BREAKER Resources NL

QUARTERLY REPORT December 2015

HIGHLIGHTS

Outstanding aircore results pave way for imminent RC drilling program to test potentially major greenfields discovery

Lake Roe Gold Project – 100km east of Kalgoorlie (100% Breaker)

- Two phases of aircore drilling confirm strong potential for a major gold discovery.
- Shallow mineralisation up to 22.44g/t over a 2.2km x 1km area and open in all dimensions at the key Bombora Prospect within Lake Roe Gold Project.
- Continuity, density and extent of mineralisation upgraded with many significant oxide intersections.
- Drill results confirm a stacked geometry of the mineralised structures, increasing the potential ounces per vertical metre and scope for possible open pit and underground mining.
- Lode gold confirmed within continuous and cohesive +50ppb mineralisation envelopes up to 200m wide. These occur as zones of sheared and altered dolerite with elevated silver (to 6.86g/t), molybdenum, arsenic, bismuth, copper and tellurium.
- The wide, cohesive nature of the gold-associated alteration is unusual and is typically seen only in large gold deposits.
- The identification of +3g/t lode-style gold in several new areas suggests a more widespread distribution given the wide-spaced nature of the drilling
- 30 per cent of Phase 2 drill holes end in +50ppb Au in relatively fresh rock with grades up to 12.87g/t gold.
- A ~5,000m reverse circulation drill program set to start on 9 February with objective of confirming a significant discovery.

Corporate

- R&D rebate of $507,000 received post quarter ensures adequate funding for imminent RC drilling.
- A drill-for-equity agreement with Ausdrill Limited provides scope to offset 50% of the drilling costs.

Corporate

Issued Securities:
82.8 million ordinary shares
6.9 million partly paid shares
8.0 million unlisted options

Cash:
$0.72 million (excludes R&D funds)

Market Capitalisation:
$7.3 million @ $0.088/share

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ASX CODE: BRB

EXPLORATION AND EVALUATION

Overview

Breaker Resources NL's (ASX: BRB; "**Breaker**") objective is the discovery of large greenfields gold deposits. Its long-term exploration strategy focuses on the use of innovative multi-element geochemical techniques to identify new gold systems concealed by transported cover in unexplored parts of a world-class gold province, WA's Eastern Goldfields Superterrane in the Yilgarn Craton. The Company's research and development project activities augment this strategy.

In applying this strategy, Breaker has identified significant gold targets on three 100%-owned projects, the Lake Roe Project – Breaker's most advanced project and main focus – the Duketon North Project and the Dexter Project.

Photo 1: Lake Roe Project – Aircore Drilling

In the previous quarter, the Company identified a large new greenfields gold system in an area of thin transported cover at its Lake Roe Gold Project, located 100km east of Kalgoorlie. The gold mineralisation, defined by reconnaissance aircore (**AC**) drilling, extends over a distance of 5.5km (Phase 1: 87 holes for 3,187m). The drilling returned a best intersection of 5m at 6.12g/t Au (incl. 2m at 14.42g/t Au and 1m at 22.44g/t Au) on drill hole spacing of 80m to 160m.

Given the quality of the results and the wide drill hole spacing of the first pass drilling, two additional phases of aircore drilling were completed in the December 2015 quarter to test the continuity, density and extent of the gold mineralisation in the southern part of the system (Phases 2 and 3). This drilling delivered many significant intersections over a wide area and 30% of the Phase 2 holes ended in +50ppb Au in relatively fresh rock with grades up to 12.87g/t gold (Phase 3 end-of-hole results pending).

Significantly, the drilling successfully clarified the broad controls on gold mineralisation, upgraded the geological continuity and enhanced the resource potential after closing the drill pattern to 100m x 40m in selected areas — an eight-time increase in drill density compared to the Phase 1 drilling. Extensional drilling on a wider drill hole spacing extended the system to the south, identifying a new NE-trending structure in excess of 700m long with a best intersection of 4m at 3.88g/t Au. Pending assay results may extend this further.

Importantly, the drilling demonstrated that the gold mineralisation occurs in a multiple, stacked configuration over a 2.2km x 1km area that is open in all dimensions. This significantly increases the potential ounces per vertical metre, enhancing the scope for possible open pit and underground mining.

The ***minimum*** drill spacing of 100m x 40m is still too wide to establish continuity of high grade (+3g/t Au) gold due to the nature of the AC drill technique (only applicable to soft oxide rock) and the limited effective horizontal coverage of the oxide zone. In many cases the drill results are geochemical in nature.

Despite this, the drilling identified +3g/t lode-style gold in several new areas and suggests a more widespread distribution given the wide-spaced nature of the drilling. This accords with the general pattern of results — an increase in the quality and number of intersections with increasing drill density as highlighted on Figure 2.

