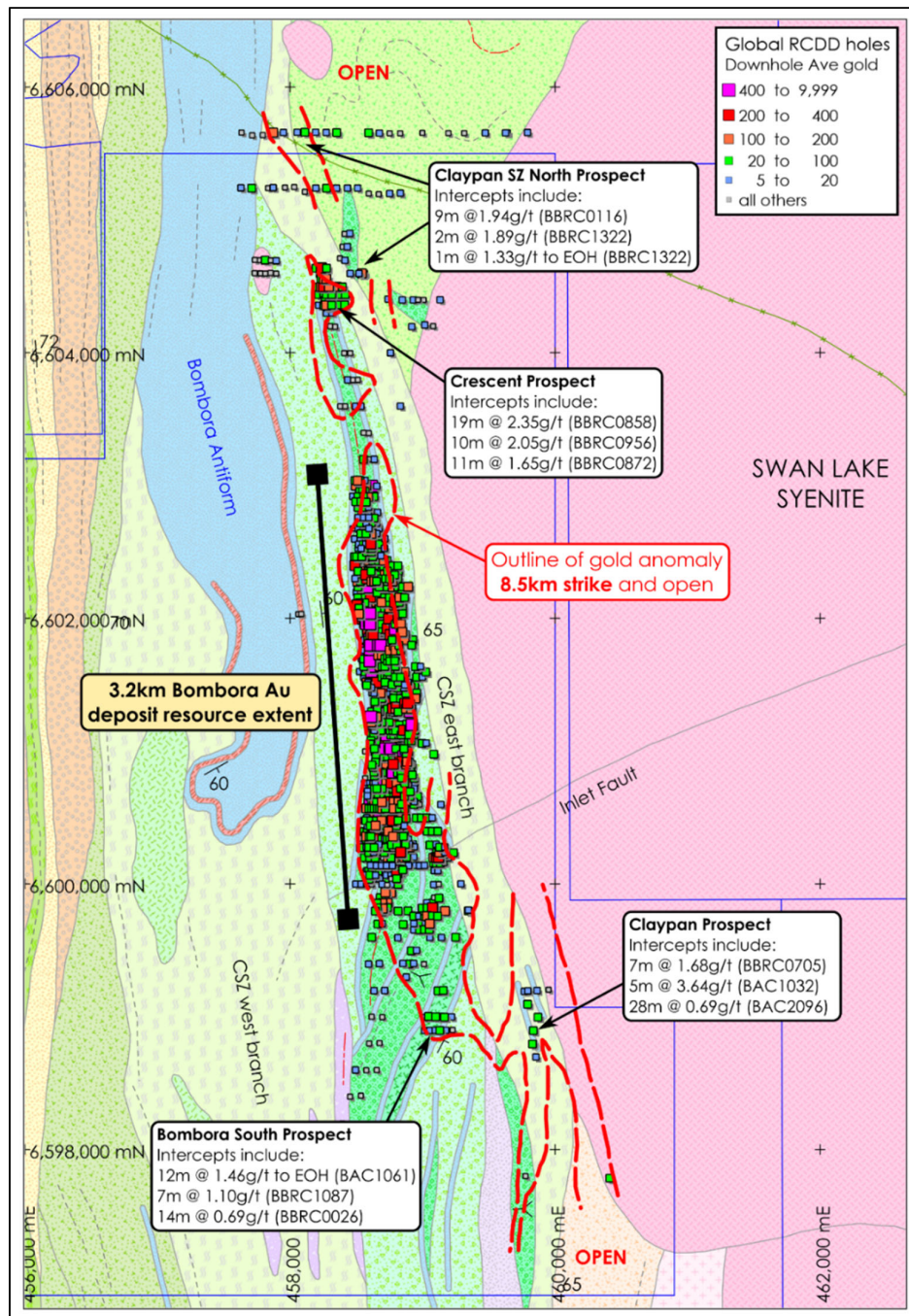
