BREAKER Resources NL

ASX ANNOUNCEMENT **24 February 2016**

Maiden RC drilling hits multiple gold-bearing sulphide lodes at Lake Roe Project in WA

Gold panning confirms a primary source of the oxide mineralisation outlined over 2.2km by 1km, providing further evidence that Lake Roe could be a major gold discovery

Key Points

- **Maiden reverse circulation drilling program in the northern part of the Bombora Prospect at Lake Roe near Kalgoorlie has encountered several sulphide-bearing lodes that correlate with the extensive zones of oxide gold mineralisation defined by aircore drilling**
- **Some of the drill cuttings panned from the lodes contain grains of fine gold (no pulverising, panning not representative or systematic); Assays are pending**
- **The results indicate that the multiple, stacked zones of oxide gold mineralisation defined by extensive aircore drilling over a 2.2km x 1km area sit above and reflect primary mineralisation and are not restricted to the weathering zone**
- **The RC drilling to date extends over a strike length of ~500m covering the northern area of the total 2.2km strike length; The gold-bearing sulphide lodes identified by the RC drilling range in vertical depths from 30m to 150m**
- **RC drilling is ongoing and is moving south; The current program will test the full 2.2km strike**
- **The results significantly enhance the economic potential of the Lake Roe Project by confirming the existence of a primary zone of gold mineralisation**

Lake Roe Project - Gold Tail BBRC001 32m-33m

Lake Roe Project – Gold Tail BBRC012 193m-194m

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Introduction/Background

Breaker Resources NL (ASX: BRB, Breaker) is pleased to provide an update of a 6,000m, 35-hole reverse circulation (**RC**) drill program currently in progress at the Bombora Prospect, part of the 100%-owned Lake Roe Project, located 100km east of Kalgoorlie.

The RC drilling is aimed at establishing Bombora as a major greenfields gold discovery and is approximately 30% complete. The drilling follows extensive aircore drilling at Bombora Prospect, which returned grades up to 22.44g/t over a 2.2km by 1km area. Bombora forms the southern part of a 6km-long gold system identified by scout aircore in August 2015 (ASX Releases 30 October 2015 and 15 February 2016).

The strategy of the RC drilling is to assess the grade, geometry and continuity of gold mineralisation in the primary (fresh) zone and relate it to oxide (aircore) drill intersections, many of which terminate in mineralisation. Mineralisation styles targeted by the drilling include high grade lode and stockwork-style gold mineralisation hosted by a thick layered (fractionated) dolerite.

Drilling is progressing from north to south and will scope the full strike length of the Bombora Prospect on a wide spacing, with close-spaced holes in key areas to assess geometry. The drill program is expected to be completed in mid-March 2016 and may be varied in response to new information.

Results

Planned and completed drill holes are located on Figure 2.

The RC drilling to date extends over a strike length of ~500m covering the northern area of the total 2.2km strike length. RC drilling in the northern part of the Bombora Prospect (BBRC001-012) intersected several sulphide-bearing lodes that correlate with zones of oxide gold mineralisation defined by aircore drilling (Figure 1).

The gold-bearing sulphide lodes identified by the RC drilling range in vertical depths from 30m (BBRC001) to 150m (BBRC012). Drill holes with significant sulphide are listed in Appendix 1. *At this early stage it is inconclusive as to whether the intensity of gold mineralisation correlates directly with the amount of sulphide*.

Preliminary observations indicate that sulphide-bearing lodes reflect steep east-dipping, NW to NE-trending faults that transect the fractionated dolerite.

The sulphide lodes encountered are dominated by 1% to 10% disseminated, vein, fracture and bleb pyrite with lesser pyrrhotite which are commonly aligned to a penetrative shear fabric. Pervasive disseminated sulphide with or without quartz-pyrite veinlets in granophyric dolerite is also present. Associated alteration minerals are dominated by chlorite, biotite, feldspar and silica.

RC drill holes that encountered significant visual sulphide or panned gold (where panned) are summarised in Appendix 1. Panning was conducted on non-pulverised drill chips and was not conducted systematically or representatively on all sulphide-bearing zones encountered. As a result, the presence or absence of visible panned gold in a sulphide-rich sample does not necessarily provide a representative indication of gold grade. *Initial assay results needed to quantify the gold grade are expected in 2-3 weeks*.

