



**BREAKER**  
Resources NL



**2014 Annual Report**



## Corporate Directory

### Board of Directors

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

### Senior Management

Mr Alastair Barker	Exploration Manager
Miss Michelle Simson	Manager Corporate Affairs/Company Secretary

### Principal Place of Business & Registered Office

12 Walker Avenue  
West Perth, Western Australia 6005

Tel: +61 8 9226 3666  
Fax: +61 8 9226 3668  
Email: [breaker@breakerresources.com.au](mailto:breaker@breakerresources.com.au)  
Website: [www.breakerresources.com.au](http://www.breakerresources.com.au)

### ABN

87 145 011 178

### Auditors

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

### Solicitors

Steinepreis Paganin  
Level 4, 16 Milligan Street  
Perth, Western Australia 6000

### Share Registry

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

Tel: +61 8 9389 8033  
Fax: +61 8 9262 3723  
Website: [www.advancedshare.com.au](http://www.advancedshare.com.au)

### Securities Exchange Listing

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

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## Chairman's Letter

Dear Fellow Shareholder,

Breaker Resources NL (**Breaker**) is targeting large new gold systems in the eastern half of Western Australia's Eastern Goldfields Superterrane (**EGST**), one of the world's premier gold provinces.

Breaker's strategy is based on the use of modern multi-element soil geochemistry to scan large areas near unexplored major crustal shear zones concealed by transported cover. The successful implementation of this strategy has resulted in the identification of large new gold-in-soil anomalies on each of Breaker's projects, and we are in the process of evaluating these targets. Modern geochemical tools to deal with transported cover are making inroads and Breaker is playing a key role in their development, as reflected in our research and development activities.

As a result, Breaker is well positioned for discovery, retaining a large tenement holding (~3,725km<sup>2</sup>) with newly identified gold-in-soil anomalies on each of its projects. This is uncommon in the EGST and the recent discovery of the 3.8Moz Gruyere gold deposit in the Yamarna Terrane has reinforced our view regarding the largely untapped gold potential of the eastern half of the EGST.

Due to the scale of the projects, Breaker's follow-up drilling has been reconnaissance in nature, even in the northern part of the Dexter Project where most of our work has focused. Our current objective is to accelerate the drill testing of these anomalies and deliver exploration success within a tight capital structure. To do this, we will assess potential joint venture options but in the interim we will undertake short, "high impact" drill campaigns that leave the door open for a material discovery.

Reverse circulation (**RC**) drilling in the course of the year at the Dexter Project encountered wide sulphide-rich zones and mantle-derived syenite rocks within the Dexter Shear, key ingredients for large gold deposits. Although discovery has been elusive, this work has aided our understanding and further drilling to locate the bedrock source is planned.

Auger drilling in the southern part of the Dexter Project identified a second regional-scale (12km-long) gold-in-soil anomaly with peak gold values of 35ppb at the Sandshoes Prospect, 20km southwest of the Three Bears-Tallows Prospect. Another potentially significant anomaly, measuring 5km x 2km with a peak value of 32ppb, was also identified at the Dexter West Prospect. Reconnaissance drilling of both targets has recently been completed and assay results are pending.

On behalf of the Board I would like to thank shareholders for their support, particularly of the entitlement issue conducted in late-2013, in what has been a challenging year. I would also like to express appreciation to Breaker's staff and my fellow directors for their continuing hard work and dedication.

Yours sincerely



**Tom Sanders**  
Chairman



## Review of Exploration Activities

Breaker Resources NL is an Australian explorer focused on the discovery of large new gold systems concealed by transported cover in the emerging and largely unexplored eastern half of Western Australia's Eastern Goldfields Superterrane.

Breaker is one of the largest tenement holders in the EGST with six 100%-owned projects located in the Yamarna and Burtville Terranes covering 3,725km<sup>2</sup>. Breaker's exploration strategy is based on the use of wide-spaced (1,600m x 400m), fine fraction multi-element auger soil geochemistry to scan for large gold system signatures near major crustal structures with little or no historical exploration. This strategy has successfully identified large new gold-in-soil anomalies on each of its current projects.

Breaker's projects include approximately 150km of the Yamarna Shear Zone, several previously undrilled greenstone belts at the Dexter, Mt Gill, De La Poer and Duketon Projects and major crustal faults in the Burtville Terrane. Several of Breaker's projects are situated along strike from significant gold discoveries in the area, including the recent Gruyere deposit in the Yamarna Terrane and the Duketon deposits in the Burtville Terrane. Transported cover typically consists of 1m-3m of aeolian sand at the Mt Gill, Duketon North and De La Poer Projects, with thin (10m-15m) Permian cover in the southern part of Attila West, tending thicker at Dexter (0m to 100m) and Kurrajong (~100m).

Breaker's main focus has been the Dexter Project. The size and magnitude of the Three Bears-Tallows gold-in-soil anomaly in the northern part of Dexter has not previously been documented in a similar area of transported cover in Western Australia (16km-long, up to 0.3g/t gold and 17g/t silver; ASX Release 30 August 2012). Limited RC drilling in

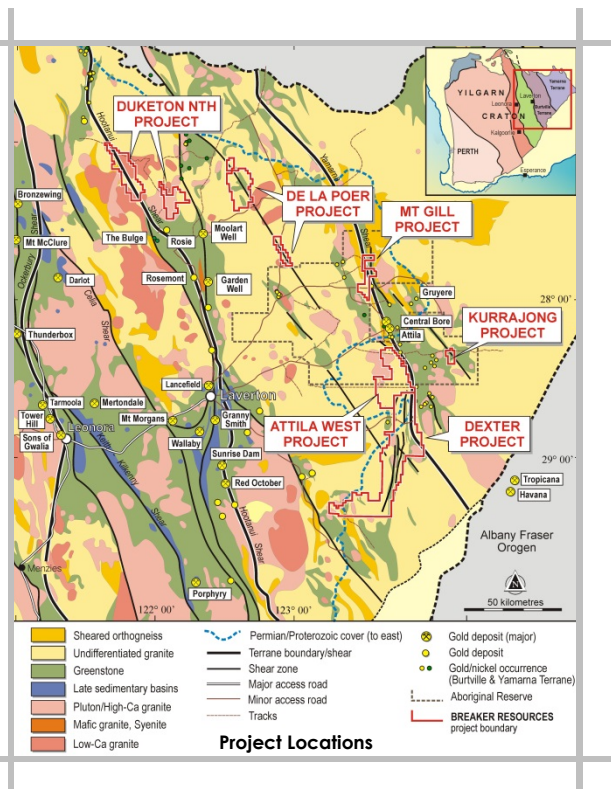
2013/14 encountered wide sulphide-rich zones and mantle-derived syenite rocks within the Dexter Shear, key ingredients for large gold deposits. Whilst early discovery has been elusive, our understanding has increased substantially and further drilling to locate the bedrock gold source is planned.

During 2013/14, geochemical coverage at the Dexter Project was extended to the south and a second regional-scale gold-in-soil anomaly was identified 20km to the southwest, at which scout aircore drilling commenced in late August 2014. Other activities across the Company's projects during the reporting period included auger and aircore drilling, soil and rock chip sampling, reconnaissance mapping, heritage surveying, rehabilitation works and extensive data analysis, modelling and interpretation.

Several tenement applications were made in the course of the year in response to positive geochemical results, and several tenements were reduced in size or surrendered in the light of new results or excessive thickness of transported cover.

### Dexter Gold Project

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



Two new exploration licence applications were submitted in the reporting period relating to the Dexter West (E39/1786) and Mt Douglas (E38/2934) areas. As a result, the Dexter Project is now contiguous with the Attila West Project to the north. Following the surrender of areas of deep transported cover in the southeastern part of the project, the overall area is now 1,726km<sup>2</sup> (applied and granted).

### RC Drilling

Previous auger soil sampling identified a 16km-long gold-in-soil anomaly in the northern part of the project. Aircore drilling in 2012/13 identified extensive areas of subsurface redox gold enrichment (secondary gold precipitated at fossil water tables) at the Three Bears and Tallows Prospects with grades up to 3m at 7.1g/t gold (ASX Release 29 April 2013). Significantly, the redox gold is located adjacent to two major shear zones intruded by mantle-derived syenite, indicating a mantle/deep crust connection considered favourable for large gold deposits.

Initial RC drilling completed in early July 2013 in the vicinity of the redox gold enrichment at the Three Bears Prospect located a 400m-wide zone of alteration and shearing — the Dexter Shear Zone — with pyrite and gold pathfinder elements increasing to the south. Breaker recommenced RC drilling on 29 November 2013 to trace anomalous bedrock gold mineralisation further south along the Dexter Shear Zone. The drilling consisted of 12 holes for 2,420m at the Three Bears Prospect and three holes for 594m at the Tallows Prospect.

Four of the five angled holes that successfully intersected the Dexter Shear to the south of the Three Bears Prospect encountered a persistent 1m to 3m wide sulphide-rich zone within altered pyrite-bearing amphibolite extending 1km to the south of the Three Bears Prospect. All three RC holes in the northern part of the Three Bears Prospect encountered altered pyrite-bearing amphibolite.

Although the RC drilling did not strike any significant high grade gold mineralisation (maximum 4m at 0.2g/t gold; ASX Release 31 January 2014), the higher density of assay data at the Three Bears Prospect suggests that tellurium and molybdenum in the bedrock increase to the north, indicating that the inferred bedrock source may be to the north of the Three Bears Prospect instead of south as previously thought.

Further RC drilling to conclusively test this target is planned. The RC drilling will benefit from a \$150,000 co-funded drilling grant awarded to Breaker in the December 2013 quarter under the WA Government's Exploration Incentive Scheme.



