BREAKER Resources NL

QUARTERLY REPORT | September 2016

Major greenfields discovery with scale, grade and outstanding mining potential

Highlights

Lake Roe Gold Project

- Discovery of 2.2km zone of gold mineralisation at Bombora-Bombora North in WA; mineralisation is open in all directions
- Excellent scope for open pit mining due to the clustered, stacked geometry of the mineralised faults
- Strong potential for underground mining based on the persistent presence of high-grade gold in each RC drill program and advances in understanding of mineralisation controls
- Exceptional potential for additional mineralisation over 2.2km zone immediately north of Bombora North
- RC drilling underway to test this 2.2km-long zone
- RC drilling completed on 100m line spacing between Bombora and Bombora North in preparation for resource delineation drilling. Assays pending

Corporate

- $12.4 million placement completed post quarter at $0.50/share

Photo 1: Lake Roe

Corporate

Issued Securities:
126.3 million ordinary shares
5.7 million partly paid shares
2.7 million unlisted options

Cash:
$1.03 million
($12.4 million placement completed post quarter)

Market Capitalisation:
$56.8 million @ $0.45/share

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EXPLORATION AND EVALUATION

Strategy/Background

Breaker Resources NL's (**Breaker**) exploration strategy focuses on the use of structural analysis and modern multi-element geochemical techniques to identify large new gold deposits hidden by transported cover in WA's high-endowment Eastern Goldfields Superterrane. These areas are largely unexplored and are amenable to exploration using innovative geochemical techniques that were not available 20 years ago.

The Company's main focus is its 100%-owned Lake Roe Gold Project situated 100km east of Kalgoorlie, one of the world's premier mining jurisdictions.

Breaker discovered a 6km-long gold system hidden by thin transported cover (generally 5m to 10m) in August 2015 using very wide-spaced aircore drilling. Infill aircore drilling in the southern 2km part of the 6km gold system confirmed the new gold system. Follow-up reverse circulation (**RC**) drilling led to the discovery of primary gold mineralisation at the Bombora Prospect in April 2016, and upgraded the gold potential extending 4km to the north. Shallow aircore drilling (Phase 4) in this area identified significant gold mineralisation up to 10.53g/t described in the June 2016 quarterly report (ASX Release 28 July 2016).

The majority of the gold at Lake Roe is hosted by fractionated dolerite, WA's premier gold host rock. The dolerite is repeated in some areas by faulting and folding, thereby duplicating the gold prospectivity. Significant gold potential is also evident on the sheared and altered granite contact, situated approximately 400m east of the main fractionated dolerite.

The gold mineralisation identified to date is shallow which enhances the potential mineability but the untested depth potential is significant. The sulphide lode and stockwork styles of mineralisation at Lake Roe commonly extend to substantial depths, based on similar gold deposits in other parts of WA's Eastern Goldfields.

Exploration Overview (September 2016 Quarter)

The Company had considerable exploration success at the Lake Roe Gold Project in the September 2016 quarter. Breaker discovered primary gold mineralisation at Bombora North, located 1.2km north of the Bombora discovery. The Company also discovered strong primary gold mineralisation in the 1.2km gap between the two discoveries, establishing a 2.2km zone of continuous gold mineralisation that is open in all dimensions.

The large strike and width dimension of the gold mineralisation *already* identified indicates substantial resource potential. The Lake Roe Gold Project is a significant greenfields gold discovery, but it is open in all dimensions and is likely to grow further for reasons outlined below.

In light of the strong results, Breaker has stepped up preparations for an aggressive program of resource delineation drilling in 2017. The Company plans to upgrade the Lake Roe field camp to be able to cater for 3-4 drill crews. Infill RC drilling on a 100m line spacing between the Bombora and Bombora North discoveries has now been completed in preparation for resource delineation drilling and assays results are pending. We have also started RC drilling

to test the 2.2km-long zone to the north of the Bombora North discovery, where drill intersections of up to 7.61g/t gold were identified by shallow aircore drilling as discussed in the June 2016 quarter (ASX Release 28 July 2016).

The scale of the project is deceptive. After completing over 40,000m of reconnaissance drilling Breaker is still scoping the extent of gold mineralisation with 200m-spaced step-out drilling, and getting strong results. This is unusual and very positive – drill targeting of structurally controlled high-grade gold mineralisation is yet to occur. Many high-quality ore deposits can fit in the 200m gap between two of Breaker's reconnaissance RC drill lines.

The possibility of a more extensive duplication of the Bombora gold mineralisation to the east of the main Bombora Dolerite is real. Some of the gold-prospective quartz dolerite is structurally repeated to the east of the Bombora Dolerite within the 2.2km Bombora-Bombora North zone of mineralisation, where significant gold mineralisation was recently identified (ASX Release 20 October 2016; Figures 1-3 and 7). A structural repeat of the Bombora Dolerite has also been identified to the east of the Crescent Prospect where RC drilling is currently underway (Figure 1).