The drill results indicate that the high grade gold occurs within +50ppb Au mineralisation envelopes that are up to 200m wide and continuous along strike. These zones correspond to the altered and sheared margins of different phases of the dolerite that is elevated in several pathfinder elements including silver (up to 6.86g/t). This is extremely encouraging as wide ***extensive and continuous*** alteration of this nature is a typical characteristic of large gold deposits.

Collectively, these results significantly increase the potential for a major new discovery. A 5,000m reverse circulation (**RC**) drill program ***targeting discovery*** is planned to start on 9 February 2016 and has the potential to transform the Company.

Lake Roe Gold Project December 2015 Quarter Exploration Activities

The 100%-owned Lake Roe Gold Project is located 100km east of Kalgoorlie in the Eastern Goldfields Superterrane. The project is located in an area of shallow (5m to 20m) transported cover between the Carosue and Karonie gold deposits situated 60km to the north and 30km south respectively (Figure 1).

The exploration target is high-grade gold mineralisation hosted by an 800m-thick fractionated dolerite situated in a domal geometry geometrically above the east-dipping Keith-Kilkenny Shear Zone and adjacent to the Claypan Shear Zone, two major shear zones (and "domain" boundaries) that converge in the vicinity of the project (Figure 1). Examples of dolerite-hosted mineralisation in the Eastern Goldfields are numerous, and include the Golden Mile deposit in Kalgoorlie, the Junction deposit at St Ives, the Salt Creek deposit at Mt Monger, and the Great Fingall/Golden Crown complex at Cue.

The Lake Roe Project consists of one granted Exploration Licence (E28/2515) and five applications with an overall area of 556km^2.

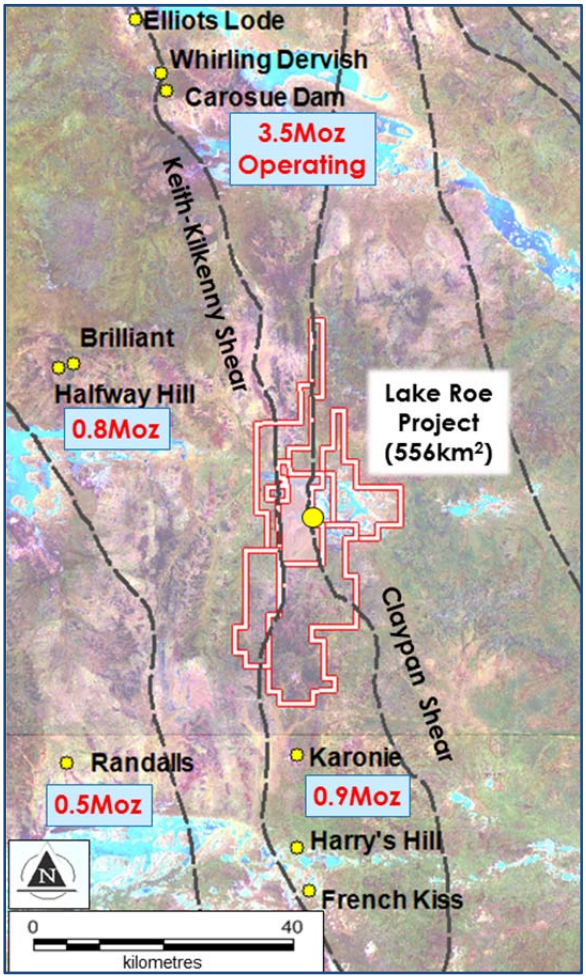

Figure 1: Lake Roe Gold Project Location Plan

Phase 2 Aircore Drilling October/November 2015

The strategy of this drilling was to use the distribution of oxide gold as a vector to bedrock gold, and to build a picture of the bedrock gold distribution using multi-element geochemistry from 1m end-of-hole (**EOH**) samples.

The Phase 2 aircore drilling program comprised 181 holes for 7,948m and was completed in early November 2015. Drill holes are located in Figure 2 and full details of the drilling are provided in ASX Releases of 4 December 2015 and 30 December 2015. The average drill depth was 44m with all holes angled 60 degrees to the west and drilled to refusal (hard, near-fresh bedrock).

The objective of the drilling was to clarify the geometry, continuity and extent of gold mineralisation in the southern part of the 5.5km gold system identified in the Phase 1 drilling, the Bombora Prospect. The program was conducted with a *minimum* drill hole spacing of 100m x 40m in selected areas, an eight times increase in drill density relative to the Phase 1 drilling.

The drilling confirmed a new gold system of considerable scale and coherence that is open in all dimensions.