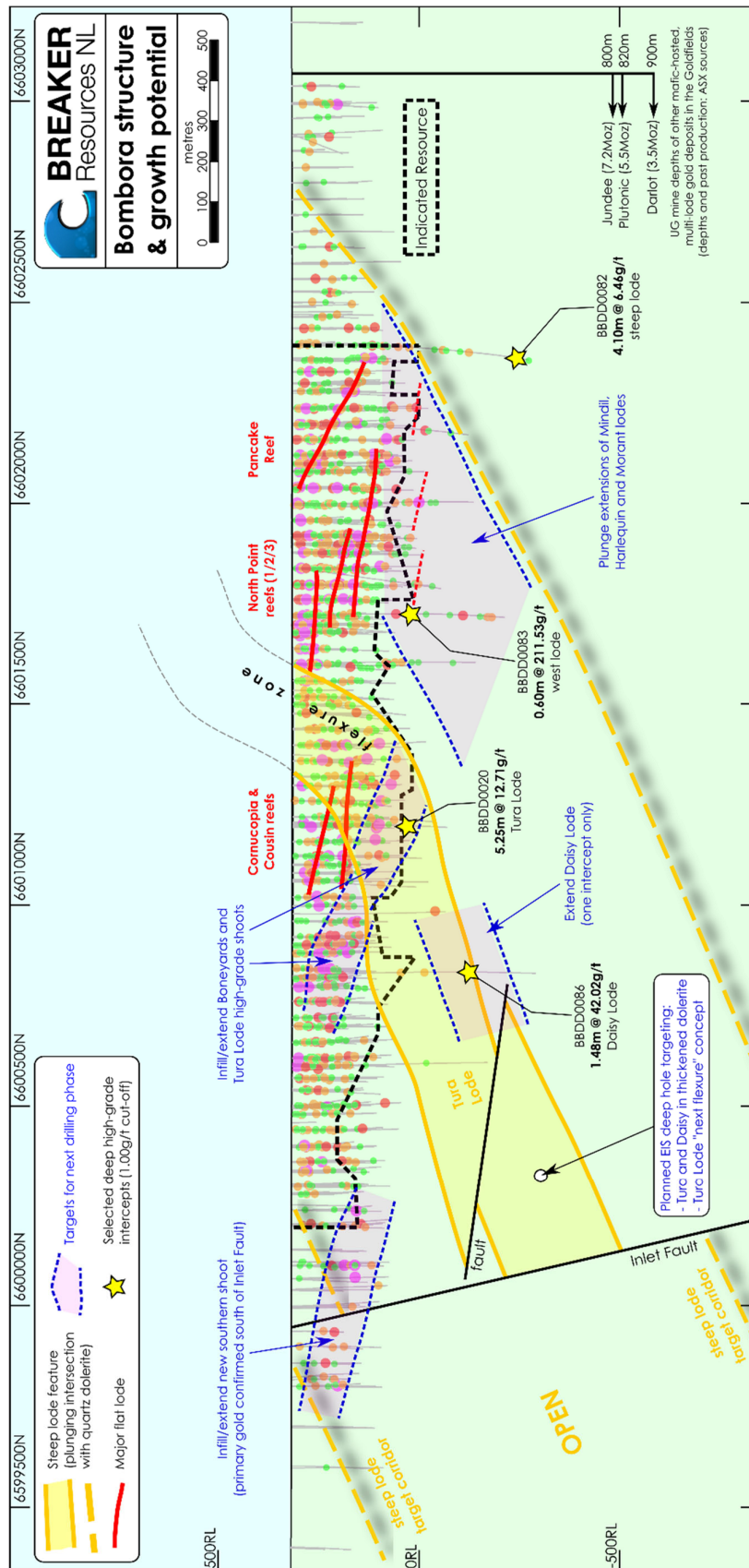


