# BREAKER Resources NL

# QUARTERLY REPORT September 2014

## HIGHLIGHTS

### EXPLORATION

- **Dexter Gold Project**
  - Scout aircore drilling (7,314m) of Sandshoes and Dexter West soil anomalies completed
  - Secondary redox gold anomalism on all drill lines at Sandshoes Prospect, best intercept of 8m at 180ppb Au
  - RC drilling planned to test inferred bedrock gold source on flank of Sandshoes anomaly
  - Significant new gold-in-soil anomaly identified on Yamarna Shear in northern portion of the Dexter Project
- **Other Projects**
  - Large drill-ready targets on all projects
  - Four tenements granted and two applications submitted during the quarter

### CORPORATE/STRATEGIC

- Ongoing strategy of targeted drilling and joint venture where beneficial to accelerate exploration
- 2013/14 research and development registration progressed
- Financial Report, Annual Report and Notice of AGM released

**Photo 1: Aircore Drilling at Dexter Project**



**Corporate**

**Issued Securities:**
68.9 million ordinary shares
6.9 million partly paid shares
28.1 million listed options
8.4 million unlisted options

**Cash:** *(30 September 2014)*
$1.5 million

**Market Capitalisation:**
$5.2 million @ $0.075/share

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**ABN:** 87 145 011 178

**ASX CODE:** BRB

## OVERVIEW

*Breaker Resources NL's (ASX: BRB; "Breaker") strategy is based on the use of wide-spaced, fine fraction multi-element soil geochemistry to scan for large gold systems near major crustal faults concealed by transported cover in unexplored parts of a world class gold province.*

*Since listing in April 2012, Breaker has identified multiple, large, drill-ready targets on all retained projects. Breaker's projects include approximately 150km of the Yamarna Shear Zone and a number of historically undrilled greenstone belts/rocks. Several of Breaker's projects are situated along strike from significant gold discoveries in the Yamarna and Duketon area. Breaker is one of the largest tenement holders (~3,519km²) in an emerging part of the Eastern Goldfields Superterrane.*

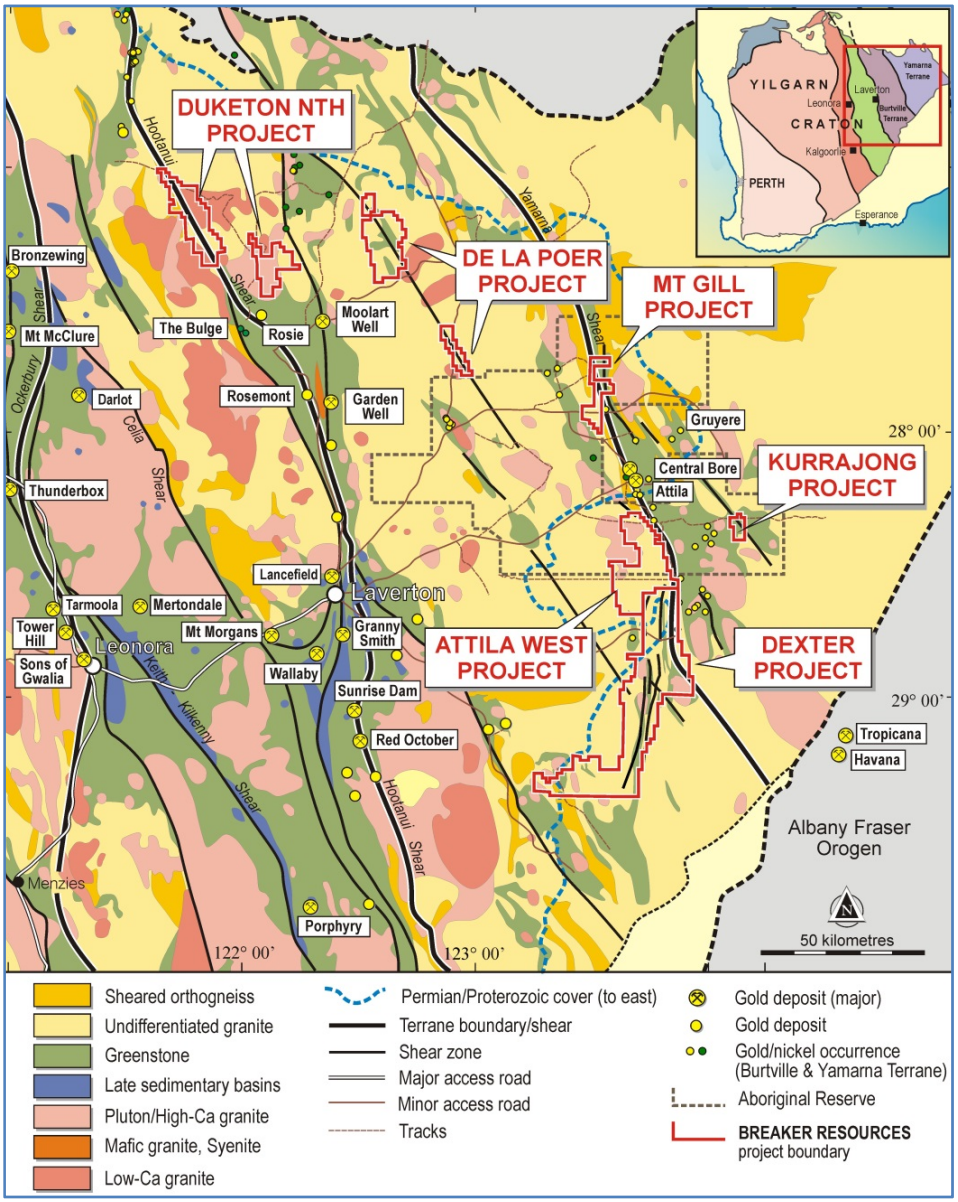


**Figure 1: Project Location Map**

## EXPLORATION AND EVALUATION

### Dexter Gold Project September 2014 Quarter Exploration Activities

The 90km-long Dexter Gold Project straddles the intersection of the Yamarna, Dexter and Sefton Shear Zones in the southern part of the Burtville and Yamarna Terranes, 140km south-southeast of Laverton (Figure 1). The Dexter Project includes extensive areas of previously unexplored sheared Archean greenstone covered by thin aeolian sand, and variable thicknesses of Permian sediment (Figure 2).

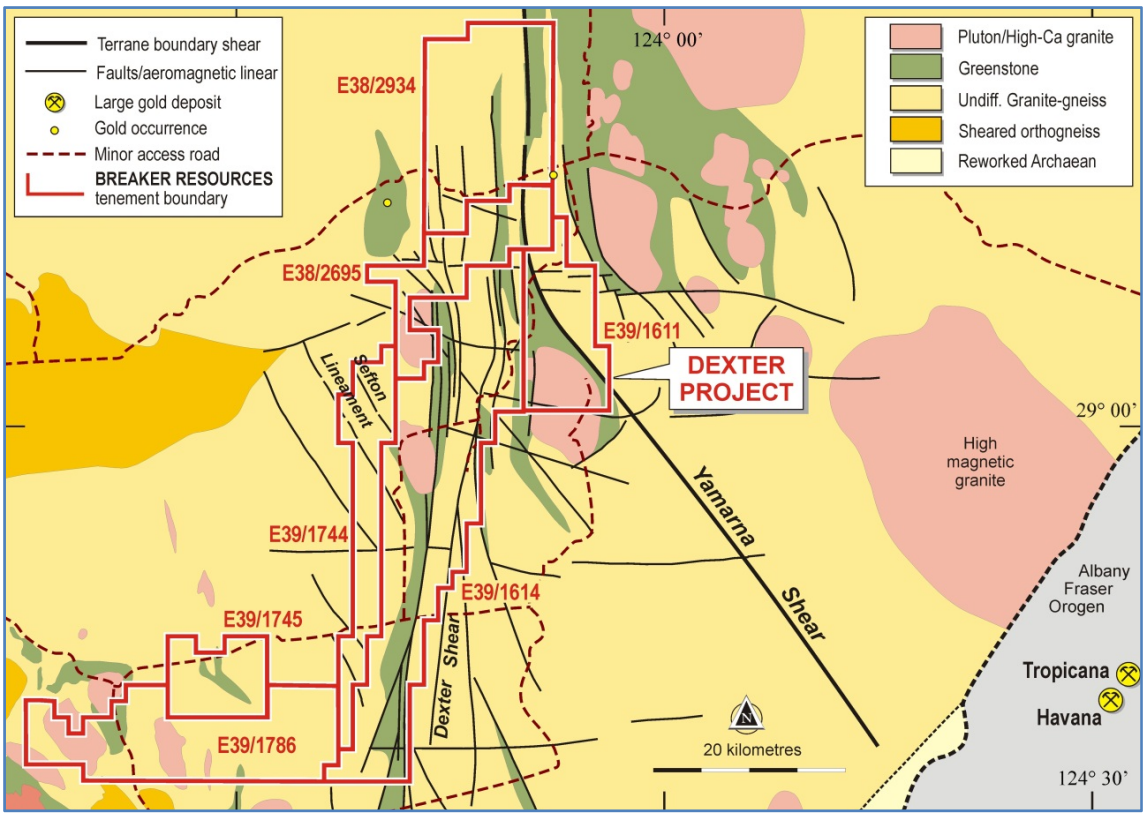


**Figure 2: Dexter Project - Interpreted Geology**

A total of 7,314m of reconnaissance aircore drilling was completed in September 2014 as a preliminary assessment of the Sandshoes and Dexter West soil anomalies (Figure 3). The drilling comprised 120 holes for 6,034m at the Sandshoes Prospect and northern extensions, and 20 holes for 1,280m at the Dexter West Prospect. The minimum drill hole spacing was 1,600m x 400m. Soil sampling was also completed on E38/2934 (Figures 2 & 5). Technical details relating to the drilling and soil sampling are provided in Sections 1 and 2 of this report.