Approximately 30% of the drill holes terminated in +50ppb gold mineralisation (drill refusal) with EOH grades up to 12.87g/t gold. The primary zone is essentially untested. Significant results are summarised below. Full details for all drill holes are provided in the ASX Release of 30 December 2015.

Hole No.	Intercept (m)	Au (g/t)	From (m)
BAC0835	**5**	**1.33**	30
incl.	**1**	**4.94**	31
BAC0842	**5**	**0.58**	33
incl.	**1**	**1.88**	33
BAC0846	**12**	**0.78**	33
incl.	**1**	**1.95**	33
incl.	**2**	**2.04**	37
BAC0848	**1**	**8.50**	31
BAC0853	**5**	**0.52**	69
incl.	**1**	**1.61**	69
BAC0856	**4**	**1.59**	30
incl.	**2**	**3.03**	30

Hole No.	Intercept (m)	Au (g/t)	From (m)
BAC0883	**1**	**1.63**	35 (EOH)
BAC0884	**6.3**	**1.92**	21 (EOH)
incl.	**3.3**	**3.48**	24 (EOH)
BAC0887	**5**	**0.61**	49 (EOH)
incl.	**1**	**2.32**	52
BAC0907	**9**	**1.16**	12
incl.	**2**	**4.15**	12
BAC0912	**15**	**1.46**	32 (EOH)
incl.	**3**	**2.83**	33
incl.	**6**	**1.57**	41

Table 1: Significant Drill Intersections from Phase 2 Aircore Drilling, Lake Roe Gold Project

High grade (+3g/t) gold "lode" material was encountered in several different areas, suggesting a more widespread distribution in both the oxide and primary zone (Figure 2).

Higher grade mineralisation occurs within multiple, cohesive (+50ppb gold) mineralisation envelopes up to 200m wide over a 2km x 1km area. These manifest as prominent zones of shearing and logged alteration spatially associated with elevated silver (to 6.86g/t), molybdenum, antimony, arsenic, bismuth, copper and tellurium. *The wide, cohesive nature of the EOH gold and alteration is unusual and is typically only seen in large gold deposits.*

On a minimum drill spacing of 100m x 40m the AC drilling is not able to demonstrate continuity of ***high*** grade gold in the oxide or primary (fresh) zone as the drilling is still reconnaissance in nature. The effective horizontal coverage of the drilling is limited by a large number of shallow drill holes (30% of holes <30m), and the presence of unmineralised "cover" consisting of 5m-20m of transported cover, and a gold-depleted upper oxide zone (upper saprolite).

Significantly, the intensity of oxide mineralisation mimics the gold intensity at the oxide/bedrock interface, defined by 1m EOH multi-element sampling (the extent of sampling in fresh rock) indicating that the oxide gold is mainly oxidised bedrock mineralisation with limited lateral displacement, a conclusion supported by field observations.

Multiple mineralisation orientations are evident and therefore the results presented provide only a partial picture. The prevailing dip appears to be sub-vertical within the dolerite and, based on limited data, sub-vertical to steep west dipping on the Claypan Shear Zone (and potentially inclined in the same direction as the drilling).

A prominent east-west structure in the north central part of the gold system (~6,600,000N) appears to be associated with high grade (+3g/t) gold (best intersection of 5m at 6.12g/t Au, including 2m at 14.42g/t Au; ASX Release 26 August 2015) but is parallel to the drill direction and therefore largely untested (all holes angled 60 degrees to the west).

