

\$1 MILLION CAPITAL RAISING TO FUND FURTHER DRILLING AT THE LAKE ROE PROJECT

Breaker Resources NL (ASX: BRB, **Breaker**) is pleased to announce that it has received binding commitments for a share placement to raise \$500,000 before costs (**Placement**). The Company will also be conducting a Share Purchase Plan to existing eligible shareholders to raise \$500,000 (**SPP**). The new shares will be issued at a price of 13 cents which represents a 19% discount to the volume weighted average price over the last five days of trade prior to the Company's trading halt on 27 April 2016. The SPP is to be fully underwritten.

Capital raised from the Placement and SPP will enable further drilling to commence at the Company's Lake Roe Gold Project, approximately 100km east of Kalgoorlie.

Placement

Under the Placement, the Company will issue a total of 3,461,538 new shares (\$450,000) to sophisticated and professional investors using the placement capacity available under ASX Listing Rule 7.1. It is anticipated that settlement will occur on or about 4 May 2016 with the new shares to be issued shortly afterwards. The new shares will be issued on the same terms as, and will rank equally in all respects with, the existing fully paid ordinary shares in the Company.

Executive Chairman Tom Sanders has committed to a total of 384,615 new shares, representing \$50,000, the issue of which will be subject to approval from shareholders at a general meeting to be held in the near future.

Patersons Securities Limited acted as Lead Manager to the Placement.

Share Purchase Plan

The SPP will enable existing shareholders to participate in the capital raising at the same issue price as the Placement and without incurring any brokerage fees or other transaction costs. Eligible shareholders (being those holders of fully paid and partly paid shares with an address in Australia or New Zealand as at 5.00pm WST on 28 April 2016) will have the opportunity to apply for up to \$15,000 worth of fully paid ordinary shares in the Company. If an eligible shareholder holds shares as a 'custodian' (as that term is defined in ASIC Class Order [CO 09/425]), the offer under the SPP will be made to the 'custodian' and, subject to a number of conditions, the 'custodian' will have the discretion to extend the offer to the relevant beneficiaries.

The SPP is intended to raise \$500,000 and is to be fully underwritten by Patersons Securities Limited, who are also acting as Lead Manager. It is intended that Executive Chairman Tom Sanders will participate as a sub-underwriter to the extent of \$100,000, which participation shall be subject to shareholder approval.

All new shares issued under the SPP will rank equally with all fully paid ordinary shares on issue.

An indicative timetable is provided below. The SPP is currently scheduled to close on 25 May 2016 however the timetable is subject to change therefore shareholders are encouraged to lodge their applications ahead of the advertised closing date.

| Event | Date |
|--|---------------|
| Record Date (for determining shareholders' entitlements to participate in the SPP) | 28 April 2016 |
| Announcement of SPP | 29 April 2016 |
| Despatch of SPP documentation | 2 May 2016 |
| Opening date of SPP | 2 May 2016 |
| Closing date of SPP | 25 May 2016 |
| Allotment and issue of SPP shares | 30 May 2016 |

Full details of the SPP will be contained within documentation to be despatched to shareholders on 2 May 2016.

Use of Funds

The funds secured by the capital raising will be used to undertake further drilling at the Lake Roe Gold Project. A recent reverse circulation program confirmed the presence of high grade primary gold mineralisation that is open to the north (intersections include 2m at 10.74g/t, 3m at 8.53g/t, 7m at 2.95g/t and 1m at 24.9g/t; ASX Releases 16/03/2016 & 18/04/2016). This verifies that the processes needed to transport, focus and deposit gold at economic grades have been active. It also enhances the potential for a significant discovery extending northwards directly along strike from high-grade sulphide lodes where favourable northwest-trends prevail.

It is anticipated that approximately \$650,000 of the funds raised will be utilised to undertake aircore (6,000m), reverse circulation (4,000m) and diamond (1,500m) drilling at Lake Roe. The final mix of drilling may vary based on new results. The balance of funds will be used for a maiden aircore drilling program at the Company's Duketon North Project and for general working capital.

Exploration Development Incentive

Breaker is pleased to advise that it will be participating in the federal government's Exploration Development Incentive (**EDI**) Scheme for the 2014/15 tax year. The EDI enables eligible exploration companies to create exploration credits by giving up a portion of their tax losses from eligible exploration expenditure and distributing these exploration credits to equity shareholders. Australian resident shareholders that are issued with an exploration credit will be entitled to a refundable tax offset (individuals or superannuation funds) or additional franking credits (companies). The exploration company's carry forward losses are reduced proportionately to reflect the amount of exploration credits created.

The Australian Taxation Office has declared a modulation factor of 1 for the purposes of calculating a company's maximum exploration credit amount in the current year. Breaker has

claimed a tax loss of \$787,884 in 2014/15 and expects that \$236,365.20 (being the tax loss multiplied by the modulation factor multiplied by the company tax rate of 30%) is eligible to be distributed to shareholders.

The Directors have determined that the record date for the EDI will be 31 May 2016, with the intention that the new shares issued by that date under the Placement and SPP will be included in calculating each shareholders' pro-rata entitlement under the EDI scheme. EDI credits will be issued on 30 June 2016 and will be eligible for tax deduction by shareholders in the 2015/16 income year.

The EDI is intended to encourage shareholder investment in exploration companies undertaking greenfields mineral exploration in Australia. Further information on the scheme can be located on the ATO's website <http://www.ato.gov.au/business/exploration-development-incentive/>.



Tom Sanders
Executive Chairman
Breaker Resources NL

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.

For further information please contact:

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COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Tom Sanders, Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Sanders is an officer of Breaker Resources NL and his services have been engaged by Breaker on an 80% of full time basis; he is also a shareholder in the Company. Mr Sanders 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 The SPP will Exploration Results, Mineral Resources and Ore Reserves'. Mr Sanders consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.