*Sandshoes Prospect Aircore Drilling*

Aircore drilling at the Sandshoes Prospect targeted a 12km-long gold-in-soil anomaly with a peak gold value of 35ppb situated 20km to the southwest of the Three Bears-Tallows Prospect (ASX Release 31 October 2013). The previously undrilled anomaly is in an area of sand cover, near the intersection of the Sefton Lineament and the Dexter Shear Zone.

Drilling identified secondary redox gold anomalism on all drill lines intersecting the Sandshoes anomaly with peak values underlying areas of elevated gold-in-soil values. Numerous intersections above 50ppb were encountered on the Sandshoes trend, with best intercepts of 31m at 33ppb Au from 12m to end of hole (BAC0658) and 8m at 180ppb Au from 40m (BAC0675) based on 4m composite samples (10ppb cut-off and 4m internal dilution).

Drilling did not penetrate the inferred bedrock source of the Sandshoes gold-in-soil anomaly, a granite-cored sequence of greenstone situated on the eastern margin of the soil anomaly (Figure 4), due to the presence of a fresh conglomerate at the base of the Permian cover sequence. The conglomerate also affected drilling in the southern half of the anomaly, with most holes failing to reach Archean bedrock. Transported cover varied from 9m to >90m in thickness, generally getting deeper to the south and east. Basement rocks, where intersected, were dominated by granitoid with the maximum gold value in the basement rocks of 8m at 76ppb Au associated with sheared and veined granite.

Reverse circulation drilling to test the inferred bedrock source is planned.

