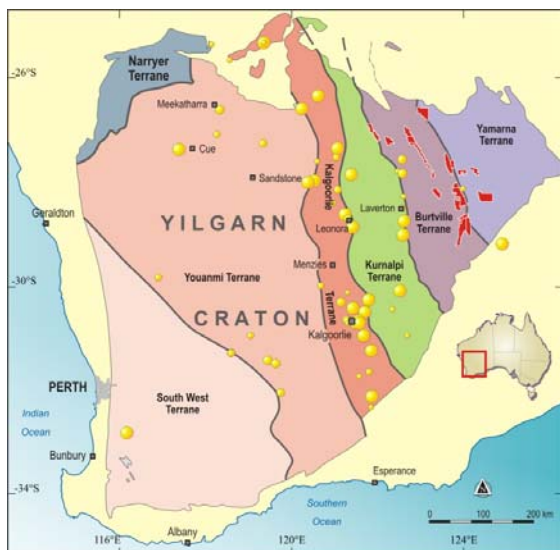


QUARTERLY REPORT to 30 JUNE 2012**HIGHLIGHTS****CORPORATE**

- Initial Public Offering oversubscribed raising A\$8.5 million
- Company admitted to Australian Securities Exchange ("ASX") on 20 April 2012.
- Strong support from international and Australian institutional shareholders which form 46% of share register; Directors hold 25%

EXPLORATION

- Aircore drilling of structural targets completed at Dexter and Attila West Projects (assay results pending)
- Multi-element geochemical drilling started at Dexter and Mt Gill projects (assay results pending)
- 50,000 line km aeromagnetic survey completed at Dexter, Attila West, Duketon North and De La Poer projects
- Trial ground EM survey completed at Kingston project
- Five native title heritage surveys successfully completed on Cosmo Newbery Reserve land
- Breaker awarded grants totalling \$300K by WA Government for co-funding of drilling at Dexter and Kingston projects



Project Location

Board of Directors**Tom Sanders**

Executive Chairman

Mike Kitney

Non-executive Director

Mark Edwards

Non-executive Director

Corporate**ABN** 87 145 011 178**Issued Securities**

55.1 million ordinary shares

21.3 million listed options

7.0 million unlisted options

Cash (30 June 2012)

\$6.9 million

Market Capitalisation (30 June 2012)

\$11.0 million

Contact Details**Suite 2, 20 Altona Street****West Perth WA 6005****Ph: +61 8 92263666****Fax: +61 8 92263668****Web:** www.breakerresources.com.au**Email:**breaker@breakerresources.com.au**ASX CODE: BRB**

INTRODUCTION

Breaker is the largest tenement holder in the Eastern Goldfields Superterrane ("EGST") with a 100% interest in eight exploration projects with a total area of ~5,500 km². The Company's projects are located in the emerging Yamarna and Burtville Terranes and include 190 km of the Yamarna Shear Zone, four previously undrilled greenstone belts, and several other large crustal faults.

Significant gold-in-soil anomalies were identified at the Company's Dexter, Mt Gill and Kurrajong South projects by WMC Ltd (mid-1990s) but no anomalies were drilled. Significant discoveries have since been made in the area (Tropicana, Garden Well).

SUMMARY JUNE QUARTER 2012 EXPLORATION

June Quarter exploration since listing on the ASX on 20 April 2012 includes the following:

Wide-spaced reconnaissance aircore drilling was completed in the central portion of the Dexter project (37 holes for 2,829 m) and in the southern part of the Attila West project (46 holes for 2,303 m). The objective of the drilling was to test for Archean bedrock alteration signatures beneath Permian cover rocks in the vicinity of several structural features apparent from aeromagnetic data, and to assess the thickness and nature of the cover rocks. Bottom of hole assay results from Archean bedrock samples are pending from both projects.

Five native title heritage surveys on Cosmo Newbery land were completed at the Mt Gill, Attila West, Kurrajong South, Mt Sefton and De La Poer projects thereby securing access to these areas for first phase exploration.

Multi-element auger geochemical drilling commenced in the central part of the Dexter project in late-May and moved to the Mt Gill project following heritage clearance (~1,100 sites on an initial 1,600m x 400m pattern). Assay results are pending.