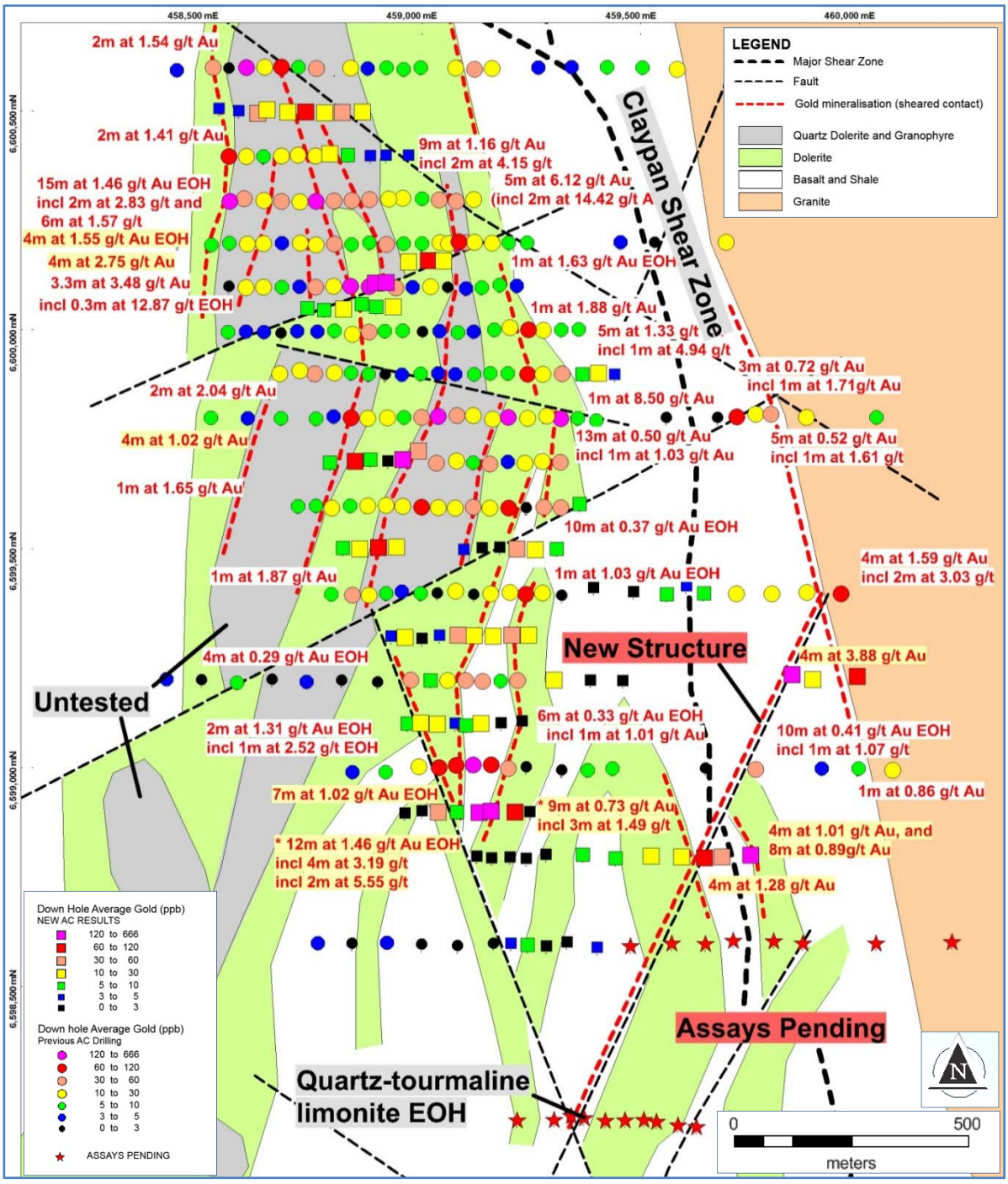

Figure 2: Bombora Prospect, Lake Roe Project - Drill Hole Location Plan with Thematic Down Hole Average Gold Values and Selected Aircore Drill Intersections (December 2015 drilling in yellow highlight; ; Breaker's previous drilling in white highlight; Refer to ASX Releases 29 January 2016, 30 December 2015 and 4 December 2015 for full list of Intersections)

Phase 3 Aircore Drilling December 2015

The Phase 3 AC drilling comprised 118 holes for 5,362m at the Bombora Prospect and was completed on 16 December 2015. Drill locations are shown in Figure 2. All holes were angled 60° to the west and drilled to refusal (relatively fresh bedrock) where an end-of-hole multi-element is taken.

The objectives of the drilling were to test the continuity of gold mineralisation by progressively tightening the drill hole spacing to 100m x 40m in selected areas, and to assess the southern extent of the Bombora Prospect using a wider reconnaissance drill hole spacing.

Reported results are based on preliminary 4m composite samples that have been received for 84% of the Phase 3 drilling (BAC0982-1080; 99 drill holes). Results are pending for 19 drill holes located in the southern part of the Bombora Prospect (BAC1081-1099; Figure 2). End-of-hole multi-element results are outstanding for all drill holes with results expected in 1-2 weeks. One metre sample assay results for all 4m composite samples assaying in excess of ~100ppb Au are anticipated in ~4 weeks.

More significant drill intersections are highlighted below and are located on Figure 2 (full details of the drilling are provided in ASX Release of 29 January 2016).

