



BREAKER Resources NL

ABN: 87 145 011 178

2020 Annual Report



Corporate Directory

Board of Directors

Thomas Sanders	Executive Chairman
Mark Edwards	Non-Executive Director
Michael Kitney	Non-Executive Director
Linton Putland	Non-Executive Director
Eric Vincent	Non-Executive Director

Senior Management

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

Principal Place of Business & Registered Office

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ABN

87 145 011 178

*Cover photo: Drone photo of the Bombora Resource area;
Inside front cover: Drilling at Lake Roe; Inside back cover: Lake
Roe landscape*

Auditors

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

Solicitors

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

Hopgood Ganim
Level 27, 77 St George's Terrace
Perth, Western Australia 6000

Share Registry

Automic Registry Services
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Sydney, New South Wales 2000

Tel: 1300 288 664 (within Australia)
+61 2 9698 5414 (outside Australia)
Email: hello@automic.com.au
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Securities Exchange Listing

Shares in Breaker Resources NL are quoted on ASX Limited (code: BRB). The Home Exchange is Perth, Western Australia.

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Chairman's Letter

Dear Shareholder,

Breaker Resources NL is poised for dynamic growth in the year ahead. Over the last few years, we have successfully identified a rare and large new gold field only 100km from Kalgoorlie. Despite a 1Moz open pit Resource[#] and 250,000m of drilling, it is still in the early stages of delineation.



This is an enviable position for any Company to be in, and one that I believe the market will recognise and reward in due course. This view has also attracted the support of several prominent US gold funds who have either invested in Breaker, such as Electrum Strategic Opportunities Fund II, or who intend to invest, such as Paulson and Co., subject to shareholder approval. This support is a major vote of confidence in the potential of the Lake Roe project, our people and our systematic approach to growth built on early de-risking.

To reflect briefly on our journey to date, the Company made a virgin discovery hidden by transported cover in 2015, in an area that several other companies had previously explored. Breaker then set about creating an early development option by proving up a 1Moz open pit Resource[#] at Bombora, which remains open in all directions after 250,000m of RC and diamond drilling. The deposit starts 5m from surface and is high-grade by nature, a favourable combination particularly in the early years of mining.

After a strategic review in late 2019, Breaker decided to continue drilling to grow the Resource and expand and de-risk the Company's development options. We made this decision because we could see the growth potential. We also understood that the market is wary of single asset developers perceived to be moving into production too early, a view reinforced by negative outcomes at several recent developments.

We started an aggressive drilling campaign to expand the Resource in early 2020. Prior to this, drilling outside Bombora was limited due to an early focus on de-risking the open pit Resource. Since the start of 2020, our drilling has had early and material success. As a result, we have identified three large areas of emerging discovery and extension that are slated for resource growth. This outcome demonstrates that our view of the substantial growth potential is correct.

We have identified a 2km-long strike length of high-grade lodes below the open pit Resource to date that are not yet in Resource. In the process, we have also demonstrated the potential for underground mining. By changing the lower cut-off grade, there is scope to mine underground. This not only extends mine life, but can also add multiples to any project valuation based purely on open pit mining.

We have identified an emerging, 2km-long discovery at the Kopai-Crescent Prospect, situated 3km north of Bombora, where drilling is still scoping the areal extent of mineralisation.

We have made a potentially significant discovery at the Carbineer Prospect, which extends over a 12km-long zone directly to the east of Bombora. Maiden drilling hits of up to 22g/t Au highlight this potential, and a new style of gold mineralisation is potentially opening up along the granite contact.

These results confirm that the 1Moz Resource[#] at Bombora is part of a much larger gold system that is up to 15km-long, within a large (600km²) project with a granted mining lease and 40km of strike potential. As a result, we plan to run at least three drill rigs continuously for the foreseeable future, and at the right time we plan to step this up.

In closing, I would like to thank our highly professional staff, technical team, contractors and suppliers for their hard work that has made our success possible. I would also like to thank our shareholders for their ongoing support and I look forward to a rewarding year ahead.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Sanders'. The signature is fluid and cursive, written over a light grey background.

Tom Sanders
Chairman

Review of Exploration Activities

Breaker Resources NL (ASX:BRB) is focused on expanding a rare 1Moz[#] greenfields gold discovery at its Lake Roe Gold Project, 100km east of Kalgoorlie, Western Australia.

After 250,000m of drilling, the deposit, which is concealed by thin (5m) transported cover, is open in all directions. The consistency and areal extent of the results indicate a new gold camp in the early stages of delineation, with 600km² of tenure, a granted mining lease, and 40km of strike potential.

The deposit is similar in style to the well-known (70Moz) Golden Mile deposit in Kalgoorlie, and has yielded some of the best drill hits in Western Australia in the last few years, such as 25m @ 18.53g/t from 52m, 7m @ 61.78g/t from 59m and 6.1m @ 10.54g/t from 491.8m¹.

The Lake Roe Gold Project has the attributes of scale, grade and camp-scale growth potential, and the open pit and underground mining potential are extensively de-risked.

A major drilling program is underway to increase the 1Moz open pit Resource[#] at Bombora to expand the future development options. Since the start of 2020, an aggressive drilling campaign has had early success. As a result, there are three large areas of emerging discovery and extension slated for resource growth.