Figure 5: Bombora Extended RC and diamond drill holes with selected intersections colour-coded by average downhole gold over the entire drill hole on aeromagnetic image with interpreted geology
Note: an average downhole gold grade of 400ppb equates with 40 grams of gold in a 100m drill hole



ASX Release 31 January 2020 (post-quarter)**Significant results from shallow drilling in three new areas outside 1Moz Resource# at Lake Roe**

RC and diamond drilling recommenced at Lake Roe in early December 2019 with the view to unlocking the full potential and value of the 8.5km-long gold system. Drilling is expected to continue throughout 2020, typically involving at least three drill rigs.

Post-quarter the drilling immediately yielded strong results that are particularly significant given the shallow, wide-spaced nature of the drilling, and the preliminary nature of the results.

These results came from three new areas:

- ✦ high-grade intersection of 3.22m @ 11.22g/t Au at Bombora South established +400m-long zone of west-dipping gold mineralisation upgrading the potential over a large area south of the Bombora deposit;
- ✦ bedrock (primary) gold results up to 4m @ 2.72g/t Au were returned from a new gold zone at the Claypan Prospect, 1.3km southeast of Bombora Resource; and
- ✦ a new +400m-long zone of >1g/t bedrock gold was identified by geochemical drilling at the newly coined Kopai Prospect, 3km north of Bombora; this significantly enhances the potential of the 4km-long zone directly north of the Bombora Resource that includes the Crescent Prospect.

The initial round of reported drilling consisted of:

- ✦ one diamond drill hole (168m) at the Bombora South Prospect (Figure 7);
- ✦ an initial nine RC holes (1,678m) at the Claypan Prospect; and
- ✦ 397 aircore holes (20,118m) completed in November 2019 mainly to assess several regional targets extending up to 17km north of the Bombora.

Bombora South Prospect

The Bombora South Prospect is located directly south of the Bombora deposit (Figures 5 and 7). Results for a single diamond drill hole were reported (BBDD0087; total depth 168.7m). Results for a further five completed diamond drill holes are pending.

Despite the presence of some significant drill intersections on a wide drill spacing, gold mineralisation in this area remains poorly understood mainly due to the large size of the area and the low density of drilling.

BBDD0087 intersected a high-grade lode and returned an intersection of 3.22m @ 11.22g/t Au after drilling across the ENE-trending Inlet Fault, a major structural break (Figure 7). The intersection confirms a continuous 400m-long, high-grade, west-dipping lode that links with other significant drill intersections extending north and south of the Inlet Fault.