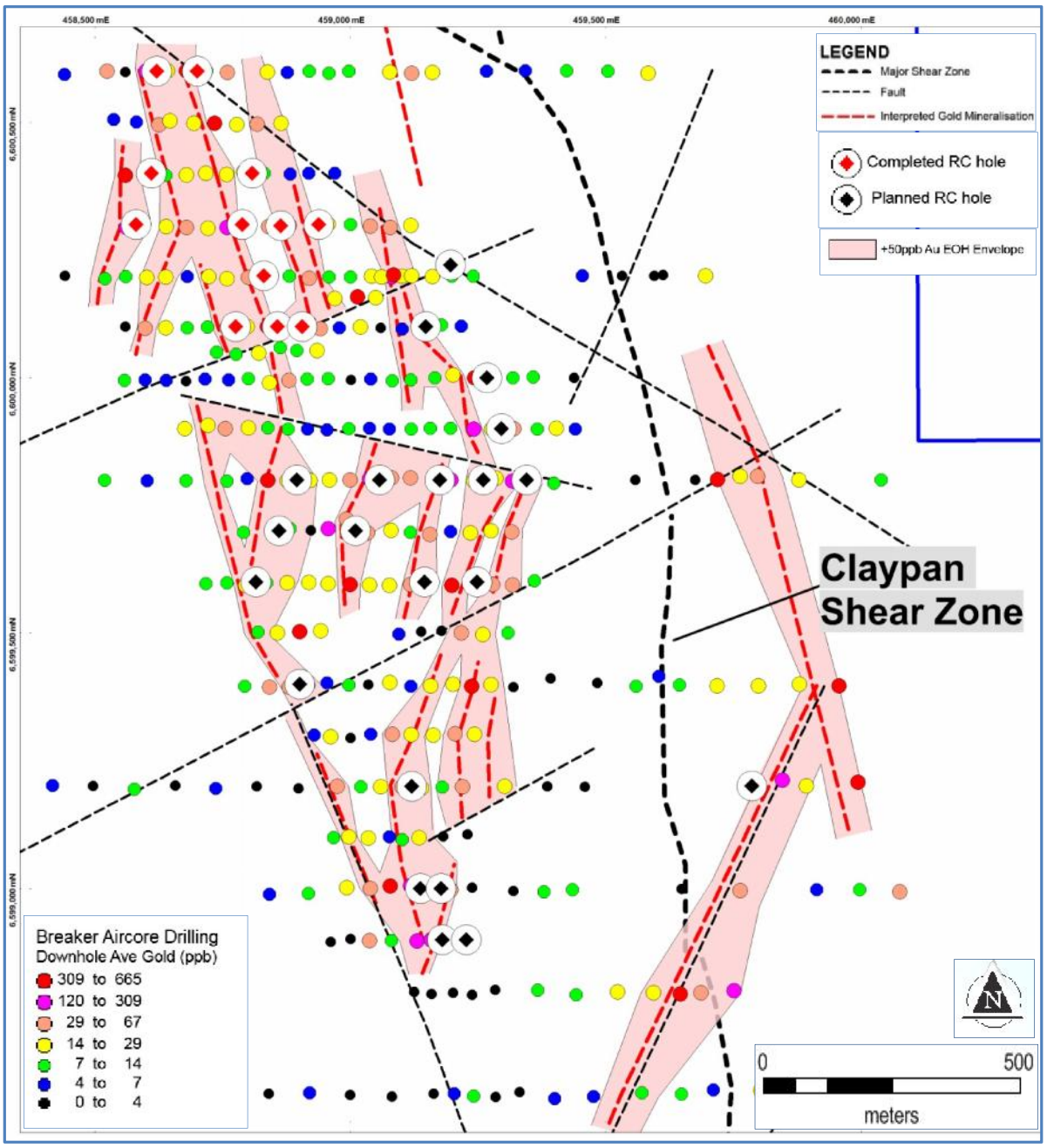


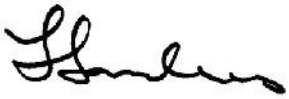
Figure 1: Completed and Planned RC Drilling with +50ppb End-of-Hole Alteration Envelope, Thematic Downhole Average Gold from Aircore Dilling, and Interpreted Gold Positions

Commentary on Results

Breaker Executive Chairman Tom Sanders said: "The results are very preliminary but the implication is that multiple, stacked, strike-extensive zones of oxide gold mineralisation defined by extensive aircore drilling over a 2.2km x 1.0km area, reflect primary mineralisation.