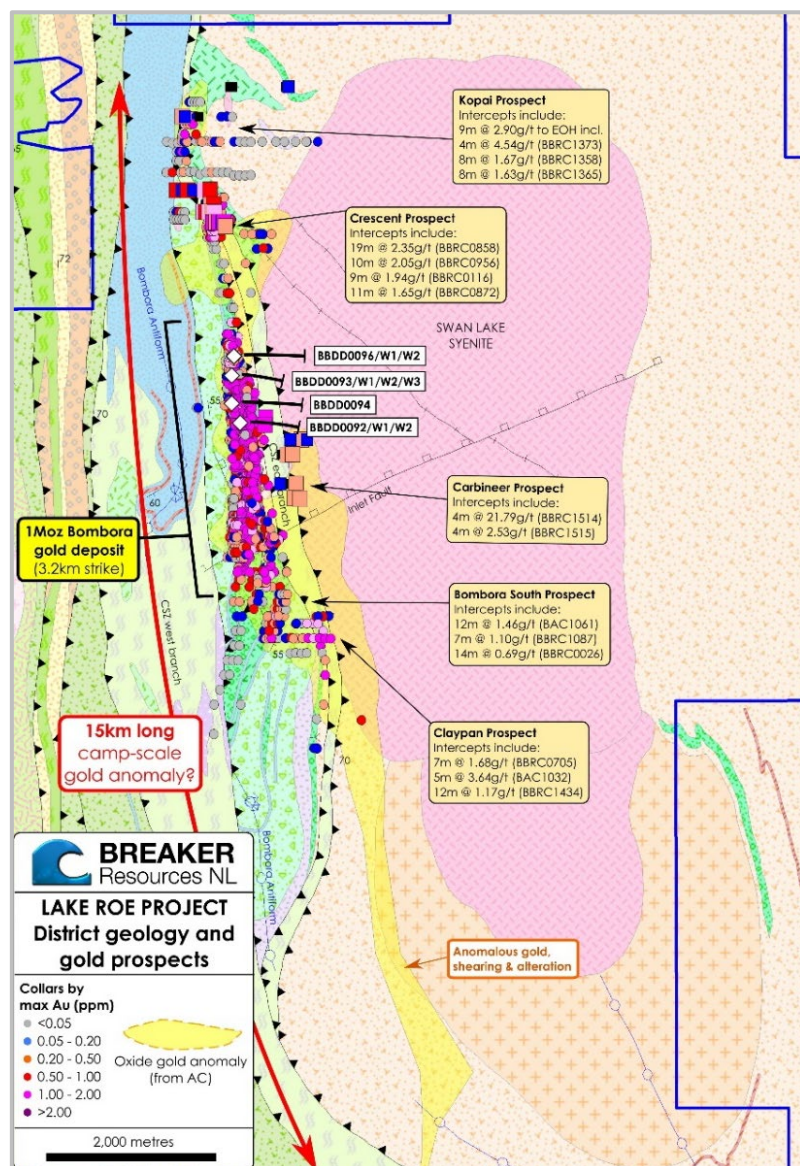


Figure 1: Lake Roe Project District Geology & Gold Prospects

2019/20 Drilling

A 42,575m program of regional geochemical aircore drilling was undertaken in the period June 2019 to November 2019 in preparation for further exploratory reverse circulation (RC) drilling following an intensive three year-long phase of Resource delineation drilling at Bombora.

A second major phase of RC and diamond drilling commenced in December 2109 and is currently in progress with two diamond rigs and one RC rig operating continuously. Campaign-style RC drilling in the period December 2019 to early-February 2020, reverted to continuous RC drilling from May 2020. To date 14,072m of RC drilling and 9,959m of diamond drilling have been reported, which includes all drilling to and including ASX Release of 2 July 2020.

Since the start of 2020, the RC and diamond drilling has had early success with three large areas of emerging discovery and extension identified and which are slated for ongoing resource growth:

- (i) Bombora Deeps, directly below the extensively de-risked open pit Resource (80% Indicated; Figures 1, 3 & 4);
- (ii) The emerging 2km-long discovery in the Kopai-Crescent area, 3km north of Bombora (Figure 5); and
- (iii) The new Carbineer area, an emerging 12km-long zone 400m east of Bombora (Figures 6 & 7).

Due to the large size of the targets, the drilling is necessarily wide-spaced to scope the areal extent and nature of the mineralisation, and to prioritise the best areas for resource definition drilling. The wide drill spacing makes any positive results obtained more significant, resulting in either discovery or material extension.

Based on the ongoing success of the drilling, the Company plans to continue operating at least three drill rigs for the foreseeable future, but plans to step this up at the right time.