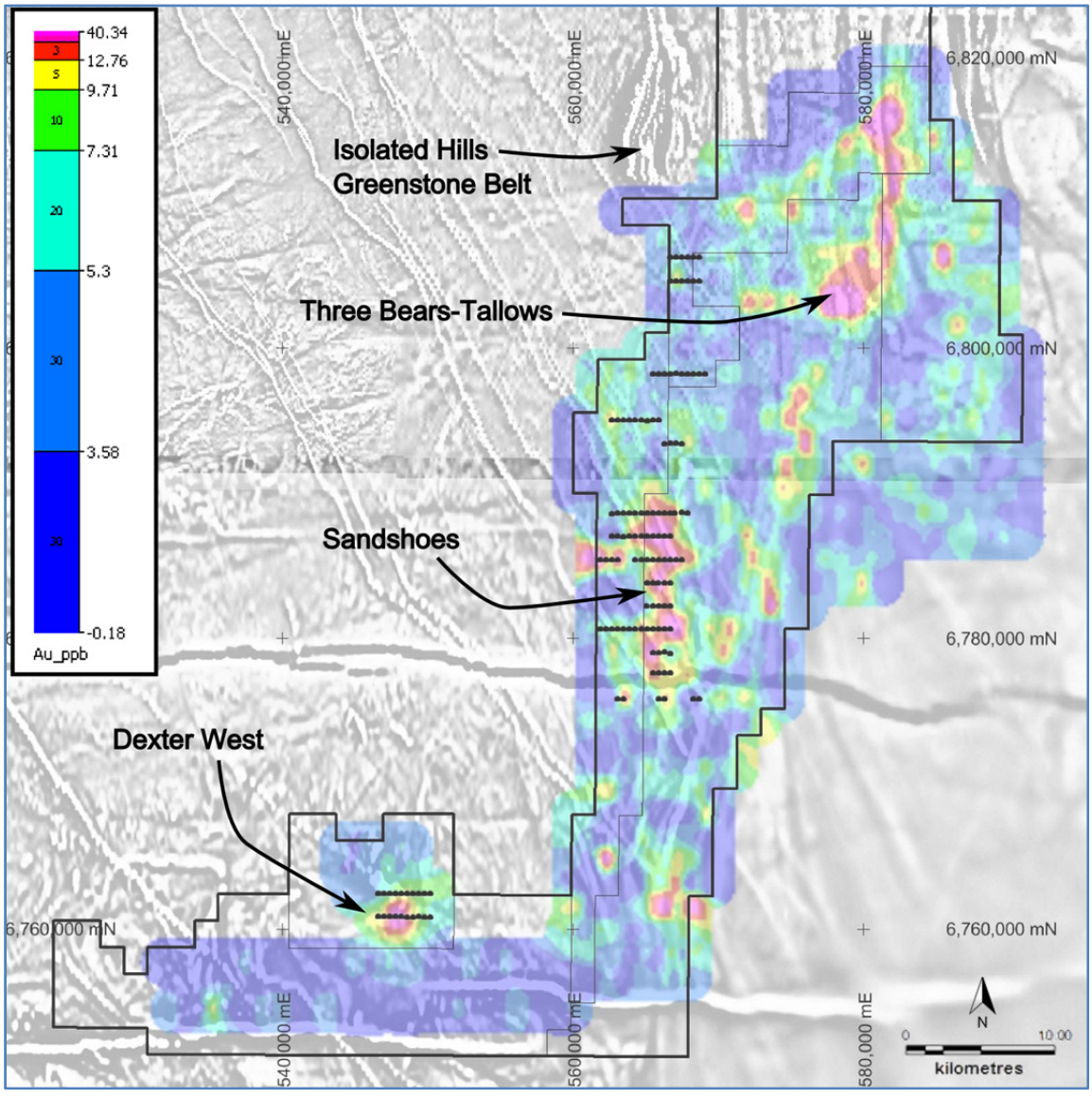


**Figure 3: Dexter Project – Imaged Gold-in-Soil with Latest Aircore Drill Holes over Imaged Aeromagnetics**

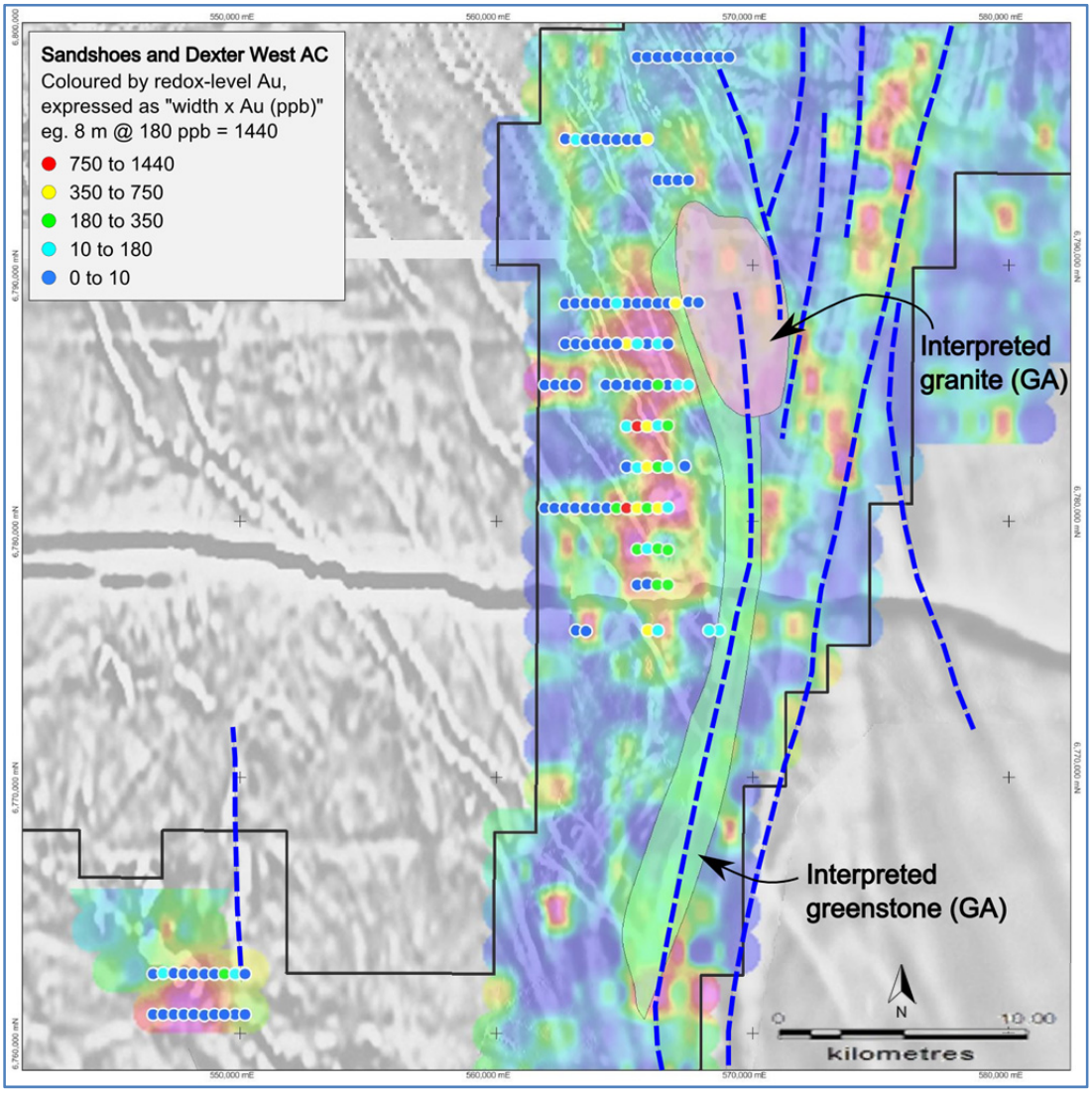


**Figure 4: Sandshoes and Dexter West Prospects – Imaged Gold-in-Soil with September 2014 Aircore Drill Holes Colour-coded by Redox Gold over Imaged Aeromagnetics**

*Dexter West Prospect Aircore Drilling*

Aircore drilling at the Dexter West Prospect targeted a 5km x 2km gold-in-soil anomaly exceeding 9ppb Au (maximum value of 32ppb Au; ASX Release 15 July 2014) coincident with a discrete magnetic signature inferred to be greenstone.

The drilling identified weakly anomalous gold in surficial gravels that overly 25m to 66m of transported Permian cover, indicating the anomaly results from transported gravel and is unprospective. No significant gold values were identified in the basement rocks which consisted of granite and amphibolite, the latter most likely responsible for the discrete magnetic feature.

*Soil Sampling*

A soil sampling program was completed on E38/2934 (Mt Douglas), a recent application that links the Dexter Project to the Attila West Project to the north (Figures 1 & 2). A total of 474 soil samples were collected (504 samples including QA/QC samples) on a 1,600 x 400m pattern

over the entire tenement area (Figure 5). The samples were analysed (aqua regia) for 63 elements at MinAnalytical Laboratory Services Australia Pty Ltd (Perth).

The soil sampling identified several anomalous areas returning a peak gold value of 6.6ppb against a background 1.5-2.0ppb. The priority anomaly is situated under transported cover on a rotated section of the Yamarna Shear Zone between two northeast-trending faults. This 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, in places. The northern extensions of the Dexter Shear Zone are highlighted by anomalism in molybdenum and bismuth, with scattered gold anomalism. Analysis of the data is continuing, and follow-up plans are being formulated.

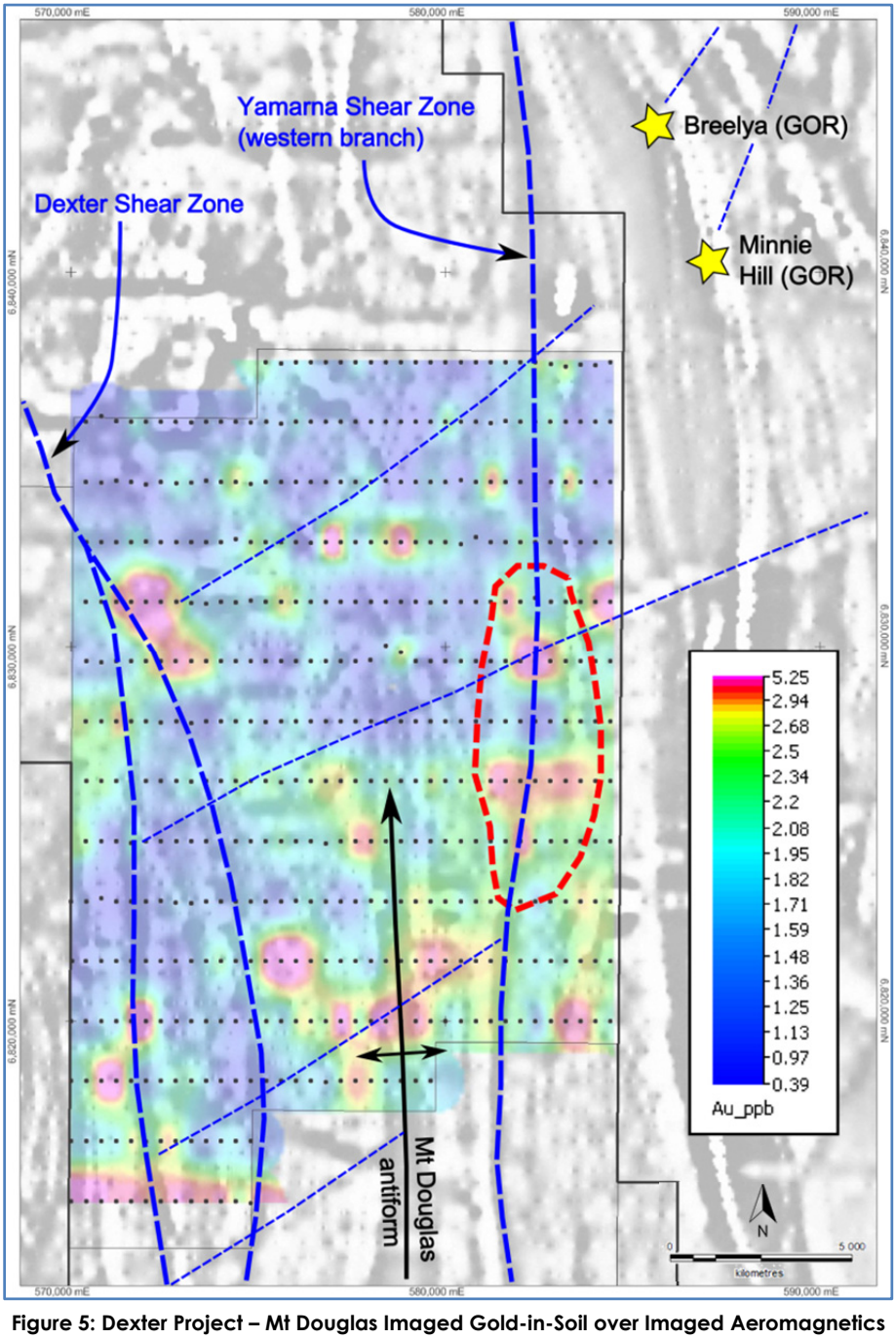


**Figure 5: Dexter Project – Mt Douglas Imaged Gold-in-Soil over Imaged Aeromagnetics**

## Attila West Gold Project September 2014 Quarter Exploration Activities

The 627km$^2$ Attila West Project is located 130km east-northeast of Laverton and is contiguous with the Dexter Project to the south (Figure 2). The Project targets gold in an area of structural complexity arising from the interaction of the Yamarna Shear Zone, a large domal granite intrusion in the central part of the Project, and the Mt Venn and Isolated Hills greenstone belts to the north and south of the granite (Figure 7). Thin Aeolian sand and Permian cover are generally present (10m-15m).

Activities in the quarter consisted of ongoing data analysis. Auger soil sampling in 2013 previously identified multiple untested gold-in-soil anomalies with coincident pathfinder elements that are spatially associated with fault splays of the Yamarna and Dexter/Isolated Hill shear zones (Figure 6; ASX Release 31 July 2013). In general, areas with anomalous gold-in-soil values often have a spatial correlation with late northeast-trending structures that have a spatial association with gold occurrences in the adjoining Yamarna greenstone belt. Aircore drilling of priority geochemical/structural targets is planned.

