BREAKER
Resources NL

Financial Report for the Half Year ended 31 December 2014

This Financial Report for the Half Year ended 31 December 2014 is to be read in conjunction with the Financial Report for the Year ended 30 June 2014 and any announcements made to the market during the half year ended 31 December 2014.

Corporate Directory

Board of Directors

Mr Thomas Sanders	Executive Chairman
Mr Mark Edwards	Non-Executive Director
Mr Michael Kitney	Non-Executive Director

Company Secretary

Miss Michelle Simson

Principal Place of Business & Registered Office

12 Walker Avenue
West Perth, Western Australia 6005

Tel:	+61 8 9226 3666
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Email:	breaker@breakerresources.com.au
Website:	www.breakerresources.com.au

Auditors

Rothsay Chartered Accountants
Level 1, 4 Ventnor Avenue
West Perth, Western Australia 6005

Share Registry

Advanced Share Registry Services
110 Stirling Highway
Nedlands, Western Australia 6009

Securities Exchange Listing

Shares and Partly Paid Shares in Breaker Resources NL are quoted on ASX Limited (codes: BRB and BRBCA respectively). The Home Exchange is Perth, Western Australia.

Financial Report
for the Half Year ended 31 December 2014

Competent Person Statement
The information in this report that relates to Exploration Targets and Exploration Results is based on information 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 both shareholders and option holders of 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' (JORC Code). 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.

Directors' Report

The directors of Breaker Resources NL (**Breaker**) herewith submit the financial report for the half year ended 31 December 2014. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Names of Directors

The names of the directors of the Company during or since the end of the half year are:

- Mr Thomas Sanders
- Mr Mark Edwards
- Mr Michael Kitney

The above named directors held office during and since the end of the half year.

Review of Operations

Breaker Resources NL's exploration strategy is based on the use of modern multi-element soil geochemistry to scan for large gold systems near major crustal faults in unexplored areas of WA's Eastern Goldfields Superterrane (**EGST**). An ongoing focus on drill target generation, strategic joint venture to manage risk and selective drilling where advantageous, supports this strategy.

Since ASX listing in April 2012, Breaker has identified multiple, large, drill-ready targets on all retained projects. At period end, the Company held 21 granted tenements and five applications were pending, representing 3,895km^2. A large portfolio of undrilled gold-in-soil/structural targets in a high-endowment gold province like the EGST is uncommon and gives the Company a strong foundation for growth.

During the reporting period, the Company's exploration activities included aircore drilling, soil and rock chip sampling, field reconnaissance, geological mapping and ongoing, in-depth analysis of previous and current results.

At the Dexter Project, Breaker previously identified two regional scale gold-in-soil anomalies under sand cover at the Three Bears-Tallows and Sandshoes Prospects that continue to be a key focus. Efforts to locate the bedrock gold source(s) of the anomalies are still underway, with further reverse circulation drilling planned. Initial aircore drilling (120 holes; 6,034m) completed in September 2014 at the Sandshoes Prospect identified secondary redox gold anomalism on all drill lines intersecting the soil anomaly. Reverse circulation (**RC**) drilling to test the inferred bedrock source on the eastern margin of the anomaly is planned.

Recent soil sampling in the northern part of the Dexter Project identified a priority gold-in-soil anomaly on a rotated section of the Yamarna Shear. The anomaly is defined by gold values >3.0ppb over a strike length of 8km and a width of up to 2,400m and is supported by elevated arsenic and molybdenum (ASX Release 31 October 2014).

At the Duketon North, Attila West, Mt Gill and De La Poer Projects, structural targeting and soil sampling by the Company previously identified a large number of undrilled gold-in-soil anomalies with associated gold pathfinder elements that are spatially associated with splays of prominent regional faults. A recent tenement application extended the eastern margin of the Duketon North Project over a 22km strike length of the Lulu/Turnback fault zone and is directly along strike of the Moolart Well gold deposit. Strongly anomalous gold-in-soil values identified from historic nickel exploration have not been drilled and the area is a high priority gold target that the Company will pursue upon tenement grant.

At the Kurrajong Project, the principal target is a 5km-long, NE-trending bend in the Dorothy Hills greenstone belt that has similarities with the structural setting of the Gruyere deposit to the north. Initial scout aircore drilling in 2014 indicates ~100m of Permian cover. RC drilling will benefit from a $150,000 co-funded drilling grant under the WA Government's Exploration Incentive Scheme.