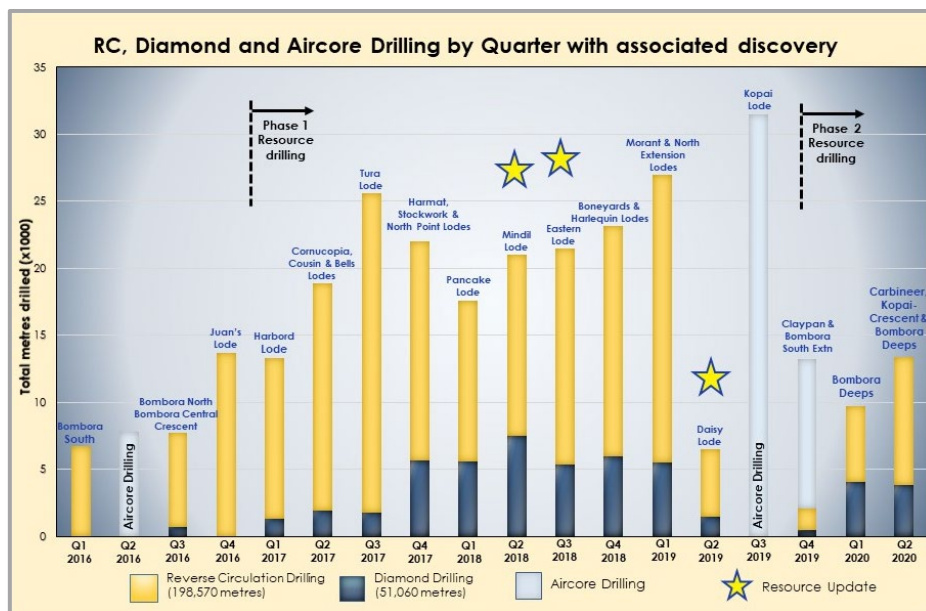


Figure 2: Drilling summary by quarter

Overview and Summary of Drilling Results

The extensional focus of Breaker's drilling since the start of 2020 has delivered discovery and material extension in three large areas outside the Bombora Resource – Bombora Deeps, Kopai-Crescent and Carbineer (Figure 1).

The results highlight the growth potential of a rare large greenfields gold system that is still in the early stages of delineation; and which already hosts an extensively de-risked, 1Moz open pit Resource#.

Drilling below the Bombora open pit resource resulted in the discovery of several new lodes and the material extension of others at grades that are typically mined underground. Accordingly, there is now a 2km strike length of high-grade lodes below (outside) the Resource, and the potential for underground mining is materially upgraded and is open along strike.

Early drilling in the Kopai-Crescent area, 3km north of Bombora, points to a new 2km-long discovery linking the Kopai and Crescent Prospects.

Maiden drilling at Carbineer, to the east of Bombora, hit high-grade gold of up to 4m at 21.79g/t Au² in a new unit of quartz dolerite with the potential for a 1km extension to the north.

Further east, there is emerging potential for syenite-associated gold mineralisation along the 12km-long sheared western contact of the Swan Lake Syenite (Figures 1 & 6).

This contact is anomalous in gold, silver, molybdenum and tungsten based on Breaker's regional aircore drilling (Figure 7), and several significant drill intersections along this contact have not yet been tracked into syenite: eg. Claypan 5m @ 3.64g/t Au (BAC1032), 12m @ 1.17g/t Au (BBRC1434) and 7m @ 1.68g/t Au (BBRC0705)². Syenite-associated magnetite alteration is commonly present near the contact. This is important as magnetite is a well-known trigger for gold deposition in many Archean gold deposits in Western Australia.

Bombora Deeps Overview

Drilling below the 1Moz open pit Resource[#] at Bombora has discovered new lodes, and materially extended others at grades typically amenable to underground mining.

These results increased the strike length of high-grade gold lodes below the open pit Resource by 600m to 2,000m that extend to a maximum depth of 600 metres below surface. None of this is in the existing open pit Resource, which is defined to a variable depth of 180m to 300m below surface. The physical dimension of some of the flat and west lode systems is in excess of 1km-long.