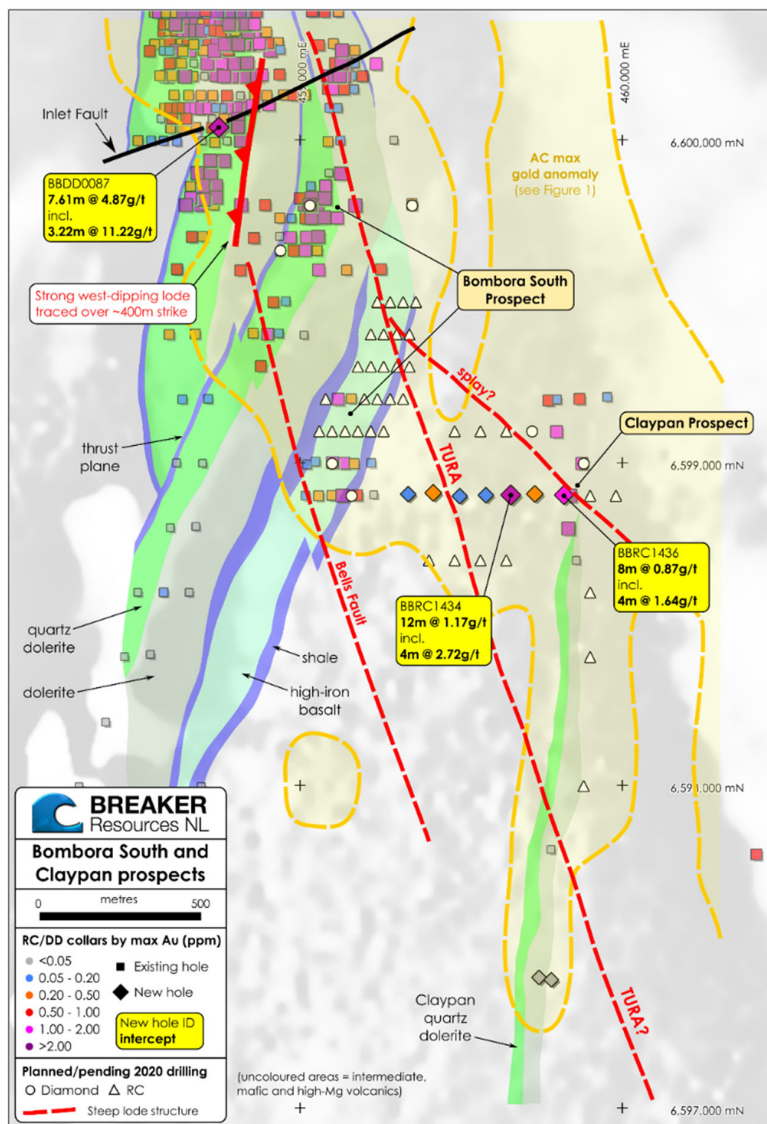


Figure 7: Bombora South and Claypan South RC and diamond drilling with interpreted geology showing aircore gold anomaly over aeromagnetic image

The preliminary indications are that Bombora South Prospect is dominated by west-dipping gold mineralisation. This upgrades the gold potential of Bombora South as much of the previous, west-orientated RC drilling may have been ineffective.

Claypan Prospect

The Claypan Prospect is located 1.3km southeast of Bombora (Figure 7). Preliminary (4m composite) results relate to the first nine of 40 reconnaissance RC drill holes planned in the Claypan and adjoining Bombora South area (BBRC1428-1436; total metres 1,678m; Figure 7). Results are pending from the remaining 31 RC holes (eight RC holes still to be drilled).

The objective of RC and diamond drilling in this area is to locate and assess the bedrock source of a large 2.5km x 500m gold anomaly defined by previous aircore drilling (Figure 7; ASX Release 24 October 2019). The targeted gold anomaly is partially coincident with a newly identified, Bombora Sill-like quartz dolerite, and has a gold pathfinder geochemical signature comparable with that associated with primary discoveries at Bombora and Crescent.

The drill holes were planned on a 40m to 80m drill hole spacing with a drill line spacing of 100m to 200m (-60 degrees to the west).

Notable gold mineralisation was intersected in five of the nine holes completed with best intersections of 12m @ 1.17g/t Au (including 4m @ 2.72g/t Au) in BBRC1434 and 4m @ 1.64g/t Au in BBRC1436, based on preliminary 4m composite samples. Mineralisation is associated with shearing and alteration (silica, quartz, biotite and oxidised sulphide). Results are pending from a follow-up diamond drill hole to determine the geometry of the mineralisation.

Kopai Prospect/Regional Aircore Drilling

A total of 20,118m of geochemical aircore drilling was completed (397 aircore holes) as a preliminary assessment of several regional targets extending up to 17km north of the Bombora Resource in early November 2019 (Figure 8).

The main objective of the drilling was to gauge the prospectivity to guide further evaluation. Limited aircore drilling was also completed directly east and west of Bombora to assess the potential for waste dump locations.

The aircore drilling was conducted on variable drill line spacings up to 2.8km and a typical drill hole spacing of 80m to 160m. All holes were drilled to refusal with each hole sampled continuously downhole for gold, and multi-element geochemistry conducted on each relatively fresh EOH sample.

The aircore drilling to the north of Crescent outlined a 400m-long zone of >1.0g/t Au bedrock gold (Kopai Prospect) in the 4km zone directly north of Bombora (Figures 8 & 9). The context of the results enhances their significance for several reasons:

- ✦ the very wide spacing of drilling;
- ✦ the stripped nature of the regolith in restricting drill penetration/anomalism;
- ✦ significant gold intercepts (eg. 2m @ 1.36g/t Au in BAC2410) in a geochemical phase of drilling;
- ✦ gold coincident with quartz veining, alteration, sulphide and gold pathfinders such as tellurium, bismuth and arsenic; and
- ✦ gold and pathfinder anomalism comparable in tenor with known areas of significant primary gold (eg. Figure 10; bismuth and arsenic are also anomalous).