### Soil Geochemistry

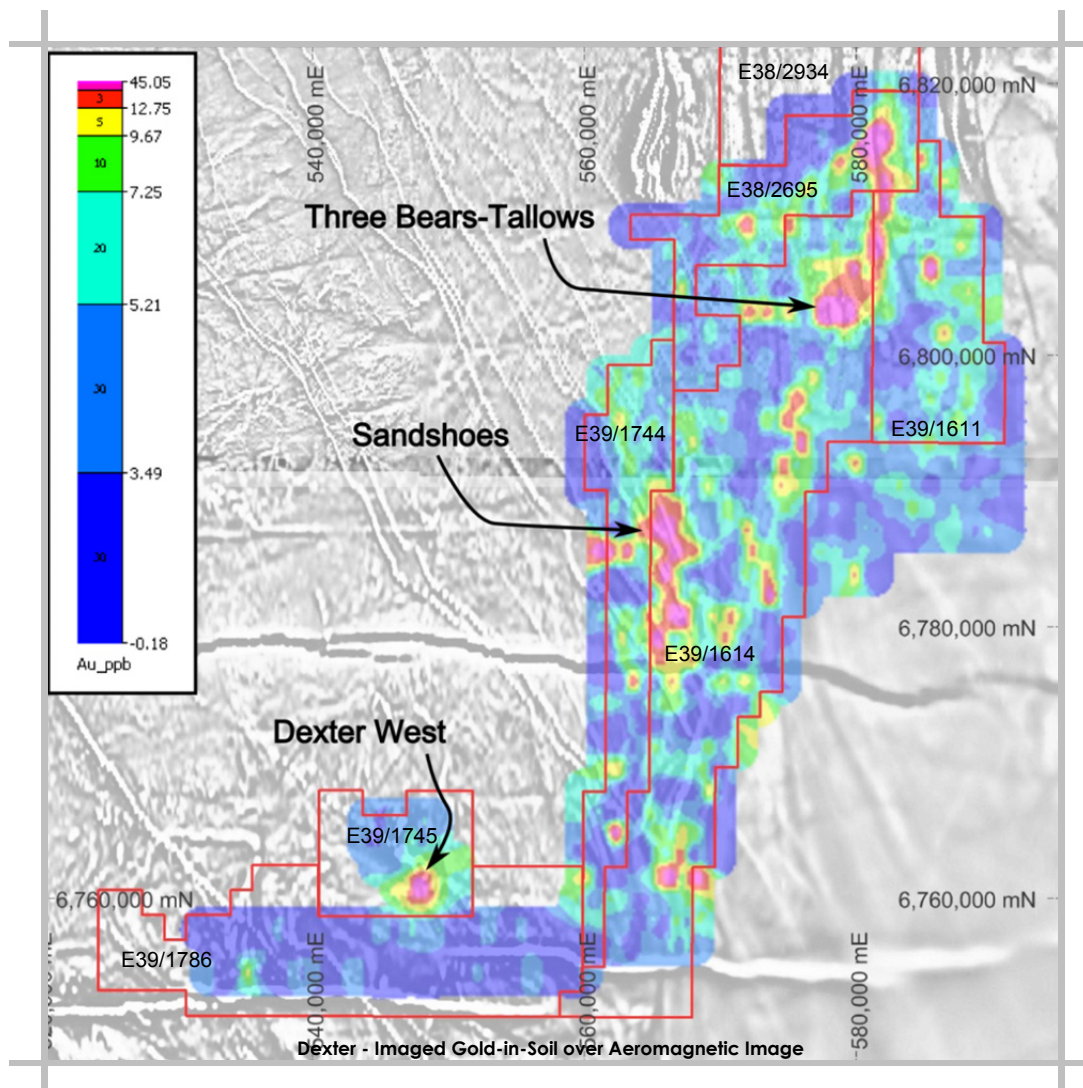
Breaker completed a reconnaissance (1,600m x 400m) auger program in late August 2013 to screen for large gold deposit signatures in the previously unexplored southern half of the Dexter Project. This program was successful in identifying a cohesive, 12km-long gold-in-soil anomaly of regional significance, designated the Sandshoes Prospect. The anomaly is in sand cover approximately 20km southwest of the Three Bears Prospect with peak gold values of 35ppb (ASX Release 31 October 2013).



The Sandshoes anomaly is situated near the intersection of the Sefton Lineament and a greenstone/granite contact near the western component of the Dexter Shear Zone. Significantly, the gold-in-soil anomaly appears to leak downslope from a granite/greenstone contact apparent in the aeromagnetic data over a 12km strike length.

Multi-element soil sampling was undertaken at the Dexter West area in March/April 2014 (E39/1745 and E39/1786) on a sample spacing of 400m on 1,600m-3,200m spaced lines, together with limited rock chip sampling. The assay results identified a significant anomaly measuring approximately 5km x 2km at >9ppb gold, with a maximum value of 31.7ppb (ASX Release 15 July 2014). The anomaly overlies a discrete, high-amplitude, magnetic feature targeted by the soil sampling. The bedrock in the vicinity of the anomaly is estimated to lie beneath 20-30m of Permian cover.

A soil and rock chip sampling program was completed in the northern part of the Dexter Project (E38/2934) in July/August 2014, to investigate encouraging aircore drill results from the southeastern area of the Attila West Project (described below).



### Aircore Drilling

During 2013/14, reconnaissance aircore drilling of several second-order gold-in-soil anomalies was completed (44 vertical holes for 2,567m). The drilling identified a maximum of 3m at 0.2g/t gold in a bottom-of-hole sample to the east of the Tallows Prospect (ASX Release 31 January 2014).

Wide-spaced aircore drilling to assess the Sandshoes and Dexter West Prospects commenced in late-August 2014. Assay results are pending as at the date of this report.

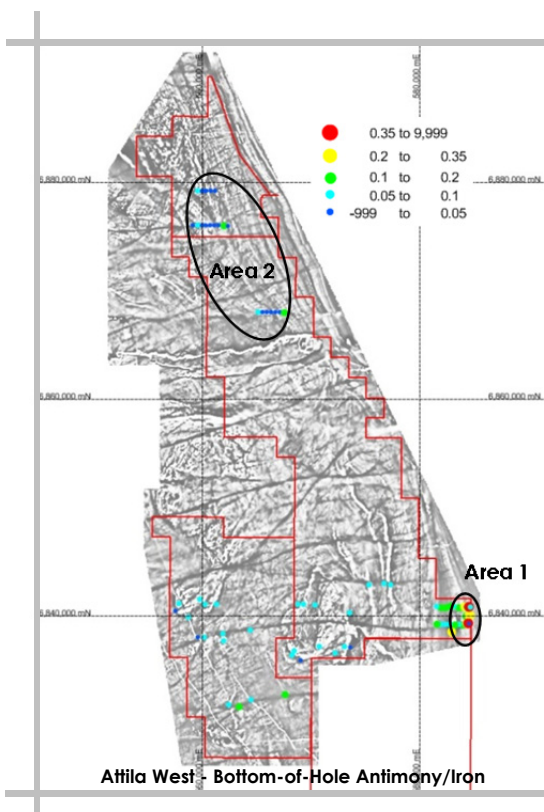
## Attila West Gold Project

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 an area of structural complexity arising from the interaction of the Yamarna Shear Zone, a large domal granite intrusion in the central part of the project, and the Mt Venn and Isolated Hills greenstone belts to the north and south of the granite.

An auger program in 2013 identified a series of large, coherent gold-in-soil anomalies that cluster near the margin of the large magnetic granite in the central part of the project (peak values of 73ppb gold; ASX Release 31 July 2013). These anomalies are associated with elevated gold pathfinder elements, including molybdenum, arsenic, bismuth, selenium and tellurium, which enhance their prospectivity.

A range of fieldwork was conducted during the reporting period to assess the significance of the anomalies. Rock chip sampling identified a 1,000m wide, east-dipping structural corridor on the eastern margin of the Mt Venn greenstone belt. Samples around the structure were anomalous in cesium, thallium and rubidium, supporting visual observations of strong potassic (sericite) alteration, and widespread gold, arsenic and molybdenum anomalism in Breaker's 1,600m x 400m auger dataset, suggesting that it was a significant pathway for mineralising fluids.

A heritage survey was undertaken in November 2013 in preparation for aircore drilling, which was completed in two areas in April 2014 to assess gold-in-soil anomalies previously identified.



Drilling in Area 1 located in the southeastern part of the project consisted of 14 holes. End-of-hole samples in Archean bedrock identified moderate anomalism in a wide range of gold pathfinder elements under 15m-25m of Permian cover including gold (maximum of 0.14g/t; ASX Release 15 July 2014), arsenic, bismuth, molybdenum, antimony, selenium and tellurium. The results indicate potential for an alteration system extending south along the Yamarna Shear into the recently pegged northern extension of the Dexter Project. Further drilling is planned to test these extensive geochemical and structural targets.

Drilling in Area 2 in the far northern part of Attila West comprised three drill traverses. This drilling did not encounter any significant bedrock anomalism in the northern part of the Mt Venn structural corridor but the southern area remains untested and further drilling is planned.

Based on results, the far northern part of the project was surrendered in late June 2014, reducing the overall project area from 792km<sup>2</sup> to ~627km<sup>2</sup>.

## Mt Gill Gold Project

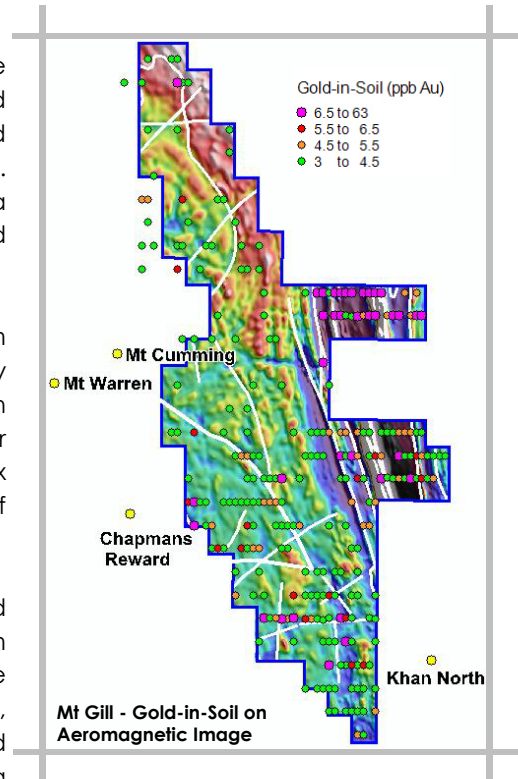
The Mt Gill Project is located 135km northeast of Laverton, 30km along strike from the Attila-Alaric-Central Bore gold deposits. Breaker completed a large multi-element reconnaissance auger program in 2012/13 to scan for large gold deposits. The program successfully identified multiple gold-in-soil anomalies in two main areas associated with variably anomalous arsenic, copper, silver and antimony (gold up to 63ppb, silver up to 5,729ppb or 5.7g/t; ASX Release 30 October 2012).

During the reporting period, reconnaissance mapping and rock chip sampling were completed, focusing on areas of gold anomalism in areas of outcrop in the vicinity of the Yamarna Shear Zone. This field work identified a 1,000m wide, east-dipping zone of strongly deformed and sericitic granitic, mafic and sedimentary rocks, corresponding with the Yamarna Shear Zone along the western margin of the Yamarna greenstone belt.

Rock chip samples on the Yamarna Shear Zone were anomalous in arsenic, antimony, selenium, copper, zinc and other gold pathfinder elements indicating a significant fluid pathway favourable for the development of gold deposits. Several structures were also identified in the Yamarna greenstone belt, some closely associated with extensive gold and pathfinder anomalism.

Infill soil sampling was conducted on an 800m x 200m spacing in early 2014 to further investigate strongly anomalous soil results along the Yamarna Shear and within the Yamarna greenstone belt. The soil results identified four areas of interest; the most prospective area is a 3,400m x 200m anomaly defined by +2ppb gold with a peak value of 22ppb (ASX Release 15 July 2014) that is open to the south.

The anomaly is associated with arsenic anomalism and partially overlapping bismuth and molybdenum anomalism to the north and appears to be on the same trend as the Khan North resource (2Mt @ 1.33g/t for 86,000oz), approximately 25km to the south-southeast. A field inspection of available bedrock exposure identified a discrete, steeply east-dipping, brittle-ductile shear zone with chlorite and sericite alteration and locally developed quartz veining.



Breaker plans to undertake drilling to test the prospective targets in 2014/15. Selected areas of E38/2529 deemed unprospective on the basis of geochemical and geophysical results were relinquished in late June 2014, reducing the overall area of the project from 445km<sup>2</sup> to ~167km<sup>2</sup>.

## Kurrajong Gold Project

The Kurrajong Project is located in the Yamarna Terrane 175km east of Laverton and 35km along strike from the Gruyere gold discovery. The project targets the intersection of a domal granite intrusion and a major fault in the southern part of the Dorothy Hills greenstone belt. The geomorphology is dominated by wind-blown sand dunes in an area of Permian cover.

