

# BREAKER RESOURCES

## Dealing Desk Note



### Potential for a New Gold Discovery; Drilling Imminent

- **Breaker Resources (BRB)** has successfully completed an additional round of aircore drilling north of the Bombora Prospect, part of its 100% owned Lake Roe Project located some 100km east of Kalgoorlie. The Bombora North target is defined by aircore drilling over a 2.6km long by 500m wide zone of strong continuous gold and arsenic anomalism under 5m of cover directly north of high-grade primary gold mineralisation discovered in March 2016. Results were up to 8.70g/t Au and suggest the potential for a new gold discovery with: 1) the potential for limited transport of the gold (due to strong end of hole results into the transitional zone) 2) continuous gold associated alteration over a large area associated with pathfinder elements 3) Prospective host rocks (dolerite) and 4) a stacked geometry with the potential for multiple mineralised lodes.
- **Potential for a New Gold Discovery:** Given the significant indications at the Bombora North prospect for a new gold discovery, BRB is embarking on a 4,000m RC drill program to test for high grade gold deposits at depth within fresh rock. The program will target several areas within the Bombora North Prospect where significant oxide mineralisation has been identified. BRB is expected to complete 25-30 holes to a target depth of approximately 150-200m. Drilling is expected to commence on 7 July 2016 and take approximately 3 weeks to complete. First assays are expected within 3 weeks from the completion of the initial drill hole. Further RC and diamond drilling is planned following the initial 4,000m RC programme.
- **Significant Gold Anomaly:** At Bombora North, aircore drilling has defined a significant target of 2.6km long x 500m wide zone of strong continuous gold and arsenic anomalism under 5m of cover. Probably one of the most encouraging aspects of the program is that the assay results have demonstrated consistency along strike. The majority of the holes have ended in mineralisation, suggesting that the gold should be localised and not transported. Approximately 43% of the drill holes terminated in +50ppb gold mineralisation (drill refusal) with end of hole grades into the transitional material up to 8.70g/t Au. Additional gold targets of significance were also identified to the north of the main 2.6km zone by the recent aircore drilling.
- **Conductive Structural Setting:** The exploration target is high-grade gold mineralisation hosted by a fractionated dolerite situated in a domal geometry geometrically above the east-dipping Keith-Kilkenny Shear Zone and adjacent to the Claypan Shear Zone, two major shear zones (and "domain" boundaries) that converge in the vicinity of the project (Figure 1). Examples of dolerite hosted mineralisation in the Eastern Goldfields are numerous, and include the Golden Mile deposit in Kalgoorlie, the Junction deposit at St Ives, the Salt Creek deposit at Mt Monger, and the Great Fingall/Golden Crown complex at Cue.
- **Pathfinder Minerals:** BRB has identified a number of pathfinder minerals which support the potential for a major gold deposit. We note that, within the sheared and altered dolerite, there was elevated silver (up to 6.86g/t), molybdenum, arsenic, bismuth copper and tellurium.
- **Adequate Cash to Complete Several RC/DD Drill Programs:** BRB recently completed a \$2.1m capital raising and SPP. This should provide sufficient funding to complete several successive drill programs over the Bombora/Bombora North prospects. In addition, several of the holes will be partially funded by the Government under the R&D rebate scheme.
- **Catalysts:** 1) 7 July: Commencement of RC drilling 2) Mid-July: One metre sample results from June aircore drilling 3) August: RC assay results 4) Late-August: Second phase RC drilling 5) August-September: Anticipated diamond drilling.

30 June 2016

Price	A\$	0.165
ASX		BRB.ASX
Shares o/s	m	99.6
Free Float	%	58
Market Cap.	A\$m	16.4
Cash	A\$m	2.1
Net Debt/Equity	%	NA
3mth Av. D. T'over	A\$	32,500
52wk High/Low	A\$	0.41/0.029

### DIRECTORS & MANAGEMENT

Name	Role
Tom Sanders	Executive Chairman
Mark Edwards	Non-Executive Director
Mike Kitney	Non-Executive Director
Michelle Simson	Company Secretary

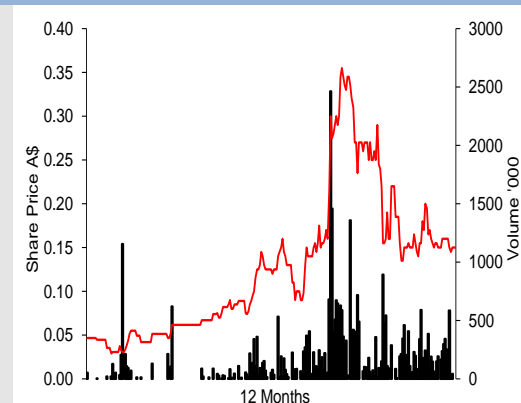
### TOP SHAREHOLDERS

Name	Shares	%
Tom Sanders	21.0	21.0
New City Investment	7.5	7.5
CQS	6.6	6.6

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**Disclosure:** Patersons Securities acted as Lead Manager for a Share Placement and Underwriter for an Entitlement Issue that raised \$2.1m at \$0.13/sh. Patersons Securities acted as Lead Manager and underwriter for an Entitlement Issue that raised \$553,775 at \$0.04/sh in October 2015. Patersons received fees for these services.