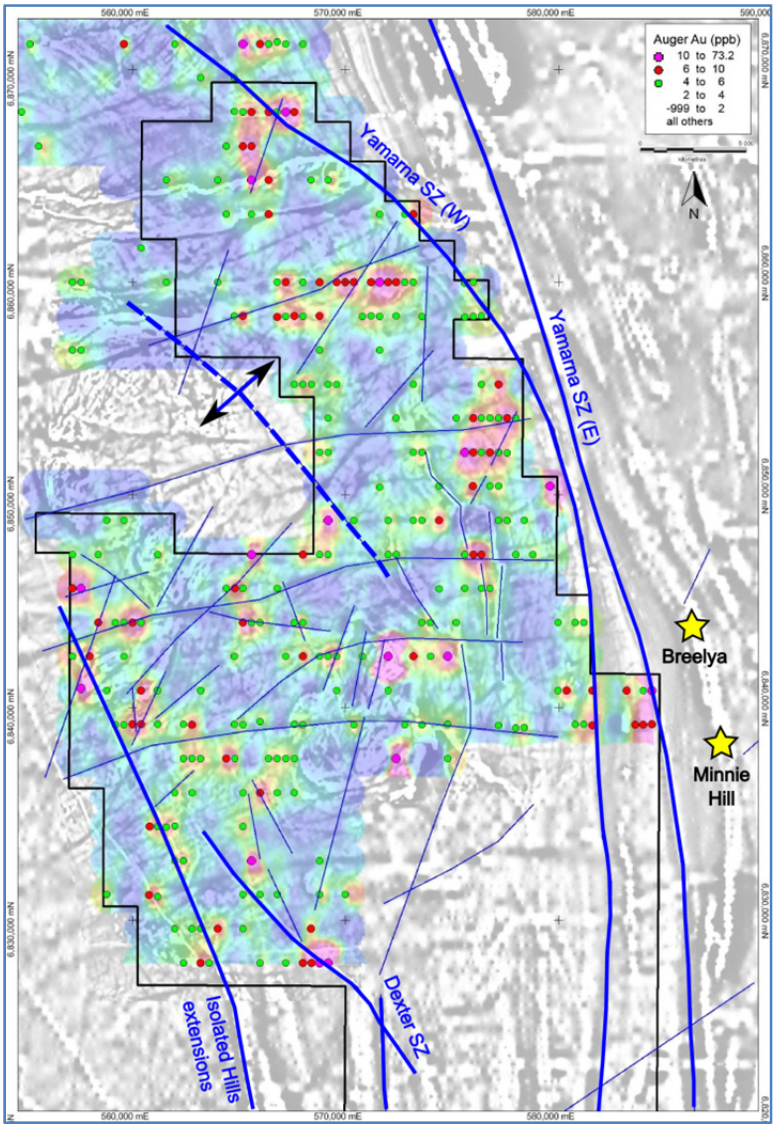


**Figure 6: Attila West Project - 1,600m x 400m Auger Gold on Imaged Gold over Imaged Aeromagnetics**

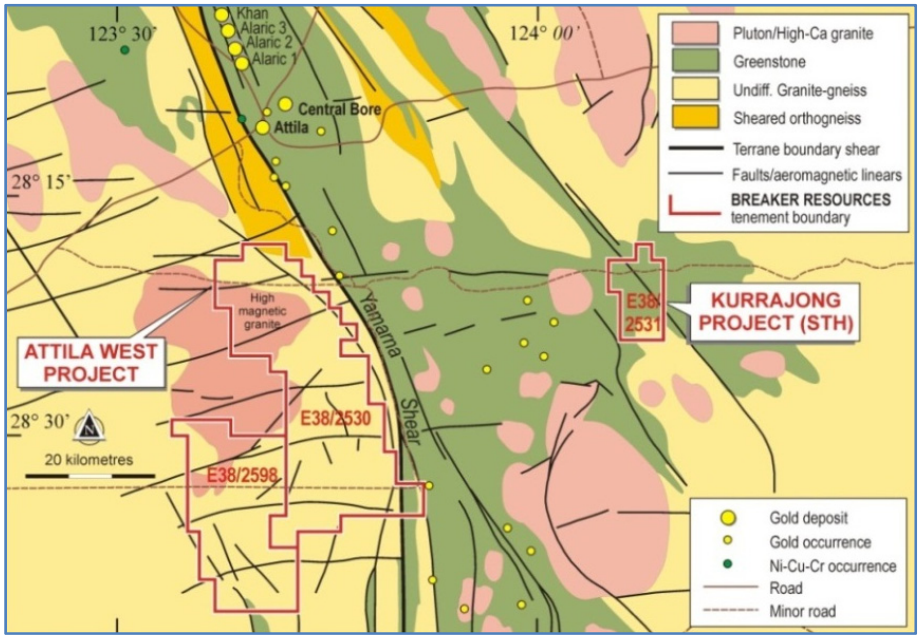


**Figure 7: Attila West and Kurrajong Projects - Interpreted Geology**

## Kurrajong Gold Project September 2014 Quarter Exploration Activities

The 54km$^2$ Kurrajong Project is located in the Yamarna Terrane, 175km east-northeast of Laverton and 35km along strike from the recent 3.8Moz Gruyere gold discovery, one of the more significant recent discoveries in the EGST in the last ten years (Figures 1 & 8). The principal target is a 5km-long NE-trending bend in the Dorothy Hills greenstone belt which is analogous to a similar bend in the vicinity of the Gruyere-Yam 14 gold discoveries to the north. Both areas are potentially dilational (open to the influx of mineralising fluids) during late dextral shearing mapped in the region. Initial scout aircore drilling in 2014 indicates ~100m of Permian cover.

Activities in the quarter consisted of ongoing data analysis. The Company has commenced planning for an RC drilling program, to utilise the co-funded drilling grant of $150,000 under the WA Government's Exploration Incentive Scheme. The grant will be matched by Breaker on a dollar-for-dollar basis of direct RC drilling costs incurred during 2014/15.

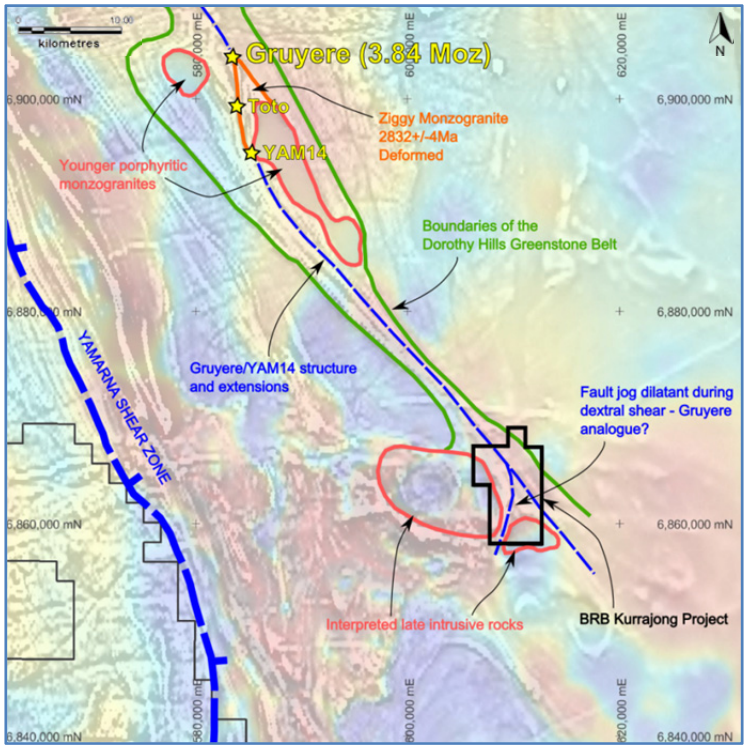


**Figure 8: Kurrajong Project - Imaged Gravity over Aeromagnetics**

## Mt Gill Gold Project September 2014 Quarter Exploration Activities

The 167km² Mt Gill Gold Project is located 135km northeast of Laverton, 30km along strike from the Attila-Alaric-Central Bore gold deposits (Figure 1). The Mt Gill Gold Project targets gold associated with a ~30km length of the Yamarna greenstone belt and footwall banded gneiss sandwiched between two elements of the Yamarna Shear Zone (central structural zone of Yamarna Shear Zone). The regolith is dominated by extensive thin aeolian sand overlying Archean bedrock which partially outcrops in the NE part of the project.

Previous 1,600m x 400m soil sampling has identified widespread gold and pathfinder anomalism spatially associated with the Yamarna Shear and Yamarna greenstone belt (gold up to 63ppb; ASX Release 30 October 2012). In the June 2014 quarter, 800m x 200m infill sampling confirmed four areas of interest defined by statistically anomalous populations of gold, arsenic, molybdenum and bismuth.

No field work was conducted during the September 2014 quarter. Activities in the quarter consisted of ongoing data analysis.

## Duketon North Gold Project September 2014 Quarter Exploration Activities

The Duketon North Project is located 160km north-northwest of Laverton and 50km north of the 10Moz Moolart Well-Garden Well-Rosemont gold camp (Figure 9). The project targets granite-and greenstone-hosted gold mineralisation on and adjacent to a 42km strike length of the Hootanui Shear, a major fault zone and terrane boundary that separates the Kurnalpi and Burtville Terranes. The project is dominated by granite with subordinate greenstone remnants apparent in the magnetics and chrome geochemistry. Outcrop is limited with thin (<2m) sand cover dominant over Archean basement.