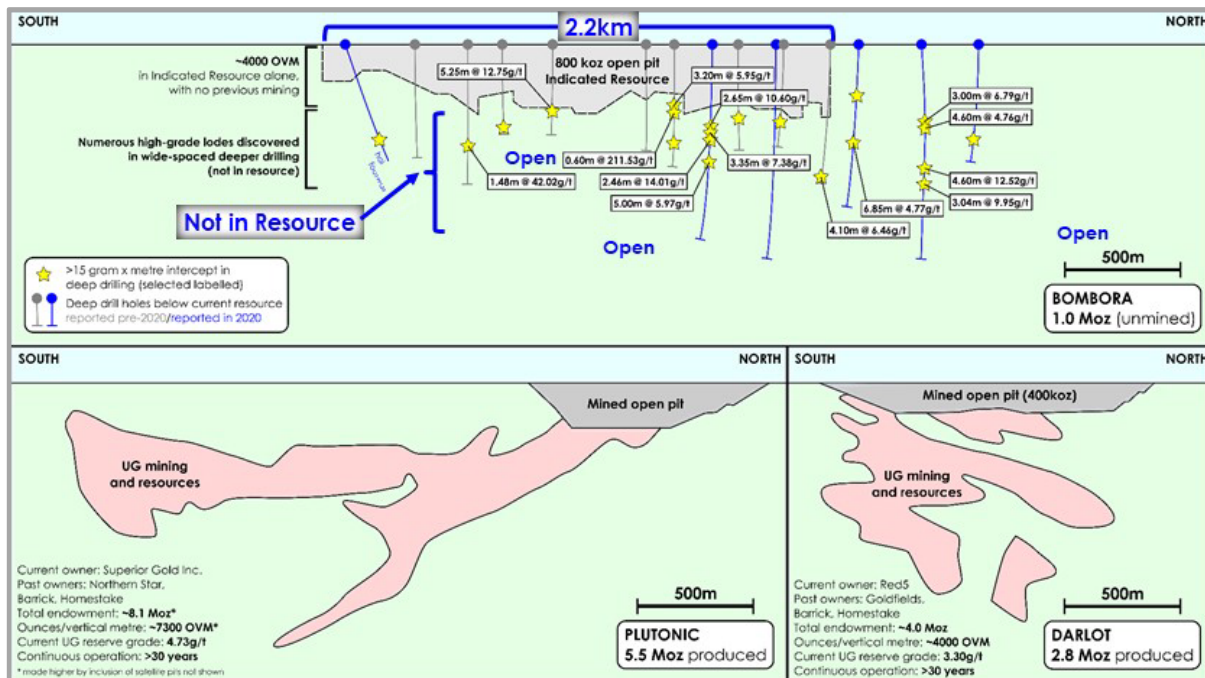


Figure 3: Same scale comparison of Bombora, Plutonic and Darlot gold deposits³

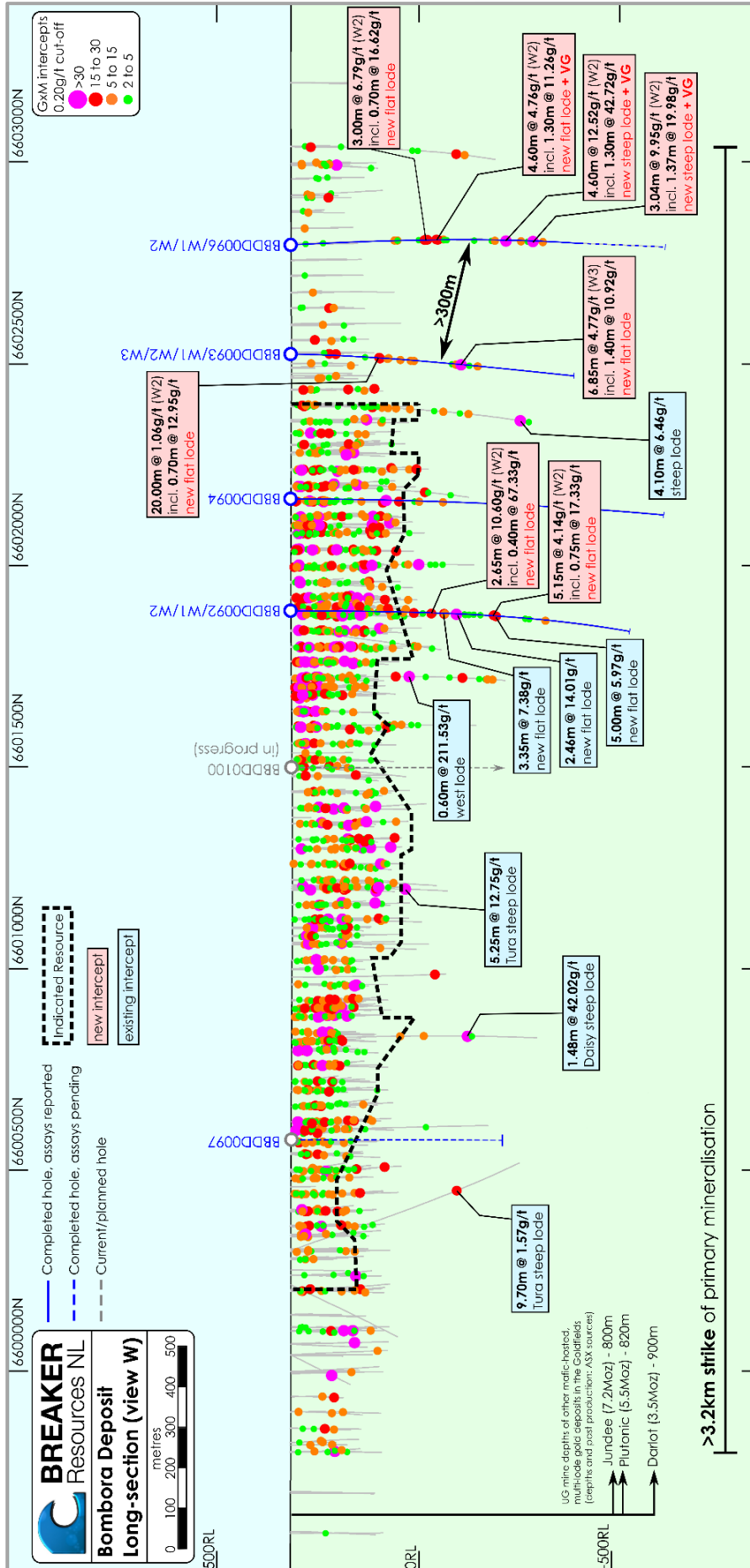


Figure 4: Long-section looking west showing selected new and previous drill intersections (all intersections by down-hole length)