"This significantly enhances the economic potential of the Lake Roe Project by extending the gold potential into the primary zone. As we proceed further south my expectation is that the results will improve further based on stronger, wider alteration evident in the aircore drilling.

"The results provide further evidence that we are dealing with a major new gold deposit. Further RC drilling and assay results are needed to confirm this, but the early indications are very positive."



Tom Sanders
Executive Chairman
Breaker Resources NL 24 February 2016

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

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About Breaker

Breaker Resources NL is a significant tenement holder in WA's Eastern Goldfields Superterrane in the Yilgarn Craton. Breaker's objective is the discovery and development of large new, greenfields gold deposits. Its long-term exploration strategy focuses on the use of innovative multi-element geochemical techniques to identify new gold systems concealed by transported cover in unexplored parts of a world class gold province, WA's Eastern Goldfields Superterrane in the Yilgarn Craton. The Company's research and development project activities augment this strategy.

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 and Alastair Barker, Competent Persons, who are Members of The Australasian Institute of Mining and Metallurgy. Mr Sanders and Mr Barker are officers 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.

APPENDIX 1

Hole No.	Prospect	Depth	North	East	RL	Dip	Azim	From (m)	To (m)	Interval (m)	Sulphide % (pyrite-pyrrhotite)	Vein% (quartz-pyrite)	Panned Gold
BBRC0001	Bombora	108	6600597	458622	~314	-60	270	23	34	11	2-3%	1%	√
BBRC0002	Bombora	168	6600595	458697	~314	-60	270	31	39	8	1%	up to 3%	NP
BBRC0002	Bombora							72	78	6	3%	3%	√
BBRC0002	Bombora							124	125	1	5%	-	NP
BBRC0004	Bombora	144	6600298	458581	~314	-60	270	110	115	5	1-5%	-	√
BBRC0005	Bombora	114	6600306	458788	~314	-60	270	52	57	5	up to 2%	2-8%	√
BBRC0006	Bombora	138	6600101	458772	~314	-60	270	70	73	3	1%	1% chlorite-pyrite	NP
	Bombora							87	90	3	1-2%	up to 5%	NP
BBRC0009	Bombora	240	6600396	458803	~314	-60	270	36	56	20	1-5%	up to 10%	√
	Bombora							152	172	20	1-5%	1%	√
BBRC0010	Bombora	144	6600305	458932	~314	-60	270	96	109	13	1%	-	NP
BBRC0011	Bombora	174	6600299	458856	~314	-60	270	140	145	5	1-2%	3-5%	NP
BBRC0012	Bombora	264	6600200	458830	~314	-60	270	156	172	16	1%		NP
	Bombora							193	195	2	5-10%		√

Notes

- √ denotes the presence of panned gold. NP denotes "not panned".
- It is inconclusive whether all gold-bearing material necessarily correlates with the amount of sulphide.
- Initial assay results needed to quantify the gold grade are expected in 2-3 weeks. Panning was conducted on non-pulverised drill chips and was not conducted systematically or representatively on all sulphide-bearing zones encountered. As a result, the presence or absence of visible panned gold in a sulphide-rich sample does not necessarily provide a representative indication of gold grade.
- The estimated true width is interpreted to be approximately 70% of the downhole interval but this is provisional and subject to change given the preliminary nature of the drilling.

ANNEXURE 1: JORC Code, 2012 Edition – Table 1

SECTION 1: SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	12 reverse circulation (**RC**) holes completed by Breaker Resources NL. Holes were drilled to variable depth dependent upon observation from the supervising geologist. RC samples were collected from a trailer mounted cyclone by a green plastic bag in 1m intervals and the dry sample was riffle split to produce a 3kg representative sample which was placed on the ground with the remaining bulk sample in rows of 20. Any damp or wet samples were kept in the green plastic bag and placed in the rows of samples and a representative spear sample taken.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Sampling was undertaken using Breaker Resources' (**BRB**) sampling protocols and QAQC procedures in line with industry best practice, including standard and duplicate samples.