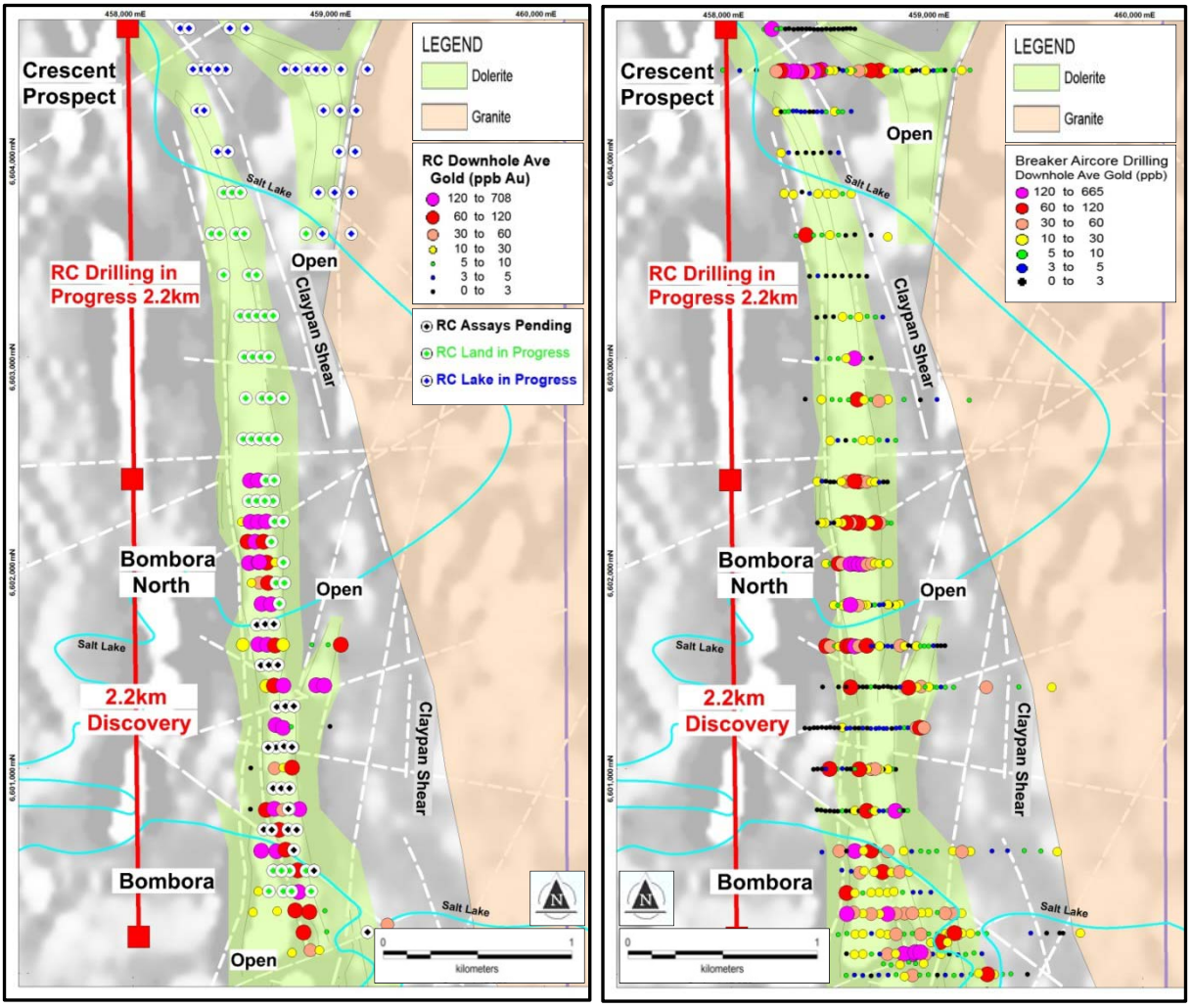


Figure 1: RC and Aircore Downhole Average Gold Comparison on Aeromagnetics with Interpreted Geology

The potential for open pit mining is excellent due to the clustered, stacked geometry of the mineralised faults along the western, iron-rich part of the dolerite (Bombora Dolerite) in the 2.2km Bombora-Bombora North zone (further gold potential is evident on the sheared eastern side of the quartz dolerite which is largely untested by RC drilling to date).

Down-dip continuity of stockwork mineralisation is not expected or observed. Variability in gold grade within some mineralised faults in cross-section (and plan) is a common situation in WA gold mining. This is related to gold enrichment on fault intersections, or where a mineralised fault intersects a preferred gold host such as granophyric, iron-rich dolerite based on recent diamond drilling (Figure 2). But this is likely to be manageable in an open pit mining scenario due to the clustered distribution of the mineralised faults.

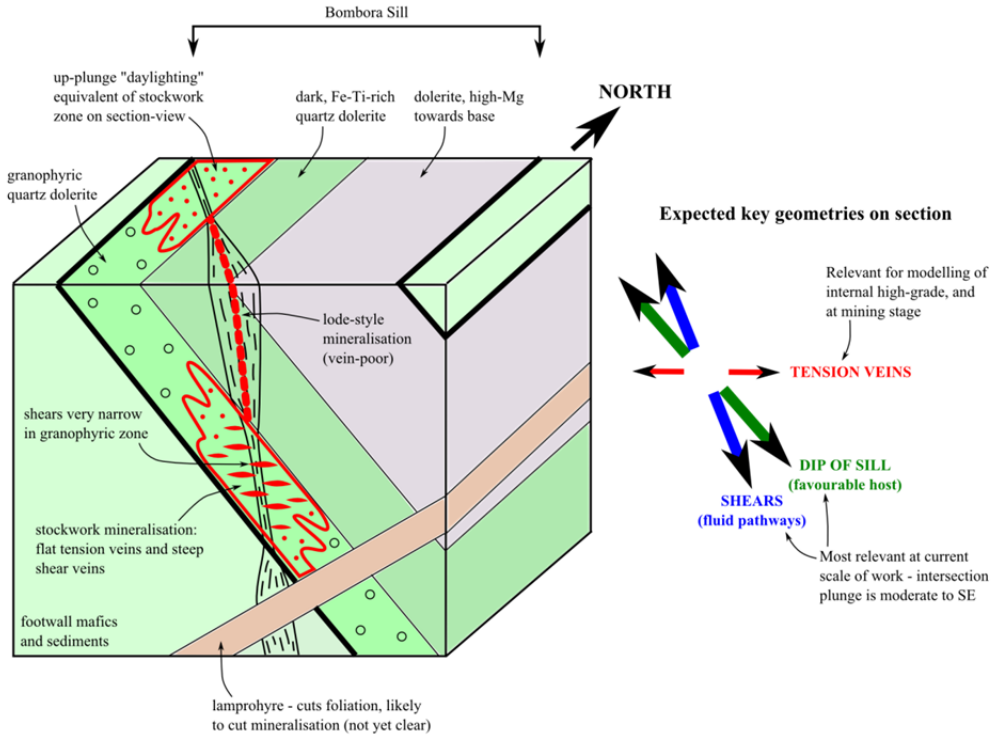


Figure 2: Schematic diagram highlighting interplay between steep- and moderate-east dipping gold-mineralised faults/layers and resultant zones of gold mineralisation in section and plan

The potential for underground mining is also excellent based on the persistent presence of high-grade gold in each phase of the RC drilling, and indications of high-grade gold on fault-fault intersections, and fault-granophyre intersection. More infill drilling is likely to identify further structural controls and lay the foundation for targeted drilling of plunging high-grade lodes for potential underground mining.

Infill RC drilling has recently been completed on six drill lines closing the effective drill line spacing in the 2.2km-long Bombora-Bombora North zone to 100m in preparation for resource delineation drilling (Figures 1 and 3). Assay results are pending. RC drilling has also commenced with a second RC drill rig to test the highly prospective 2.2km zone to the north of Bombora North (Figure 1).

The current and planned drilling will provide strong news flow over the coming weeks and months and help to build a clear picture of the size of the Lake Roe discovery.

Lake Roe Gold Project September 2016 Quarter Exploration Activities

Gold mineralisation at Lake Roe extends over 2.2km to date and is hosted primarily in the upper (western) iron-rich part of a 400m-500m thick fractionated dolerite (Bombora Dolerite) a significant component of which is granophyric in nature.

A summary of significant RC drill results is provided in Figure 3. A series of cross-sections is through the 2.2km zone is provided in Figures 5 to 10.

Gold mineralisation occurs as sulphide lodes or quartz stockworks, depending on host rock competency (brittleness). Lode mineralisation typically occurs in quartz dolerite and is dominated by sulphide-impregnated fault zones (lodes) with up to 5% pyrite and pyrrhotite accompanied by silica, biotite, chlorite and carbonate alteration and minor quartz-pyrite veinlets, some of which contain visible gold (Photo 2).