Hole No.	From (m)	To (m)	Width (m)	Au (g/t)	Comment	Sample Type
BAC0988	24	28	4	1.55	EOH	4m Comp
BAC0989	24	32	8	1.48	EOH	4m Comp
incl.	24	28	4	2.75		4m Comp
BAC1014	20	32	12	0.61		4m Comp
incl.	24	32	8	0.84		4m Comp
incl.	28	32	4	1.02		4m Comp
BAC1014	36	48	12	0.46		4m Comp
BAC1032	28	36	8	2.07		4m Comp
incl.	28	32	4	3.88		4m Comp
BAC1060	32	39	7	1.02	EOH	1m Split
incl.	36	39	3	1.35		1m Split
***BAC1061**	39	51	12	1.46	EOH	1m Split
incl.	39	43	4	3.19		1m Split
and	40	42	2	5.56		1m Split
***BAC1061**	46	48	2	1.2		1m Split
incl.	46	47	1	1.62		1m Split
***BAC1062**	34	43	9	0.73		4m Comp
incl.	35	40	5	1.2		4m Comp
and	35	38	3	1.49		4m Comp
BAC1072	68	76	8	0.72		4m Comp
incl.	72	76	4	1.28		4m Comp
BAC1074	48	52	4	1.01		4m Comp
BAC1074	64	80	16	0.55		4m Comp
incl.	64	72	8	0.89		4m Comp

Table 2: Significant Drill Intersections from Phase 3 AC Drilling, Bombora Prospect, Lake Roe Gold Project
(* Results for BAC1061 and BAC1062 previously reported in ASX Release 30 December 2015)

The results, in conjunction with the Phase 2 drilling, have upgraded the potential of a greenfields gold system of considerable scale and coherence that is open in all dimensions.

Preliminary, partial coverage 4m composite results from the Phase 3 AC drilling have extended the Bombora Prospect to the south. A new NE-trending structure in excess of 700m long has been identified with a best intersection of 8m at 2.07g/t Au (incl. 4m at 3.88g/t Au). Pending assay results from drill holes situated along strike may extend this further.

Tightening the drill pattern to 100m x 40m in selected areas – an eight times increase in drill density compared to the Phase 1 drilling – has clarified the broad controls on gold mineralisation and significantly upgraded the geological continuity.

Gold mineralisation is associated with subsidiary faults of the Claypan Shear Zone and occurs preferentially on the sheared and altered contacts of different phases of an 800m-thick compositionally layered (fractionated) dolerite intrusion (Figure 2). The different contacts of the phases of the layered dolerite – including granophyre, quartz dolerite and dolerite – evidently provide competency contrasts with adjoining rocks that focus the shearing, alteration and gold mineralisation.

In addition, a thin (100m-200m wide) dolerite unit on the eastern side of the layered intrusion is repeated by folding apparently due to ductile (plastic) deformation in the vicinity of the Claypan Shear Zone. Several contacts of this dolerite unit appear to be mineralised (eg. lode mineralisation in BAC1060-1062). *The overall result is a multiple, stacked configuration of the gold mineralisation that increases the potential ounces per vertical metre and enhances the scope for possible open pit and underground mining.*

Continuity of +50ppb EOH gold mineralisation (mineralisation envelopes up to 200m wide) in relatively fresh rock has already been demonstrated in many areas by the Phase 2 drilling. These manifest as altered and sheared margins of different phases of the dolerite that are elevated in several pathfinder elements including silver (up to 6.86g/t), molybdenum, antimony, arsenic, bismuth, copper and tellurium.

In the oxide zone, the *minimum* drill spacing of 100m x 40m is too wide in many areas to provide the effective horizontal coverage to adequately establish continuity of higher grade (+3g/t Au), and in many cases the drill results are geochemical in nature. Despite this, higher grade mineralisation within the mineralisation envelopes has now been encountered in oxide and relatively fresh bedrock (EOH data) in several different areas to suggest a more widespread presence. This is in accord with the general pattern in the results from the Phase 2 and 3 drilling – an increase in the quality and number of intersections with increasing drill density.

Higher grade (+3g/t Au) gold lode material is dominated by sericite, biotite, epidote, actinolite, carbonate and feldspar alteration with varying amounts of disseminated sulphide. Many holes terminate in mineralisation based on preliminary assay data but the drill technique and the uncertain geometry preclude the assessment of representative width and grade.

Despite the wide drill spacing, apparent continuity of +1g/t Au is evident in some areas from available EOH data and 4m composite results from the Phase 3 drilling. These are located at 6599000N and 6600100N (Figure 2).

Next Steps

A ~5,000m reverse circulation drill program is planned to start on 9 February 2016 to assess geometry, tenor and continuity of mineralisation in several areas with the objective of confirming a significant discovery. Detailed planning is currently in progress.

Photo 2: Lake Roe Project – Aircore Drilling

Photo 3: Lake Roe Project – Field Camp

Other Projects

Large-scale soil anomalies and strategic targets identified on the Company's other projects, such as the Dexter and Kurrajong Projects, remain highly prospective but are higher risk due to the presence of significant transported cover.