Reconnaissance soil sampling in 2013 identified multiple gold-in-soil anomalies, many with associated gold pathfinder elements and a good spatial association with interlinking fault splays of the Hootanui Shear Zone and other structural features (Figure 10). The gold-in-soil anomalies have a peak value of 10ppb gold (ASX Release 31 January 2013) which is comparable to soil anomalies associated with the Moolart Well (3 to 7ppb gold) and Garden Well (3 to 25ppb gold) deposits to the south.

Activities in the quarter consisted of ongoing data analysis. No field work was conducted during the September 2014 quarter. Three tenement applications were granted, increasing the project tenure to six tenements and 628km². Aircore drilling of priority geochemical/structural targets is planned.

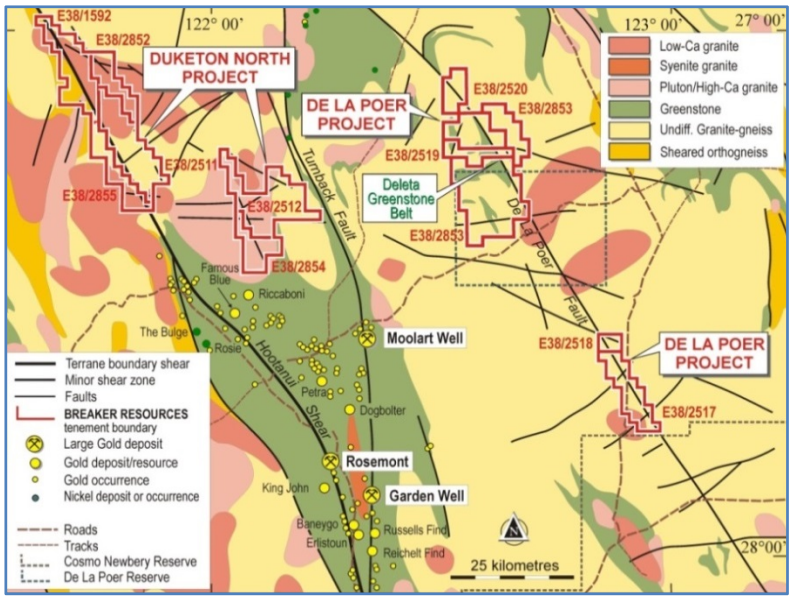


**Figure 9: Duketon & De La Poer Projects - Interpreted Geology**

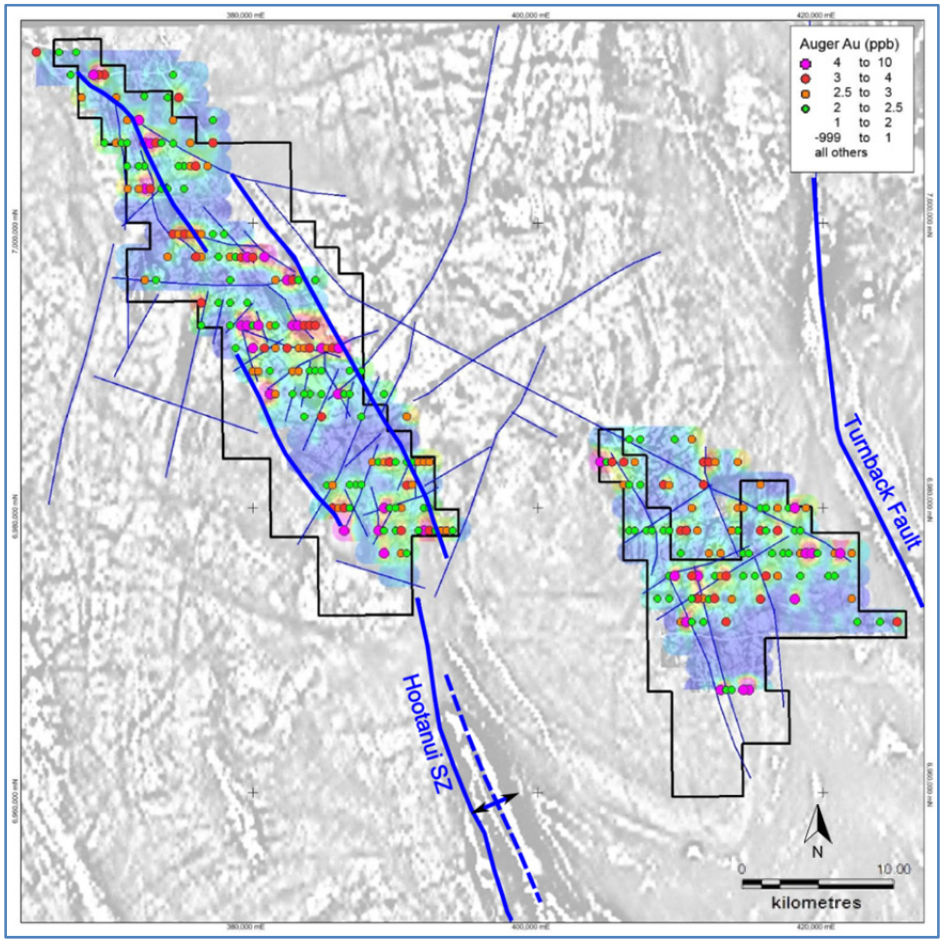


**Figure 10: Duketon North Project - 1,600m x 400m Auger Gold on Imaged Gold over Imaged Aeromagnetics**

## De La Poer Gold Project September 2014 Quarter Exploration Activities

The 523km$^2$ De La Poer Project is located in the Burtville Terrane, 130km northeast of Laverton and 50km east of the 10Moz Moolart Well/Garden Well/Rosemont gold camp (Figure 1). The De La Poer Project targets gold mineralisation spatially associated with the De La Poer Fault and the unexplored Deleta greenstone belt. The De La Poer Fault is a major north-northwest trending fault with an interpreted strike length of approximately 120km, originally described in 1999. Thin sand cover over Archean granitoid dominates with local areas of open eucalypt in areas of greenstone.

Activities in the quarter consisted of ongoing data analysis. No field work was conducted during the September 2014 quarter. Previous reconnaissance auger soil sampling identified multiple gold-in-soil anomalies of potential interest (ASX Release 30 April 2013). Gold-in-soil anomalies in the northern part of the De La Poer Project occur with anomalous pathfinder elements including arsenic, tungsten, tellurium, silver and tungsten. Most anomalies are spatially associated with axial planar structures and limbs of the folded Deleta greenstone belt which includes banded iron formation (Figure 11). In the southern part of the De La Poer Project, most gold-in-soil anomalies are situated near intersecting faults, and splays of the De La Poer Fault occur with anomalous pathfinder elements (Figure 12).

An exploration licence application was submitted during the quarter where the anomalies remain open. Aircore drilling of priority geochemical/structural targets is planned.

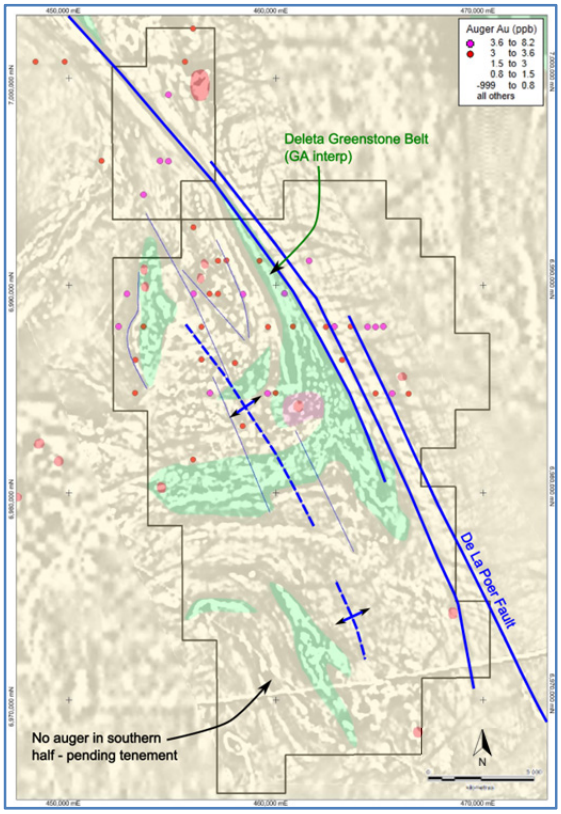


Figure 11a: De La Poer Project North – Gold-in-Soil over Imaged Magnetics and Interpreted Geology