Quartz stockwork mineralisation occurs in the more competent, granophyric part of the dolerite and can occur where a sub-vertical fault, which may host lode-style gold mineralisation, intersects the moderately-east-dipping granophyric (iron-rich) part of the fractionated dolerite (Figures 2 and 5-10). Down-dip continuity of stockwork mineralisation is neither expected nor observed.

Phase 2 RC Drilling – Bombora North (Figure 3)

A 20-hole, 2,450m *reconnaissance* RC drill program commenced in July 2016 to evaluate the primary gold potential of a 600m strike length of the Bombora North Prospect (six drill lines; BBRC0037-0055; Figure 3).

Details of the drill program and the results are summarised in the Company's ASX Release of 13 September 2016.

Significant gold was intersected on all of the six 100m- or 200m-spaced drill lines tested. Mineralisation remains open to the north, south and at depth. More significant drill intersections include (ASX Release 13 September 2016):

- 33m @ 0.78g/t Au from 8m including 8m @ 1.94g/t in BBRC0038;
- 9m @ 2.26g/t Au from 59m including 5m @ 3.13g/t in BBRC0045;
- 12m @ 1.36g/t Au from 22m including 5m @ 3.13g/t in BBRC0045;
- 18m @ 2.97g/t Au from 12m including 10m @ 5.03g/t or 3m @ 14.59g/t or 2m @ 20.09g/t in BBRC0049;
- 18m @ 2.16g/t Au from 112m including 12m @ 3.06g/t or 3m @ 6.18g/t and 1m @ 12.60g/t in BBRC0050; and
- 10m @ 1.82g/t Au from 78m including 4m @ 3.57g/t or 1m @ 10.88g/t in BBRC0055.

The intersected mineralisation widths, the distance between drill sections, and the untested strike potential all indicate sound potential for the definition of a large tonnage resource. The indicative geometry and grade of the gold mineralisation intersected indicates sound potential for open pit and underground mining.

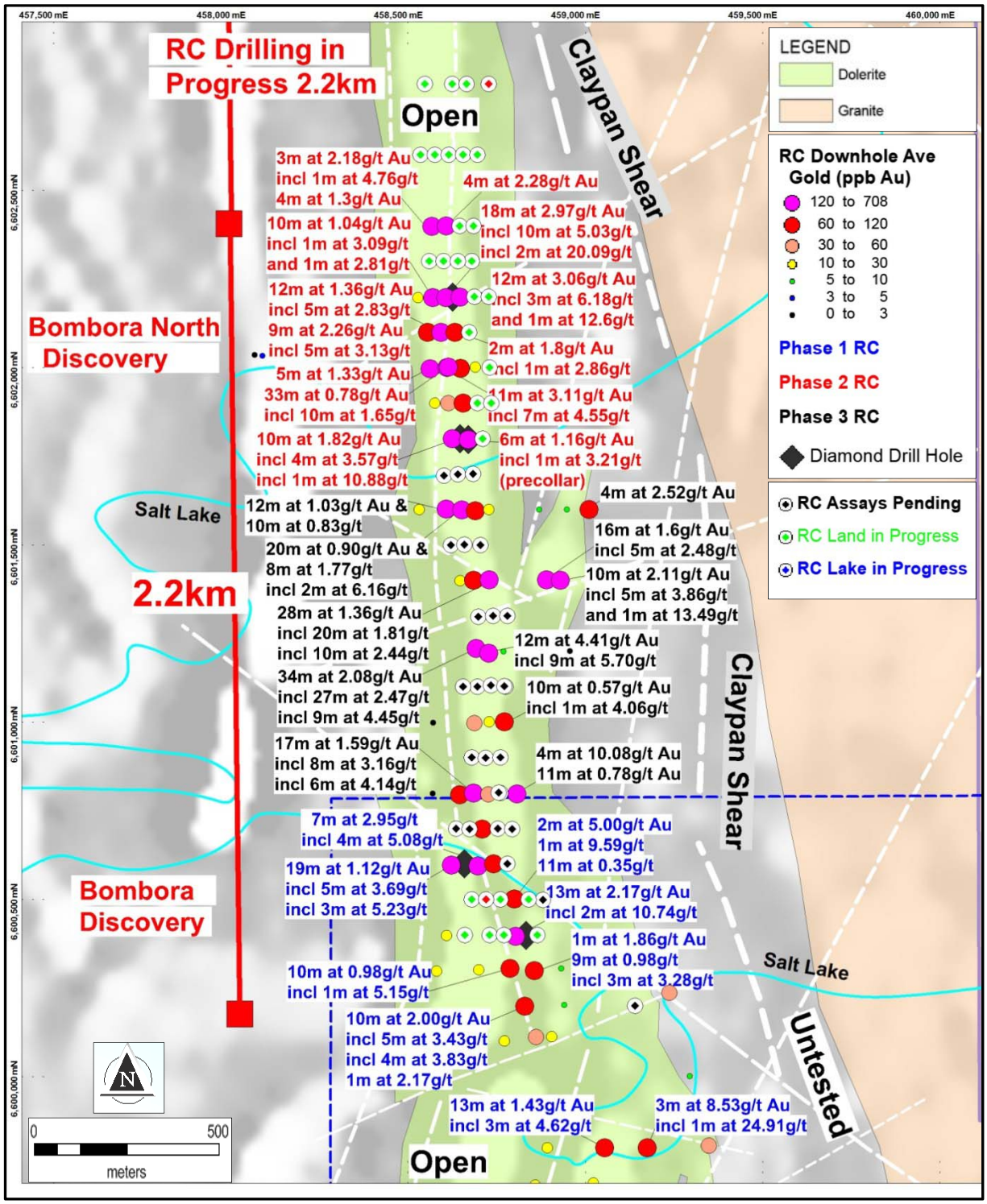


Figure 3: RC drill holes colour-coded on average downhole gold over aeromagnetic image with Interpreted Geology and Selected RC Drill Intersections. Major Shear Zone and Faults as White Dashed Lines.

Phase 3 RC Drilling – The Bombora-Bombora North Gap (Figure 4)

Based on the strength of the RC drill results at Bombora North, a 30-hole, 3,463m *reconnaissance* RC drill program started in August 2016 to test the 1.2km gap between the Bombora and Bombora North gold discoveries, and establish a continuous 2.2km zone of

gold mineralisation. Drilling was undertaken on a 200m drill line spacing commencing from the south (5 lines; BBRC0057-0086; Figure 3). Details of the drill program and the results are summarised in the ASX Releases of 20 September 2016 and 20 October 2016.