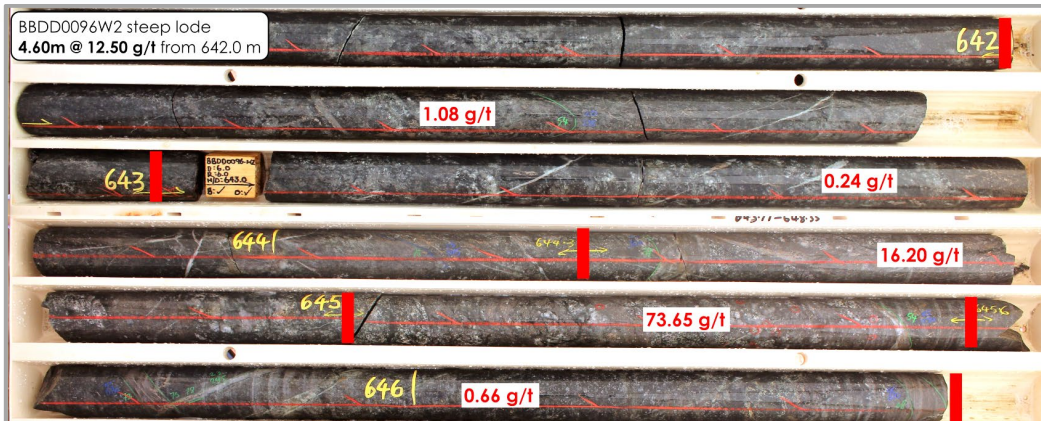


Photo 1: New high-grade steep lode in diamond drill core BBDD0096W2 with annotated depth and grade⁴

Kopai-Crescent Overview

The Kopai-Crescent area is an emerging discovery. The first meaningful RC drilling to the north of Crescent intersected significant gold up to 4g/t⁵ over a very large area. Follow-up results indicate a likely link between the Kopai and Crescent Prospects and point to a new 2km-long zone of mineralisation (Figure 5).

The objective of the RC drilling currently underway is to establish the areal extent and nature of the mineralisation prior to targeting the main structures controlling the high-grade gold.

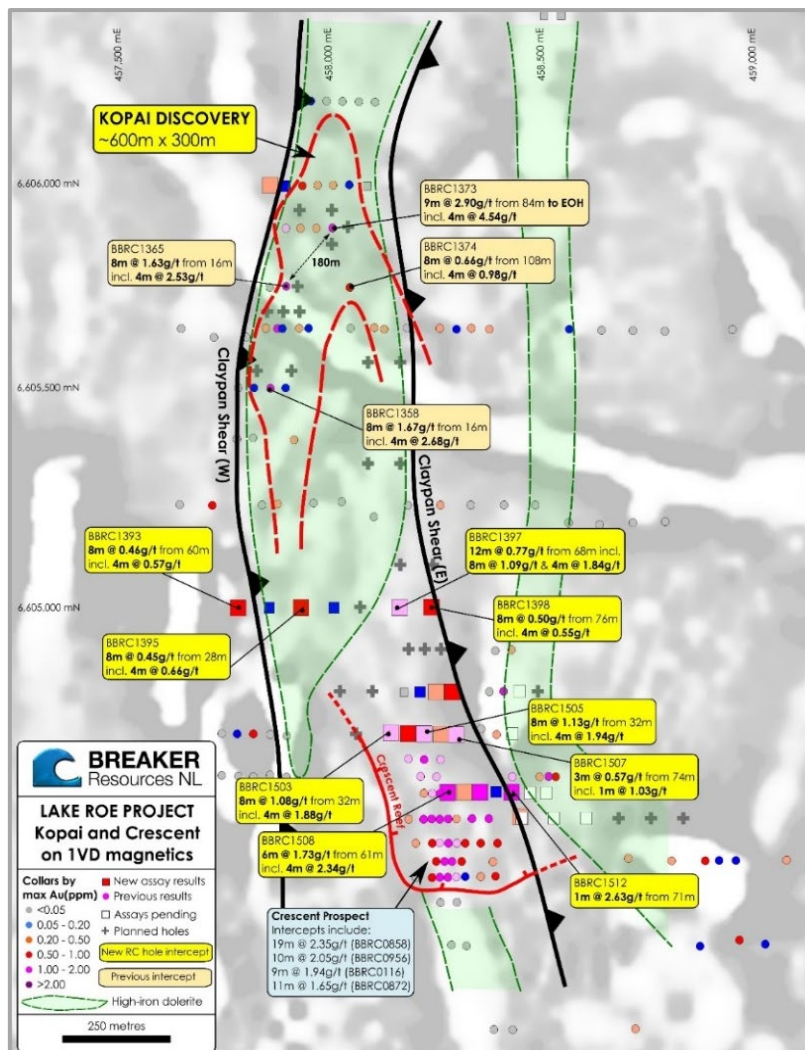


Figure 5: Kopai and Crescent Prospect Drill Hole Location Plan

Carbineer Overview

The Carbineer Prospect is part of a 300m-wide, north-trending corridor between the Claypan Shear Zone and Swan Lake Syenite, 400m east of the Bombora deposit (Figures 1 & 7). A maiden 14-hole reconnaissance RC drilling program was completed in June 2020 to test an anomalous zone of gold and pathfinder anomalism defined by aircore drilling.

The first three drill holes of this program returned high-grade gold of up to 4m at 21.79g/t Au⁶ in a new unit of quartz dolerite which has the potential to translate into a 1km extension to the north (Figure 6).

The remaining eleven wide-spaced reconnaissance drill holes (1,608m) returned anomalous gold of up to 0.41g/t Au⁷ on each of the four drill lines situated along the western contact of the Swan Lake Syenite (Figure 6).