On corporate matters, three (3) listed options (ASX: BRBO) were exercised during the reporting period. The remaining listed options on issue expired on 31 December 2014. Subsequent to half year end, 400,000 unlisted options lapsed. As at the date of this report, the Company's capital structure comprises:

- 68,875,008 fully paid ordinary securities (ASX: BRB);
- 6,887,498 partly paid shares (paid up to $0.01; fully paid at $0.20) (ASX: BRBCA); and
- 8,000,000 unlisted options (various exercise prices and expiry dates).

In November 2014 the Company received a cash rebate under the federal government's Research & Development Incentive Scheme of $926,686 relating to activities undertaken during 2013/14. The Company's cash in hand as at 31 December 2014 was approximately $1.8 million.

Auditor's Independence Declaration

The Auditor's Independence Declaration is included on page 3 and forms part of the Directors' Report for the half year ending 31 December 2014.

Signed in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the directors

TOM SANDERS
Executive Chairman

Perth, 26 February 2015

ROTHSAY
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The Directors
Breaker Resources NL
12 Walker Ave
West Perth WA 6005

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 31 December 2014 financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 26 February 2015

Chartered Accountants

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

Condensed Statement of Profit or Loss and Other Comprehensive Income for the Half Year ended 31 December 2014

	Notes	31 December 2014 $	31 December 2013 $
Revenue			
Government grant and incentive		**926,686**	30,273
Interest income	3	**24,119**	14,995
Other income		**59**	-
Total Revenue		**950,864**	45,268
Expenditure			
Administration expenses		**(201,599)**	(212,214)
Depreciation	3	**(47,106)**	(50,118)
Employee benefits	3	**(80,975)**	(103,407)
Exploration and evaluation expenses		**(841,826)**	(1,363,553)
Interest expense		**(86)**	(672)
Total expenditure		**(1,171,592)**	(1,729,964)
Loss before income tax		**(220,728)**	(1,684,696)
Income tax expense		**-**	-
Loss for the period		**(220,728)**	(1,684,696)
Other comprehensive income		**-**	-
Total comprehensive expense for the period		**(220,728)**	(1,684,696)
Basic and diluted loss per share attributable to the ordinary equity holders of the Company (cents per share)		**(1.28)**	(3.05)

The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Statement of Financial Position as at 31 December 2014

	Notes	31 December 2014 $	30 June 2014 $
Current assets			
Cash and cash equivalents		**1,138,730**	457,575
Term deposit		**700,000**	-
Trade and other receivables		**43,964**	1,818,885
Total current assets		**1,882,694**	2,276,460
Non-current assets			
Plant and equipment		**142,872**	189,978
Other financial assets		**36,410**	36,410
Total non-current assets		**179,282**	226,388
Total assets		**2,061,976**	2,502,848
Current liabilities			
Trade and other payables		**94,143**	308,953
Borrowings		**-**	5,335
Total current liabilities		**94,143**	314,288
Total liabilities		**94,143**	314,288
Net assets		**1,967,833**	2,188,560
Equity			
Contributed equity	5	**9,743,750**	9,743,749
Reserve		**469,533**	469,533
Accumulated losses		**(8,245,450)**	(8,024,722)
Capital and reserve attributable to owners of the Company		**1,967,833**	2,188,560
Total equity		**1,967,833**	2,188,560

The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.

Condensed Statement of Changes in Equity for the Half Year ended 31 December 2014

	Contributed Equity $	Share-based Payments Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2013	8,323,675	469,533	(6,981,900)	1,811,308
Profit/(Loss) for the period	-	-	(1,684,696)	(1,684,696)
Total comprehensive income/(expense) for the period	-	-	(1,684,696)	(1,684,696)
Transactions with owners in their capacity as owners:				
Shares issued during the period	1,584,125	-	-	1,584,125
Share issue transaction costs	(156,840)	-	-	(156,840)
Balance at 31 December 2013	9,750,960	469,533	(8,666,596)	1,553,897
Balance at 1 July 2014	**9,743,749**	**469,533**	**(8,024,722)**	**2,188,560**
Profit/(Loss) for the period	**-**	**-**	**(220,728)**	**(220,728)**
Total comprehensive income/(expense) for the period	**-**	**-**	**(220,728)**	**(220,728)**
Transactions with owners in their capacity as owners:				
Shares issued during the period	**1**	**-**	**-**	**1**
Balance at 31 December 2014	**9,743,750**	**469,533**	**(8,245,450)**	**1,967,833**

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
for the Half Year ended 31 December 2014