Significant gold was intersected on all of the five drill lines tested, establishing a 2.2km zone of continuous gold mineralisation that is open in all dimensions. Many of the assay results are from 4m composite samples (1m sample splits are pending). More significant results include (ASX Releases 20 September 2016 & 20 October 2016):

- 17m @ 1.59g/t Au from 28m including 8m @ 3.16g/t and 3m @ 9.71g/t in BBRC0063;
- 4m @ 10.08g/t Au from 156m in BBRC0065;
- 26m @ 2.55g/t Au from 19m including 9m @ 4.45g/t in BBRC0070;
- 12m @ 4.41g/t Au from 48m including 9m @ 5.70g/t and 3m @ 12.15g/t in BBRC0071;
- 28m @ 1.36g/t Au from 60m including 20m @ 1.81g/t or 10m @ 2.44g/t in BBRC0076;
- 17m @ 1.52g/t Au from 76m including 5m @ 2.05g/t in BBRC0077;
- 10m @ 2.12g/t Au from 92m including 5m @ 3.86g/t or 1m @ 13.49g/t in BBRC0078;
- 12m @ 1.03g/t Au from 4m and 12m @ 0.83g/t Au from 44m in BBRC0079; and
- 20m @ 0.90g/t Au from 44m including 8m @ 1.77g/t or 2m @ 6.16g/t Au in BBRC0081.

Infill RC drilling has recently been completed on the six infill drill lines (Figure 2) which closes the effective drill line spacing to 100m in preparation for resource delineation drilling over the 2.2km-long Bombora-Bombora North zone.

Orientation Diamond Drilling

Maiden diamond drilling was undertaken at the Bombora and Bombora North gold discoveries to establish gold mineralisation orientations ahead of planned resource definition drilling. The drilling provided the first "non-drill chip" glimpse of the Bombora mineralisation and rocks using orientated drill core, which allows the measurement of dip and dip direction The drill core also allows a visual assessment of the inter-relationships between gold-associated alteration and structure.

The drill program consisted of three drill holes at Bombora North, two at Bombora, and a drill hole near the granite contact to the east of Bombora (six holes for 708.7m; Figures 4 to 10). Details of the drill program and the results are summarised in the ASX Release of 28 October 2016.

All five of the diamond drill holes at Bombora/Bombora North intersected gold mineralisation. More significant drill results include (ASX Release 28 October 2016):

<u>Bombora North</u>

- 2.6m @ 2.51g/t Au from 102.9m including 0.5m @ 10.35g/t in BBRD0056;
- 6.0m @ 6.91g/t Au from 122m including 0.4m @ 38.20g/t in BBRD0056;
- 2.0m @ 3.01g/t Au from 86m including 1.0m @ 5.72g/t in BBDD0001; and
- 11m @ 1.04g/t Au from 95m including 5.0m @ 1.81g/t Au in BBDD0002.

<u>Bombora</u>

- 1.75m @ 3.39g/t Au from 27m including 1.21m @ 4.73g/t in BBDD0004; and
- 5.0m @ 2.13g/t Au from 86m including 3.0m @ 3.08g/t in BBDD0005.

The diamond drilling confirmed that the westerly drill orientation used to date is effectively "seeing" the main mineralised structures. A planned increase in drill density is expected to identify other structures that influence the gold distribution, particularly high-angle oblique and cross-structures not readily seen in the drilling to date.

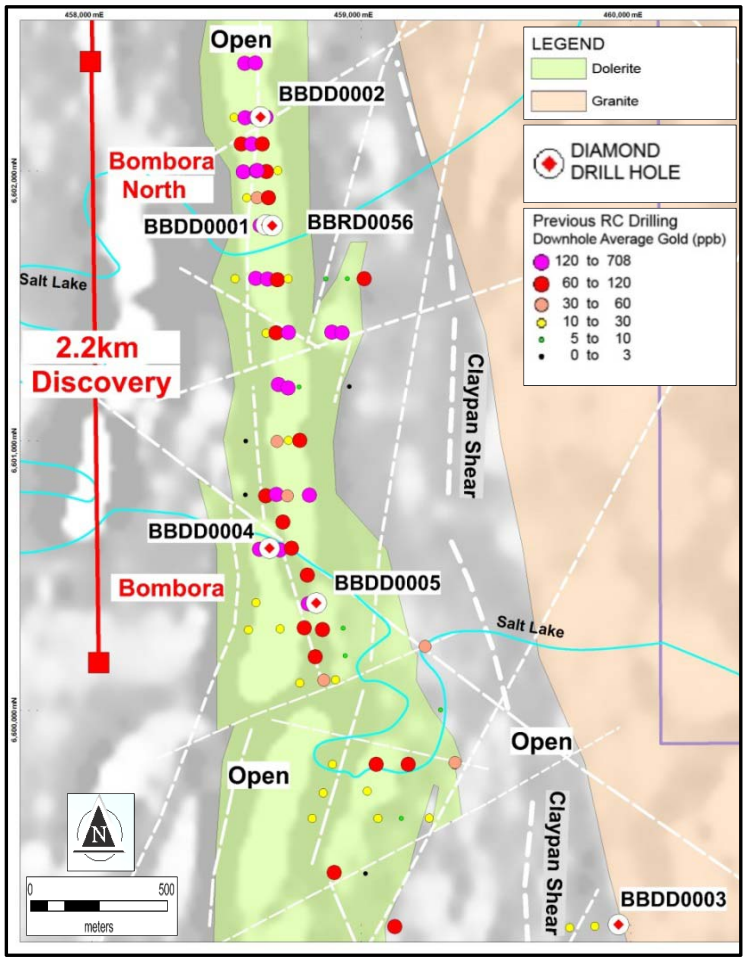


Figure 4: Diamond drill hole location plan with RC drill holes colour-coded by average downhole gold on aeromagnetic image with Interpreted Geology (major shear zone and faults as white dashed lines)

The diamond drilling indicates two strike-persistent gold-mineralised fault orientations in the four areas tested. The mineralised faults manifest as multiple, stacked +100ppb gold mineralisation envelopes within which high-grade lode or stockwork-style gold mineralisation occurs. The variation in mineralisation style, lode versus stockwork, likely reflects differences in host rock competency (more brittle or more ductile).

The diamond drilling confirms that the gold mineralisation at Bombora and Bombora North is similar and corresponds with stacked, moderate (40˚-60˚) east-dipping, layer parallel faults, and steep (70˚-80˚) east-dipping faults that are broadly parallel to the NW-trending axial planar foliation.

Late, low-moderate west-dipping fault orientations were observed in the drill core but there are no indications at this stage that they are mineralised. These faults are commonly intruded by lamprophyre (Photo 3) which has now been observed in varying amounts throughout the 2.2km discovery zone. Lamprophyre is a relatively rare, deeply-sourced ultra-potassic

intrusive rock that has a documented spatial and possible temporal association with large Archean gold deposits in WA and overseas (Golden Mile, Darlot, Superior Province in Canada).