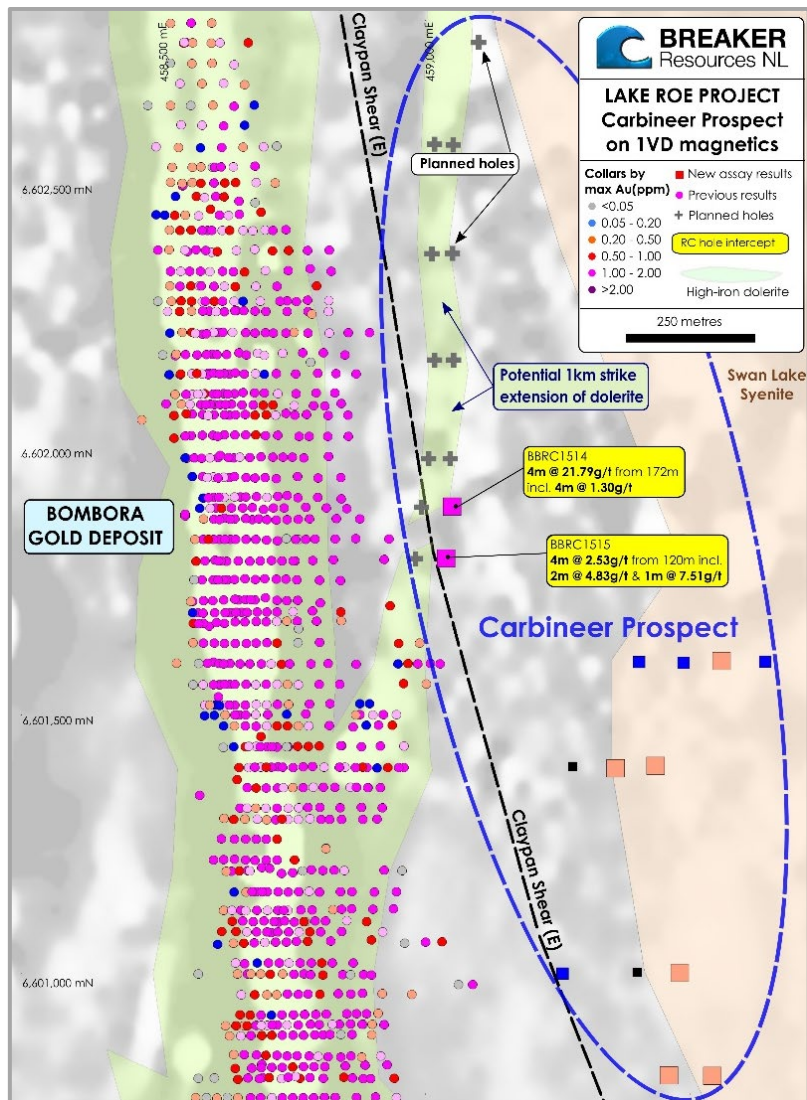


Figure 6: Carbineer Prospect Drill Hole Location Plan

The anomalous gold is accompanied by widespread magnetite-rich alteration and local shearing and quartz veining in all rock types near the margin of the Swan Lake Syenite (intermingled dolerite, basalt and syenite).

Implications of New Carbineer Results

The Carbineer results are potentially significant for several reasons:

- (i) Carbineer is part of a 12km-long corridor between the Claypan Shear (East Branch) and the sheared western contact of the Swan Lake Syenite, and includes the Claypan Prospect and several other unnamed targets (Figure 7);
- (ii) Syenite-associated magnetite alteration along this contact is extensive;
- (iii) Magnetite is a key catalyst for triggering gold mineralisation at many deposits, including the Bombora, Golden Mile and Wallaby gold deposits;
- (iv) RC drilling within the syenite is limited but significant gold has previously been intersected in several areas near the contact (eg. Claypan Prospect; Figures 1 & 7A); and
- (v) End-of-hole aircore samples in the 12km corridor are anomalous in gold (Figure 7B), silver and many gold pathfinder elements including molybdenum, tungsten, barium and lead, a similar geochemical signature to the 8Moz Wallaby gold deposit, near Laverton, Western Australia.