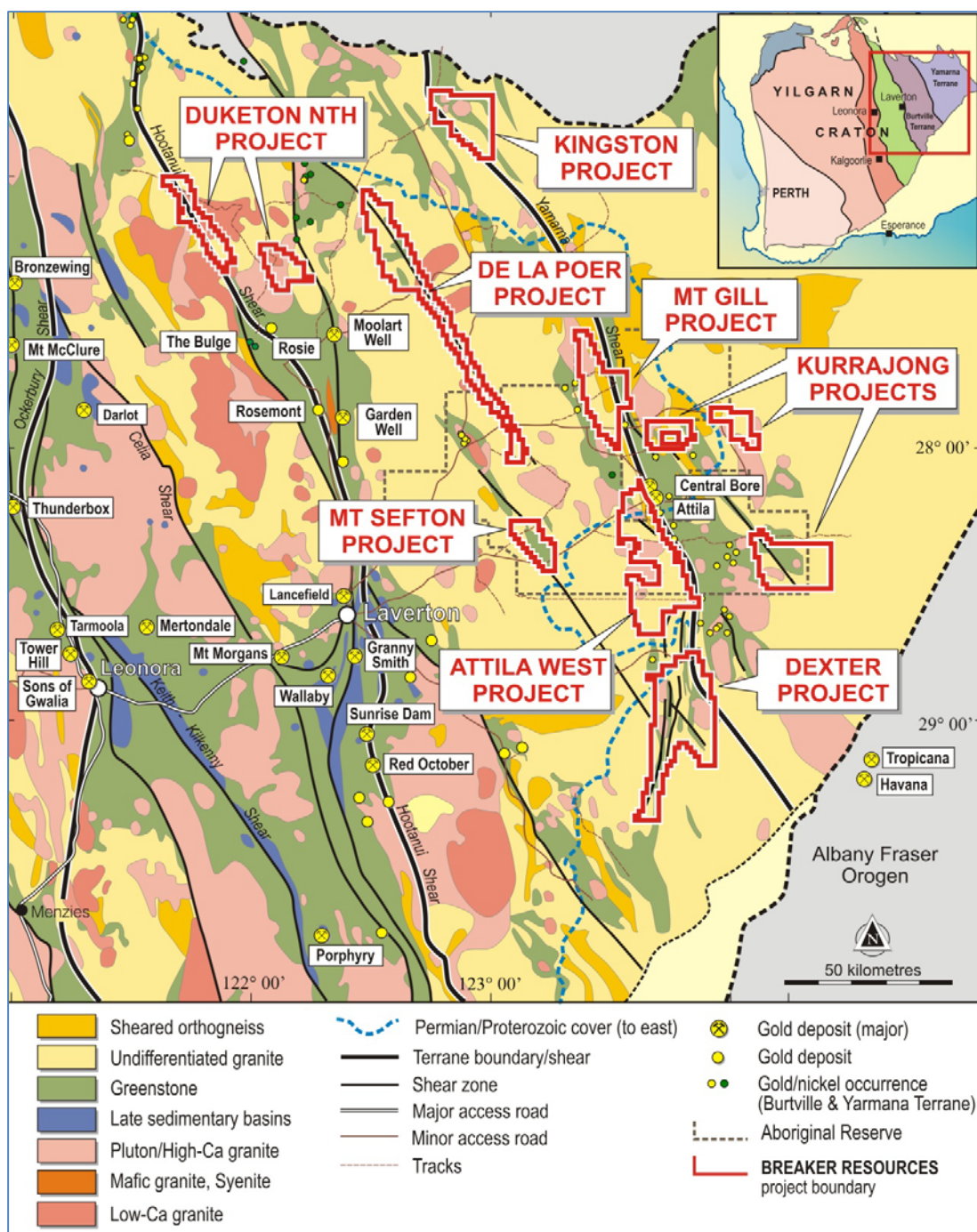
Processing and imaging of existing aeromagnetic and radiometric data (all projects).

Approximately 50,000 line km of detailed aeromagnetics/radiometrics (100m line spacing) were flown at the Dexter, Attila West, Duketon North and De La Poer projects to provide baseline data in areas previously covered by wide-spaced government data.

Breaker was awarded two grants totalling \$300K for co-funding of drilling in areas of deeper cover at the Dexter and Kingston projects under the WA Government's Exploration Incentive Scheme.

Trial ground Electromagnetic ("EM") survey successfully completed at the Kingston project to assess the nature of near-surface conductivities in preparation for an airborne EM survey (seven lines, 100m spacing).

High resolution satellite data was acquired for all projects



Project Location and Regional Geology

PROJECT BACKGROUND

Breaker applied for its tenements in November 2010 in response to new data releases and a decade of intensive research which led to a new understanding of the timing, distribution and nature of gold mineralizing events in the Eastern Goldfields Superterrane ("EGST").