Breaker identified a 12km gold-in-soil anomaly in the northwestern part of the Kurrajong Project in early 2013 (peak values of 24ppb gold and 1,574ppb silver with anomalous gold pathfinder elements, including molybdenum, arsenic and selenium; ASX Release 9 April 2013). The soil anomaly is situated near the apex of a domal granite intrusion adjacent to a splay of the Yamarna Shear Zone on the Dorothy Hills greenstone belt.

In the June 2014 quarter, Breaker planned to drill up to 2,100m on four wide-spaced aircore traverses to make a preliminary assessment of the anomaly and to assess the regolith in the northwestern part of the project. The scout program commenced in April 2014 and encountered significant Permian cover ranging from 98m to +144m in thickness with all holes drilled failing to reach bedrock and terminating in either Permian siltstone or underlying basal conglomerate. As a result, the drill program was restricted to six holes with at least one hole drilled on each of the planned drill traverses and was inconclusive.





Aircore Drilling at Kurrajong Project

Subsequent to the aircore program, Breaker was successful in its bid for a grant of \$150,000 for RC drilling under the WA Government's Exploration Incentive Scheme. The grant will be matched by Breaker on a dollar-for-dollar basis of direct RC drilling costs incurred during 2014/15.

Based on a tenement review and a geophysical interpretation which indicates increasing thicknesses of transported cover to the south of the area drilled, the southern project region was surrendered in late June 2014, reducing the overall area from 217km<sup>2</sup> to ~54km<sup>2</sup>.

## Duketon North Gold Project

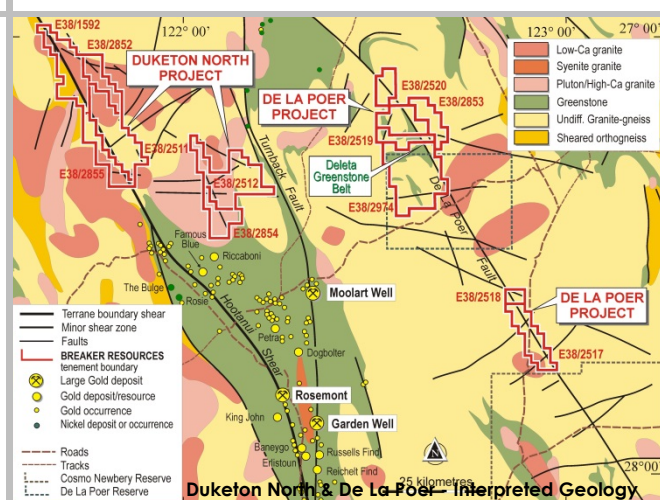
The 627km<sup>2</sup> Duketon North Project is located 160km north-northwest of Laverton and 50km north of the 10Moz Moolart Well/Garden Well/Rosemont gold camp. The project targets gold along a 42km strike length of the Hootanui Shear, a major fault zone that separates the Kurnalpi and Burtville Terranes.

Breaker undertook a reconnaissance multi-element auger soil sampling program over the entire project in late 2012. This program identified multiple low order gold-in-soil anomalies typical of the area, many with a spatial association with prominent structural features and gold pathfinder elements. This is comparable to soil anomalies associated with the Moolart Well and Garden Well deposits to the south.

A program of infill auger sampling was undertaken over four selected areas in late July 2013 (400 x 200m pattern). Results were in line with the wide-spaced sampling albeit with detail. Drilling is planned to assess the soil anomalies in 2014/15.

## De La Poer Gold Project

The De La Poer Project is located in the Burtville Terrane, 130km northeast of Laverton and 50km east of the Moolart Well/Garden Well/Rosemont gold camp. The project targets gold mineralisation spatially associated with the De La Poer Fault (identified in 1999) and the unexplored Deleta greenstone belt.



The De La Poer Project is largely unexplored and is dominated by thin sand cover over Archean bedrock. Breaker's reconnaissance auger geochemical activities identified seven gold-in-soil anomalies of potential interest based on tenor, coherence and location with respect to structural features. These anomalies are up to 10km in length with gold values up to 8ppb (ASX Release 30 April 2013) which is comparable to early stage soil results in the area that have led to discovery.

Activities during the reporting period consisted of reconnaissance mapping, rock chip sampling, data appraisal and review in preparation for selective aircore drilling or joint venture. A new exploration licence was granted to cover areas where some gold-in-soil anomalies remain open, and one tenement was surrendered following a field inspection which downgraded prospectivity. As at 30 June 2014, the project comprised an area of 310km<sup>2</sup>. An exploration licence application after this date has increased the overall area to 523km<sup>2</sup>.

Breaker plans to undertake drilling to assess the soil anomalies in 2014/15.

## Mt Sefton Gold Project

The Mt Sefton Project is located 80km east-northeast of Laverton and targets gold mineralisation in a small greenstone belt on the Sefton Lineament. Thin aeolian sands blanket the western and northern part of the tenement.

In mid-2013, reconnaissance multi-element auger sampling identified several gold-in-soil anomalies with peak gold and silver values of 14ppb and 3,075ppb respectively and locally anomalous pathfinder elements (ASX Release 31 July 2013). During 2013/14, reconnaissance mapping and rock chip sampling identified localised copper mineralisation up to 0.53% copper, with anomalous silver up to 0.45g/t (ASX Release 31 October 2013). The lack of alteration however downgraded the potential of the soil anomalies, and the project was surrendered in late June 2014 to minimise unnecessary holding costs.

## Review of Corporate Activities

The Company's Annual General Meeting was held on 20 November 2013.

On 22 November 2013, Breaker announced a pro rata renounceable entitlement issue to all eligible shareholders to raise up to \$1.58 million (before costs) (**Offer**). The Offer was conducted on the basis of one new fully paid ordinary share for every four existing shares at an issue price of \$0.11 per share. For every two shares issued, subscribers received one free attaching option and one partly paid share.

The Offer, which was supported by the Company's major shareholders and fully underwritten by Patersons Securities Limited, closed on 20 December 2013. The new securities were issued on 27 December 2013 and 31 December 2013 and the table below summarises the Company's capital structure prior to and following completion of the Offer.

Security	Pre-Offer	Issued via Offer	Post-Offer
Fully Paid Ordinary Shares (ASX: BRB)	55,100,004	13,775,001	68,875,005
Options (exercise price \$0.25; expiry 31/12/14) (ASX: BRBO)	21,250,000	6,887,498	28,137,498
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

Funds raised were allocated to drilling at the Dexter Project, exploration activities on the Company's other projects and general working capital. As a result of the conduct of the Offer, the exercise prices of various unlisted options on issue were adjusted and in April 2014, a number of securities were released from escrow.

## Competent Persons Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Tom Sanders and Alastair Barker, Competent Persons, who are Members of The Australasian Institute of Mining and Metallurgy. Mr Sanders and Mr Barker are executives of Breaker Resources NL and their services have been engaged by Breaker on an 80% of full time basis; they are also shareholders in the Company. Mr Sanders and Mr Barker have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Sanders and Mr Barker consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Exploration results mentioned in the Review of Activities as being reported prior to 1 December 2013 were done so under JORC Code 2004 and there has been no material change to the information since this time.



## Tenement Schedule

The following is a summary of tenements held by Breaker Resources NL as at 30 June 2014.

Project	Tenement Number	Status	Percentage Held/Earning %
Attila West	E38/2530	Granted	100
	E38/2598	Granted	100
De La Poer	E38/2517	Granted	100
	E38/2518	Granted	100
	E38/2519	Granted	100
	E38/2520	Granted	100
	E38/2853	Granted	100
Dexter	E38/2695	Granted	100
	E38/2934	Application	100
	E39/1611	Granted	100
	E39/1614	Granted	100
	E39/1744	Granted	100
	E39/1745	Granted	100
	E39/1786	Application	100
Duketon North	E38/2511	Granted	100
	E38/2512	Granted	100
	E38/2852	Application	100
	E38/2854	Application	100
	E38/2855	Application	100
	E53/1592	Granted	100
Kurrajong South	E38/2531	Granted	100
Mt Gill	E38/2513	Granted	100
	E38/2529	Granted	100



Senior Exploration Geologist Mike Outhwaite at Mt Sefton Project

## Directors' Report

The directors of Breaker Resources NL herewith submit the financial report for the year ended 30 June 2014. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

### Information about Officeholders

#### Directors

The names of the directors of the Company during or since the end of the financial year and up to the date of this report are provided below. All of the directors held their positions for the entire financial year period.

Mr Thomas Sanders BSc (Geology); MSc (Mineral Economics); MAusIMM; FAICD  
*Executive Chairman (appointed 2 July 2010)*

Tom Sanders is a geologist with over 35 years' experience in the Australian mining industry including project generation, exploration, mining and corporate management with a strong emphasis on gold and nickel in Western Australia. Mr Sanders has published works on nickel and gold in WA, in addition to mineralisation studies on the eastern Kimberley region under contract to the Geological Survey of WA.

Mr Sanders established a geological consultancy firm in WA's eastern Goldfields in 1983 following experience in nickel mining and exploration with Metals Exploration Limited. During his time in the Kalgoorlie region (until 2001) he worked with many ASX-listed companies and obtained mining experience on several underground and open pit operations and managed a large number of exploration projects, several of which were progressed into production.

Mr Sanders founded Navigator Resources Limited in 1996 and guided that company from initial project acquisition to ASX-listing. He then oversaw the building of a two million ounce gold resource inventory through discovery and acquisition and established the Cummins Range rare earth resource. Mr Sanders founded Breaker in 2010 and was responsible for identifying and acquiring Breaker's projects and guiding the Company to ASX-listing.

During the past three (3) years, Mr Sanders has not served as a director on any other listed company.

Mr Mark Edwards BJuris; LLB  
*Non-Executive Director (appointed 2 July 2010)*

Mark Edwards is a solicitor with over 25 years of experience in resources and corporate law. He has advised a number of ASX-listed companies active in the resources sector and on a range of resources projects in Australia and overseas, including significant nickel, gold and iron ore projects. His professional work has involved him in many facets of the resources industry ranging from ASX listings, exploration and mining joint ventures to project development agreements and project financing.

During the past three (3) years, Mr Edwards has not served as a director on any other listed company.

Mr Michael Kitney Assoc. Met; Post Grad Dip (Extractive Metallurgy); MSc (Mineral Economics); MAusIMM  
*Non-Executive Director (appointed 2 July 2010)*

Mike Kitney is a process engineer with over 40 years' experience in the mining industry. He has participated in the development and construction of projects throughout Australia, Africa, south east Asia and the former Soviet Union.

Mr Kitney's particular strengths are in production and mineral processing, all aspects of environmental management, project evaluation and assessment and leadership of interdisciplinary project teams. He brings to the Company vast project development expertise and practical experience in commissioning new projects.



Mr Kitney has previously held senior technical and project management positions with Alcoa Australia, Minproc Engineers Limited, Property Company of London plc, British Phosphate Commissioners, Nelson Gold Corporation Limited and Avocet Mining plc. He is currently the Chief Operating Officer of ASX-listed Kasbah Resources Limited.

During the past three (3) years, Mr Kitney has not served as a director on any other listed company.