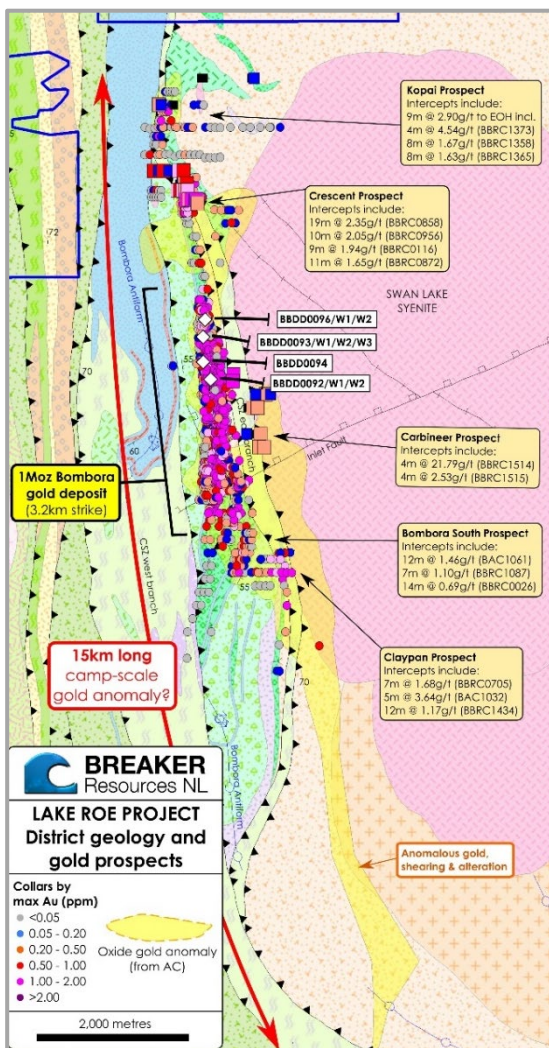


Figure 7A: Carbineer Trend RC and Diamond Maximum Gold⁸

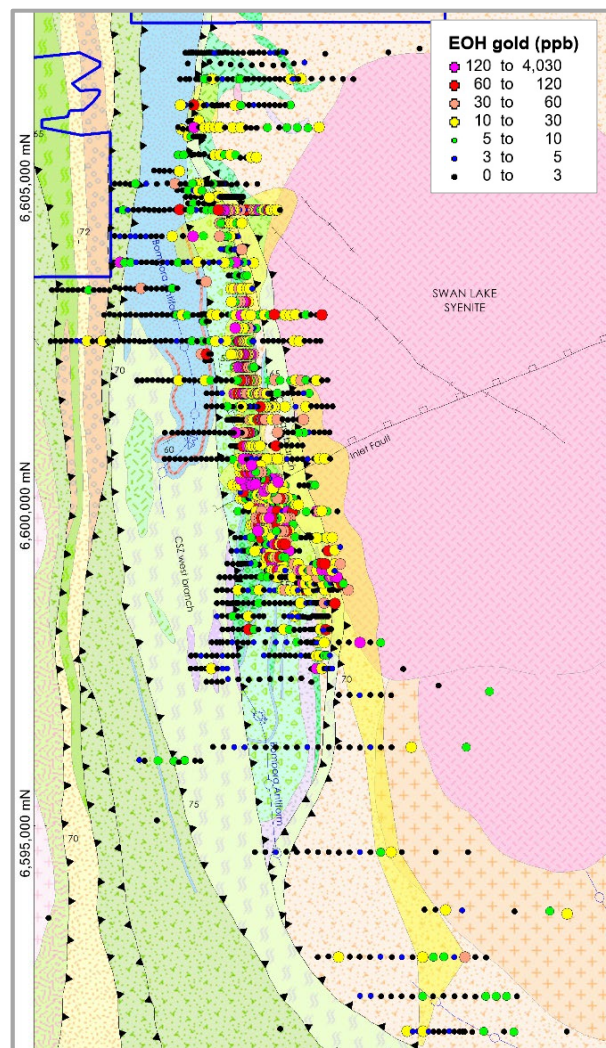


Figure 7B: Carbineer Trend Aircore End-of-hole Gold⁸

Aircore Drilling

A total of 42,575m of regional geochemical aircore drilling was undertaken in the period June 2019 to November 2019 in preparation for follow-up RC and diamond drilling, which started in December 2020. This drilling included some sterilisation drilling (186 holes for 7,195m) in areas of potential mine infrastructure, and a further 31 holes (677m) to assess potential water sources for processing and camp requirements.

Review of Activities

The aircore drilling was conducted on typical drill line spacings of 100m or 200m (up to 2.8km) with typical drill hole spacing of 40m or 80m (up to 160m). All holes were drilled to refusal with each hole sampled continuously downhole for gold, and multi-element geochemistry conducted on each relatively fresh end-of-hole sample. The aircore drilling returned positive results on several fronts.

The aircore drilling had several highlights that are briefly summarised below:

- ✦ The results extended the overall strike length of the camp-scale Lake Roe oxide gold anomaly, to least 9.5km, with further anomalism on a wide drill hole spacing along the western contact of the Swan Lake Syenite, which may extend this to 15km (Figure 8);
- ✦ At the Kopai Prospect, 3km north of Bombora, the drilling outlined a 400m-long zone of >1.0g/t Au bedrock gold with bedrock gold results up to 3.46g/t Au₉;
- ✦ At the Claypan Prospect, 1.3km south-east of Bombora deposit, the drilling identified a 2.5km-long anomaly associated with new quartz dolerite with results up to 4m @ 2.75g/t and 3m @ 2.66g/t Au₁₀;
- ✦ The aircore drilling encountered end-of-hole gold and pathfinder anomalism along a 12km corridor along the western contact of the Swan Lake Syenite.