Breaker's projects target major crustal faults located adjacent to regional anticlines, unexplored greenstone belts, and fault bends—where gold deposits in the well-explored western part of the EGST were found to be most common.

Exploration Strategy

Breaker's objective is early discovery in an unexplored part of Australia's premier gold province. The Company's main exploration tools are modern, geochemical techniques that provide not only a cost-effective tool for discovery, but a mechanism for sound exploration risk management that takes advantage of the Company's large portfolio. Breaker plans to screen its portfolio for large gold deposit signatures. Areas with known gold-in-soil anomalies (Mt Gill, Kurrajong South and Dexter North once granted) will be prioritised.

Drilling will be conducted on the best geochemical targets, and accelerated in areas where encouraging drill results are obtained. Early wide-spaced aircore drilling will be conducted where advantageous to test for bedrock alteration and to clarify the geochemical response of the regolith.

Geophysical tools will be used to assist drill targeting particularly in areas of deeper cover, where Breaker has been awarded co-funded drilling grants totalling \$300,000 by the WA Government.

EXPLORATION AND EVALUATION

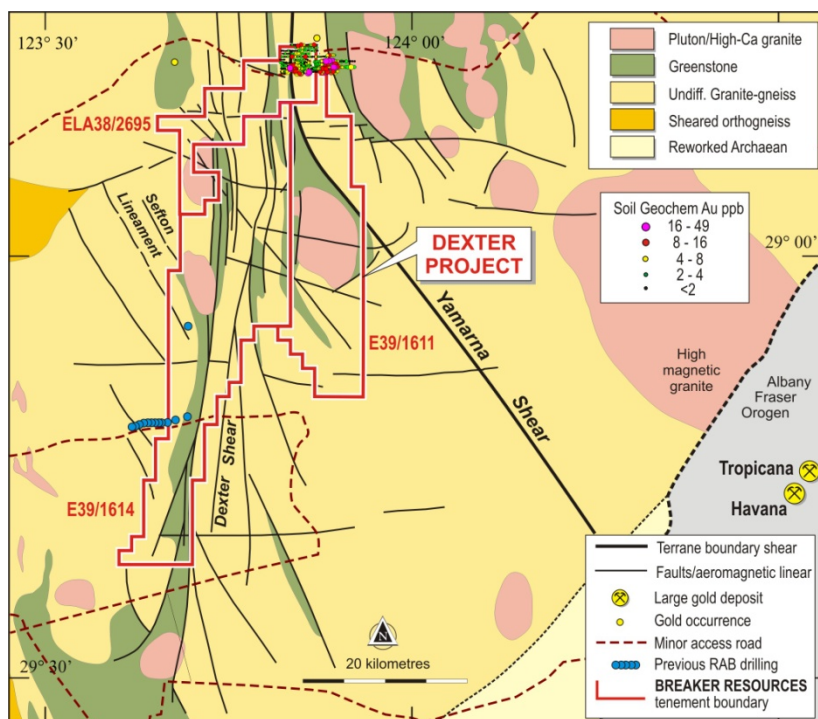
DEXTER PROJECT

The Dexter Project is located 75km along strike from the Attila and Central Bore gold deposits, 140 km south-southeast of Laverton and comprises three tenements with an overall area of 1,103 km².

The Dexter Project straddles the intersection of the Yamarna Shear Zone and the Dexter Shear in the vicinity of prominent bend in the Yamarna Shear and a domal granite intrusion. Historical partial-coverage soil geochemistry by WMC Ltd in the mid-1990s encountered anomalous gold-in-soil values up to 32 ppb gold within ELA 38/2695 in the northern part of the project. Follow-up drilling was not undertaken.

Dexter June 2012 Quarter Exploration Work

Wide-spaced reconnaissance aircore drilling was completed in the central portion of the Dexter project (37 holes for 2,829 m). The objective of the drilling was to test for bedrock alteration beneath Permian cover rocks and to assess the thickness and nature of the cover rocks in the vicinity of intersecting structural features apparent from aeromagnetic data. End of hole multi-element assay data for Archean bedrock samples are pending. The drilling confirmed 25m-70m of cover in the (north) central part of the project, with deeper (+100m) Permian cover in the (south) central area.



Dexter Project: Interpreted Geology

Multi-element auger geochemical drilling was undertaken in the central part of the Dexter project. There were 792 samples collected on a 1,600m x 400m pattern. Assay results are pending. Grant/access to the northern tenement at Dexter, which contains the anomalous gold-in-soil values identified by WMC Ltd in the mid-1990s, is expected in mid-August 2012.