### 12 Month Share Price Performance



Performance %	1mth	3mth	12mth
Absolute	-18	-39	253
Rel. S&P/ASX 300	-15	-27	238

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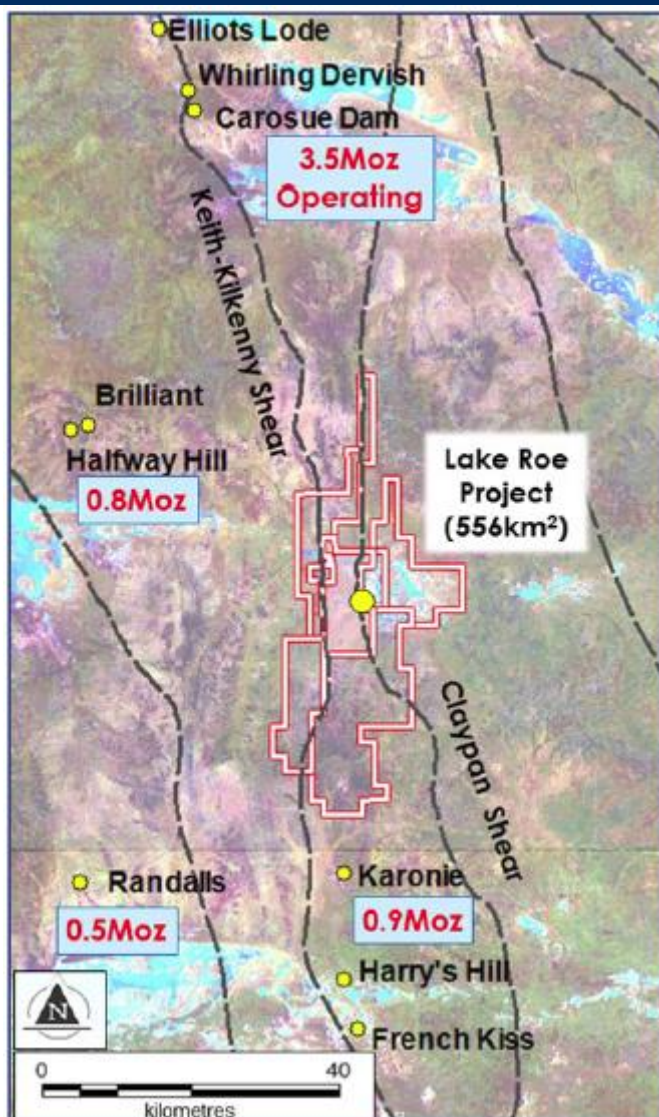
## LAKE ROE PROJECT

The 100%-owned Lake Roe Gold Project is located 100km east of Kalgoorlie in the Eastern Goldfields Superterrane. The project is located in an area of shallow (5m to 30m) transported cover between the Carosue and Karonie gold deposits situated 60km to the north and 30km south respectively (Figure 1). The project currently comprises one granted tenement and five applications, comprising a total area of 556km<sup>2</sup>.

In May-June 2016, aircore drilling over the Lake Roe Project has enabled the Company to refine a significant gold anomaly of 2.6km of strong continuous gold and arsenic under thin (c.5m) transported cover in the northern part of the Bombora prospect directly north of a high-grade gold discovery made by BRB in March 2016. Additional gold targets of significance were also identified to the north of the 2.6km zone identified by the aircore drilling. The dolerite is situated geometrically above the Keith-Kilkenny Lineament, similar to that at the Karari-Carosue Dam and Karonie gold deposits located along strike.

From 1991 to 1998, supergene gold anomalism was identified by historic vertical rotary air blast and aircore drilling (maximum grade of 4m at 0.71g/t Au; WAMEX Report A34230). The anomalous gold generally starts at a depth of 30m and occurs near the base of the active weathering front. The bedrock below this zone is essentially untested. Although the gold potential of the area was identified by previous large company explorers, systematic follow-up of the results did not occur, apparently due to non-geological factors such as inconvenient tenement boundaries at the time, and changes in company priorities and market conditions.

