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Leading US institutions cornerstone \$23m capital raising to fund resource growth at Lake Roe gold project in WA

Proceeds to be used primarily to grow the 1Moz Resource#

Key Points

- ✘ **Commitments received for A\$20 million placement at \$0.24 per share with a A\$3m Share Purchase Plan (SPP) to follow for eligible shareholders**
- ✘ **Leading US funds including Paulson & Co and Electrum have committed a total of \$15m of the capital raising**
- ✘ **Proceeds will fund drilling to grow the Bombora Resource at Lake Roe and expand project development options**
- ✘ **Breaker aims to grow the existing 1Moz open pit Resource# by targeting depth extensions at the Bombora deposit and two emerging discoveries to the north and east**

Breaker Resources NL (ASX: BRB, **Breaker**) is pleased to announce that it has received binding commitments for \$20 million (before costs) via a share placement at \$0.24 per share (**Placement**). The issue price of \$0.24 represents a 7.7% discount to the volume weighted average price over the last five days of trading in securities prior to the Company's trading halt on 27 July 2020.

The Company also intends to conduct a Share Purchase Plan (**SPP**) for eligible shareholders to raise a further \$3 million.

Canaccord Genuity (Australia) Limited acted as Lead Manager to the Placement and SPP. Capital raised from the Placement and SPP will fund ongoing drilling at the Lake Roe Gold Project in the Eastern Goldfields of Western Australia, with at least three rigs targeting Mineral Resource growth, extension and new discoveries.

Executive Chairman Tom Sanders said: "The extent of support from several prominent US funds of this calibre is a major vote of confidence in the potential of the Lake Roe gold project, our people and our strategic approach to expansion built on early de-risking.

"After 250,000m of reverse circulation and diamond drilling, the results point to a rare large greenfields gold camp in the early stages of delineation, only 100km from Kalgoorlie.

"This is highly unusual, and we own 100% of the project with 600km² of tenure, a granted mining lease and 40km of strike potential.

"We are delighted that such highly regarded US institutions share our view of the project's potential."

Placement

The Placement will be undertaken in two tranches, plus an issue to existing major shareholder, Electrum Strategic Opportunities Fund II LP (**Electrum**). Following successful completion of the Placement and SPP, Electrum should maintain its ~9.95% stake in the Company.

Electrum will be joined on the Company's share register by other well known North American institutional investor Paulson & Co. Inc. who are anticipated to hold ~9.95% after completion of the capital raising.

The first tranche comprises the issue of 29,061,004 new shares (representing \$6,794,641) to institutional and sophisticated investors, using the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A. It is anticipated that settlement will occur on or about 4 August 2020 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.

The second tranche comprises a commitment from institutional and sophisticated investors of \$10,736,972 for 44,737,383 shares, the issue of which is subject to shareholder approval at the Company's Annual General Meeting which is expected to be held on Thursday, 17 September 2020.

Electrum became a substantial shareholder in the Company in November 2019. To maintain its position as a 9.95% shareholder in the Company, Electrum has committed to a maximum investment of \$2,288,387, representing 9,534,946 shares, subject to shareholder approval at the Company's Annual General Meeting.

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 shares with an address in Australia or New Zealand as at 5.00pm AWST on 29 July 2020) will have the opportunity to apply for up to \$30,000 worth of fully paid ordinary shares in the Company at the same price, being \$0.24 per share.

If an eligible shareholder holds shares as a 'custodian' (as that term is defined in ASIC Regulatory Instrument 2019/547), 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 \$3 million. 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 9 September 2020 however the timetable is subject to change therefore shareholders are encouraged, following receipt of the SPP documentation, to lodge their applications ahead of the advertised closing date.

Event	Date
Record Date (for determining shareholders' entitlements to participate in the SPP)	29 July 2020
Announcement of Placement and SPP	30 July 2020
Despatch of SPP documentation	7 August 2020
Opening date of SPP	7 August 2020
Closing date of SPP	9 September 2020
Allotment and issue of SPP shares	15 September 2020

Full details of the SPP will be contained within offer documentation to be despatched to shareholders on or around 7 August 2020.

Use of Funds

The funds secured by the capital raising will be used mainly to progress drilling activities aimed at growing the Resource and expanding future development options at the 600km² Lake Roe Gold Project. Since the start of 2020, drilling has identified three large-area growth/discovery targets and has established a solid foundation to expand the 1Moz open pit Resource[#] at Bombora, which remains open in all directions.

The three areas targeted for growth are:

- ✦ Bombora Deepes – recent drilling has resulted in discovery and material extension. There is now +2km strike length of high grade lodes below the open pit Resource;
- ✦ Kopai-Crescent – 3km north of Bombora where early drilling points to a 2km-long discovery zone that links the Kopai and Crescent prospects. This has the potential to materially expand the shallow gold inventory; and
- ✦ Carbineer area – 400m east of Bombora, where maiden drilling hit high-grade gold of up to 4m at 21.79g/t Au (ASX Release 2 July 2020) in a new unit of quartz dolerite. The Carbineer drilling also upgrades the potential for Wallaby-style (syenite-associated) gold over a 12km distance on the contact of the Swan Lake Syenite.

The balance of funds will be used for general working capital.

About Breaker Resources NL/Lake Roe Gold Project

Breaker Resources NL listed on the ASX in 2012 to look for large new gold systems concealed by transported cover in Western Australia's Eastern Goldfields Superterrane.

In 2015, the Company made a greenfields discovery situated between two large operating mines 100km east of Kalgoorlie using a systematic structural and geochemical approach.

Over the next few years, Breaker drilled 250,000m of RC and DD to develop a detailed understanding of the deposit, and to de-risk a 1Moz open pit Resource# to establish an early development option (80% Indicated; feasibility-level metallurgy; advanced environmental and hydro studies).

The deposit starts 5m from surface and is high-grade by nature. The closest geological analogy is the Golden Mile deposit -- three lode orientations over a large area hosted mainly in upper, iron-rich part of a fractionated dolerite (the dominant mineralisation style in WA). The high-grade nature of the deposit creates scope to go underground in the longer term.

The deposit is open in all directions and prior to 2020, drilling outside the Resource was limited due to the early focus on developing an early open pit development option at Bombora.

The Company's now plans to grow the Resource with the dual aims of building value and expanding the future development options. This strategy is having early success based on the results from three drill rigs operating continuously since early 2020. It is now clear that the 1Moz Resource# is part of a much larger, 10-15km-long gold system.

Collectively, the results point to a rare large greenfields gold system in the early stages of delineation. The project is 100%-owned with 600km² of tenure with and a granted mining lease, and 40km of strike potential.

Authorised by the Board of Directors



Tom Sanders
Executive Chairman
Breaker Resources NL

30 July 2020

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

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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, a Competent Person, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Sanders is an executive 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 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.

#The information in this report that relates to the Mineral Resource is based on material 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 market announcement, and that all material assumptions and technical parameters underpinning the estimate in the 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 0.50g/t Au cut-off
- All figures rounded to reflect the appropriate level of confidence (apparent differences may occur due to rounding)