Significant gold and pathfinder anomalism was also identified on a wide drill hole spacing in the BAC2141/2321 area, as well as directly east of Bombora (Figures 8-10).

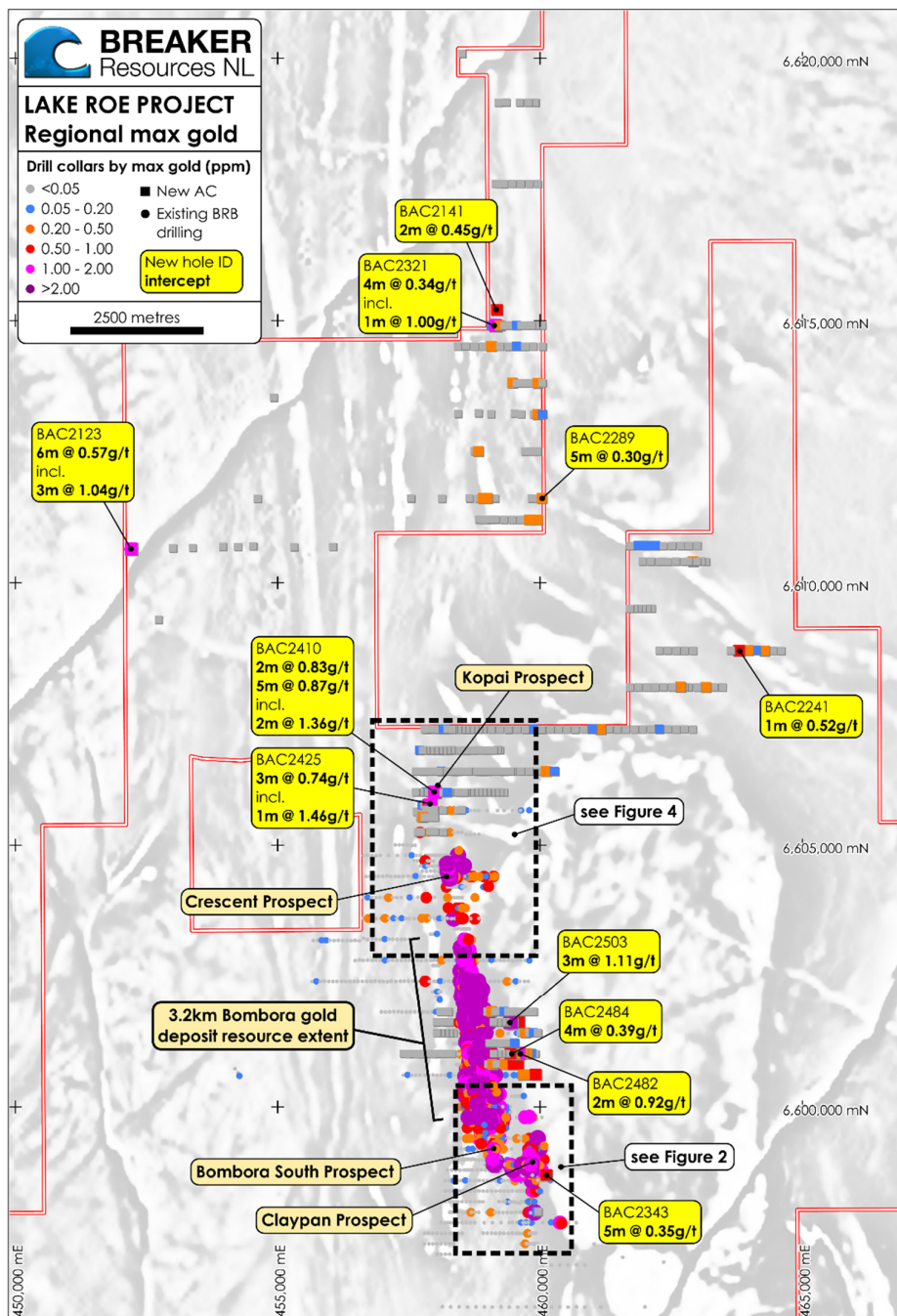


Figure 8: Lake Roe regional aircore drill location plan showing significant drilling results over aeromagnetics