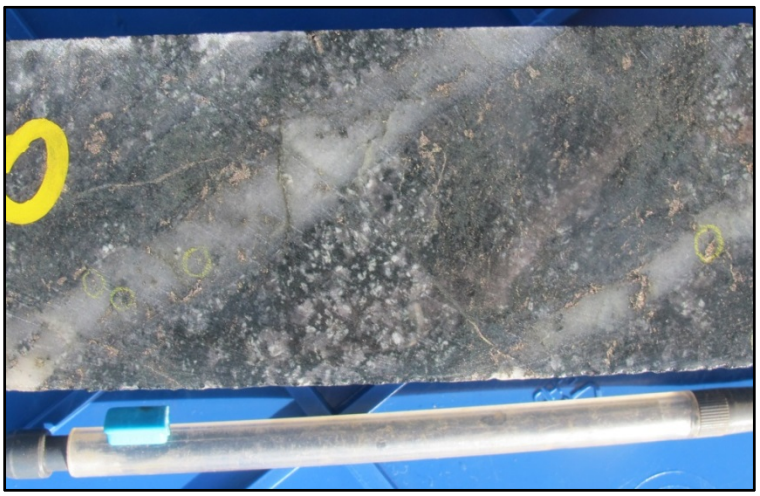


Photo 2: Lake Roe Project – Visible gold (circled) in quartz veins in sulphide lode (BBRD0056; 110.1m)

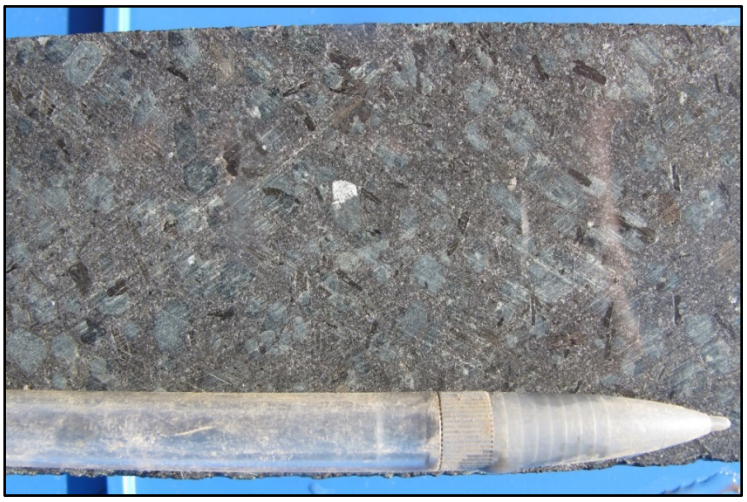


Photo 3: Lake Roe Project – Lamprophyre dyke (BBRD0056; 118.2m)

A single stratigraphic diamond drill hole near the granite margin east of the Claypan Shear identified a steep east-dipping sediment and mafic sequence near the granite margin (geometry previously unknown). The drill hole encountered strong alteration and shearing, reaffirming the prospectivity of the sheared granite contact and the Claypan Shear.

The diamond drilling will be 50% funded (up to $150,000) under the WA Government's Exploration Incentive Scheme 2016/17 Co-Funded Drilling Program grant awarded to the Company in the June 2016 quarter.

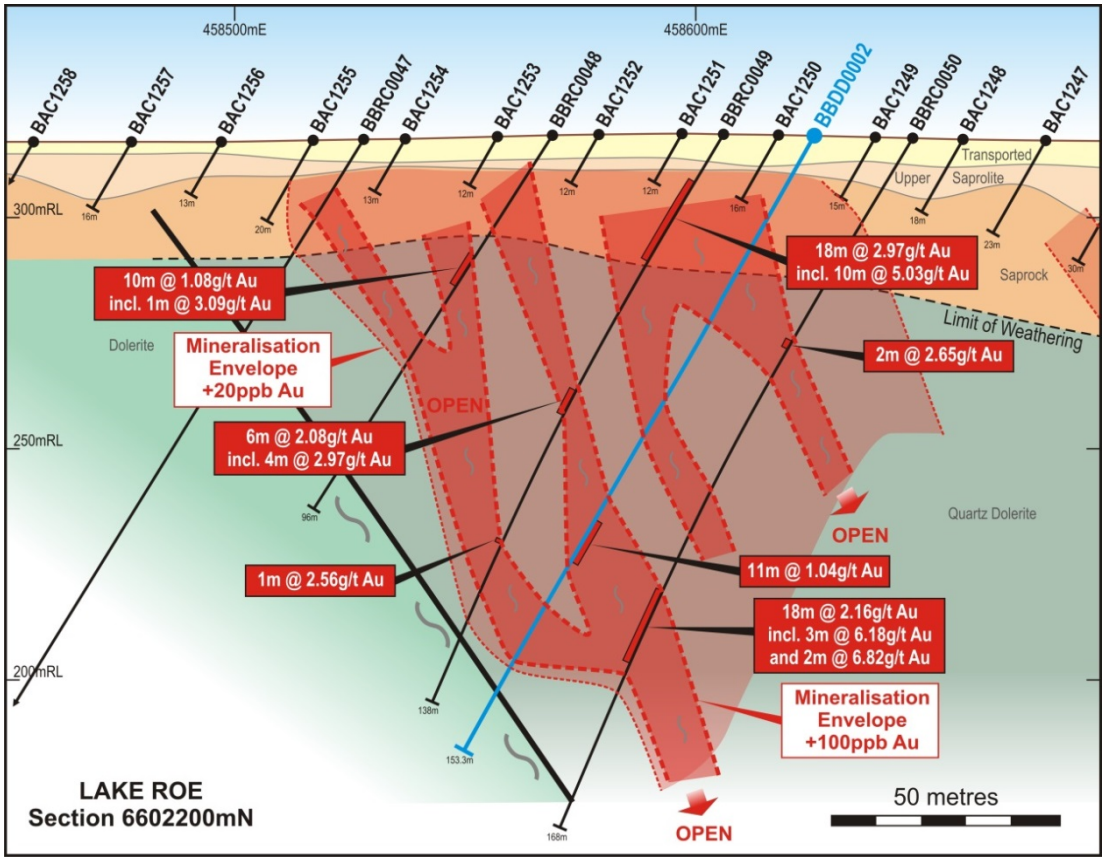


Figure 5: Bombora North Cross Section 6602200N (diamond drilling in blue)