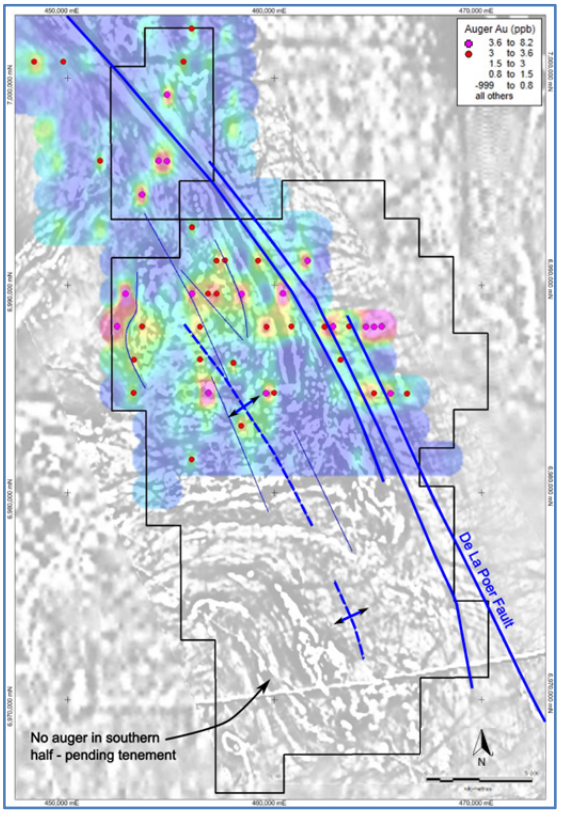


Figure 11b: De La Poer Project North – Gold-in-Soil on Imaged Gold over Imaged Aeromagnetics

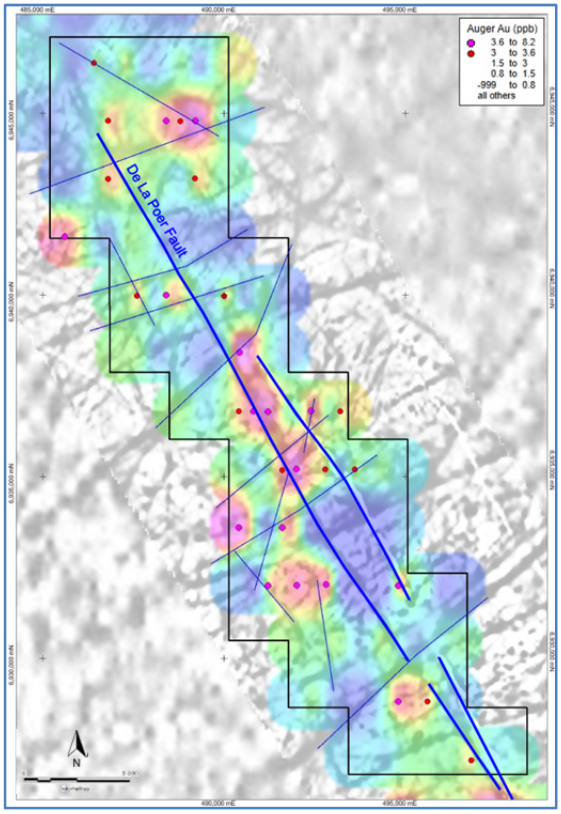


Figure 12a: De La Poer Project South – Gold-in-Soil on Imaged Gold over Imaged Aeromagnetics

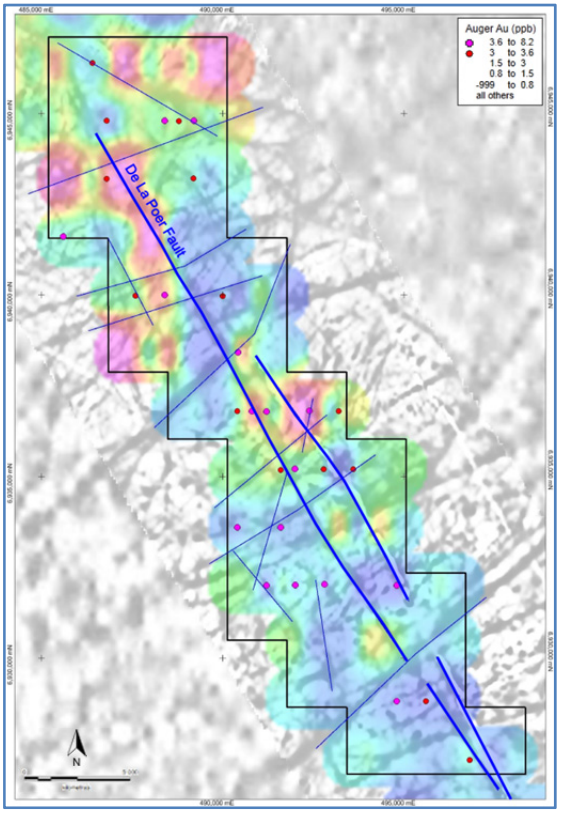


Figure 12b: De La Poer Project South – Gold-in-Soil on Imaged Arsenic over Imaged Aeromagnetics

## CORPORATE

The Company released the Financial Report for the year ending 30 June 2014 on 28 August and the 2014 Annual Report on 9 October. The 2014 Annual General Meeting is scheduled for Thursday, 20 November.

During the quarter, the Company's 2013/14 research and development registration was progressed. Subsequent to quarter end, the registration was submitted and the Company believes it will be eligible for a cash rebate under the Federal Government's R&D Tax Incentive Scheme.

Tom Sanders
Executive Chairman
**Breaker Resources NL** **31 October 2014**

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

**Tom Sanders**
**Tel: +61 8 9226 3666**
**Email: breaker@breakerresources.com.au**

**Table 1: Drill Hole Summary of Significant Intersections**

| Hole No | Prospect | Total Depth | Drill Type | North | East | RL | Dip | Azim | From | To | Width | Au ppm | Comment |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BAC0614 | Sandshoes | 71 | AC | 565899 | 6794997 | 428 | -90 | 360 | 40 | 44 | 4 | 0.15 | |
| BAC0675 | Sandshoes | 59 | AC | 565099 | 6780602 | 417 | -90 | 360 | 40 | 44 | 4 | 0.25 | |
| BAC0675 | Sandshoes | 59 | AC | 565099 | 6780602 | 417 | -90 | 360 | 44 | 48 | 4 | 0.10 | |

**Notes**

- Lower cut-off grade of 0.1g/t (ppm) in bedrock applied due to the greenfields nature of the drilling therefore all holes are not reported.
- The mineralised width/s shown in Table 1 are downhole distances. The orientation of the mineralisation is unclear.
- Other information relating to the drilling is provided in Annexure Sections 1 and 2 following.

**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 executive of Breaker Resources NL and his services have been engaged by Breaker on an 80% of full time basis; he is also a shareholders and option holder 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 their information in the form and context in which it appears.

Previously reported drill, soil and rock chip results mentioned in this report were reported under JORC Code 2004 and there has been no material change to the information since this time.

## APPENDIX 1: Tenement Schedule

In line with obligations under ASX Listing Rule 5.3.3, Breaker provides the following information relating to its mining tenement holdings as at 30 September 2014.

| Project | Tenement Number | Status at 30/09/14 | Percentage Held/Earning | *Changes during the Quarter* |
|---|---|---|---|---|
| Attila West | E38/2530 | Granted | 100 | |
| | E38/2598 | Granted | 100 | |
| De La Poer | E38/2517 | Granted | 100 | |
| | E38/2518 | Granted | 100 | |
| | E38/2519 | Granted | 100 | |
| | E38/2520 | Granted | 100 | |
| | E38/2853 | Granted | 100 | |
| | E38/2874 | Application | 100 | *Applied for 25/08/14* |
| Dexter | E38/2695 | Granted | 100 | |
| | E38/2934 | Application | 100 | |
| | E39/1611 | Granted | 100 | |
| | E39/1614 | Granted | 100 | |
| | E39/1744 | Granted | 100 | |
| | E39/1745 | Granted | 100 | |
| | E39/1786 | Granted | 100 | *Granted 19/08/14* |
| Duketon North | E38/2511 | Granted | 100 | |
| | E38/2512 | Granted | 100 | |
| | E38/2852 | Granted | 100 | *Granted 07/08/14* |
| | E38/2854 | Granted | 100 | *Granted 07/08/14* |
| | E38/2855 | Granted | 100 | *Granted 07/08/14* |
| | E53/1592 | Granted | 100 | |
| Kurrajong | E38/2531 | Granted | 100 | |
| Lake Jeffries | E38/2984 | Application | 100 | *Applied for 05/09/14* |
| Mt Gill | E38/2513 | Granted | 100 | |
| | E38/2529 | Granted | 100 | |

There were no tenements surrendered or applications withdrawn during the period. All tenements are 100% held by Breaker Resources NL and none are subject to any farm-in or farm-out agreements.