## Company Secretary

The name of the company secretary of the Company during or since the end of the financial year and up to the date of this report, and the term of their appointment, are provided below.

Miss Michelle Simson EMBA (Dist.)  
*Company Secretary (appointed 22 October 2012)*

Michelle Simson has 20 years' administration experience, including the last 11 years in the mining industry working in both exploration and mining companies in the commodities of gold and uranium. She has previously held positions with Agincourt Resources Limited, Nova Energy Limited and Navigator Resources Limited and has completed an Executive Master of Business Administration with Distinction at the University of Western Australia. She is currently undertaking a Graduate Diploma in Applied Corporate Governance.

During the past three (3) years, Miss Simson has not served as a director on any other listed company.

## Board Committee Membership

As at the date of this report, the Board has an Audit Committee, Nomination Committee, Remuneration Committee and a Risk Committee. All directors currently comprise membership of each of the committees and the chairmen of the respective committees are:

- ✦ Audit Committee: Mark Edwards;
- ✦ Nomination Committee: Tom Sanders;
- ✦ Remuneration Committee: Mike Kitney; and
- ✦ Risk Committee: Tom Sanders.

## Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director is as follows:

Director	Board of Directors		Committee Meetings							
			Audit		Nomination		Remuneration		Risk	
	Held	Present	Held	Present	Held	Present	Held	Present	Held	Present
Tom Sanders	6	6	2	2	0	n/a	1	1	1	1
Mark Edwards	6	6	2	2	0	n/a	1	1	1	1
Mike Kitney	6	5	2	2	0	n/a	1	1	1	1

## Directors' Interests

The following table sets out each director's relevant interest in shares and options in shares of the Company or a related body corporate as at the date of this report.

Director	Fully paid ordinary shares <b>Number</b>	Partly paid ordinary shares <b>Number</b>	Listed share options <b>Number</b>	Unlisted share options <b>Number</b>
Tom Sanders	14,439,747	1,309,871	1,939,871	5,000,000
Mark Edwards	1,180,000	65,000	65,000	500,000
Mike Kitney	1,191,250	58,125	70,625	500,000

During and since the end of the financial year Nil share options have been granted to directors of the Company as part of their remuneration (2013: Nil).

## Directors' and Officers' Insurance

During the financial year, Breaker Resources NL paid a premium to insure the directors and secretary of the Company. Details of the premium are subject to a confidentiality clause under the contract of insurance. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company and any other payments arising from liabilities incurred by the officers in connection with such proceedings.

This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

## Corporate Structure

Breaker Resources NL is a no liability public company limited by shares, domiciled and incorporated in Australia.

## Principal Activities

During the year the Company carried out exploration activities on its tenements in Western Australia with the objective of identifying gold and other economic mineral deposits.

## Operational Review

### Activities Review

A review of the activities undertaken during the year is provided on page 3.

### Financial Review

During the year total exploration expenditure incurred by the Company amounted to \$2,186,055 (2013: \$3,951,995). In line with the Company's accounting policies, all exploration expenditure is written off as it is incurred. Net administration income amounted to \$1,143,233 (2013: expenditure incurred of \$645,805). The Company's operating loss after income tax for the year is \$1,042,822 (2013: \$4,597,800).

At year end the Company held cash or similar reserves of \$457,575 (2013: \$2,250,187).



## Operating Results for the Year

Summarised operating results are as follows:

	Revenues \$	Results \$
Revenues and profit/(loss) from ordinary activities before income tax expenses	1,841,020	(1,042,822)

## Shareholder Return

Summarised shareholder return is as follows:

	2014 cents	2013 cents
Basic profit/(loss) per share	(1.68)	(8.30)

## Dividends

No dividends were paid or declared during the year. No recommendation for payment of dividends has been made.

## Share Options

As at the date of this report, there are 36,537,498 unissued ordinary shares of Breaker Resources NL in respect of which options are outstanding. This number comprises:

Type of option	Number	Exercise price	Expiry date
Listed (ASX: BRBO)	28,137,498	\$0.25	31 December 2014
Unlisted	3,000,000*	\$0.231 <sup>^</sup>	30 June 2016
Unlisted	3,000,000*	\$0.281 <sup>^</sup>	30 June 2016
Unlisted	1,000,000	\$0.50	31 December 2016
Unlisted	1,400,000	\$0.481 <sup>^</sup>	31 December 2016

\* These options were released from escrow on 20 April 2014.

<sup>^</sup> The exercise prices of these options were adjusted in December 2013 as a result of the conduct of a pro-rata entitlement offer.

No person entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

## Share Options Issued

The following options were issued by Breaker Resources NL during the financial year:

Type of option	Number	Exercise price	Expiry date	Comment
Listed (ASX: BRBO)	6,887,498	\$0.25	31 December 2014	Issued to shareholders through pro-rata entitlements issue

## Shares Issued on Exercise of Options

There were Nil shares issued due to the exercise of options during the financial year.

## Share Options that Expired/Lapsed

There were Nil options that expired or lapsed during the financial year.

## Significant Changes in State of Affairs

During the financial year there were no significant changes in the state of affairs of the Company other than those referred to in the Financial Statements and notes thereto.

## Subsequent Events

On 8 July 2014 the Company received a tax incentive refund of \$1.78million for research and development expenditure incurred during 2012/13.

There were no other matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Company and the results of those operations or the state of the affairs of the Company in the financial period subsequent to 30 June 2014.

## Likely Developments and Expected Results

The Company expects to maintain a similar status and level of activities to that at present and hence there are no likely developments in the entity's operations.

## Environmental Regulations and Performance

Breaker is subject to significant environmental regulation in respect to its exploration activities. The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Company are not aware of any breach of environmental legislation for the year under review.

## Proceedings on Behalf of the Company

No persons have applied for leave pursuant to section 237 of the *Corporations Act 2001* to bring, or intervene in, proceedings on behalf of Breaker Resources NL.

## Non-Audit Services

There were no non-audit services performed during the year by the auditors for the Company (or by another person or firm on the auditor's behalf).

## Auditor's Independence Declaration

The Auditor's Independence Declaration is included on page 22 and forms part of the Directors' Report for the financial year ended 30 June 2014.

## Remuneration Report

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Breaker Resources NL's key management personnel for the financial year ended 30 June 2014. The information provided in this report has been audited as per the requirements of section 308(3C) of the *Corporations Act 2001*.

The report is set out under the following main headings:

- ✦ Key management personnel;
- ✦ Principles used to determine the components and amount of compensation;
- ✦ Details of remuneration;

- ✘ Details of share-based compensation; and
- ✘ Details of service agreements and employment contracts.

## Key Management Personnel

For the purposes of this report, key management personnel of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly. The key management personnel during the year were:

- ✘ Tom Sanders                      Executive Chairman
- ✘ Mark Edwards                    Non-Executive Director
- ✘ Mike Kitney                        Non-Executive Director
- ✘ Alastair Barker                  Exploration Manager
- ✘ Michelle Simson                 Manager Corporate Affairs/Company Secretary

## Principles Used to Determine the Components and Amount of Compensation

### Remuneration Committee

The role of the Remuneration Committee is to assist the Company in fulfilling its corporate governance responsibilities relating to remuneration by reviewing and making appropriate recommendations on:

- ✘ remuneration packages of executive directors, non-executive directors and officers;
- ✘ employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed;
- ✘ recruitment, retention and termination policies and procedures for senior executives; and
- ✘ superannuation arrangements.

### Remuneration Policy

The remuneration policy of Breaker Resources NL has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's results. The Board of Breaker Resources NL believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company.

The policy for determining the nature and amount of remuneration for senior executives of the Company is summarised below:

- ✘ The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. The Board reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.
- ✘ The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.
- ✘ Executives are also entitled to participate in the employee option plan.
- ✘ Where applicable, executives receive a superannuation guarantee contribution required by the government, which during the reporting period was 9.25% and since year end has increased to 9.5%. Some individuals may choose to sacrifice part of their salary to increase payments towards superannuation.
- ✘ All remuneration paid to key management personnel is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology.



The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the annual general meeting. The remuneration pool limit is \$300,000 and is currently utilised to a level of \$64,000 per annum. From 1 April 2014, the base fee paid to non-executive directors is \$32,000 per annum. For the period 1 July 2013 to 31 March 2014, the base fee paid to non-executive directors was \$40,000 per annum.

Fees for non-executive directors are not linked to the performance of the Company however to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option plan, although any allocation must be approved by shareholders in general meeting. There is no retirement benefit plan for directors.

### Performance Based Remuneration

The Company currently has no individual performance based remuneration component built into key management personnel remuneration packages.

### Company Performance, Shareholder Wealth and Key Management Personnel Remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and key management personnel performance. Currently, this is facilitated through the issue of options to key management personnel to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

### Use of Remuneration Consultants

The Company did not employ the services of any remuneration consultants during the financial year ended 30 June 2014.

### **Details of Remuneration**

The key management personnel of the Company are disclosed above. Remuneration packages contain the following elements:

- ✘ Short-term employee benefits - cash salary and fees, cash bonuses, non-monetary benefits and other;
- ✘ Post-employment benefits - including superannuation and termination; and
- ✘ Share-based payments - shares and options granted.

The remuneration for each director and each of the other key management personnel of the Company during the year was as follows:

Key management personnel	Short-term		Post-employment		Share-based payments	Total
	Salary & fees	Non-monetary	Super-annuation	Retirement benefits	Options	
	\$	\$	\$	\$	\$	
Tom Sanders						
✘ 2014	<b>261,374</b>	-	-	-	-	<b>261,374</b>
✘ 2013	280,199	-	-	-	-	280,199

Key management personnel	Short-term		Post-employment		Share-based payments	Total \$
	Salary & fees	Non-monetary	Super-annuation	Retirement benefits	Options	
	\$	\$	\$	\$	\$	
Mark Edwards						
✖ 2014	<b>38,000</b>	-	-	-	-	<b>38,000</b>
✖ 2013	40,111	-	-	-	-	40,111
Mike Kitney						
✖ 2014	<b>38,000</b>	-	-	-	-	<b>38,000</b>
✖ 2013	40,111	-	-	-	-	40,111
Alastair Barker						
✖ 2014	<b>212,971</b>	-	-	-	-	<b>212,971</b>
✖ 2013	234,487	-	-	-	85,000	319,487
Michelle Simson						
✖ 2014	<b>184,004</b>	-	<b>24,996</b>	-	-	<b>209,000</b>
✖ 2013 <sup>(i)</sup>	139,732	-	17,926	-	201,340	358,998

Notes

(i) Appointed 22 October 2012

No director or executive appointed during the year received a payment as part of his or her consideration for agreeing to hold the position.

## Details of Share-Based Compensation

### Shares

Nil shares in the Company were issued to key management personnel as part of their remuneration during the year (2013: Nil).

### Options

Nil options in the Company were issued to key management personnel as part of their remuneration during the year (2013: 2,000,000). There were Nil options exercised, sold or lapsed by key management personnel during the year (2013: Nil).

During the year, the following share-based payment arrangements for key management personnel were in existence:

Option series	Grant date	Expiry date	Fair value per option at grant cents	Vesting date
60502	1 August 2011	30 June 2016	2.31	5 August 2011
60503	1 August 2011	30 June 2016	1.90	9 August 2011
60510	10 July 2012	31 December 2016	8.52	11 July 2012
60511	20 November 2012	31 December 2016	20.13	27 November 2012

### Shareholdings of Key Management Personnel

The numbers of ordinary shares in the Company held during the financial year by each director of Breaker Resources NL and other key management personnel of the Company, including their personally related parties, are detailed below.