Criteria	JORC Code explanation	Commentary
		Drill hole collars were picked up using handheld GPS and corrected/checked for elevation using elevation data from a detailed aeromagnetic survey.
	Aspects of the determination of mineralisation that are Material to the Public Report. *In cases where 'industry standard' work has been done this would be relatively simple (eg. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg. submarine nodules) may warrant disclosure of detailed information.*	RC samples were composited at 4m to produce a bulk 3kg sample. Samples were sorted, dried, pulverised and split to produce a 25g charge for fire assay (results pending). Holes with significant sulphide are listed in Appendix 1. At this early stage it is inconclusive as to whether the intensity of gold mineralisation correlates directly with the amount of sulphide. RC drill holes that encountered significant visual sulphide or panned gold (where panned) are summarised in Appendix 1. Panning was conducted on non-pulverised drill chips and was not conducted systematically or representatively on all sulphide-bearing zones encountered. As a result, the presence or absence of visible panned gold in a sulphide-rich sample does not necessarily provide a representative indication of gold grade. Initial assay results needed to quantify the gold grade are expected in 2-3 weeks. Preliminary observations indicate that sulphide-bearing lodes reflect steep east-dipping, NW to NE-trending faults that transect the fractionated dolerite. The sulphide lodes encountered are dominated by 1% to 10% disseminated, vein, fracture and bleb pyrite with lesser pyrrhotite which are commonly aligned to a penetrative shear fabric. Pervasive disseminated sulphide with or without quartz-pyrite veinlets in granophyric dolerite is also present. Associated alteration minerals are dominated by chlorite, biotite, feldspar and silica.
Drilling techniques	*Drill type (eg. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (eg. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	RC drilling was undertaken using a face-sampling percussion hammer with 5½" bits.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	RC drilling recoveries were visually estimated as a semi-qualitive range and recorded on the drill log along with moisture content.

Criteria	JORC Code explanation	Commentary
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	RC holes were collared with a well-fitting stuff box to ensure material to the outside return was minimised. Drilling was undertaken using auxiliary compressors and boosters to keep the hole dry and lift the sample to the sampling equipment. Drill cyclone and splitter were cleaned regularly between rod-changes if required and after each hole to minimise down hole or cross-hole contamination.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	There is no observable relationship between recovery and grade, or preferential bias in the RC drilling at this stage.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Drill holes were logged for lithology, alteration, mineralisation, structure, weathering, wetness and obvious contamination by a geologist. Data is then captured in a database appropriate for mineral resource estimation.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	RC logging is both qualitative and quantitative in nature. and captures downhole depth, colour, lithology, texture, mineralogy, mineralisation, alteration and other features of the samples.
	The total length and percentage of the relevant intersections logged.	All drill holes were logged in full.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	n/a
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	RC samples were split 87.5%-12.5% by a stand-alone multi-tiered riffle splitter. The majority of the samples were recorded as dry and minimal wet samples were encountered. Sample duplicates were obtained by re-splitting the remaining bulk sample contained in a plastic bag in the field using the multi-tier riffle splitter. RC composite samples were collected via spear sampling of the riffle split bulk sample contained in green plastic bags.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The samples were sent to an accredited laboratory for sample preparation and analysis. All samples were sorted, dried pulverised to -75um to produce a homogenous representative 25g sub-sample for analysis. A grind quality target of 85% passing 75µm has been established.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	RC samples were collected at 1m intervals and composited into 4m samples using a spear to sample individual metre bagged samples.

Criteria	JORC Code explanation	Commentary
		Quality control procedures involved the use of Certified Reference Materials (**CRM**) along with field sample duplicates. MinAnalytical's QAQC included insertion of certified standards, blanks, check replicates and fineness checks to ensure grind size of 85% passing -75µm as part of their own internal procedures.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Sample duplicates were taken three times in every 100 samples. All samples submitted were selected to weigh less than 3kg to ensure total preparation at the pulverisation stage.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered to be appropriate to correctly give an accurate indication of mineralisation given the qualitative nature of the technique and the style of gold mineralisation sought.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	The analytical technique used a 25g fire assay and is appropriate to detect gold mineralisation. The use of fire assay is considered a total assay.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical tools were used to determine any reported element concentrations.
	Nature of quality control procedures adopted (eg. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie. lack of bias) and precision have been established.	BRB inserted CRMs and duplicates into the sample sequence, which were used at the frequency of three CRMs and three duplicates per 100 samples. Sample preparation checks for fineness were carried out by the laboratory as part of their internal procedures to ensure the grind size of 85% passing 75µm was being attained. Laboratory QAQC involved the use of internal lab standards using CRMs, blanks, splits and replicates.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Alternative BRB personnel have verified the significant results outlined in this report. It is considered that the company is using industry standard techniques for sampling and using independent laboratories with the inclusion of Company standards on a routine basis.
	The use of twinned holes.	None undertaken in this program.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary geological and sampling data were recorded digitally and on hard copy respectively, and are subsequently transferred to a digital database where it is validated by experienced database personnel assisted by the geological staff