High resolution satellite data was acquired and the available open file 400m-spaced aeromagnetic and radiometric data was reprocessed and imaged.

A detailed 16,459 line km aeromagnetic/radiometric survey (100m line spacing, 45m height) was flown at the Dexter project to provide baseline data for structural interpretation.

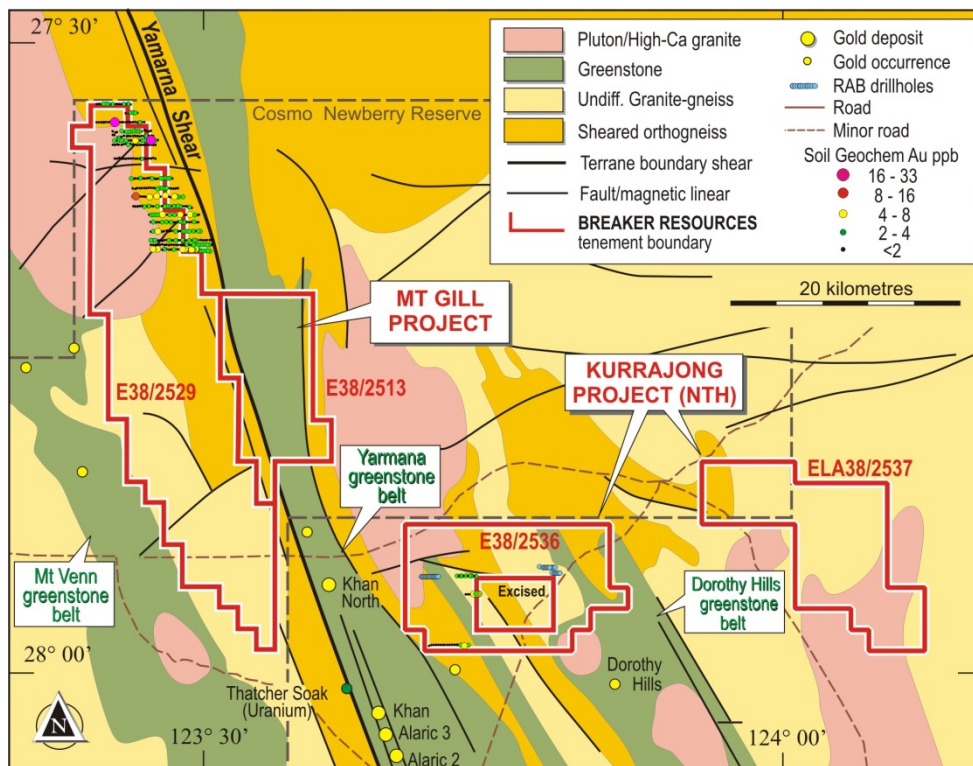
Breaker was awarded a grant of \$150,000 for co-funding of drilling in areas of deeper cover at the Dexter project under the WA Government's Exploration Incentive Scheme. Breaker will be required to match the \$150,000 funding grant on a dollar-for-dollar basis on direct drilling costs.

Exploration in the coming quarter will focus on auger geochemistry in shallow-cover areas in the northern part of the project in preparation for drilling. A detailed interpretation of the aeromagnetic data will be undertaken and an airborne EM survey will be considered to evaluate a prominent granite dome in the footwall of the Yamarna Shear.

MT GILL PROJECT

The Mt Gill Project is located 135 km northeast of Laverton and comprises two tenements with an area of 518 km², situated 12 km along strike from the Khan North gold deposit.

The project includes 17 km of the Yamarna greenstone belt and 35 km of the central structural zone of Yamarna Shear Zone. Historical exploration is limited to soil sampling over a 14 km-long zone in the footwall of the Yamarna Shear by WMC in the mid-1990s. Soil anomalies up to 33 ppb gold were identified in sandy soils but no drilling was undertaken.



Mt Gill and Kurrajong North Projects: Interpreted Geology

Mt Gill June 2012 Quarter Exploration Work

A native title heritage survey was successfully completed at the Mt Gill project in preparation for first phase exploration.

Multi-element auger geochemical drilling commenced in the southern part of the Mt Gill project and 244 samples were collected on a 1,600m x 400m pattern. Assay results are pending.