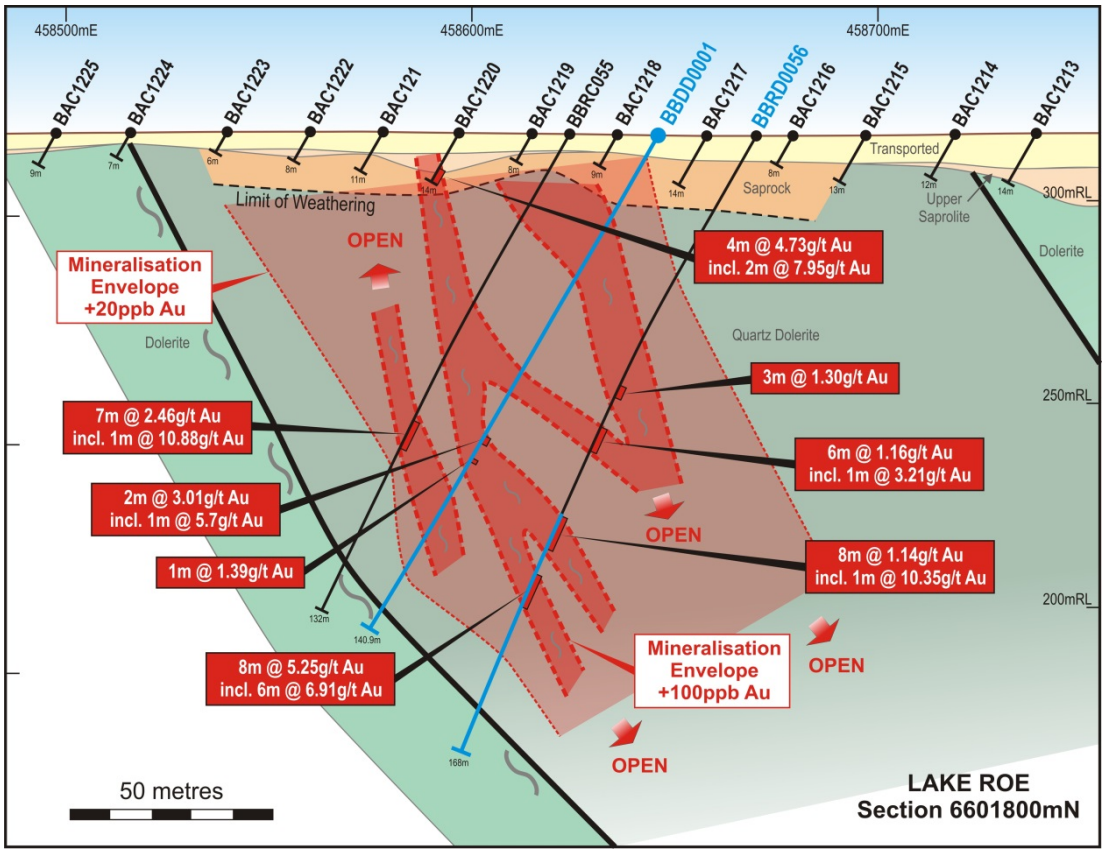


Figure 6: Bombora North Cross Section 6601800N (diamond drilling in blue)