Criteria	JORC Code explanation	Commentary
		and assay results are merged with the primary data using established database protocols.
	Discuss any adjustment to assay data.	No adjustments were undertaken.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill hole collars were located by handheld GPS. Elevation values are in AHD and were corrected using the DEM-S data from the 1 second SRTM Derived Digital Elevation Models sourced from Geoscience Australia. Expected accuracy is +/- 4m for easting, northing and +/- 10m elevation coordinates.
	Specification of the grid system used.	The grid system is GDA94 MGA, Zone 51.
	Quality and adequacy of topographic control.	Hole pickups were undertaken using a handheld GPS (see comments above). This is considered acceptable for these regional style exploration activities.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The 12 RC drill holes were not spaced in a regular grid pattern however occurred in an area approximately 0.6km by 0.5km on existing 100m spaced AC drill lines.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The drill density is not adequate at this stage to define grade continuity and geological continuity to support classification as a Mineral Resource.
	Whether sample compositing has been applied.	Four metre composite samples were taken for all holes via spearing (results pending).
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Angled RC drilling (-60 towards 270/grid west) has confirmed the interpreted east dipping stratigraphy (based from field mapping) minimising lithological bias. At this stage the main primary mineralised structural orientation(s) are still being ascertained and are inconclusive.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No conclusive orientation-based sampling bias has been identified in the data to this point.
Sample security	*The measures taken to ensure sample security.*	RC samples submitted were systematically numbered and recorded, bagged in labelled polyweave sacks and dispatched in batches to the laboratory via Ausdrill (internal freight) or BRB personnel. The laboratory confirms receipt of all samples on the submission form on arrival. All assay pulps are retained and stored in a Company facility for future reference if required.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits/reviews have been conducted on sampling technique to date.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The RC drill holes were located on tenement E28/2515, which is held 100% by BRB. There are no material interests or issues associated with the tenement.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenements are in good standing and no known impediments exist.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Historical holders of the Project area include Poseidon Gold, WMC, Mt Kersey Mining and Great Gold Mines. Vertical rotary air blast and aircore drilling undertaken in the period 1991 to 1998 identified a zone of strong gold anomalism that extends over a potential distance of 4km under thin (5-10m) cover (maximum grade of 4m at 0.71g/t Au). Although the prospectivity of the trend was recognised by previous explorers, rigorous anomaly definition and appropriate follow-up of encouraging results did not occur, apparently due to "non-geological" factors, including inconvenient tenement boundaries at the time of exploration and changes in company priorities and market conditions.
Geology	*Deposit type, geological setting and style of mineralisation.*	BRB is targeting Archean orogenic gold mineralisation near major faults. Gold is associated with subsidiary faults of the Claypan Shear Zone and occurs preferentially on the sheared and altered contacts of an 800m wide fractionated dolerite in an area of shallow (5m to 20m) transported cover. The dolerite is folded into a domal geometry between two major shear zones ("domain" boundaries) that converge and bend in the vicinity of the project. The exploration target is high-grade lode, stockwork, disseminated and quartz vein gold mineralisation hosted by different phases of the fractionated dolerite.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar;* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar;* • *dip and azimuth of the hole;*	Refer to Appendix 1 for significant results from the RC drilling. Drill hole locations are described in the body of the text and on related Figures. The use of low level geochemical information to identify anomalous trends and "footprints" rather than reporting of individual values is considered appropriate in locating and mapping

Criteria	JORC Code explanation	Commentary
	• *down hole length and interception depth;* • *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	geological and geochemical anomalous trends that potentially identify target areas for follow up drilling. The detailed coordinates for each hole collar, and hole depth information is not considered material to this report, and as such individual hole location details are not tabulated if significant geochemistry is not detected.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg. cutting of high grades) and cut-off grades are usually Material and should be stated.*	No quantifiable assay results are reported.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	No quantifiable assay results are reported.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No quantifiable assay results are reported.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg. 'down hole length, true width not known').*	At this stage the main primary mineralised structural orientation(s) are still being ascertained and are inconclusive. A preliminary 75-80 degree east dip appears to be dominant.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figures and Tables in the body of the text.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All significant sulphide-bearing zones are are reported.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	There is no other substantive exploration data.

Criteria	JORC Code explanation	Commentary
Further work	*The nature and scale of planned further work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further work is planned as stated in this announcement.