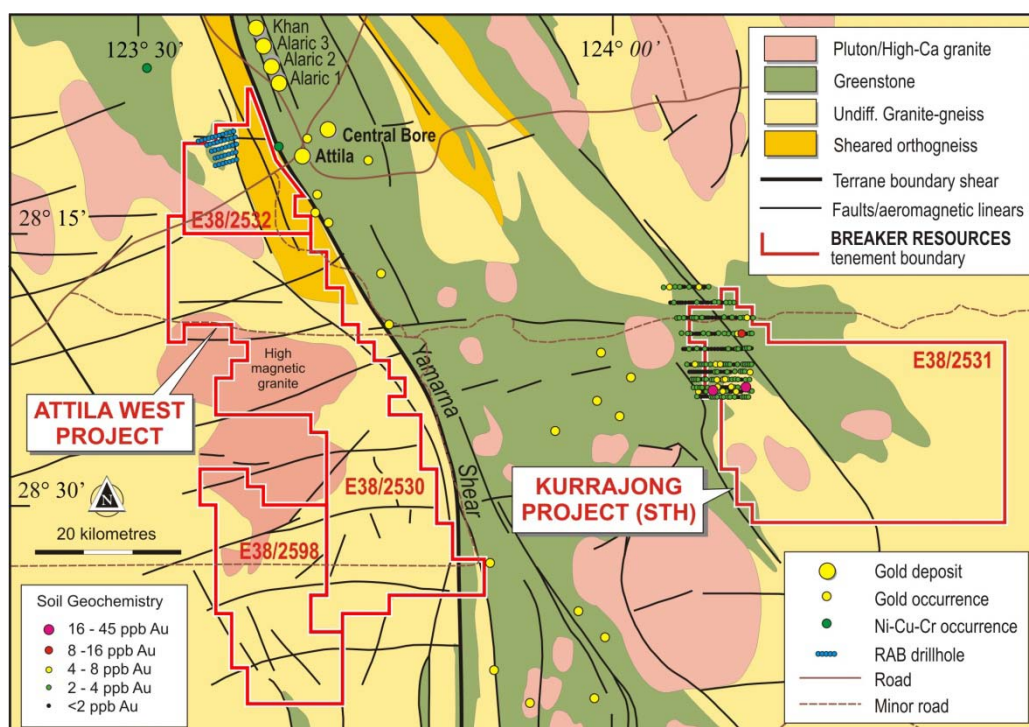
The available open file 200m-spaced aeromagnetic and radiometric data was reprocessed and imaged, and high resolution satellite data was acquired.

Exploration in the coming quarter will focus on auger geochemistry, interpreting the aeromagnetic data and field evaluation in preparation for drilling.

ATTILA WEST PROJECT

The Attila West Project is located 130 km east-northeast of Laverton and comprises three tenements with an area of 919 km², 2 km west of the Attila gold deposit, and 6 km west of the Central Bore gold deposit.

The project includes 3.5 km of the Yamarna Shear, and 50 km of the western and central structural zones in the footwall of the Yamarna Shear Zone. Historical exploration is limited. The project is dominated by a large domal granite intrusion in the footwall of the Yamarna Shear.



Attila West and Kurrajong South Projects: Interpreted Geology

Attila West June 2012 Quarter Exploration Work

Wide-spaced reconnaissance aircore drilling was completed in the southern part of the Attila West project (46 holes for 2,303 m). The objective of the drilling was to test for bedrock alteration beneath Permian cover rocks and to assess the thickness and nature of the cover rocks in the vicinity of intersecting structural features apparent from aeromagnetic data. End of hole multi-element assay data for Archean bedrock samples are pending. The drilling confirmed generally thin (10m-25m) Permian cover, with localised areas of thicker cover possibly related to palaeochannels.

A native title heritage survey was successfully completed in the northern part of the Attila West to facilitate access first phase exploration on Aboriginal reserve land.

High resolution satellite data was acquired and the available open file aeromagnetic and

radiometric data was reprocessed and imaged.

A detailed 14,001 line km aeromagnetic/radiometric survey (100m line spacing; 45m height) was flown to provide baseline data for structural analysis.

Exploration in the coming quarter will focus on auger geochemistry, interpreting the aeromagnetic data and field evaluation in preparation for drilling.

KURRAJONG PROJECT

The Kurrajong Project is located in the Yamarna Terrane, 175 km east-northeast of Laverton and consists of two large-area prospects (Kurrajong South and Kurrajong North) with an overall area of 728 km².

The project targets extensive strike lengths of the Dorothy Hills greenstone belt which is intruded by a number of domal granite intrusions, and situated adjacent to a major fault highlighted by recent government surveys. Gold-in-soil values of up to 45 ppb gold were identified in sand by WMC in 1997 at the Kurrajong South Prospect but no drilling was undertaken.