## ANNEXURE: JORC Code, 2012 Edition – Table 1

### Section 1 Sampling Techniques and Data

*(Criteria in this section apply to all succeeding sections)*

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Sampling techniques*** | *Nature and quality of sampling (eg. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* | Sampling was conducted via aircore drilling (**AC**) on variable drill spacing on the Dexter Project area. Conventional soil sampling minus 200 mesh (75micron) occurred in the northern portion of the Project area.<br><br>130 AC holes for a total of 7,314m were drilled to blade refusal; 504 soil samples (including standards and duplicates) were collected on a 1,600m by 400m grid spacing to an average depth of 25cm. |
| | *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | AC samples were collected from a rig-mounted cyclone by bucket in one metre intervals and placed directly on the ground in rows of 10.<br><br>Sampling (AC and soils) was undertaken using Breaker Resources' (**BRB**) sampling protocols and QAQC procedures in line with industry best practice, including standard and duplicate samples.<br><br>Drill hole collars / soil sample locations were picked up using handheld GPS and corrected/checked for elevation using elevation data from a detailed aeromagnetic survey. |
| | *Aspects of the determination of mineralisation that are Material to the Public Report.*<br><br>*In cases where 'industry standard' work has been done this would be relatively simple (eg. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg. submarine nodules) may warrant disclosure of detailed information.* | To initially identify mineralised zones in each AC drill hole, the 1m bulk samples were sampled with a scoop to generate 4m composite samples of approximately 3kg, or variable 1m to 3m (composite) samples at end-of-hole (**EOH**). An additional EOH multi-element sample was taken from AC holes terminating in Archean bedrock.<br><br>The 3kg AC composite samples were sent to MinAnalytical in Perth. Samples were sorted, dried, crushed to 10mm, pulverised to -75µm and split to produce a 10g sub sample (charge) for aqua regia digestion and gold analysis by ICP-MS with a 1ppb detection limit.<br><br>The EOH AC samples were prepared in the same manner but underwent a four acid digestion (total digest) and multi-element analysis by ICP-OES and ICP-MS for 61 elements (Au, Ag, Al, As, Ba, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Dy, Er, Eu, Fe, Ga, Gd, Hf, Ho, In, K, La, Li, Lu, Mg, Mn, Mo, Na, Nb, Nd, Ni, P, Pb, Pd, Pr, Pt, |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | Rb, Re, Sb, Sc, Se, Sm, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zn, Zr).<br><br>Soil sampling produced a minimum 80g -75 µm (200 mesh) field sieved product for aqua regia digest (no further prep / pulverisation) and multi-element analysis (MinAnalytical) by ICP-OES and ICP-MS for 63 elements (Au, Ag, Al, As, Ba, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Dy, Er, Eu, Fe, Ga, Gd, Hf, Hg, Ho, In, K, La, Li, Lu, Mg, Mn, Mo, Na, Nb, Nd, Ni, P, Pb, Pd, Pr, Pt, Rb, Re, S, Sb, Sc, Se, Sm, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zn, Zr). |
| ***Drilling techniques*** | *Drill type (eg. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (eg. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).* | AC drilling was carried out using a 3½" blade bit to refusal, generally at the fresh rock interface. |
| ***Drill sample recovery*** | *Method of recording and assessing core and chip sample recoveries and results assessed.* | Samples were generally dry with isolated damp samples. AC drill recoveries were visually estimated as a semi-quantitative range and recorded in the log. Recoveries were generally excellent (>90%), with reduced recovery in the initial near-surface sample. |
| | *Measures taken to maximise sample recovery and ensure representative nature of the samples.* | Drill cyclone and sample buckets were used to collect the 1m sample and cleaned between rod-changes and after each hole to minimise down hole and/or cross-hole contamination.<br><br>A minimum of 80g of sieved sample was collected at each soil sampling site using BRB soil sampling protocol. |
| | *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | There is no observable relationship between recovery and grade, or preferential bias in the AC drilling.<br><br>All soil samples are a uniformly sieved size fraction and minimum sample size obtained. |
| ***Logging*** | *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* | Drill holes were logged for lithology, weathering, wetness and obvious contamination by a geologist. Data is then captured in a database.<br><br>AC sampling is not appropriate for mineral resource estimation and is considered a qualitative sampling technique.<br><br>Soil samples do not produce chips suitable for geological or geotechnical logging. The samples collected are fine sieved particles. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* | AC logging is both qualitative and quantitative in nature and captures downhole depth, colour, lithology, texture, mineralogy, mineralisation, alteration and other features of the samples.<br><br>Soil samples are logged for landform and surface material considerations (qualitative). |
| | *The total length and percentage of the relevant intersections logged.* | All AC drill holes were logged in full. |
| ***Sub-sampling techniques and sample preparation*** | *If core, whether cut or sawn and whether quarter, half or all core taken.* | N/A |
| | *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* | AC composite and EOH samples were collected with a sample scoop.<br><br>The samples were recorded as dry, damp or wet. Sample duplicates were obtained by repeating the composite sampling process.<br><br>Soil sampling produced a dry, minimum 80g, -75µm field sieved product for aqua regia digest. |
| | *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | All AC samples were sorted, dried, crushed to 10mm, pulverised to -75µm, split to produce a 10g charge prior to digestion via aqua regia or four acid (standard industry methods).<br><br>Soil samples were field sieved with no further laboratory preparation reducing potential contamination issues which was considered appropriate for the low level multi element geochemical approach BRB has undertaken regionally. |
| | *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* | AC samples were collected at 1m intervals and composited into 4m samples using a scoop to sample individual metre samples.<br><br>Quality control procedures involved the use of Certified Reference Materials (**CRM**) along with field sample duplicates.<br><br>MinAnalytical's QAQC included insertion of certified standards, blanks, check replicates and fineness checks to ensure grind size of 85% passing -75µm as part of their own internal procedures. |
| | *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* | Sample duplicates were taken three times in every 100 samples.<br><br>All AC samples were selected to weigh less than 3kg to ensure total preparation |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | at the pulverisation stage. |
| | *Whether sample sizes are appropriate to the grain size of the material being sampled.* | The sample sizes are considered to be appropriate to correctly give an accurate indication of mineralisation given the qualitative nature of the technique and the style of gold mineralisation sought. |
| ***Quality of assay data and laboratory tests*** | *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* | The composite AC analytical technique used a 10g charge with an aqua regia digestion (partial digestion) which is considered appropriate for a first pass analysis of oxide-dominated material within the regolith intercepted by AC drilling.<br><br>EOH AC samples underwent a four acid digest which is considered a total digest.<br><br>Soil samples also used a 10g charge with an aqua regia digestion (partial digestion) which is considered appropriate.<br><br>Elements were measured using combination of ICP-OES and ICP-MS technique which is considered the most cost effective technique of low level analysis of gold and base metals. |
| | *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* | No geophysical tools were used to determine any reported element concentrations. |
| | *Nature of quality control procedures adopted (eg. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie. lack of bias) and precision have been established.* | BRB inserted CRMs and duplicates into the sample sequence, which were used at the frequency of three CRMs and three duplicates per 100 samples.<br><br>Sample preparation checks for fineness (AC only) were carried out by the laboratory as part of their internal procedures to ensure the grind size of 85% passing -75µm was being attained. Laboratory QAQC involved the use of internal lab standards using CRMs, blanks, splits and replicates. |
| ***Verification of sampling and assaying*** | *The verification of significant intersections by either independent or alternative company personnel.* | Alternative BRB personnel (geologists and database specialist) have verified the significant results that are listed in this report. It is considered that the company is using industry standard techniques for sampling and using independent laboratories with the inclusion of company standards on a routine basis. |
| | *The use of twinned holes.* | N/A. |
| | *Documentation of primary data, data* | Primary geological and sampling data |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *entry procedures, data verification, data storage (physical and electronic) protocols.* | were recorded digitally and on hard copy respectively, and subsequently transferred to a digital database where it is validated by experienced database personnel assisted by the geological staff and assay results are merged with the primary data using established database protocols. |
| | *Discuss any adjustment to assay data.* | No adjustments were undertaken. |
| ***Location of data points*** | *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* | Drill hole collars and soil sample locations were located by handheld GPS. Elevation values were in AHD and were corrected / checked for elevation using elevation data from a detailed aeromagnetic survey. Expected accuracy is +/- 4m for easting, northing and RL coordinates. |
| | *Specification of the grid system used.* | GDA94 MGA, Zone 51. |
| | *Quality and adequacy of topographic control.* | Hole pickups were undertaken using a handheld GPS (see comments above). This is considered acceptable for these regional style exploration activities. |
| ***Data spacing and distribution*** | *Data spacing for reporting of Exploration Results.* | AC drill holes were reconnaissance in nature with a hole spacing of 400m.<br>Soil samples were collected on a 1,600 x 400m grid spacing. |
| | *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* | N/A. |
| | *Whether sample compositing has been applied.* | AC results reported are based on 4m composite samples.<br>No compositing of samples has been undertaken for the soil sampling program. |
| ***Orientation of data in relation to geological structure*** | *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* | Vertical AC drilling tested area of deeper transported cover and possible mineralised structures with an unknown orientation. |
| | *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | Orientation of AC drilling may introduce sampling bias however this would be considered minimal as drilling coverage is essentially restricted to the overlying regolith and seldom penetrates fresh rock by more than a couple of metres. |
| ***Sample security*** | *The measures taken to ensure sample security.* | AC samples are systematically numbered and recorded, bagged in labelled polyweave sacks, and dispatched in batches to the laboratory using local transport or company |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | personnel.<br>Soil samples are systematically numbered and recorded; bagged in paper geochem packets which are placed into cardboard cartons ready for hand delivery to the laboratory by company personnel.<br>The laboratory confirms receipt of all samples on the submission form on arrival.<br>All assay pulps are retained and stored in a company facility for future reference if required. |
| ***Audits or reviews*** | *The results of any audits or reviews of sampling techniques and data.* | No audits or reviews have been conducted on sampling techniques to date. |