To manage this risk, Breaker's forward strategy is one of selective drilling of high priority gold targets to generate near-term discovery, such as the Lake Roe and Duketon North Projects, and strategic joint venture to accelerate exploration in other areas where a longer term financial commitment is necessary to advance to potential discovery.

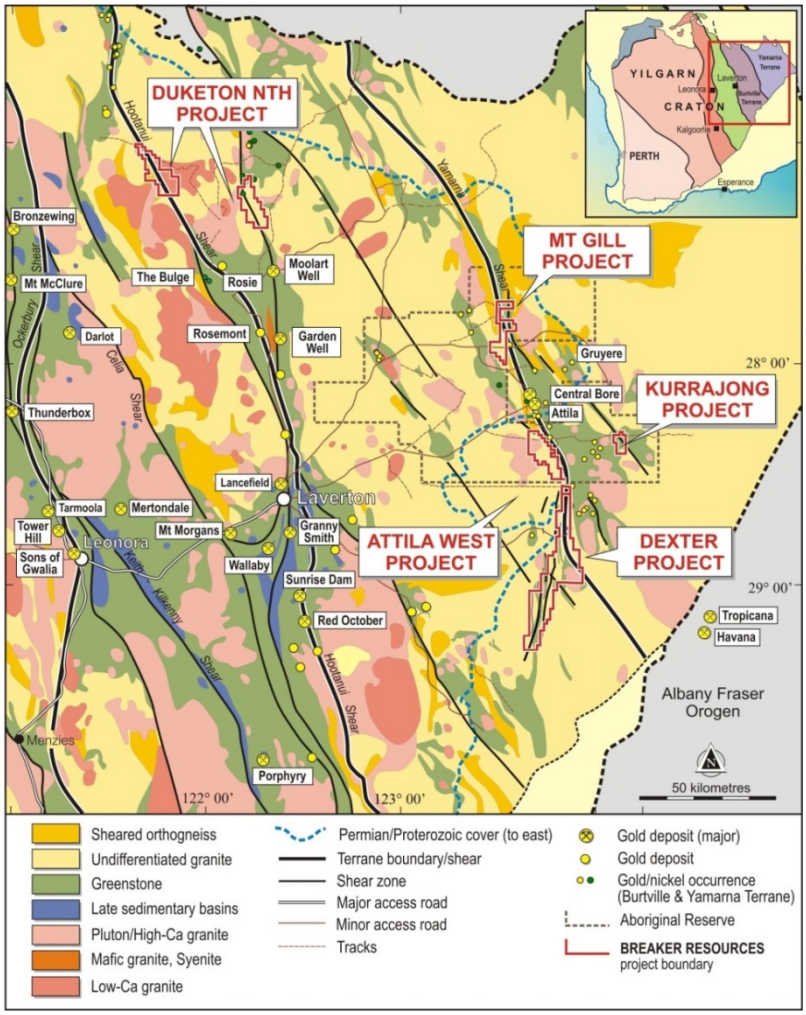

Figure 3: Project Location Map – North-Eastern Goldfields

Duketon North Gold Project December 2015 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 (Figure 3). The main gold target is greenstone-hosted mineralisation associated with a structurally complex part of the Duketon greenstone belt directly along strike from Moolart Well. This area was the subject of a tenement application (E38/3019) in late 2014 and includes a 25km-long area of mafic and ultramafic rocks targeted by historic nickel exploration.

Outcrop is limited and the surface regolith is dominated by 1-2m transported sand, which overlies transported gravel and clay in locally developed palaeochannels (commonly 20m-30m thick) some of which are evident in aeromagnetic data (Figure 4). The transported cover and weathered bedrock is progressively stripped off towards the northern tenement boundary.

An orientation soil survey completed on E38/3019 identified a coherent 4km x 1.2km soil anomaly (+3ppb gold cut-off) that is associated with anomalous molybdenum, arsenic, copper and lead (ASX Release 31 July 2015). The main soil anomaly is open to the south, with smaller anomalies to the east that appear to correspond with rotated (dilatant) segments of the greenstone package.