Kurrajong June 2012 Quarter Exploration Work

A native title heritage survey was completed at the Kurrajong South prospect in preparation for first phase exploration.

High resolution satellite data was acquired, and the available open file aeromagnetic and radiometric data was reprocessed and imaged.

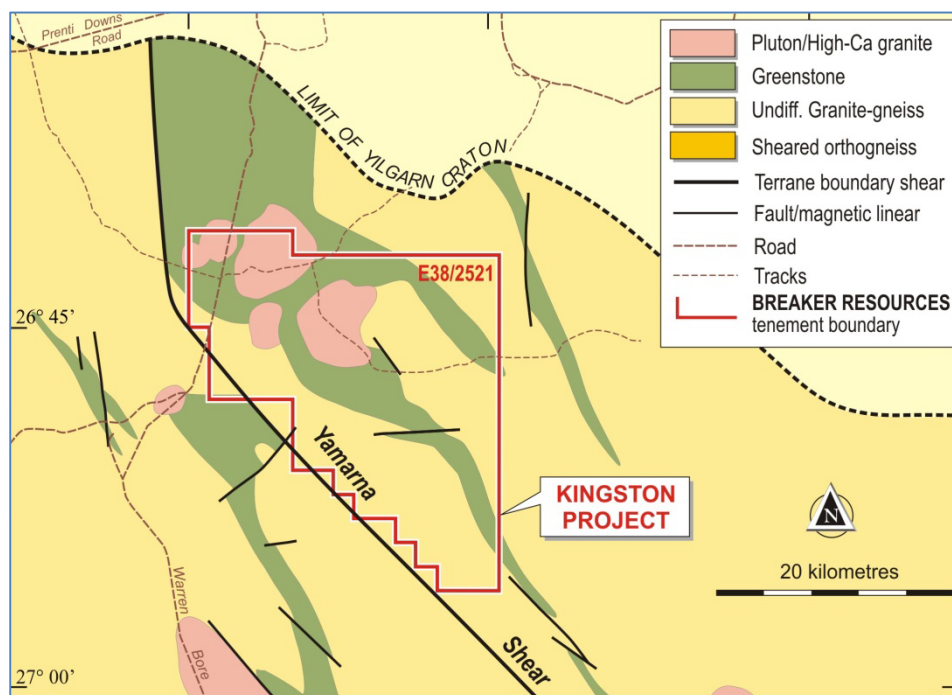
Exploration in the coming quarter will focus on auger geochemistry, interpreting the aeromagnetic data and field evaluation in preparation for drilling.

KINGSTON PROJECT

The 455 km² Kingston Project is located in the Yamarna Terrane, 200 km north-northeast of Laverton and 150 km north-northwest of the Attila and Central Bore gold deposits.

The Kingston Project targets a previously undrilled 35 km-long greenstone belt located close to a prominent bend in the Yamarna Shear near the northern margin of the Yilgarn Craton. Up to 200m of Paleoproterozoic and Permian cover rocks are present. The project is prospective for gold and nickel mineralization.

Geophysical surveys highlight a coincident magnetic and gravity anomaly over an Archean greenstone belt intruded by a granite pluton. A government geochemical survey encountered anomalous arsenic, antimony, bismuth, molybdenum, tin, tungsten and selenium indicating potential for gold mineralization. Anomalous nickel-copper-chrome values suggest the presence of ultramafic rocks.



Kingston Project: Interpreted Geology

Kingston June 2012 Quarter Exploration Work

High resolution satellite data was acquired, and the available open file aeromagnetic and radiometric data was reprocessed and imaged.

A trial ground EM survey (seven wide-spaced lines, 100m stations) was successfully completed indicating that the area is amenable airborne EM.

Breaker was awarded a grant of \$150,000 for co-funding of drilling at the Kingston project under the WA Government's Exploration Incentive Scheme. Breaker will be required to match the \$150,000 funding grant on a dollar-for-dollar basis on direct drilling costs.

In the coming quarter, surface geochemistry and interpretation of the aeromagnetic data will be undertaken, in preparation for an airborne EM survey and drilling.

MT SEFTON PROJECT

The 211 km² Mt Sefton Project is located 80km east-northeast of Laverton and 50km along strike from historic gold mineralization at Cosmo Newbery.

