
Breaker embarks on aggressive drilling campaigns at Lake Roe gold discoveries after completing \$12.4m capital raising

Preparations underway for resource drilling at the Bombora-Bombora North discoveries; Plus, RC drilling set to start on new 2.2km zone immediately to the north

Key Points

- ✦ Breaker completes \$12.4 million capital raising
- ✦ RC drilling results from the 600m gap between the Bombora and Bombora North discoveries expected in 1-2 weeks
- ✦ Diamond drilling results from the recently completed program due in 1-2 weeks
- ✦ Existing RC rig now undertaking drilling on 100m spacing to prepare the 2.2km-long Bombora/Bombora North discovery zone for resource definition drilling
- ✦ A second RC rig to commence drilling next week to start scoping another 2.2km-long zone to the north of Bombora North

Breaker Resources NL (ASX: BRB, **Breaker**) is pleased to advise that it is set to start two key drilling programs at its Lake Roe Gold Project in WA after successfully completing a \$12.4 million capital raising (see ASX Release 29 September 2016).

The funding will be used to undertake resource definition drilling at the outstanding Bombora and Bombora North discoveries at Lake Roe, 100km east of Kalgoorlie. The proceeds will also fund maiden reverse circulation (**RC**) drilling of a highly promising 2.2km-long corridor extending directly north of the Bombora North Prospect.

RC drilling is already underway to prepare the 2.2km Bombora-Bombora North discovery zone for the resource definition drilling. Breaker has to date made two separate gold discoveries in the area, identifying wide, high-grade, near-surface gold mineralisation over a 1.6km-long distance. RC assay results relating to the 600m gap between the two discoveries (200m drill line spacing) are expected within one to two weeks. Assays from recently completed diamond drilling are expected at the same time.

Based on the strength of the results to date, further RC drilling is now underway to progressively close the drill line spacing to 100m in preparation for resource definition drilling, which is expected to start in approximately eight weeks, subject to regulatory approval. A second RC drill rig is expected to arrive on site in the coming week to start scoping the 2.2km-long zone to the north of Bombora North, where wide-spaced aircore drilling previously returned intersections of up to 7.61g/t gold (see ASX Release 25 July 2016).

Breaker Executive Chairman Tom Sanders said: "The proceeds of the raising will enable us to accelerate both our resource building activities and maiden extensional RC drilling on the highly promising corridor extending 2.2km to the north of the Bombora-Bombora North discoveries."

The heavily over-subscribed raising, which was managed by Patersons Securities Limited (**Patersons**), resulted in the Company receiving funds of \$12.4 million from a number of prominent Australian and overseas institutions and sophisticated and professional investors (**Placement**). The issue price of the new shares is 50 cents, which represents a 10% discount to the volume weighted average price over the last five days of trade prior to the Company's trading halt on 27 September 2016 and announcement of the Placement.

A total of 24,800,000 fully paid ordinary shares have now been issued utilising the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A. An Appendix 3B and Cleansing Notice will be released shortly.

In accordance with its obligations under ASX Listing Rules 7.1A.4(b) and 3.10.5A, the Company provides the following information:

- ✦ A summary of the issued capital in the Company before and after the Placement is provided below:

	Fully Paid Ordinary Shares (ASX: BRB)	Partly Paid Ordinary Shares (ASX: BRBCA)	Unlisted Options	Fully Diluted Capital
Before Placement	101,514,180	5,716,623	2,700,000	109,930,803
After Placement	126,314,180	5,716,623	2,700,000	134,730,803

The issue of 24,800,000 new shares results in dilution of 18.41% to shareholdings held prior to the Placement. Of this total, the number of shares issued under Listing Rule 7.1 is 14,648,582, representing dilution of 11.76% (fully diluted) and the number of shares issued under Listing Rule 7.1A is 10,151,418 representing dilution of 8.45% (fully diluted).

- ✦ During the past 12 months, the Company has provided shareholders with the opportunity to participate in a pro-rata entitlement issue (issue price: 4 cents) and share purchase plan (issue price: 13 cents). In the view of the directors, the Placement offered the best avenue by which the Company could secure significant funding to accelerate drilling activities at its Lake Roe Gold Project, which has the potential to result in a major gold discovery.
- ✦ The Placement was not underwritten. Patersons acted as Lead Manager to the Placement. A capital raising fee of 5.5% of the total gross amount raised (less amounts subscribed for by the Company's directors and any high net worth or sophisticated investors introduced by Breaker) was charged. Other costs associated with the Placement, such as share registry expenses and listing fees of the new shares, are unknown at this time.



Tom Sanders
 Executive Chairman
Breaker Resources NL

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 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.