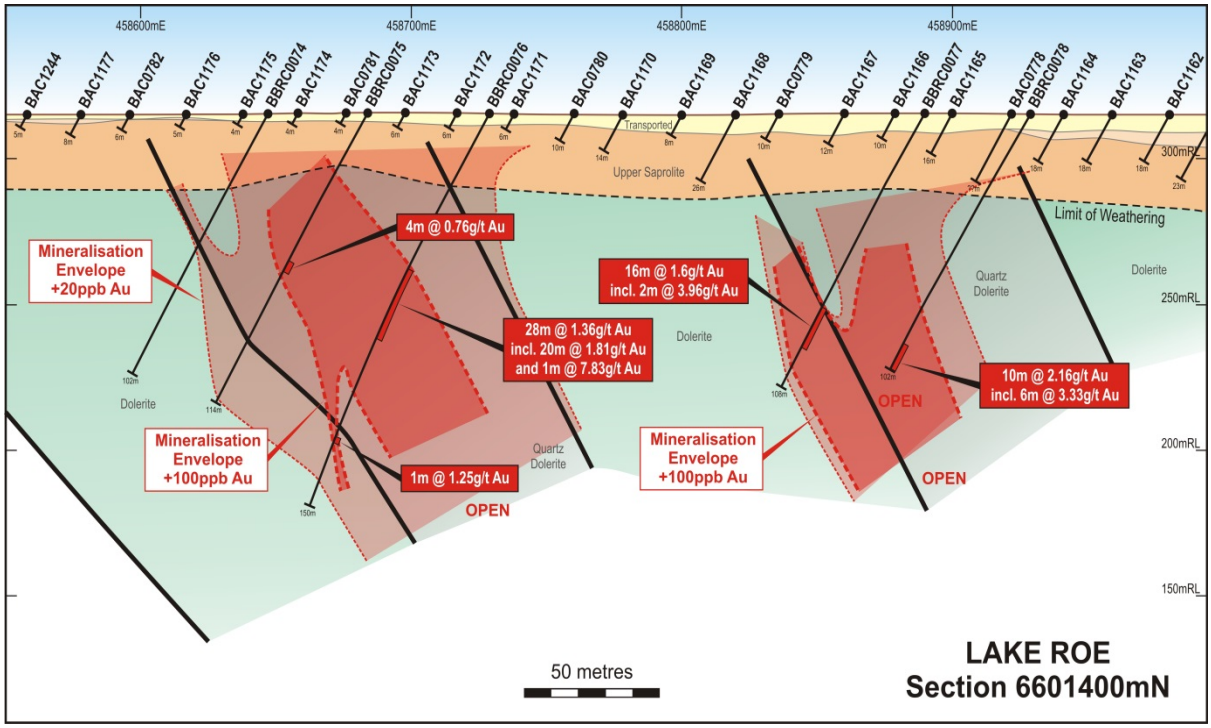


Figure 7: Bombora North Cross Section 6601400N

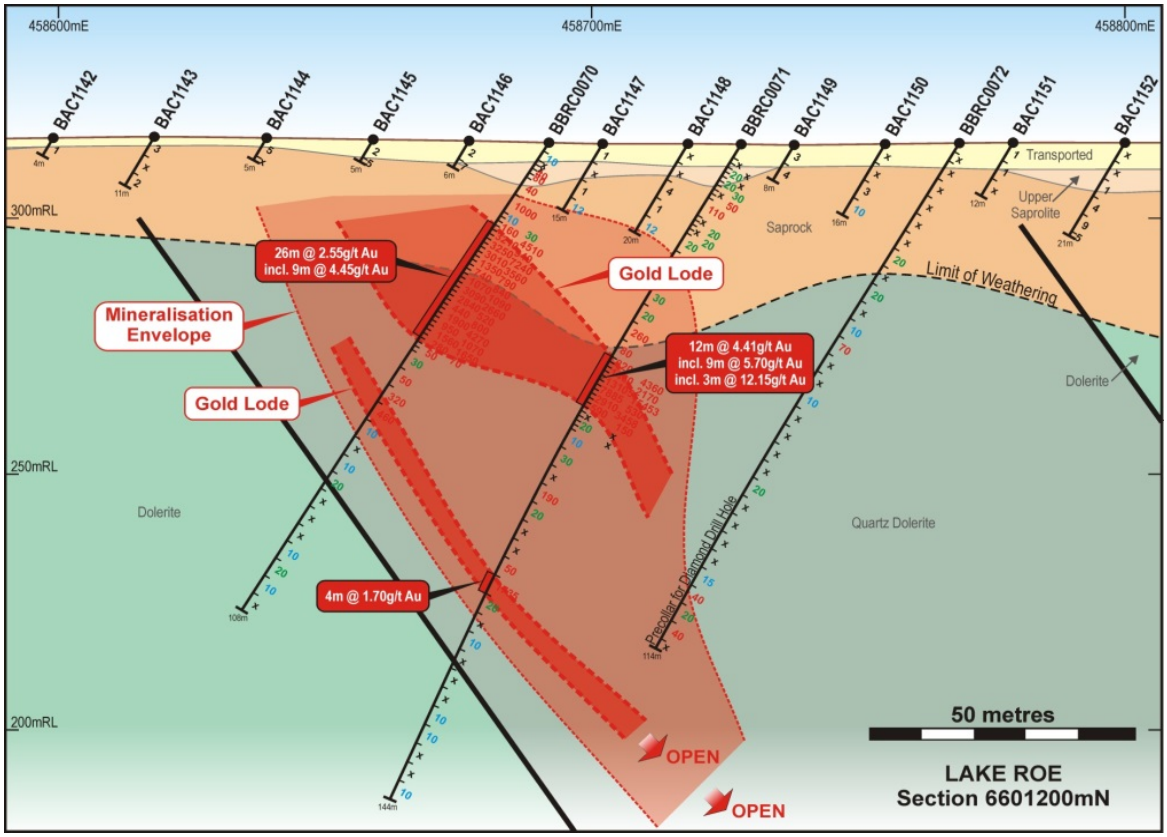


Figure 8: Bombora North Cross Section 6601200N

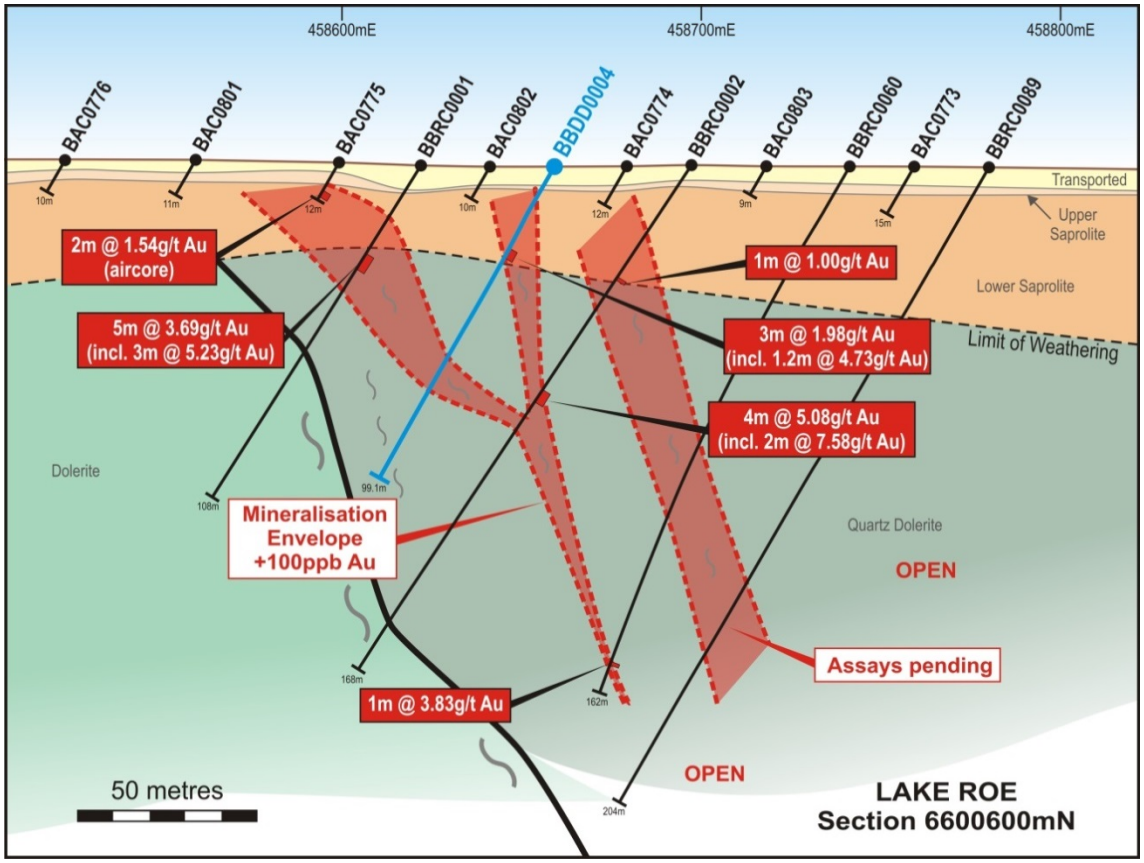


Figure 9: Bombora Cross Section 6600600N (diamond drilling in blue)

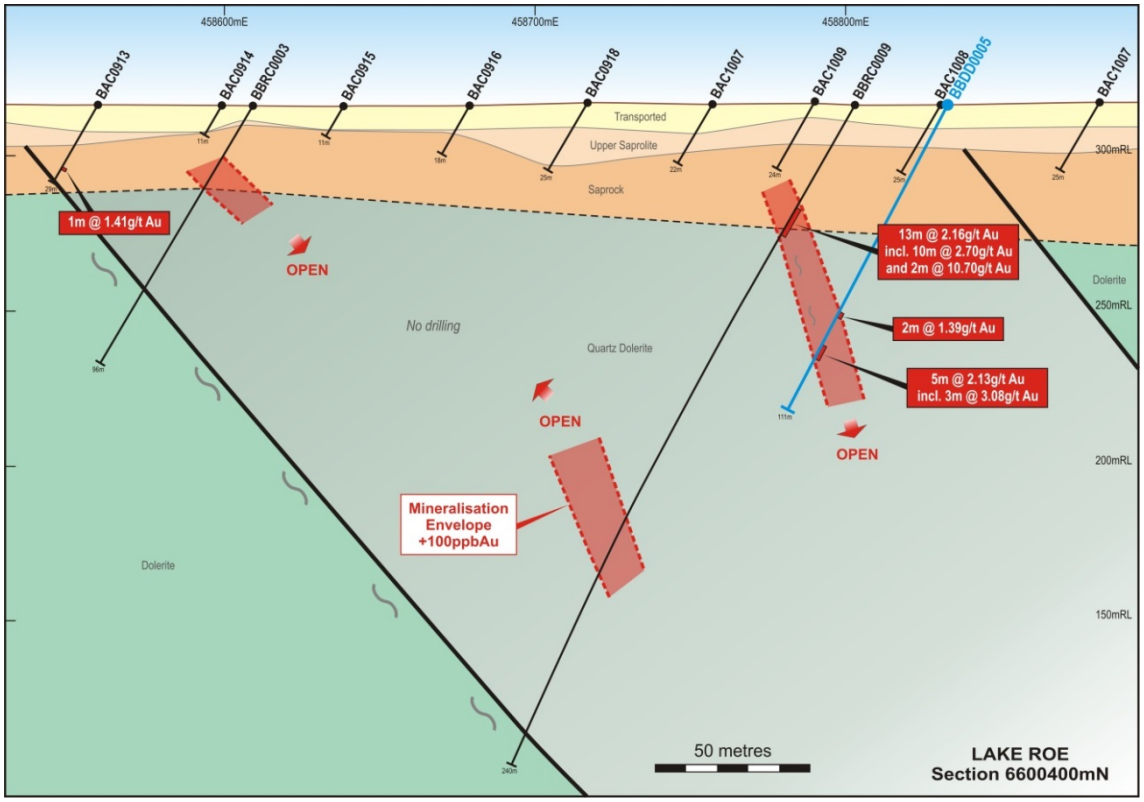


Figure 10: Bombora Cross Section 6600400N (diamond drilling in blue)

Dexter Gold Project September 2016 Quarter Exploration Activities

The Dexter Project is located in the southern part of the Burtville and Yamarna Terranes, 140km southeast of Laverton. It straddles the intersection of the Yamarna, Dexter and Sefton Shear Zones and includes extensive areas of historically unexplored sheared Archean greenstone. Thin aeolian sand and variable thicknesses of Permian sediment are present.