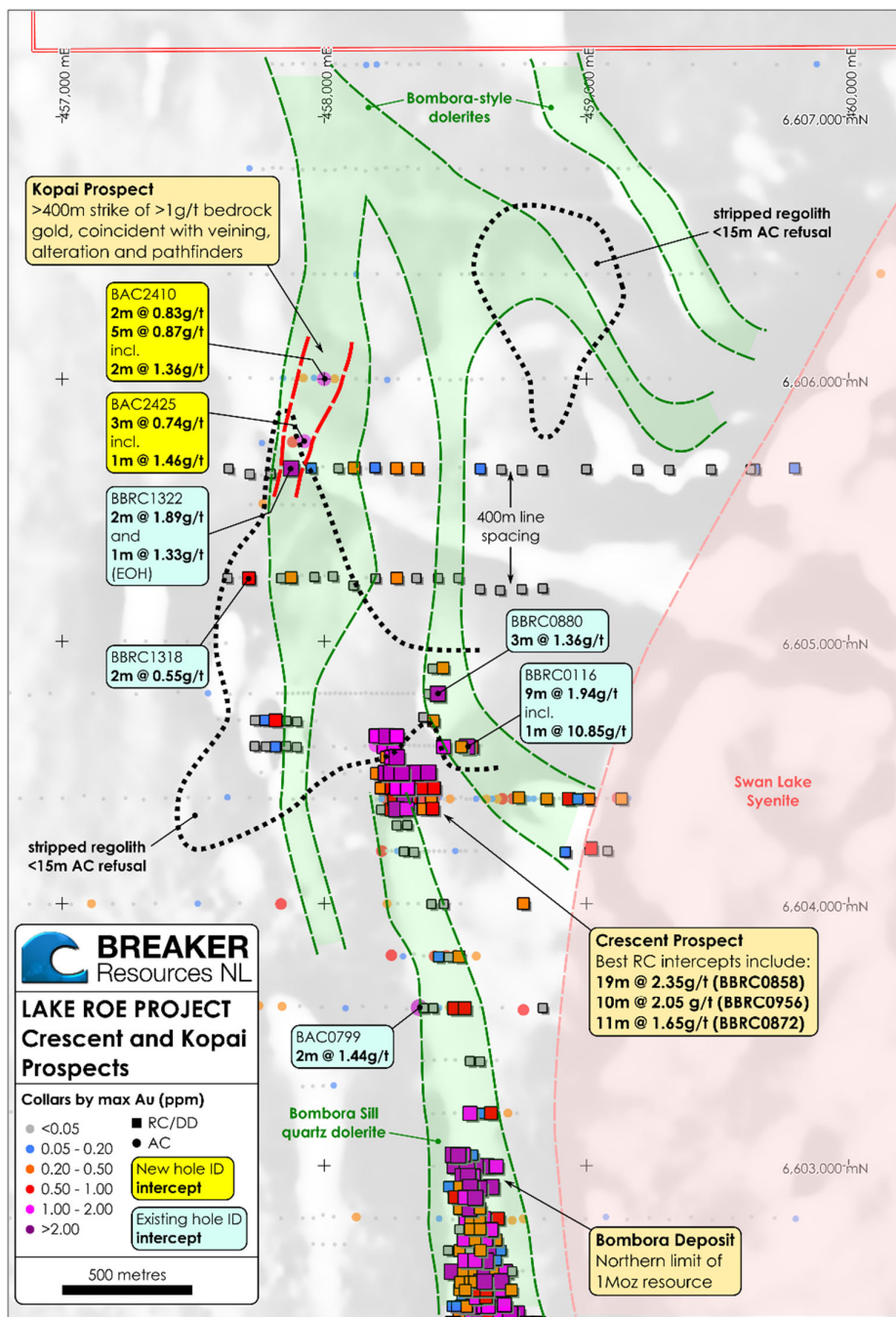


Figure 9: Crescent-Kopai plan showing significant drill results and interpreted geology over aeromagnetics