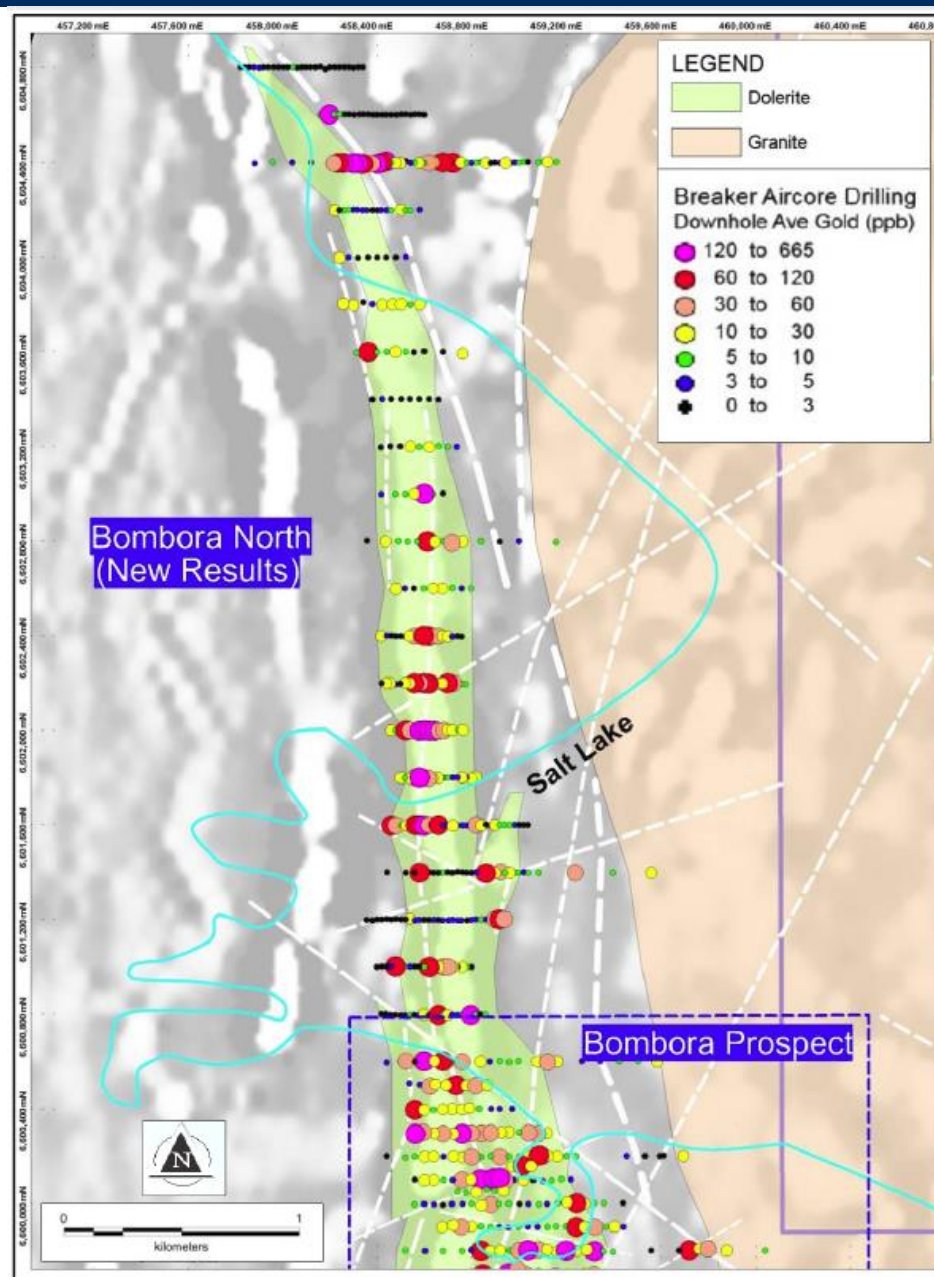
Figure 1: Lake Roe Gold Project



Source: Breaker Resources NL

In late 2015/early 2016, BRB conducted an initial three phases of aircore drilling consisting of 386 holes, which defined a significant gold anomaly. RC drilling (36 holes) was then conducted in March 2016, which returned some significant primary gold lode results including 5m at 3.69g/t Au and 4m at 5.08g/t Au including 2m at 7.58g/t Au which effectively confirmed the gold potential of a new and largely unexplored greenfields area. In the southern portion of the Bombora prospect, there was limited success but armed with new knowledge on the gold controls gleaned from the RC drilling, BRB conducted further aircore drilling over a 4km distance immediately north of the Bombora discovery. Results were very encouraging and defined a consistent 2.6km zone of strong anomalism under thin transported cover (c.5m), with an additional area of strong results further to the north. A 4,000m RC drill program is planned to commence on 7 July 2016, and further RC and diamond drilling is planned. BRB is expected to complete 25-30 holes over the areas to a target depth of approximately 150-200m. First assays are expected within 3 weeks from the completion of the initial drill hole. We will be looking for consistent zones of gold mineralisation in terms of widths and grades that could have the opportunity to develop into a potential gold discovery.

Figure 2: Bombora Prospect, Lake Roe Project



Source: Breaker Resources NL



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