The Mt Sefton Project targets gold mineralization in a small, previously undrilled greenstone belt situated within a large zone of deformation termed the Sefton Lineament. Anomalous gold-in-soil results were obtained from a soil geochemical program in the mid-1990s but were not drilled due to the lack of a native title access agreement.

Mt Sefton June 2012 Quarter Exploration Work

A native title heritage survey was successfully completed at the Mt Sefton project to facilitate access for first phase exploration.

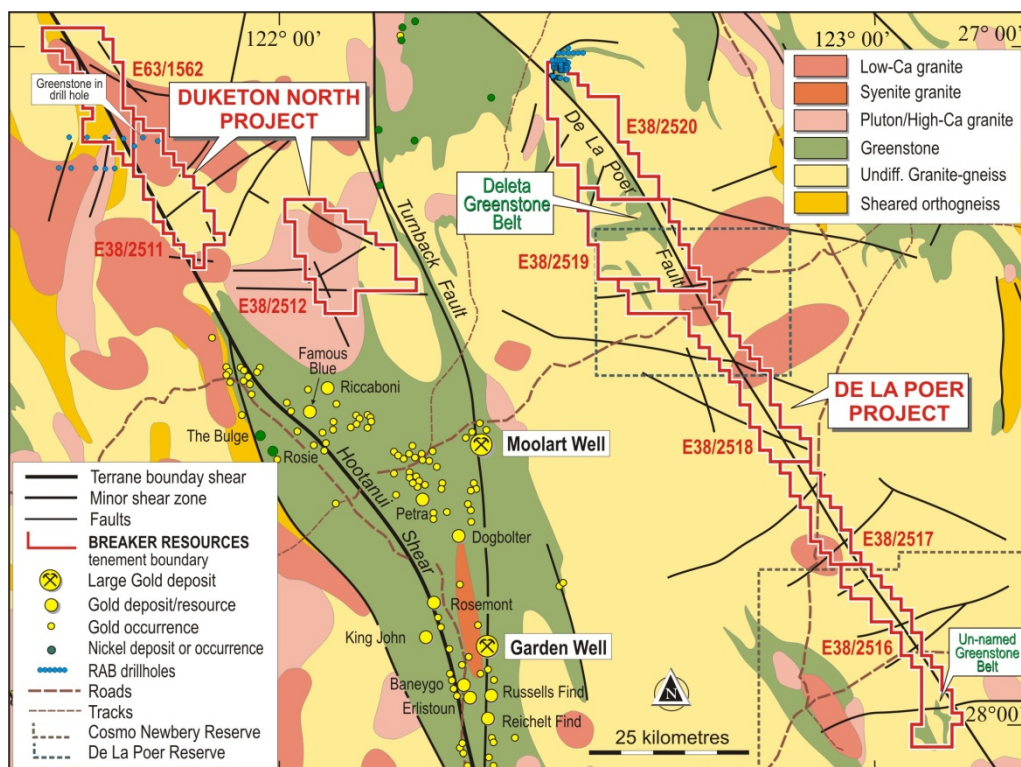
High resolution satellite data was acquired, and the available open file aeromagnetic and radiometric data was reprocessed and imaged.

Exploration in the coming quarter will focus on auger geochemistry, interpreting the aeromagnetic data and field evaluation in preparation for drilling.

DUKETON NORTH PROJECT

The Duketon North Project is located 160km north-northwest of Laverton, 50km north of the Moolart Well and Garden Well gold deposits. The Project consists of three tenements with a total area of 527 km².

The Duketon North Project targets gold along a 42 km strike length of the Hootanui Shear, a major fault zone that separates the Kurnalpi and Burtville Terranes. Historical exploration consists of a single, fence of aircore drill holes (3km spacing) undertaken by BHP Ltd in the mid-1990s. The drilling encountered greenstone that is spatially associated with an elongated magnetic low located parallel to the Hootanui Shear. No systematic historical geochemistry has been completed. Outcrop is limited and sand cover is thin (<2m).



Duketon North and De La Poer Projects: Interpreted Geology

Duketon North June 2012 Quarter Exploration Work

High resolution satellite data was acquired, and the available open file aeromagnetic and radiometric data was reprocessed and imaged.

A 6,283 line km detailed aeromagnetic/radiometric survey (100m line spacing, 45m height) was flown to provide baseline data for structural analysis.

Exploration in the coming quarter will focus on auger geochemistry, interpreting the aeromagnetic data, and field evaluation in preparation for drilling.

DE LA POER PROJECT

The De La Poer Project is located in the Burtville Terrane, 130km northeast of Laverton and 40 km northeast of the Moolart Well gold mine and comprises five tenements with a total area of 870 km².