## Section 2 Reporting of Exploration Results

*(Criteria listed in the preceding section also apply to this section)*

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Mineral tenement and land tenure status*** | *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* | The AC drill holes were located on tenements E38/2695, E39/1614, E39/1744 and E39/1745 whilst soil sampling was undertaken on E38/2934, all of which are held 100% by BRB.<br>There are no material interests or issues associated with the tenements. |
| | *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | The tenements are in good standing and no known impediments exist. |
| ***Exploration done by other parties*** | *Acknowledgment and appraisal of exploration by other parties.* | Very limited to no effective exploration has been conducted in the areas drilled or soil sampled.<br>Beadell Resources and Eucalyptus Nickel completed two drill holes in the areas drill tested by BRB.<br>WMC completed limited soil sampling as a part of a regional exploration program to the east along the Yamarna greenstone belt for gold in 1990's whilst recent exploration completed by Areva was focussed on uranium in the Rason Lake drainage system. |
| ***Geology*** | *Deposit type, geological setting and style of mineralisation.* | BRB is targeting Archean orogenic gold mineralisation near major faults.<br>The Projects are situated along the Yamarna Greenstone Belt straddling the Yamarna Shear zone, near the southeastern margin of the Yilgarn |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | Craton. The Archean basement is covered by extensive aeolian sand throughout and Permian sediments of the Paterson Formation in the southern Project areas. |
| ***Drill hole Information*** | *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>• *easting and northing of the drill hole collar;*<br>• *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar;*<br>• *dip and azimuth of the hole;*<br>• *down hole length and interception depth;*<br>• *hole length.*<br>*If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | Refer to Table 1 for significant results from the AC drilling.<br>The drill hole and soil sample locations are shown in the body of the text as Figures 3 & 4.<br>The use of low level geochemical information to identify anomalous trends and "footprints" rather than reporting of individual values is considered appropriate in locating and mapping geological and geochemical anomalous trends that potentially identify target areas for follow up drilling.<br>The detailed coordinates for each hole collar, and hole depth information is not considered material to this report, and as such individual hole location details are not tabulated if significant geochemistry is not detected. |
| ***Data aggregation methods*** | *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg. cutting of high grades) and cut-off grades are usually Material and should be stated.* | All reported AC assays have been length weighted. No top-cuts have been applied. A nominal 0.1g/t Au lower cut-off is reported as being potentially significant in the context of the grassroots geological setting. |
| | *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* | N/A |
| | *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | N/A |
| ***Relationship between mineralisation widths and intercept lengths*** | *These relationships are particularly important in the reporting of Exploration Results.*<br>*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>*If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg. 'down hole length, true width not known').* | The geometry of any primary mineralisation is not known at present due to the early stage of exploration.<br>The soil sampling assays defines a geochemical surface expression and little if no information regarding possible geometry of mineralisation is obtained.<br>All drill hole intercepts are measured in down hole metres. |
| ***Diagrams*** | *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery* | Refer to figures and tables in the body of the text. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | |
| ***Balanced reporting*** | *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | All significant results above a 0.1g/t lower cut-off are reported, |
| ***Other substantive exploration data*** | *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | There is no other substantive exploration data. |
| ***Further work*** | *The nature and scale of planned further work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br><br>*Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | Further work is planned as stated in this announcement. |

*Rule 5.5*

# Appendix 5B

## Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

**Breaker Resources NL**

| ABN | Quarter ended ("current quarter") |
|---|---|
| 87 145 011 178 | 30 September 2014 |

## Consolidated statement of cash flows

| | **Cash flows related to operating activities** | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| 1.1 | Receipts from product sales and related debtors | - | - |
| 1.2 | Payments for: (a) exploration & evaluation | (495) | (495) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) administration | (249) | (249) |
| 1.3 | Dividends received | - | - |
| 1.4 | Interest and other items of a similar nature received | 8 | 8 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Other (R&D tax benefit) | 1,781 | 1,781 |
| | **Net Operating Cash Flows** | 1,045 | 1,045 |
| | **Cash flows related to investing activities** | | |
| 1.8 | Payment for purchases of: (a) prospects | - | - |
| | (b) equity investments | - | - |
| | (c) other fixed assets | - | - |
| 1.9 | Proceeds from sale of: (a) prospects | - | - |
| | (b) equity investments | - | - |
| | (c) other fixed assets | - | - |
| 1.10 | Loans to other entities | - | - |
| 1.11 | Loans repaid by other entities | - | - |
| 1.12 | Other (provide details if material) | - | - |
| | **Net investing cash flows** | - | - |
| 1.13 | Total operating and investing cash flows (carried forward) | 1,045 | 1,045 |

+ See chapter 19 for defined terms.

| | | | |
|---|---|---|---|
| 1.13 | Total operating and investing cash flows (brought forward) | 1,045 | 1,045 |
| | **Cash flows related to financing activities** | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | - |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | (4) | (4) |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (provide details if material) | - | - |
| | **Net financing cash flows** | (4) | (4) |
| | **Net increase (decrease) in cash held** | 1,041 | 1,041 |
| 1.20 | Cash at beginning of quarter/year to date | 457 | 457 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | **Cash at end of quarter** | 1,498 | 1,498 |

## Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

| | | Current quarter $A'000 |
|---|---|---|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 54 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

## Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

## Financing facilities available

*Add notes as necessary for an understanding of the position.*

| | | Amount available $A'000 | Amount used $A'000 |
|---|---|---|---|
| 3.1 | Loan facilities | - | - |
| 3.2 | Credit standby arrangements | - | - |

## Estimated cash outflows for next quarter

| | | $A'000 |
|---|---|---|
| 4.1 | Exploration and evaluation | 350 |
| 4.2 | Development | - |
| 4.3 | Production | - |
| 4.4 | Administration | 100 |
| | **Total** | 450 |

## Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | | Current quarter $A'000 | Previous quarter $A'000 |
|---|---|---|---|
| 5.1 | Cash on hand and at bank | 298 | 257 |
| 5.2 | Deposits at call | 1,200 | 200 |
| 5.3 | Bank overdraft | - | - |
| 5.4 | Other (provide details) | - | - |
| | **Total: cash at end of quarter** (item 1.22) | 1,498 | 457 |

## Changes in interests in mining tenements and petroleum tenements

| | | Tenement reference & location | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|---|---|---|---|---|---|
| 6.1 | Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed | | | | |

+ See chapter 19 for defined terms.

| | | | | | |
|---|---|---|---|---|---|
| 6.2 | Interests in mining tenements and petroleum tenements acquired or increased | E39/1786 | Granted | Application | 100% |
| | | E38/2852 | Granted | Application | 100% |
| | | E38/2854 | Granted | Application | 100% |
| | | E38/2855 | Granted | Application | 100% |
| | | E38/2974 | Application | 0% | 100% |
| | | E38/2984 | Application | 0% | 100% |

## Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

| | | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|---|---|---|---|---|---|
| 7.1 | **Preference +securities** *(description)* | | | | |
| 7.2 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 7.3 | **+Ordinary securities** | BRB: 68,875,005<br>BRBCA: 6,887,498 | 68,875,005<br>6,887,498 | -<br>20 cents | -<br>1 cent |
| 7.4 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | | | | |
| 7.5 | **+Convertible debt securities** (*description)* | | | | |
| 7.6 | Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 | **Options** *(description and conversion factor)* | BRBO: 28,137,498<br>3,000,000<br>3,000,000<br>1,400,000<br>1,000,000 | 28,137,498<br>-<br>-<br>-<br>- | *Exercise price*<br>25 cents<br>23.1 cents<br>28.1 cents<br>48.1 cents<br>50 cents | *Expiry date*<br>31 December 2014<br>30 June 2016<br>30 June 2016<br>31 December 2016<br>31 December 2016 |

+ See chapter 19 for defined terms.

| | | | | | |
|---|---|---|---|---|---|
| 7.8 | Issued during quarter | | | | |
| 7.9 | Exercised during quarter | | | | |
| 7.10 | Expired during quarter | | | | |
| 7.11 | **Debentures** *(totals only)* | | | | |
| 7.12 | **Unsecured notes** *(totals only)* | | | | |

## Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does ~~/does not* *(delete one)*~~ give a true and fair view of the matters disclosed.

Sign here: M. Simson Date: 31 October 2014
(Company secretary)

Print name: **Michelle Simson**

## Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

+ See chapter 19 for defined terms.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.