Key management personnel	Fully Paid Ordinary Shares				
	Balance at start of year	Granted as compensation	Received on exercise of options	Other changes	Balance at year end
	Number	Number	Number	Number	Number
Tom Sanders					
✖ <b>2014</b>	<b>11,770,004</b>	-	-	<b>2,679,743</b>	<b>14,449,747</b>
✖ 2013	11,770,004	-	-	-	11,770,004
Mark Edwards					
✖ <b>2014</b>	<b>1,050,000</b>	-	-	<b>130,000</b>	<b>1,180,000</b>
✖ 2013	1,050,000	-	-	-	1,050,000
Mike Kitney					
✖ <b>2014</b>	<b>1,075,000</b>	-	-	<b>116,250</b>	<b>1,191,250</b>
✖ 2013	1,075,000	-	-	-	1,075,000
Alastair Barker					
✖ <b>2014</b>	<b>50,000</b>	-	-	<b>12,500</b>	<b>62,500</b>
✖ 2013	50,000	-	-	-	50,000
Michelle Simson					
✖ <b>2014</b>	-	-	-	-	-
✖ 2013 <sup>(i)</sup>	-	-	-	-	-

Notes

(i) Commenced 22 October 2012

Key management personnel	Partly Paid Ordinary Shares			
	Balance at start of year	Granted as compensation	Other changes	Balance at year end
	Number	Number	Number	Number
Tom Sanders				
✖ <b>2014</b>	-	-	<b>1,309,871</b>	<b>1,309,871</b>
✖ 2013	-	-	-	-
Mark Edwards				
✖ <b>2014</b>	-	-	<b>65,000</b>	<b>65,000</b>
✖ 2013	-	-	-	-
Mike Kitney				
✖ <b>2014</b>	-	-	<b>58,125</b>	<b>58,125</b>
✖ 2013	-	-	-	-
Alastair Barker				
✖ <b>2014</b>	-	-	<b>6,250</b>	<b>6,250</b>
✖ 2013	-	-	-	-
Michelle Simson				
✖ <b>2014</b>	-	-	-	-
✖ 2013 <sup>(i)</sup>	-	-	-	-

Notes

(i) Commenced 22 October 2012



## Option Holdings of Key Management Personnel

The numbers of options over ordinary shares in the Company held during the financial year by each director of Breaker Resources NL and other key management personnel of the Company, including their personally related parties, are detailed below:

Key management personnel	Balance at start of year Number	Granted as compensation Number	Exercised Number	Other changes Number	Balance at year end Number	Vested and exercisable Number
Tom Sanders						
✖ 2014	<b>5,635,000</b>	-	-	<b>1,309,871</b>	<b>6,944,871</b>	<b>6,944,871</b>
✖ 2013	5,635,000	-	-	-	5,635,000	635,000
Mark Edwards						
✖ 2014	<b>500,000</b>	-	-	<b>65,000</b>	<b>565,000</b>	<b>565,000</b>
✖ 2013	500,000	-	-	-	500,000	-
Mike Kitney						
✖ 2014	<b>512,500</b>	-	-	<b>58,125</b>	<b>570,625</b>	<b>570,625</b>
✖ 2013	512,500	-	-	-	512,500	12,500
Alastair Barker						
✖ 2014	<b>1,025,000</b>	-	-	<b>6,250</b>	<b>1,031,250</b>	<b>1,031,250</b>
✖ 2013	25,000	1,000,000	-	-	1,025,000	1,025,000
Michelle Simson						
✖ 2014	<b>1,000,000</b>	-	-	-	<b>1,000,000</b>	<b>1,000,000</b>
✖ 2013 <sup>(i)</sup>	-	1,000,000	-	-	1,000,000	1,000,000

### Notes

(i) Commenced 22 October 2012

As a result of the conduct of the Company's pro rata entitlement issue, and in accordance with the relevant terms and conditions, the exercise prices of various unlisted options on issue were adjusted, as per the formula provided in ASX Listing Rule 6.22.2, effective 27 December 2013 (the market price of BRB securities at this time was 20 cents). Details of the adjustments made to options held by key management personnel are outlined below.

Key management personnel	Unlisted options held Number	Expiry date	Exercise price at grant cents	Fair value per option at grant cents	Fair value pre-adjustment cents	Exercise price post-adjustment cents	Fair value post-adjustment cents
Tom Sanders	2,000,000	30/06/16	25.0	2.31	10.78	23.1	11.11
Tom Sanders	3,000,000	30/06/16	30.0	1.90	9.98	28.1	10.26
Mark Edwards	500,000	30/06/16	25.0	2.31	10.78	23.1	11.11
Mike Kitney	500,000	30/06/16	25.0	2.31	10.78	23.1	11.11
Michelle Simson	1,000,000	31/12/16	50.0	20.13	8.92	48.1	9.11

All other terms and conditions of the unlisted options remained unchanged.

## Details of Service Agreements and Employment Contracts

Service agreements are in place between the Company and Executive Chairman Tom Sanders and Exploration Manager Alastair Barker. Manager Corporate Affairs/Company Secretary Michelle Simson is employed via contract. Details of these arrangements as at 30 June 2014 are provided below:

- ✦ Service Agreement: Tom Sanders – Executive Chairman
  - ✦ Term of agreement – Initial term of two (2) years and further terms of two (2) years, subject to termination provisions; commenced 18 April 2012 (subject to ASX listing).
  - ✦ An annual consultancy fee of \$220,104<sup>#</sup> (inclusive of superannuation, plus GST) is paid to Goldfields Geological Associates, an entity controlled by Mr Sanders, for the provision of services by Mr Sanders on a minimum of 80% of fulltime basis.
  - ✦ The agreement continues until terminated by either Goldfields Geological Associates or the Company. Subject to the *Corporations Act 2001* and the ASX Listing Rules, Mr Sanders is entitled to a minimum notice period of 12 months and the Company is entitled to a minimum notice period of three (3) months.
  - ✦ Goldfields Geological Associates will be reimbursed for expenses incurred on the Company's behalf.
  
- ✦ Service Agreement: Alastair Barker – Exploration Manager
  - ✦ Term of agreement – Initial term of two (2) years and further terms of one (1) year subject to termination provisions; commenced 18 April 2012 (subject to ASX listing).
  - ✦ An annual consultancy fee of \$179,344<sup>#</sup> (inclusive of superannuation, plus GST) is paid to Horizon Resources Pty Ltd, an entity controlled by Mr Barker, for the provision of services by Mr Barker on a minimum of 80% of fulltime basis.
  - ✦ The agreement continues until terminated by either Horizon Resources Pty Ltd or the Company. Subject to the *Corporations Act 2001* and ASX Listing Rules, Mr Barker is entitled to a minimum notice period of 12 months (or six (6) months after the initial term). The Company is entitled to a minimum notice period of three (3) months.
  
- ✦ Employment Contract: Michelle Simson – Manager Corporate Affairs/Company Secretary
  - ✦ Base salary of \$176,000<sup>#</sup> per annum (inclusive of superannuation).
  - ✦ Payment of termination benefit on early termination by the employer, other than for gross misconduct, equals three (3) months' salary.
  - ✦ Notice period of three (3) months.

<sup>#</sup> The figures stated represent the respective fees as at 30 June 2014 and were effective from 1 April 2014. All key management agreed to a 20% fee reduction from this date.

Signed in accordance with a resolution of directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the directors



**TOM SANDERS**  
**Executive Chairman**

Perth, 28 August 2014



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005  
P.O. Box 8716, Perth Business Centre WA 6849  
Phone (08) 9486 7094 www.rothsayresources.com.au

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

Dear Sirs

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

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2014 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 28 August 2014



Chartered Accountants

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



## Statement of Profit or Loss and Other Comprehensive Income for the Financial Year ended 30 June 2014

	Notes	2014 \$	2013 \$
<b>Income</b>			
Government grant and incentive	4	1,811,146	120,000
Interest income	4	28,016	194,418
Other income	4	1,858	-
<b>Total Income</b>		<b>1,841,020</b>	<b>314,418</b>
<b>Expenses</b>			
Administration expenses		(395,684)	(357,840)
Depreciation expenses	4	(96,905)	(79,189)
Employee benefits expenses	4	(204,145)	(178,803)
Exploration and evaluation expenses	4	(2,186,055)	(3,951,995)
Share-based payment expenses	4	-	(343,233)
Interest expenses		(1,053)	(1,158)
<b>Total Expenses</b>		<b>(2,883,842)</b>	<b>(4,912,218)</b>
<b>Profit/(Loss) before income tax</b>		<b>(1,042,822)</b>	<b>(4,597,800)</b>
Income tax expense	6	-	-
<b>Profit/(Loss) for the year</b>		<b>(1,042,822)</b>	<b>(4,597,800)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(1,042,822)</b>	<b>(4,597,800)</b>
<b>Profit/(Loss) attributable to owners of the Company</b>		<b>(1,042,822)</b>	<b>(4,597,800)</b>
<b>Total comprehensive income attributable to owners of the Company</b>		<b>(1,042,822)</b>	<b>(4,597,800)</b>
Basic and diluted profit/(loss) per share attributable to the ordinary equity holders of the Company (cents per share)	15	<b>(1.68)</b>	<b>(8.30)</b>

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

## Statement of Financial Position as at 30 June 2014

	Notes	2014 \$	2013 \$
<b>Current Assets</b>			
Cash and cash equivalents	7	457,575	2,250,187
Trade and other receivables	8	1,818,885	104,356
Total Current Assets		2,276,460	2,354,543
<b>Non-Current Assets</b>			
Plant and equipment	9	189,978	285,877
Other financial assets	10	36,410	49,410
Total Non-Current Assets		226,388	335,287
<b>Total Assets</b>		2,502,848	2,689,830
<b>Current Liabilities</b>			
Trade and other payables	11	308,953	857,975
Borrowings	12	5,335	15,211
Total Current Liabilities		314,288	873,186
<b>Non-Current Liabilities</b>			
Borrowings	12	-	5,336
Total Non-Current Liabilities		-	5,336
<b>Total Liabilities</b>		314,288	878,522
<b>Net Assets</b>		2,188,560	1,811,308
<b>Equity</b>			
Contributed equity	13	9,743,749	8,323,675
Reserve		469,533	469,533
Accumulated profit/(loss)		(8,024,722)	(6,981,900)
Capital and reserves attributable to owners of the Company		2,188,560	1,811,308
<b>Total Equity</b>		2,188,560	1,811,308

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

# Statement of Changes in Equity

## Statement of Changes in Equity for the Financial Year ended 30 June 2014

	Notes	Attributable to owners of the Company			Total \$
		Contributed Equity \$	Share- based Payments Reserve \$	Accumulated Profit/(Losses) \$	
<b>Balance at 30 June 2012</b>		8,323,675	126,300	(2,384,100)	6,065,875
Profit/(Loss) for the year		-	-	(4,597,800)	(4,597,800)
<b>Total comprehensive income for the year</b>		-	-	(4,597,800)	(4,597,800)
Recognition of share-based payments		-	343,233	-	343,233
<b>Balance at 30 June 2013</b>		8,323,675	469,533	(6,981,900)	1,811,308
Profit/(Loss) for the year		-	-	(1,042,822)	(1,042,822)
<b>Total comprehensive income for the year</b>		-	-	(1,042,822)	(1,042,822)
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity net of transaction costs	13	1,420,074	-	-	1,420,074
<b>Balance at 30 June 2014</b>		<b>9,743,749</b>	<b>469,533</b>	<b>(8,024,722)</b>	<b>2,188,560</b>