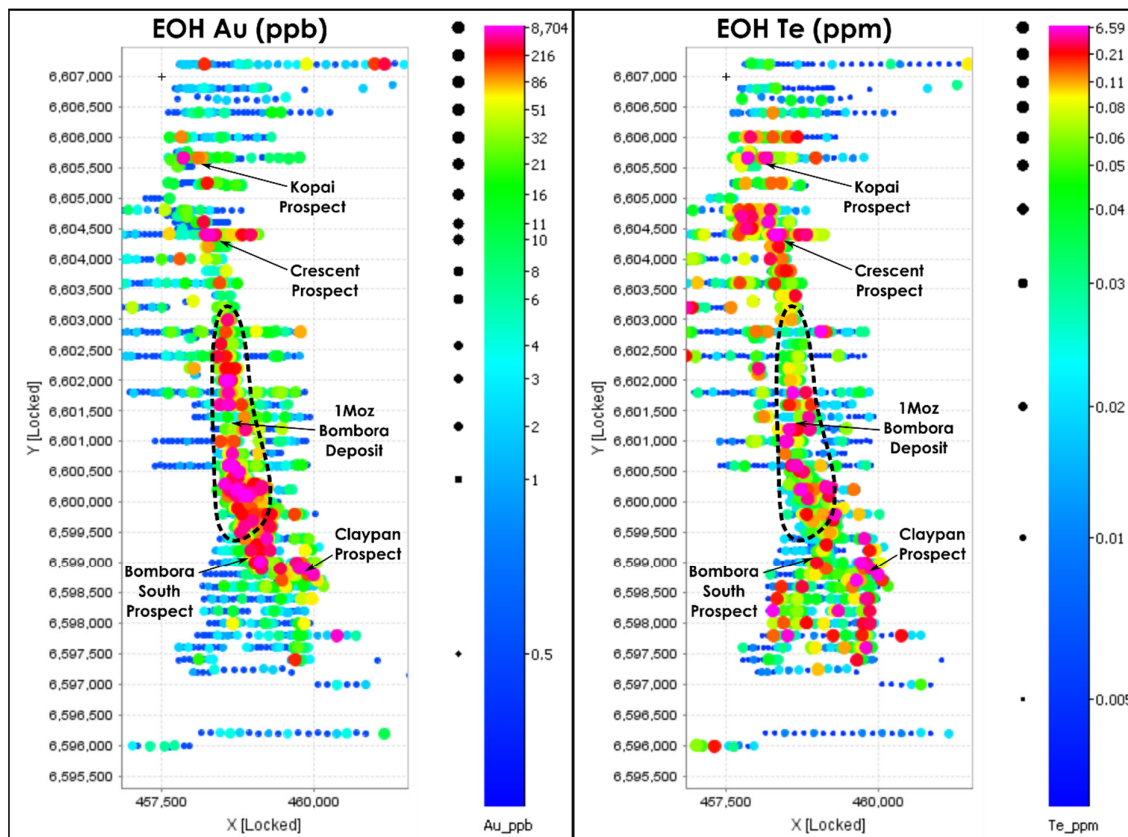


Figure 10: End-of-hole gold and tellurium data from Breaker geochemical drilling. The anomalism in both elements is comparable to that which defines known primary mineralisation at Bombora and Crescent.

Upcoming Drilling

RC and diamond drilling will shortly transition to Kopai/Crescent area while pending assay results from Claypan and Bombora South areas are assessed.

A third (diamond) drill rig targeting the down-plunge depth extensions of the Tura, Daisy and Mindil lodes below the current Resource is planned to start in the coming fortnight. The initial hole will be a deep (~1,200m) diamond drill hole at the southern end of the Bombora deposit (ASX Release 5 December 2019). The drill hole is part of the Department of Mines, Industry Regulation and Safety's Exploration Incentive Scheme co-funded drilling program.

Ularring Rock Project December 2019 Quarter Exploration Activities

The Ularring Rock project is located 100km east of Perth. The project covers the Centre Forest and Southern Brook gold-copper prospects, where historic RC drill intercepts of copper-gold mineralisation include 61m @ 0.83g/t Au, and 37m @ 0.72g/t Au and 0.26% Cu.