	31 December 2014 $	31 December 2013 $
Cash flows from operating activities		
Payments to suppliers and employees	**(375,650)**	(261,491)
Payments for exploration and evaluation expenditure	**(969,726)**	(1,851,270)
Government grant received	**-**	30,273
R&D tax incentive received	**2,707,833**	-
Interest received	**24,119**	14,995
Interest paid	**(86)**	(672)
Net cash inflow/(outflow) from operating activities	**1,386,490**	(2,068,165)
Cash flows from investing activities		
Change in term deposit	**(700,000)**	-
Payments for plant and equipment	**-**	(1,006)
Proceeds from other financial assets	**-**	13,000
Net cash inflow/(outflow) from investing activities	**(700,000)**	11,994
Cash flows from financing activities		
Proceeds from issue of ordinary shares	**1**	1,584,125
Payments of share issue costs	**-**	(27,258)
Repayment of borrowings	**(5,336)**	(7,460)
Net cash inflow/(outflow) from financing activities	**(5,335)**	1,549,407
Net increase/(decrease) in cash and cash equivalents	**681,155**	(506,764)
Cash and cash equivalents at the beginning of the period	**457,575**	2,250,187
Cash and cash equivalents at the end of the period	**1,138,730**	1,743,423

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Condensed Financial Statements for the Half Year ended 31 December 2014

1. Significant Accounting Policies

(a) Statement of compliance

The half year financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards and Interpretations (**Standards**) issued by the Australian Accounting Standards Board (**AASB**), in particular AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

(b) Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at fair values at the end of each reporting period, as disclosed in the accounting policies below. Historical cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's Financial Report for the Year ended 30 June 2014, except for the impact of the Standards described below. These accounting policies are consistent with the Standards and with International Financial Reporting Standards.

(c) Adoption of new and revised accounting standards

The Company has adopted all of the new and revised Standards issued by the AASB that are relevant to its operations and effective for the current half year.

New and revised Standards and amendments thereof effective for the current half year that are relevant to the Company include:

- AASB 1031 'Materiality' (2013);
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities';
- AASB 2014-1 'Amendments to Australian Accounting Standards';
- AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'; and
- AASB 2014-1 'Amendments to Australian Accounting Standards' – Part C: 'Materiality'.

Impact of the application of AASB 1031 'Materiality' (2013)
The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards, and once all these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031 does not have any material impact on the disclosures or the amounts recognised in the Company's condensed financial statements.

Impact of the application of AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
The Company has applied the amendments to AASB 132 for the first time in the current year. The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'. The amendments have been applied retrospectively. As the Company does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Company's condensed financial statements.

Impact of the application of AASB 2014-1 'Amendments to Australian Accounting Standards' Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycle'
The Annual Improvements 2010-2012 Cycle include a number of amendments to various Standards, which are summarised below:

- The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

- The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to AASB 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

- The amendments to AASB 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

- The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

- The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

- The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The 'Annual Improvements 2011-2013 Cycle' include a number of amendments to various Standards, which are summarised below:

- The amendments to AASB 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

- The amendments to AASB 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, AASB 139 or AASB 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within AASB 132.

- The amendments to AASB 140 clarify that AASB 140 and AASB 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

  (a) the property meets the definition of investment property in terms of AASB 140; and
  (b) the transaction meets the definition of a business combination under AASB 3.

Impact of the application of AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'

This amending standard makes amendments to particular Standards to delete references to AASB 1031; at the same time it makes various editorial corrections to Standards. The adoption of the amending standard does not have any material impact on the disclosures or the amounts recognised in the Company's condensed financial statements.

Impact of the application of AASB 2014-1 'Amendments to Australian Accounting Standards'-Part C: "Materiality"

This amending standard makes amendments to particular Standards to delete their references to AASB 1031, which historically has been referenced in each Standard. The adoption of the amending standard does not have any material impact on the disclosures or the amounts recognised in the Company's condensed financial statements.

2. Segment Reporting

For management purposes, the Company has identified only one reportable segment as exploration activities undertaken in Australia. This segment includes activities associated with the determination and assessment of the existence of commercial economic reserves from the Company's mineral assets in this geographic location. Segment performance is evaluated based on the operating profit and loss and cash flows and is measured in accordance with the Company's accounting policies.