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

## Statement of Cash Flows for the Financial Year ended 30 June 2014

	Notes	2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(480,944)	(856,603)
Payments for exploration and evaluation expenditure		(2,787,345)	(3,994,621)
Government grant received		30,000	120,000
Other income received		1,858	-
Interest received		28,016	194,418
Interest paid		(1,053)	(1,158)
Net cash inflow/(outflow) from operating activities	18	<u>(3,209,468)</u>	<u>(4,537,964)</u>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		(1,006)	(164,595)
Other financial assets received		13,000	(49,410)
Net cash inflow/(outflow) from investing activities		<u>11,994</u>	<u>(214,005)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of ordinary shares		1,584,106	-
Share issue transaction costs		(164,032)	-
Proceeds from borrowings		-	30,250
Repayment of borrowings		(15,212)	(9,704)
Net cash inflow/(outflow) from financing activities		<u>1,404,862</u>	<u>20,546</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>(1,792,612)</u>	<u>(4,731,423)</u>
Cash and cash equivalents at the beginning of the period		2,250,187	6,981,610
<b>Cash and cash equivalents at the end of the period</b>	7	<u>457,575</u>	<u>2,250,187</u>

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



## Notes to the Financial Statements for the Year ended 30 June 2014

### 1. General information

Breaker Resources NL is a public company listed on the Australian Securities Exchange, incorporated in Australia and operating in Australia. The Company's registered office and its principal place of business is 12 Walker Avenue, West Perth WA 6005. Breaker Resources NL's principal activity is mineral exploration and it is a for-profit entity for the purposes of preparing the Financial Statements.

These Financial Statements are for Breaker Resources NL as an individual entity and are presented in the Australian currency. The Financial Statements were authorised for issue by the directors on 28 August 2014. The directors have the power to amend and reissue the Financial Statements.

### 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the Financial Statements are set out below.

#### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001 (Corporations Act)* and Australian Accounting Standards and Interpretations (**Standards**) issued by the Australian Accounting Standards Board (**AASB**). The Financial Statements and notes of the Company also comply with International Financial Reporting Standards issued by the International Accounting Standards Board.

These Financial Statements have been prepared under the historical cost convention. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

#### Going concern

The Financial Statements have been prepared on the basis of going concern which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Company has incurred a net loss of \$1,042,822 and experienced net cash outflows from operating and investing activities of \$3,197,474 for the year ended 30 June 2014. Subsequent to year end, the Company received a tax incentive refund of \$1,781,146 for research and development expenditure incurred during 2012/13, resulting in a working capital position of \$1,962,172 (see Note 13).

The ability of the Company to continue as a going concern is dependent upon funding to provide adequate working capital for a further 12 months from the date of signature of the Financial Statements. The directors intend to access further government grant and incentive funding and are satisfied that the going concern basis of preparation is appropriate.

The Financial Statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

**(b) New and revised accounting standards****i. Standards affecting amounts reported and/or disclosures in the financial statements**

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

*AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'*

This standard removes the individual key management personnel disclosure requirements in AASB 124 'Related Party Disclosures'. As a result the Company only discloses the key management personnel compensation in total and for each of the categories required in AASB 124.

In the current year the individual key management personnel disclosure previously required by AASB 124 (Note 20 in the 30 June 2013 financial statements) is disclosed in the Remuneration Report due to an amendment to *Corporations Regulations 2001* issued in June 2013.

*AASB 119 'Employee Benefits (2011)' and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'*

The revised standard has changed the accounting for the Company's annual leave obligations. As the Company did not have any annual leave balance at the beginning of the year and it expects all annual leave to be taken within 12 months of the respective service being provided, annual leave obligations are classified as short-term employee benefits in their entirety. The application of the amendments does not have any impact on the Financial Statements.

*AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'*

The Company has applied the amendments to AASB 7 'Disclosures – Offsetting Financial Assets and Financial Liabilities' for the first time in the current year. The amendments require entities to disclose information about rights of offset and related arrangements.

The amendments have been applied retrospectively. As the Company does not have any offsetting arrangements in place, the application of the amendments does not have any material impact on the Financial Statements.

*AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle'*

The Annual Improvements to AASBs 2009 – 2011 have made a number of amendments to Standards. The amendments that are relevant to the Company are the amendments to AASB 101 regarding when a Statement of Financial Position as at the beginning of the preceding period (**third Statement of Financial Position**) and the related notes are required to be presented. The amendments specify that a third Statement of Financial Position is required when:

- ✘ an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements; and
- ✘ the retrospective application, restatement or reclassification has a material effect on the information in the third Statement of Financial Position. The amendments specify that related notes are not required to accompany the third Statement of Financial Position.

As the Company does not have any retrospective restatement or reclassification there is no impact on the Financial Statements.

**ii. Standards and Interpretations in issue not yet adopted**

At the date of authorisation of the Financial Statements, the Standards listed below were in issue but not yet effective. The potential effect of the revised Standards on the Company's Financial Statements has not yet been determined.

*AASB 9 'Financial Instruments' and the relevant amending standards*, effective for annual reporting periods beginning on or after 1 January 2017.

*AASB 1031 'Materiality (2013)'*, effective for annual reporting periods beginning on or after 1 January 2014.

*AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'*, effective for annual reporting periods beginning on or after 1 January 2014.

*AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'*, effective for annual reporting periods beginning on or after 1 January 2014.

*AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'*, effective for annual reporting periods beginning on or after 1 January 2014.

*AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'*, effective for annual reporting periods beginning on or after 1 January 2014.

*AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'*, effective for annual reporting periods beginning on or after 1 January 2014.

*INT 21 'Levies'*, effective for annual reporting periods beginning on or after 1 January 2014.

**(c) Segment reporting**

An operating segment is defined as a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

**(d) Government grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

**(e) Interest income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**(f) Income tax**

The income tax expense for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It creates provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. However, the deferred tax income is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise these temporary differences and losses. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(g) Impairment of assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.



When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**(h) Cash and cash equivalents**

For the purpose of presentation in the *Statement of Cash Flows*, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three (3) months or less that are readily convertible to known amounts of cash and which are subject to significant risk of changes in value, and bank overdrafts.

**(i) Trade and other receivables**

Receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

**(j) Financial assets**

Classification

The Company classifies all of its financial assets as loans and receivables. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinate payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value. For the non-current receivables, the fair values are also not significantly different to their carrying amounts.

Collectability of loans and receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment) is used where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables or in an otherwise timely manner. The amount of the impairment allowance is the difference between the asset's carrying amount and the estimated future cash flows. None of the Company's loans and receivables has an applicable interest rate hence the cash flows are not discounted.

The amount of the impairment loss is recognised in the *Statement of Profit or Loss and Other Comprehensive Income* within impairment expenses. When a loan or receivable for which an impairment allowance has been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the *Statement of Profit or Loss and Other Comprehensive Income*.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all of the risks and rewards of ownership.

## Impairment

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is any evidence of impairment for any of the Company's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the *Statement of Profit or Loss and Other Comprehensive Income*.

## **(k) Plant and equipment**

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the *Statement of Profit or Loss and Other Comprehensive Income* during the reporting period in which they are incurred.

Depreciation of plant and equipment is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term. All plant and equipment is depreciated at the rate of 25% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to Note 2(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the *Statement of Profit or Loss and Other Comprehensive Income*.

## **(l) Exploration and evaluation costs**

Exploration and evaluation costs are written off in the year they are incurred.

## **(m) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured, non-interest bearing and are paid on normal commercial terms. They are presented as current liabilities unless payment is not due within 12 months after the reporting period.

## **(n) Employee benefits**

### Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, and annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The short-term employee benefit obligations are presented as payables.

### Other long-term employee benefit obligations

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to

expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

**(o) Share-based payments**

The Company provides benefits to employees (including directors and contractors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (**equity-settled transactions**) (refer to Note 19).

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which any performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (**vesting date**).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- ✦ the extent to which the vesting period has expired; and
- ✦ the number of options that, in the opinion of the directors of the Company, will ultimately vest.

This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Options over ordinary shares have also previously been issued as consideration for other services. These options have been treated in the same manner as employee options described above, with the expense being included as part of exploration expenditure.

**(p) Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(q) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the *Statement of Financial Position*.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

**(r) Critical judgements, estimates and assumptions**

The preparation of these Financial Statements requires the use of certain critical accounting estimates, which, by definition, will seldom equal the actual results. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are:

Environmental issues

Balances disclosed in the Financial Statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors' understanding thereof. At the current stage of the Company's development and its current environmental impact, the directors believe such treatment is reasonable and appropriate.

Taxation

Balances disclosed in the Financial Statements and the notes thereto related to taxation are based on the best estimates of the directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors' understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents the directors' best estimate, pending an assessment by the Australian Taxation Office.

### 3. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by the full Board via the audit and risk committees as the Company believes that it is crucial for all directors to be involved in this process. The Executive Chairman, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

**(a) Market risk**

Foreign exchange risk

As all operations are currently within Australia the Company is not exposed to foreign exchange risk.

Commodity price risk

Given the current level of operations the Company is not exposed to commodity price risk.

Interest rate risk

The Company is exposed to movements in market interest rates on cash and cash equivalents. The Company policy is to monitor the interest rate yield curve out to six (6) months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The entire balance of cash and cash equivalents for the Company of \$457,575 (2013: \$2,250,187) is subject



to interest rate risk. The weighted average interest rate received on cash and cash equivalents by the Company was 2.59% (2013: 2.49%).

## Sensitivity analysis

At 30 June 2014, if interest rates had changed by +/- 100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Company would have been \$13,539 lower/higher (2013: \$46,159) as a result of lower/higher interest income from cash and cash equivalents.

### (b) Credit risk

The Company has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount of those assets as disclosed in the *Statement of Financial Position* and *Notes to the Financial Statements*.

As the Company does not presently have any debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

### (c) Liquidity risk

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Company. Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings.

The Board constantly monitors the state of equity markets in conjunction with the Company's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Company are generally confined to trade and other payables as disclosed in the *Statement of Financial Position*. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

### (d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Company at the balance date are recorded at amounts approximating their carrying amount due to their short term nature.

## 4. Income and expenses

### (a) Income from continuing operations includes the following revenue items:

	2014	2013
	\$	\$
Government grant and incentive <sup>(i)</sup>	1,811,146	120,000
Interest income	28,016	194,418
Others	1,858	-
	<u>1,841,020</u>	<u>314,418</u>

## Notes

(i) The amount represents \$1,781,146 Research and Development tax incentive and \$30,000 received from the Department of Mines and Petroleum under the Royalties for Regions Co-funded Government – Industry Drilling Program 2012-2013. There are no unfulfilled conditions or other contingencies attaching to this incentive and grant. The Company did not benefit directly from any other forms of government assistance.