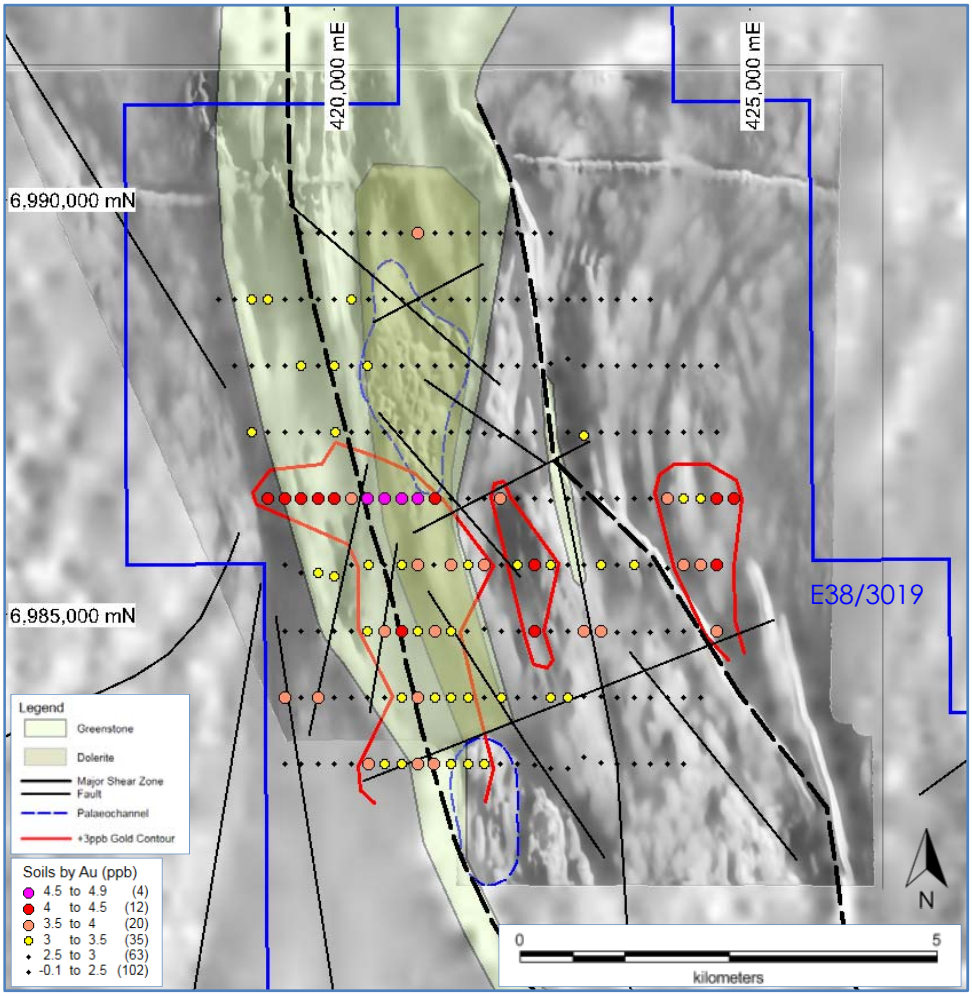

Figure 4: Duketon North E38/3019 Soil Sampling over Geology & Aeromagnetics

Known bedrock mineralisation associated with a major shear zone trends into the main soil anomaly from the north, near the western contact of a ~1km-wide dolerite unit. Based on 1m bottom-of-hole multi-element sampling and petrology data from historic nickel exploration, the mineralisation includes strike-extensive zones with elevated silver (up to 1.2g/t) and anomalous arsenic, tellurium, bismuth, lead and sulphur with locally significant sericite-quartz alteration (WAMEX Report A88276). This mineralisation has not been systematically assessed for its gold potential

No field work was conducted during the quarter pending grant of the E38/3019 tenement.

Dexter Gold Project December 2015 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). 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).

Efforts to locate the bedrock gold source of the Three Bears-Tallows and Sandshoes anomalies continue. Further drilling at these prospects, and an initial program at Mt Douglas, are contemplated, potentially with a joint venture partner to accelerate progress.

No field work was conducted at the Dexter Project during the quarter.

Attila West Gold Project December 2015 Quarter Exploration Activities

The Attila West Project is located 130km east-northeast of Laverton and is contiguous with the Dexter Project to the south. The Project targets gold in a structural complex area involving 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. Thin Aeolian sand and Permian cover (10m-15m) are typically present.

Auger soil sampling in 2013 previously identified multiple untested gold-in-soil anomalies that are spatially associated with fault splays of the Yamarna and Dexter/Isolated Hill shear zones.

No field work was conducted at the Attila West Project during the quarter.

Kurrajong Gold Project December 2015 Quarter Exploration Activities

The 54km^2 Kurrajong Project is located in the Yamarna Terrane 35km along strike from the recent 3.8Moz Gruyere gold discovery, 175km east-northeast of Laverton. 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.

No field work was conducted at the Kurrajong Project during the quarter.

Mt Gill Gold Project December 2015 Quarter Exploration Activities

The 167km^2 Mt Gill Gold Project is located 30km along strike from the Attila-Alaric-Central Bore gold deposits, 135km northeast of Laverton (Figure 3). The project targets gold associated with a ~20km length of the Yamarna Shear Zone and greenstone belt. The regolith is dominated by thin aeolian sand overlying Archean bedrock.