The De La Poer project targets gold along a 120 km strike length of the De La Poer Fault and includes the unexplored Deleta greenstone belt. The De La Poer project is largely unexplored. Historical exploration is limited to the far northern and far southern areas of the Project. Rock chip sampling in the far northern area located quartz-magnetite float with assays up to 1.4 g/t gold. Systematic geochemistry has not previously been undertaken.

De La Poer June 2012 Quarter Exploration Work

High resolution satellite data was acquired, and the available open file aeromagnetic and radiometric data was reprocessed and imaged.

A native title heritage survey was completed in the southern part of the project within the Cosmo Newbery Reserve (E38/2516) to facilitate access for first phase exploration.

A 12,918 line km detailed aeromagnetic/radiometric survey (100m line spacing, 45m height) was flown over the northern part of the De La Poer project (E38/2517-E38/2520) to provide baseline data for structural analysis.

Exploration in the coming quarter will focus on auger geochemistry, interpreting the aeromagnetic data, and field evaluation in preparation for drilling.

CORPORATE

Breaker listed on the Australian Securities ("ASX") on 20 April 2012 after completing a successful \$8.5 million initial public offering ("IPO") with Patersons Securities Limited as Lead Manager. The IPO involved the issue of 42.5 million shares at A\$0.20 a share, and 1 free attaching option for every 2 shares issued (A\$0.25 exercise).

The IPO received strong international and domestic institutional support which (combined) form 46% of the shares issued. Directors hold an additional 25%.

Breaker's cash balance at the end of the June 2012 quarter was \$6.9 million.

Breaker's objective is early discovery in an unexplored part of Australia's premier gold province. The Company's main exploration tools are modern, geochemical techniques that provide a cost-effective tool for discovery, and a mechanism for sound exploration risk management that takes advantage of the Company's large portfolio.

In the coming quarter, Breaker plans to accelerate the auger and soil geochemistry and allow adequate time for the results to "get ahead" of the drilling. Drilling will then be conducted on the best geochemical targets, and accelerated in areas where encouraging drill results are obtained.

For further information on the Company please visit the Company's new website www.breakerresources.com.au, which will be available in early August 2012, or contact:

Tom Sanders

Executive Chairman

T: +61 8 92263666

COMPETENT PERSON STATEMENT

The information contained in this report that relates to exploration results and geological information is based on information compiled by Mr Tom Sanders, an officer of Breaker Resources NL and whose services have been engaged by Breaker on an 80% of full time basis. Mr Sanders is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the December 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr Sanders consents to the inclusion in this report of the information based on his work in the form and context in which it appears.

Appendix 5B

Mining 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

Name of entity

Breaker Resources NL

ABN

87 145 011 178

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(588)	(680)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(88)	(193)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	46	46
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(630)	(827)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(179)	(189)
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		(179)	(189)
1.13	Total operating and investing cash flows (carried forward)	(809)	(1,016)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(809)	(1,016)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	(35)	8,556
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	312
1.17	Repayment of borrowings	(132)	(132)
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Share issue transaction costs	(592)	(741)
	Net financing cash flows	(759)	7,995
	Net increase (decrease) in cash held	(1,568)	6,979
1.20	Cash at beginning of quarter/year to date	8,550	3
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	6,982	6,982

Payments to directors of the entity and associates of the directors

Payments to 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	98
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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,000
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	1,100

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	6,982	8,550
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	6,982	8,550

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Appendix 5B
Mining exploration entity quarterly report

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.

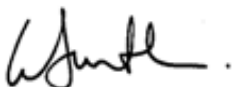
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (<i>description</i>)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	55,100,004	45,300,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	42,500,000	42,500,000		
7.5 +Convertible debt securities (<i>description</i>)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (<i>description and conversion factor</i>)	21,250,000 3,000,000 3,000,000	21,250,000 - -	<i>Exercise price</i> 25 cents 25 cents 30 cents	<i>Expiry date</i> 31 December 2014 30 June 2016 30 June 2016
7.8 Issued during quarter	21,250,000	21,250,000	25 cents	31 December 2014
7.9 Exercised during quarter				
7.10 Expired/cancelled during quarter				
7.11 Debentures (<i>totals only</i>)				
7.12 Unsecured notes (<i>totals only</i>)				

+ 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 give a true and fair view of the matters disclosed.

Sign here:


(Company secretary)

Date: 31 July 2012

Print name: **Graeme Smith**

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 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, 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 Resource* 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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