**(b) Loss for the year includes the following specific expenses:**

	2014 \$	2013 \$
Depreciation	96,905	79,189
Exploration and evaluation expenses	2,186,055	3,951,995
	2,282,960	4,031,184

**(c) Employee benefit expenses:**

	2014 \$	2013 \$
Wages and superannuation	113,544	74,869
Directors' fees	76,000	80,222
Equity-settled share-based payments	-	343,233
Annual leave provision	12,729	-
Other	1,872	23,712
	204,145	522,036

## 5. Operating segments

For management purposes, the Company has identified only one (1) reportable segment as exploration activities undertaken in Australia. This segment includes activities associated with the determination and assessment of the existence of commercial economic reserves from the Company's mineral assets in this geographic location. Segment performance is evaluated based on the operating profit and loss and cash flows and is measured in accordance with the Company's accounting policies.

	2014 \$	2013 \$
Segment revenue	-	-
<i>Reconciliation of segment revenue to total revenue before tax:</i>		
Government grant and incentive	1,811,146	120,000
Interest revenue	28,016	194,418
Other income	1,858	-
<b>Total revenue</b>	1,841,020	314,418
Segment result	(2,186,055)	(3,951,995)
<i>Reconciliation of segment result to loss before tax:</i>		
Depreciation expenses	(96,905)	(79,189)
Other corporate and administration income/(expenses), net	1,240,138	(566,616)
<b>Net profit/(loss) before tax</b>	(1,042,822)	(4,597,800)
Segment operating assets	161,336	340,033
<i>Reconciliation of segment operating assets to total assets:</i>		
Other corporate and administration assets	2,341,512	2,349,797
<b>Total assets</b>	2,502,848	2,689,830
Total assets includes additions to non-current assets	1,006	144,747
Segment operating liabilities	172,396	773,686
<i>Reconciliation of segment operating liabilities to total liabilities:</i>		
Other corporate and administration liabilities	141,892	104,836
<b>Total liabilities</b>	314,288	878,522

# Notes to the Financial Statements

## 6. Income tax

	2014 \$	2013 \$
Income tax expense		
Current tax	-	-
Deferred tax	-	-
<i>Numerical reconciliation of income tax expense to prima facie tax payable</i>		
Profit/(Loss) from continuing operations before income tax expense	<b>(1,042,822)</b>	(4,597,800)
Prima facie tax benefit at the Australian tax rate of 30%	<b>(312,847)</b>	(1,379,340)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
✦ Capital raising costs	<b>(8,172)</b>	
✦ R& D refund	<b>(534,344)</b>	
✦ Share-based payments		102,970
✦ Entertainment	<b>330</b>	248
	<b>(855,033)</b>	(1,276,122)
Movements in unrecognised temporary differences	<b>(27,623)</b>	(71,110)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	<b>882,656</b>	1,347,232
<b>Income tax expense</b>	<b>-</b>	<b>-</b>
<i>Unrecognised temporary differences</i>		
Deferred tax assets (at 30%) on income tax account		
Accruals	<b>7,500</b>	8,700
Provisions	<b>3,819</b>	-
Capital raising costs	<b>122,777</b>	133,168
Carry forward tax losses	<b>1,769,307</b>	2,116,027
	<b>1,903,403</b>	2,257,895
<b>Deferred tax liabilities (30%)</b>	<b>-</b>	<b>-</b>

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised. The Company's ability to use losses in the future is subject to the Company satisfying the relevant tax authority's criteria for using these losses.

## 7. Cash and cash equivalents

	2014 \$	2013 \$
Cash at bank and in hand	<b>457,575</b>	2,250,187
Cash and cash equivalents as shown in the <i>Statement of Financial Position</i> and the <i>Statement of Cash Flows</i>	<b>457,575</b>	2,250,187

Short-term deposits are made for varying periods of between one (1) day and three (3) months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

## 8. Trade and other receivables

	2014 \$	2013 \$
Prepayments	31,747	20,480
Research & development tax incentive	1,781,146	-
GST receivable	5,992	83,876
	<u>1,818,885</u>	<u>104,356</u>

## 9. Plant and equipment

	2014				2013			
	Furniture & office equipment \$	Exploration equipment \$	Motor vehicles \$	Total \$	Furniture & office equipment \$	Exploration equipment \$	Motor vehicles \$	Total \$
Cost	54,831	108,717	213,838	377,386	54,831	107,711	213,838	376,380
Accumulated depreciation	(26,189)	(52,309)	(108,910)	(187,408)	(12,111)	(24,369)	(54,023)	(90,503)
<b>Net book amount</b>	<u>28,642</u>	<u>56,408</u>	<u>104,928</u>	<u>189,978</u>	<u>42,720</u>	<u>83,342</u>	<u>159,815</u>	<u>285,877</u>
Opening net book amount	42,720	83,342	159,815	285,877	33,346	49,146	117,979	200,471
Additions	-	1,006	-	1,006	19,849	55,000	89,746	164,595
Depreciation charge	(14,078)	(27,940)	(54,887)	(96,905)	(10,475)	(20,804)	(47,910)	(79,189)
<b>Closing net book amount</b>	<u>28,642</u>	<u>56,408</u>	<u>104,928</u>	<u>189,978</u>	<u>42,720</u>	<u>83,342</u>	<u>159,815</u>	<u>285,877</u>

## 10. Other financial assets

	2014 \$	2013 \$
Long-term deposits	<u>36,410</u>	<u>49,410</u>

## 11. Trade and other payables

	2014 \$	2013 \$
Trade creditors	250,254	807,107
Payroll tax	20,953	20,845
Other payables and accruals	37,746	30,023
	<u>308,953</u>	<u>857,975</u>

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.



## 12. Borrowings

	2014 \$	2013 \$
Current	5,335	15,211
Non-current	-	5,336
	<u>5,335</u>	<u>20,547</u>

The fair value of the loan is not materially different to its carrying amount, since the interest payable on the loan is close to current market rate and the borrowing is of a short-term nature.

## 13. Contributed equity

### (a) Share capital

		2014		2013	
	Notes	Number	\$	Number	\$
Ordinary shares fully paid	(b),(d)	68,875,005	9,674,874	55,100,004	8,323,675
Ordinary shares partly paid	(b),(d)	6,887,498	68,875	-	-
Total issued capital		<u>75,762,503</u>	<u>9,743,749</u>	<u>55,100,004</u>	<u>8,323,675</u>

### (b) Movements in ordinary share capital

	2014		2013	
	Number	\$	Number	\$
Beginning of the year	55,100,004	8,323,675	55,100,004	8,323,675
Issued during the year:				
✘ Fully paid shares via entitlement issue	13,775,001	1,515,231	-	-
✘ Partly paid shares via entitlement issue	6,887,498	68,875	-	-
✘ Transaction costs	-	(164,032)	-	-
End of the year	<u>75,762,503</u>	<u>9,743,749</u>	<u>55,100,004</u>	<u>8,323,675</u>

### (c) Movements in options on issue

	2014 Number	2013 Number
<b>Beginning of the year</b>	<u>29,650,000</u>	27,250,000
✘ Issued via entitlement issue, exercisable at 25 cents on or before 31 December 2014	6,887,498	-
✘ Issued, exercisable at 50 cents on or before 31 December 2016	-	2,500,000
✘ Lapsed	-	(100,000)
<b>End of the year</b>	<u>36,537,498</u>	<u>29,650,000</u>

All options on issue are exercisable on a 1:1 basis for the Company's ordinary shares and carry no rights to dividends and no voting rights. The options are exercisable at prices between \$0.231 and \$0.50 and expire between 31 December 2014 and 31 December 2016.

**(d) Ordinary shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one (1) vote, and upon a poll each share is entitled to one (1) vote, in proportion to the number of and amounts paid on the shares held.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

The partly paid ordinary shares have a total issue price of \$0.20 and are paid up to \$0.01. The balance is payable by calls made by the Company no earlier than four (4) years after the date of issue. Upon becoming fully paid, each partly paid share will rank equally in all respects with the other issued fully paid shares in the Company.

**(e) Capital risk management**

The Company's objective when managing capital is to safeguard its ability to carry on as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of capital risk management is the current working capital position against the requirements of the Company to meet exploration programs and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Company at 30 June 2014 and 30 June 2013 is as follows:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	<b>457,575</b>	2,250,187
Trade and other receivables	<b>1,818,885</b>	104,356
Trade and other payables	<b>(308,953)</b>	(857,975)
Borrowings	<b>(5,335)</b>	(15,211)
<b>Working capital position</b>	<b>1,962,172</b>	1,481,357

**14. Dividends**

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

**15. Loss per share**

**(a) Reconciliation of earnings used in calculating profit/(loss) per share**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Profit/(Loss) attributable to the owners of the Company used in calculating basic and diluted profit/(loss) per share	<b>(1,042,822)</b>	(4,597,800)

# Notes to the Financial Statements

**(b) Weighted average number of shares used as the denominator**

	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	<b>62,195,073</b>	55,100,004

**(c) Information on classification of options**

As the Company has made a loss for the year ended 30 June 2014, all options on issue are considered antidilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

## 16. Commitments

**(a) Exploration Commitments**

The Company must maintain current rights of tenure to tenements, which requires outlays of expenditure in 2014/15. Under certain circumstances these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations however they are expected to be fulfilled in the normal course of operations.

Estimated expenditure on mining, exploration and prospecting leases for 2014/15:

<b>2014</b>	<b>2013</b>
<b>\$</b>	<b>\$</b>
<b>1,287,334</b>	1,712,000

**(b) Capital Commitments**

There are no capital expenditure commitments for the Company as at 30 June 2014.

**(c) Lease Commitments: Company as Lessee**

The Company leases its office under a non-cancellable operating lease expiring within two (2) years. The lease contains options to renew terms up to three (3) years commencing on the expiry date. Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Within one (1) year	<b>76,601</b>	74,000
Later than one (1) year but not later than five (5) years	<b>65,422</b>	129,500
	<b>142,023</b>	203,500

## 17. Contingencies

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

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

## 18. Reconciliation of loss after income tax to net cash outflow from operating activities

	2014 \$	2013 \$
<i>Reconciliation of net loss after income tax to net cash flow from operating activities</i>		
Net profit/(loss) for the year	(1,042,822)	(4,597,800)
<b>Non-cash items</b>		
Depreciation of non-current assets	96,905	79,189
Share-based payments expense	-	343,233
<b>Change in operating assets and liabilities</b>		
(Increase)/decrease in trade and other receivables	(1,714,529)	60,254
Increase/(decrease) in trade and other payables	(549,022)	(422,840)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(3,209,468)</b>	<b>(4,537,964)</b>

## 19. Share-based payments

### (a) Employee share options

The Company provides benefits to employees (including directors) and contractors of the Company in the form of share-based payment transactions, whereby employees render services in exchange for options to acquire ordinary shares. Options are granted under the plan for no consideration.

The table below summarises the share-based payment options granted by Breaker Resources NL:

	2014		2013	
	Number	Weighted average exercise price cents	Number	Weighted average exercise price cents
Outstanding at the beginning of the year	8,400,000	34.5	6,000,000	27.5
Granted	-	-	2,500,000	50.00
Forfeited/cancelled	-	-	(100,000)	50.00
Outstanding at year end	8,400,000	32.3	8,400,000	34.5
Exercisable at year end	8,400,000	32.3	<sup>(i)</sup> 2,400,000	34.5

#### Notes

(i) 6,000,000 options held by directors escrowed until 20 April 2014.