December 2019 quarter activities were primarily focused on field reconnaissance and evaluation with a view to undertaking some reconnaissance drilling at the earliest opportunity to evaluate several targets identified.

CORPORATE

On 4 October 2019, and following the receipt of several unsolicited enquiries from corporate and other entities, the Company advised of the decision to undertake a strategic review of all options available to accelerate unlocking of value from the Lake Roe Gold Project. The review process considered a range of potential partnering, funding and other asset initiatives, with a focus on maximising shareholder value.

The strategic review was completed in mid-November 2019. On 13 November 2019 Breaker announced an \$8million share placement to Electrum Strategic Opportunities Fund II LP, a major US-based private equity fund focused on precious metals. The placement, consisting of 23,015,211 newly issued shares, was undertaken at \$0.35 a share.

As a result of the strategic review, the Board formed the view that the best way to deliver value to shareholders was to expand the Lake Roe Resource base through further drilling. The Lake Roe pre-feasibility study was consequently placed on hold and the Company partnered with Electrum with the shared objective of advancing the Lake Roe Project along the value chain.

The investment of a prominent North American institutional fund and their support is regarded by the Company as an expression of confidence in the growth potential of the Company's Lake Roe Gold Project.

The public auction to sell forfeited partly paid shares due to non-payment of a call was held on Thursday, 14 November 2019. All 22,411 forfeited partly paid shares were sold at the auction. Other capital movements during the reporting period were the issue of unlisted employee options on 18 November 2019 and the expiry of unlisted options on 31 December 2019.

As at the date of this report, the Company's capital structure comprises:

- ✦ 231,320,076 fully paid ordinary shares (ASX: BRB)
- ✦ 5,250,000 unlisted options at various exercise prices and expiry dates

The Company's annual general meeting was held on Thursday, 21 November 2019.

Financial Commentary

The Quarterly Cashflow Report (Appendix 5B) for the period ending 31 December 2019 provides an overview of the Company's financial activities.

Exploration expenditure for the reporting period was \$1.99million, including \$268,000 on pre-feasibility study activities associated with the Lake Roe Gold Project. Corporate and other expenditure amounted to \$224,000. The total amount paid to directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was \$126,000 and includes salary, directors' fees, consulting fees and superannuation.



Tom Sanders
Executive Chairman
Breaker Resources NL

31 January 2020

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Tom Sanders and Alastair Barker, 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. Mr Sanders and Mr Barker 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 and Mr Barker 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 information announced to the ASX on 2 September 2019. Breaker confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

		Tonnes	Grade	Ounces
Indicated	oxide	141,000	1.3	6,000
	transitional	1,842,000	1.4	83,000
	fresh	16,373,000	1.4	714,000
	Total	18,356,000	1.4	803,000
Inferred	oxide	214,000	1.0	7,000
	transitional	922,000	0.9	27,000
	fresh	3,717,000	1.2	144,000
	Total	4,853,000	1.1	178,000
	Grand Total	23,210,000	1.3	981,000

Notes:

- Reported at 0.5 g/t Au cut-off
- All figures rounded to reflect the appropriate level of confidence (apparent differences may occur due to rounding)

APPENDIX 1: Tenement Schedule

In line with obligations under ASX Listing Rule 5.3.3, Breaker provides the following information relating to its mining tenement holdings as at 31 December 2019.

Project	Tenement Number	Status at 31/12/19	% Held/ Earning	Changes during the Quarter
Lake Roe	E28/2515	Granted	100	
	E28/2522	Granted	100	
	E28/2551	Granted	100	
	E28/2555	Granted	100	
	E28/2556	Granted	100	
	E28/2559	Granted	100	
	E28/2920	Application	100	
	M28/388	Granted	100	
Pinjin	E28/2629	Granted	100	
Ularring Rock	E70/4686	Granted	100	
	E70/4901	Granted	100	

No tenements are subject to any farm-in or farm-out agreements.