Soil sampling previously identified widespread gold and pathfinder anomalism spatially associated with the Yamarna Shear Zone and greenstone belt (gold up to 63ppb; ASX Release 30 October 2012). Infill sampling in mid-2014 confirmed four areas of interest defined by statistically anomalous populations of gold, arsenic, molybdenum and bismuth.

No field work was conducted at the Mt Gill Project during the quarter.

Ularring Rock December 2015 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, 37m @ 0.72g/t Au and 0.26% Cu. The prospectivity of the area is under review.

CORPORATE

The Company's pro rata renounceable entitlement issue, announced on 17 September 2015, closed on 13 October 2015, with the amount raised totalling $553,755 before costs. The table below summarises the Company's capital structure prior to and following completion of the entitlement issue.

Security	Pre-Offer	Issued via Offer	Post-Offer
Fully Paid Ordinary Shares (ASX: BRB)	68,875,008	13,843,875	82,718,883
Partly Paid Shares (paid to $0.01; fully paid at $0.20; no call for at least 4 years) (ASX: BRBCA)	6,887,498	-	6,887,498

It is intended that funds will be used, primarily, to undertake drilling at the Lake Roe Project, as well as exploration activities at the Company's other projects. Breaker's cash balance at the end of the December 2015 quarter was $0.723 million.

As a result of the conduct of the Offer, the exercise prices of various unlisted options on issue were adjusted during the period. Details of all unlisted options on issue are:

Number of Options	Exercise Price	Expiry
3,000,000	$0.278	30/06/16
3,000,000	$0.228	30/06/16
1,000,000	$0.500	31/12/16
1,000,000	$0.478	31/12/16

The Company's Annual Report was released on 14 October 2015 and the Annual General Meeting held on 18 November 2015.

During the quarter, the Company submitted an application to the federal government's R&D Tax Incentive Scheme relating to its 2014/15 exploration expenditure which resulted in a rebate of $0.507 million being received subsequent to the quarter.

Tom Sanders
Executive Chairman
Breaker Resources NL **29 January 2016**

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

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Email: breaker@breakerresources.com.au

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 31 December 2015.

Project	Tenement Number	Status at 31/12/15	% Held/ Earning	*Changes during the Quarter*
Attila West	E38/2530	Granted	100	
Dexter	E38/2695	Granted	100	
	E38/2934	Granted	100	
	E39/1611	Granted	100	
	E39/1614	Granted	100	
Duketon North	E38/2511	Granted	100	
	E38/2852	Granted	100	
	E38/2855	Granted	100	
	E38/3019	Application	100	
	E53/1592	Granted	100	
Kurrajong	E38/2531	Granted	100	
Lake Roe	E28/2515	Granted	100	
	E28/2522	Application	100	
	E28/2551	Application	100	
	E28/2555	Application	100	
	E28/2556	Application	100	
	E28/2559	Application	100	
Mt Gill	E38/2513	Granted	100	
	E38/2529	Granted	100	
Murchison	E51/1682	Application	100	
Ularring Rock	E70/4686	Granted	100	

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, 01/05/2013

Name of entity

Breaker Resources NL

ABN	Quarter ended ("current quarter")
87 145 011 178	31 December 2015

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for: (a) exploration & evaluation	(346)	(840)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(88)	(192)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	19
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (R&D tax benefit)	-	-
	Net Operating Cash Flows	(433)	(1,013)
	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)	(433)	(1,013)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(433)	(1,013)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	554	554
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(55)	(58)
	Net financing cash flows	499	496
	Net increase (decrease) in cash held	66	(517)
1.20	Cash at beginning of quarter/year to date	657	1,240
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	723	723

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	72
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	80
	Total	430

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	193	127
5.2	Deposits at call	530	530
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	723	657

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				
6.2	Interests in mining tenements and petroleum tenements acquired or increased				

+ See chapter 19 for defined terms.

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.

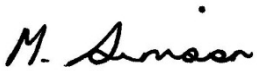
		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	BRB: 82,718,883 BRBCA: 6,887,498	82,718,883 6,887,498	- 20 cents	- 1 cent
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	(a) BRB: 13,843,875	13,843,875	-	-
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)*	3,000,000 3,000,000 1,000,000 1,000,000	- - - -	*Exercise price* 22.8 cents 27.8 cents 47.8 cents 50 cents	*Expiry date* 30 June 2016 30 June 2016 31 December 2016 31 December 2016
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)*				

+ See chapter 19 for defined terms.

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:  Date: 29 January 2016
(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.

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.