The Company previously identified the regional scale Three Bears-Tallows gold-in-soil anomaly, situated near the junction of the Yamarna and Dexter Shear Zones in 2012 (16km-long, up to 0.3g/t gold and 17g/t silver; ASX Release 13 November 2012). Follow-up aircore drilling identified widespread zones of secondary redox gold enrichment with grades up to 3m at 7.1g/t gold (ASX Release 28 March 2013). The 12km-long Sandshoes anomaly, situated 20km to the southwest of the Three Bears-Tallows Prospect, was identified in late 2013 near the intersection of the Sefton Lineament and the Dexter Shear Zone (up to 30ppb Au; ASX Release 16 September 2013).

Efforts to locate the bedrock gold source of the Three Bears-Tallows and Sandshoes anomalies continue.

The focus of activities at the Dexter Project was on environmental rehabilitation of drill holes and an in-depth review of all exploration to date. Further drilling at these prospects is contemplated, potentially with a joint venture partner to accelerate progress.

Ularring Rock September 2016 Quarter Exploration Activities

The Ularring Rock tenement E70/4686 is located 100km east of Perth. The tenement covers the Centre Forest and Southern Brook gold-copper prospects, where historic RC drill intercepts of copper-gold mineralisation include 61m @ 0.83g/t Au, and 37m @ 0.72g/t Au and 0.26% Cu (WAMEX Report A75117).

An assessment of this project has highlighted considerable potential. The available data indicates a district scale mineralisation system best developed in the western sector of the tenement where remnant high-grade metamorphosed greenstone is present. The historical drill coverage is limited.

Multiple structural and geochemical targets are apparent including a large bullseye groundwater tungsten anomaly. Further work, including private landholder access negotiations and soil sampling are planned to advance these targets to the drilling stage. The Company will likely seek a suitable joint venture arrangement to progress exploration.

Duketon North Gold Project September 2016 Quarter Exploration Activities

The Duketon North Project is located north of the 10Moz Moolart Well-Garden Well-Rosemont gold camp, 160km north-northwest of Laverton. The project extends over 20km and consists of one granted exploration licence (198km^2).

A 4km-long gold-in-soil anomaly was identified by the Company in 2015 (ASX Release 31 July 2015). The soil anomaly is located adjacent to a major shear (fault) that appears to displace the well mineralised Duketon greenstone belt, and possibly the Moolart Well mine sequence, northwards onto Breaker's tenement.

The main gold target is greenstone-hosted gold in a structurally complex part of the Duketon greenstone belt along strike from the Moolart Well gold mine. Historical exploration has focussed on nickel and the gold potential is largely untested. Outcrop is limited and transported cover in the area is approximately 20m thick.

Historical nickel-focused drilling identified anomalous bedrock mineralisation typically associated with gold which trends into the main soil anomaly from the north. This mineralisation includes strike-extensive zones of anomalous silver (up to 1.2g/t), arsenic, tellurium, bismuth, lead and sulphur based on end-of-hole multi-element sampling.

Breaker completed a 4,126m program of reconnaissance aircore drilling in late-July 2016 to test for the presence of a new gold system. The drill program consisted of several 400m to 800m spaced drill traverses across the soil anomalies, on drill hole spacing of 100m. No significant results were identified.

CORPORATE

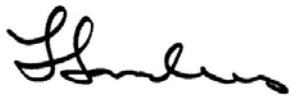
As at the date of this report, the Company's capital structure consists of:

- 126,314,180 fully paid ordinary shares (ASX: BRB)
- 5,716,623 partly paid ordinary shares (ASX: BRBCA)
- 2,700,000 unlisted options at various exercise prices and expiry dates

Breaker successfully completed a $12.4 million placement at $0.50/share post the September 2016 quarter.

In addition, Executive Chairman Tom Sanders presented to the Diggers & Dealers Conference in Kalgoorlie and conducted a number of presentations to investors.

The 2016 Annual Report was released on 19 October 2016. The 2016 annual general meeting will be held on Monday, 28 November 2016.



Tom Sanders
Executive Chairman
Breaker Resources NL **31 October 2016**

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 2016.

Project	Tenement Number	Status at 30/06/16	% Held/ Earning	*Changes during the Quarter*
Dexter	E38/2530	Granted	100	
	E38/2695	Granted	100	
	E38/2934	Granted	100	
	E39/1611	Granted	100	
	E39/1614	Granted	100	
Duketon North	E38/3019	Granted	100	
Lake Roe	E28/2515	Granted	100	
	E28/2522	Application	100	
	E28/2551	Granted	100	
	E28/2555	Granted	100	
	E28/2556	Granted	100	
	E28/2559	Granted	100	
Pinjin	E28/2629	Application	100	
Ularring Rock	E70/4686	Granted	100	
	E70/4901	Application	100	*Applied for 25/08/2016*

No tenements are subject to any farm-in or farm-out agreements.

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 shareholder 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 his information in the form and context in which it appears.

Breaker drill, soil and rock chip results prior to 1 December 2013 mentioned were reported under JORC Code 2004 and there has been no material change to the information since this time.

+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, 01/05/13, 01/09/16

Name of entity

Breaker Resources NL

ABN	**Quarter ended ("current quarter")**
87 145 011 178	30 September 2016

Statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(827)	(827)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(45)	(45)
	(e) administration and corporate costs	(101)	(101)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	4	4
1.9	**Net cash from / (used in) operating activities**	**(964)**	**(964)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(10)	(10)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-

Statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(10)**	**(10)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	222	222
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(4)	(4)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**218**	**218**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,788	1,788
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(964)	(964)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10)	(10)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	218	218
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,032**	**1,032**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	502	156
5.2	Call deposits	530	1,632
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,032**	**1,788**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	71
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Item 6.1 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

n/a

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

n/a

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	700
9.2	Development	-
9.3	Production	-
9.4	Staff costs	45
9.5	Administration and corporate costs	100
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**845**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E38/2513 E38/2529 E38/2531 E51/1682	Granted Granted Granted Application	100% 100% 100% 100%	0% 0% 0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E70/4901	Application	0%	100%

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: ..... Date: 31 October 2016
(Director/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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.