No options were exercised or expired during the year ended 30 June 2014.

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 2.0 years (2013: 3.0 years) and the exercise prices ranged from 23.1 cents to 50 cents (2013: 25 cents to 50 cents). The weighted average fair value of the options granted during the year was Nil (2013: 14.4 cents).

The Company changed the exercise prices of some options during the year. The impact on the fair value of the options immediately before and after the modification was insignificant.

**(b) Expenses arising from share-based payment transactions**

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Share-based payment expenses recognised for options granted	-	363,367
Share-based payment expenses reversed for options lapsed	-	(20,134)
	<b>-</b>	<b>343,233</b>

**20. Key management personnel transactions**

The aggregate compensation made to directors and other members of key management personnel of the Company is set out below:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Short term benefits	<b>734,348</b>	734,640
Post-employment benefits	<b>24,996</b>	17,926
Share-based payments	-	286,340
	<b>759,344</b>	<b>1,038,906</b>

There were no loans to/from key management personnel during the year. Detailed remuneration disclosures are provided in the Remuneration Report on page 15.

**21. Related party transactions**

The Company had no transactions with related parties during the year except for payments to the key management personnel disclosed in the Remuneration Report on page 15.

There were no guarantees provided to related parties during the year.

**22. Remuneration of auditor**

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:



**(a) Audit services**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Rothsay Chartered Accountants – audit and review of financial reports	<b>20,500</b>	20,500
<b>Total remuneration for audit services</b>	<b>20,500</b>	20,500

**(b) Non-audit services**

There were Nil non-audit services provided by the auditor of the Company, Rothsay Chartered Accountants, during the year (2013: Nil).

## 23. Subsequent events

On 8 July 2014 the Company received a tax incentive refund of \$1.78million for research and development expenditure incurred during 2012/13.

There were no other matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Company and the results of those operations or the state of the affairs of the Company in the financial period subsequent to 30 June 2014.

## Directors' Declaration

The directors declare that:

- ✦ the Financial Statements comprising the *Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows* and accompanying notes set out on pages 27 to 44 are in accordance with the *Corporations Act 2001*, including:
  - i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - ii. giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the financial year ended on that date;
- ✦ there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- ✦ a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the *Notes to the Financial Statements*; and
- ✦ the directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the directors



**TOM SANDERS**  
**Executive Chairman**

Perth, 28 August 2014



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005  
P.O. Box 8716, Perth Business Centre WA 6849  
Phone (08) 9486 7094 www.rothsayresources.com.au

## **INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BREAKER RESOURCES NL**

### **Report on the financial report**

We have audited the accompanying financial report of Breaker Resources NL (the Company) which comprises the balance sheet as at 30 June 2014 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### **Directors Responsibility for the Financial Report**

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used in and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Independence**

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.



Chartered Accountants

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



## Audit opinion

In our opinion the financial report of Breaker Resources NL is in accordance with the *Corporations Act 2001*, including:

- a) (i) giving a true and fair view of the financial position as at 30 June 2014 and of its performance for the period ended on that date; and  
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- b) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board

## Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2014. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

## Audit opinion

In our opinion the remuneration report of Breaker Resources NL for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

Rothsay

Graham Swan  
Partner

Dated 28 August 2014



Chartered Accountants

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

## ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is provided below. The information is current as at 30 September 2014.

### Corporate Governance Statement

The 2014 Corporate Governance Statement of Breaker Resources NL is available on the Company's website at <http://www.breakerresources.com.au/company/corporate-governance>.

### Distribution of Equity Securities

Analysis of numbers of equity security holders by size of holding:

	Fully paid ordinary shares		Partly paid shares		Listed options	
	Number of holders	Number of shares	Number of holders	Number of shares	Number of holders	Number of options
1-1,000	4	78	10	4,625	12	4,631
1,001-5,000	17	61,297	47	127,895	106	496,382
5,001-10,000	41	388,995	14	99,055	37	289,649
10,001-100,000	134	5,075,949	32	1,181,998	112	3,115,960
100,001 and over	43	63,348,686	10	5,473,925	25	24,230,876
	<b>239</b>	<b>68,875,005</b>	<b>113</b>	<b>6,887,498</b>	<b>292</b>	<b>28,137,498</b>

### Unmarketable Parcel

There are 26 holders of unmarketable parcels of fully paid ordinary shares, based on the closing market price of \$0.079 on 30 September 2014.

### Restricted Securities

There are no restricted securities on issue.

### Voting Rights

All fully paid ordinary shares carry one (1) vote per share without restriction. Holders of partly paid shares are entitled to a fraction of one (1) vote which is equivalent to the proportion which the amount paid bears to the total issue price. Listed and unlisted options carry no attaching voting rights.

### Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act, and the details of their holding at the time of notification, are:

	Shareholder	Voting interest	Voting power
		Number	%
1	Mr Thomas Stephen Sanders & Mrs Helen Sanders	11,750,004	21.36
2	Geologic Resource Fund	8,583,665	12.40
3	CQS Asset Management Limited	5,000,000	9.07
4	HSBC Custody Nominees Limited (Altus Resource Capital Limited)	5,000,000	9.07
5	Konwave AG	4,375,000	6.35



## Top 20 Shareholders

The names of the 20 largest holders of quoted fully paid ordinary shares (ASX: BRB) are:

	Shareholder	Ordinary shares Number	Equity held %
1	HSBC Custody Nominees (Australia) Limited	22,630,825	32.858
2	Mr Thomas Stephen Sanders & Mrs Helen Sanders	10,295,922	14.949
3	Kurraba Investments Pty Ltd	5,000,000	7.260
4	JP Morgan Nominees Australia Limited	4,760,649	6.912
5	Mr Thomas Stephen Sanders & Mrs Helen Sanders	4,169,588	6.054
6	National Nominees Limited	3,125,000	4.537
7	Colbern Fiduciary Nominees Pty Ltd	1,260,382	1.830
8	Mark Robert Edwards	1,180,000	1.713
9	Michael John Kitney & Dale Jayne Kitney	1,160,000	1.684
10	T T Nicholls Pty Ltd	1,139,537	1.655
11	Mr Wilhelm Schroder	888,715	1.290
12	Jasper Hill Resources Pty Ltd	784,941	1.140
13	Leet Investments Pty Ltd	580,060	0.842
14	Southern Terrain Pty Ltd	474,000	0.688
15	The Constantine Family Foundation Pty Ltd	473,022	0.687
16	Alderhaus Pty Ltd	462,588	0.672
17	Tecca Pty Ltd	430,178	0.625
18	Mr Michael Frank Manford	397,269	0.577
19	Future Super Pty Ltd	386,338	0.561
20	Jemaya Pty Ltd	300,000	0.436
		<b>59,899,014</b>	<b>86.968</b>

The names of the 20 largest holders of quoted partly paid shares (ASX: BRBCA) are:

	Shareholder	Ordinary shares Number	Equity held %
1	HSBC Custody Nominees (Australia) Limited	2,760,412	40.079
2	Mr Thomas Stephen Sanders & Mrs Helen Sanders	1,309,871	19.018
3	National Nominees Limited	312,500	4.537
4	Jetosea Pty Ltd	250,000	3.630
5	Mr Murray Leslie Siviour	248,171	3.603
6	T T Nicholls Pty Ltd	219,768	3.191
7	Colbern Fiduciary Nominees Pty Ltd	150,181	2.180
8	Jasper Hill Resources Pty Ltd	136,221	1.978
9	The Constantine Family Foundation Pty Ltd	111,511	1.619
10	Southern Terrain Pty Ltd	87,000	1.263
11	Future Super Pty Ltd	75,669	1.099
12	Westcap Pty Ltd	69,140	1.004
13	Tecca Pty Ltd	65,217	0.947
14	Mark Robert Edwards	65,000	0.944
15	Mr Luke Patrick Thomas Sanders	65,000	0.944
16	Michael John Kitney & Dale Jayne Kitney	55,000	0.799
17	Jetosea Pty Ltd	52,907	0.768
18	Skink Resources Pty Ltd	50,000	0.726
19	Cheetah Holdings Pty Ltd	46,294	0.672
20	Kahala Holdings Pty Ltd	46,294	0.672
		<b>6,176,156</b>	<b>89.672</b>

## Top 20 Optionholders

The names of the 20 largest holders of quoted options are:

	Optionholder	Listed options Number	Equity held %
1	HSBC Custody Nominees (Australia) Limited	10,885,412	38.686
2	JP Morgan Nominees Australia Limited	2,800,000	9.951
3	Kurraba Investments Pty Ltd	2,500,000	8.885
4	Mr Thomas Stephen Sanders & Mrs Helen Sanders	1,934,871	6.876
5	National Nominees Limited	1,562,500	5.553
6	Talex Investments Pty Ltd	664,657	2.362
7	Mr Wilhelm Schroder	490,000	1.741
8	T T Nicholls Pty Ltd	419,768	1.492
9	M & K Korkidas Pty Ltd	393,510	1.399
10	Mr Murray Leslie Siviour	344,000	1.223
11	Jasper Hill Resources Pty Ltd	267,471	0.951
12	Jetosea Pty Ltd	250,000	0.888
13	West Trade Enterprises Pty Ltd	235,000	0.835
14	Mrs Jennifer Ann Jones & Mr Kevin Michael Jones	207,043	0.736
15	Tecca Pty Ltd	190,217	0.676
16	The Constantine Family Foundation Pty Ltd	161,511	0.574
17	Future Super Pty Ltd	155,669	0.553
18	Colbern Fiduciary Nominees Pty Ltd	150,180	0.534
19	Kahala Holdings Pty Ltd	126,294	0.449
20	McAlister Pty Ltd	125,000	0.444
		<b>23,863,103</b>	<b>84.809</b>

## Unquoted Securities

Details of unquoted securities on issue are:

Class	Securities Number	Holders Number
Unlisted 23.1 cent options, exercisable on or before 30 June 2016	3,000,000	3
Unlisted 28.1 cent options, exercisable on or before 30 June 2016	3,000,000	1
Unlisted 48.1 cent options, exercisable on or before 31 December 2016	1,400,000	3
Unlisted 50 cent options, exercisable on or before 31 December 2016	1,000,000	1

## Holders of 20% or more of the class

Details of holders of 20% or more of a class of unquoted securities are:

Class	Holder	Securities Number	Held %
Unlisted 23.1 cent options, exercisable on or before 30 June 2016	Mr Thomas Stephen Sanders & Mrs Helen Sanders	2,000,000	67
Unlisted 28.1 cent options, exercisable on or before 30 June 2016	Mr Thomas Stephen Sanders & Mrs Helen Sanders	3,000,000	100
Unlisted 50 cent options, exercisable on or before 31 December 2016	Mr Alastair Barker	1,000,000	100

## On-market Buy-back

There is no current on-market buy-back.



ABN: 87 145 011 178

12 Walker Avenue, West Perth, Western Australia 6005

Tel: +61 8 9226 3666 | Fax: +61 8 9226 3668

Email: [breaker@breakerresources.com.au](mailto:breaker@breakerresources.com.au)

[www.breakerresources.com.au](http://www.breakerresources.com.au)