	31 December 2014 $	31 December 2013 $
Segment revenue	**926,686**	30,273
Reconciliation of segment revenue to total revenue before tax:		
Interest income and other income	**24,178**	14,995
Total revenue	**950,864**	45,268
Segment result	**84,860**	(1,333,280)
Reconciliation of segment result to net loss before tax:		
Depreciation	**(47,106)**	(50,118)
Other corporate and administration net expenses	**(258,482)**	(301,298)
Net profit/(loss) before income tax	**(220,728)**	(1,684,696)

	31 December 2014 $	30 June 2014 $
Segment operating assets	**121,103**	161,336
Reconciliation of segment operating assets to total assets:		
Other corporate and administration assets	**1,940,873**	2,341,512
Total assets	**2,061,976**	2,502,848
Total assets includes additions to non-current assets	**-**	1,006
Segment operating liabilities	**44,496**	172,396
Reconciliation of segment operating liabilities to total liabilities:		
Other corporate and administration liabilities	**49,647**	141,892
Total liabilities	**94,143**	314,288

3. Revenue and Expenses

Loss for the half year includes the following revenue and expenses items:

	31 December 2014 $	31 December 2013 $
Interest income	**24,119**	14,995
Depreciation	**(47,106)**	(50,118)
Employee benefits expenses		
⌘ Wages, salaries and superannuation	**(43,623)**	(59,751)
⌘ Directors' fees	**(32,000)**	(40,000)
⌘ Others	**(5,352)**	(3,656)
Exploration expenditure	**(841,826)**	(1,363,553)

4. Dividends

There were no dividends paid or declared by the Company during the period.

5. Equity Securities Issued

	31 December 2014 #	31 December 2013 #	31 December 2014 $	31 December 2013 $
Movement of ordinary shares:				
Beginning balance	**68,875,005**	55,100,004	**9,674,874**	8,323,675
Issued during the period, net of transaction costs	**3**	13,775,001	**1**	1,351,199
Ending balance:	**68,875,008**	68,875,005	**9,674,875**	9,674,874
Movement of partly paid shares:				
Beginning balance	**6,887,498**	-	**68,875**	-
Issued during the period	**-**	6,887,498	**-**	68,875
Ending balance	**6,887,498**	6,887,498	**68,875**	68,875

Movement of options:
28,137,495 options exercisable at $0.25 expired during the period. The Company had 8,400,000 options on issue at 31 December 2014.

6. Commitments

Exploration Commitments:

The Company has certain commitments to meet minimum expenditure requirements on the mining exploration assets in which it has an interest. Outstanding exploration commitments are as follows:

	31 December 2014 $	30 June 2014 $
Within one year	**1,416,334**	1,287,334

Lease Commitments:

The Company leases its office under a non-cancellable operating lease expiring within three (3) years. Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	31 December 2014 $	30 June 2014 $
Within one year	**77,935**	76,601
Later than one (1) year but not later than five (5) years	**26,169**	65,422
	104,104	142,023

7. Contingencies

Pursuant to a mineral exploration and land access agreement (**MELA Agreement**) with the Cosmo Newberry (Aboriginal Corporation) and Yilka Native Title Group (WAD297/08) (together the **Indigenous Party**), as amended on 20 June 2014, the Company, whilst it holds certain tenement licences, must pay to the Indigenous Party an annual fee. The fee is payable within seven (7) days of each anniversary of the date of the MELA Agreement and comprises an amount of $200,000 indexed for CPI (All Groups) pro rata to the proportion of land held at the anniversary date compared to that held at the commencement date of the MELA Agreement.

In addition to the above, within 28 days of the Company filing exploration expenditure reports with the Department of Mines and Petroleum, the Company must pay the Indigenous Party 15% of its overall exploration expenditure in relation to the area the subject of the MELA Agreement for the previous year less the relevant annual fee payable for that year, where 15% of its overall exploration expenditure for the previous year is greater than the relevant annual fee payable for that year.

8. Related Party Transactions

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

During the period the Company paid a total of $127,985 to Goldfields Geological Associates in exchange for Mr Thomas Sanders' services. The amount also included the reimbursement to him for other Company expenses.

9. Subsequent Events

There were no matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Company and the results of those operations on the state of the affairs of the Company in the financial period subsequent to 31 December 2014.

Directors' Declaration

The directors declare that:

- In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

- In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the directors

TOM SANDERS
Executive Chairman

Perth, 26 February 2015

ROTHSAY

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Independent Review Report to the Members of Breaker Resources NL

The financial report and directors' responsibility
The interim financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Breaker Resources NL for the period ended 31 December 2014.

The Company's directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach
We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the financial position as at 31 December 2014 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Breaker Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence
In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Breaker Resources NL is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the financial position as at 31 December 2014 and of the performance for the period ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay

Rothsay

Graham R Swan
Partner

Dated 26 February 2015

Chartered Accountants