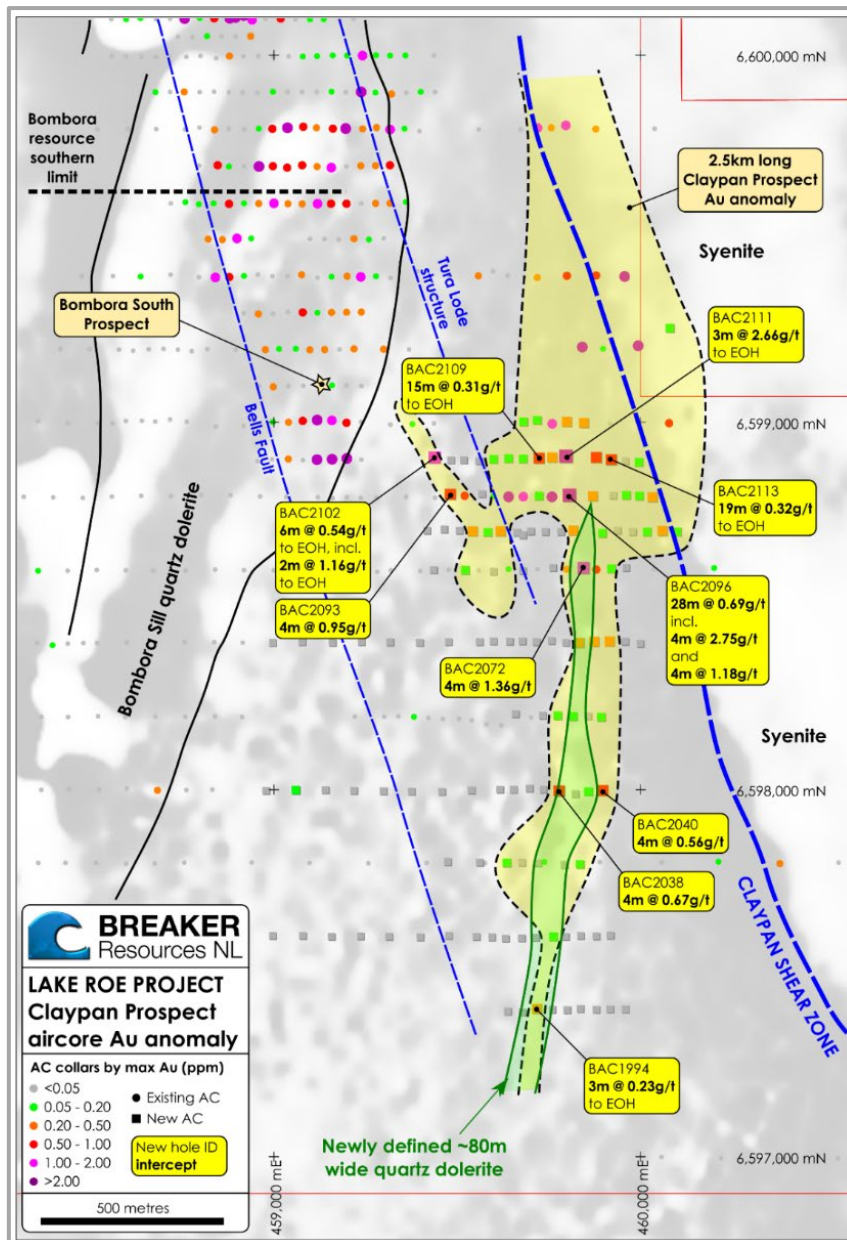


Figure 8: Aeromagnetic image of the Claypan Prospect, with aircore collars coloured by maximum gold in hole (ppm or g/t Au). Key geological features are outlined in black.

Updated Mineral Resource

An update to the April 2018 and April 2019 Mineral Resources for Bombora was released in September 2019¹¹. It captures gold mineralisation to a variable depth of 180m to 300m below surface, and includes mining dilution expected in an open pit mining scenario.

The Mineral Resource is summarised in Table 1 below.

		Tonnes	Grade	Ounce
Indicated	oxide	141,000	1.3	6,000
	trans	1,842,000	1.4	83,000
	fresh	16,373,000	1.4	714,000
	Total	18,356,000	1.4	803,000
Inferred	oxide	214,000	1.0	7,000
	trans	922,000	0.9	27,000
	fresh	3,717,000	1.2	144,000
	Total	4,853,000	1.1	178,000
Grand Total		23,210,000	1.3	981,000

Table 1: September 2019 Bombora Deposit Mineral Resource (0.5g/t Au cut-off)¹¹

Lake Roe Pre-Feasibility Study

The Lake Roe Project is on a granted mining lease. Environmental, geotechnical, hydrological and metallurgical studies undertaken to date do not highlight any impediments to development.

Pre-feasibility activities during 2019/20 included:

- ✘ ongoing resource modelling;
- ✘ metallurgical and processing studies;
- ✘ sterilisation drilling in areas of proposed infrastructure;
- ✘ groundwater studies;
- ✘ waste rock characterisation studies;
- ✘ heritage studies; and
- ✘ aquatic ecology studies.

The PFS was deferred subsequent to the strategic review undertaken in October/November 2019. Breaker decided defer the PFS to continue drilling to grow the resource and expand and de-risk the Company's development options.

Manna Lithium Prospect

The Manna Prospect is located approximately 15km south of Bombora and outcropping lithium-bearing pegmatite was discovered in the area in early 2018. First-pass rock-chip sampling identified widespread enrichment in lithium (up to 3.81% Li₂O), tantalum (up to 366ppm Ta₂O₅) and niobium (up to 251ppm Nb₂O₅) and strong evidence of chemical zoning¹². Mapping and sampling during 2018/19 confirmed the presence of a spodumene-rich, lithium-caesium-tantalum (**LCT**) pegmatite system over a 3.4km x 1km area; an area which is constrained by outcrop limits and the extent of sampling.

Four diamond holes were drilled at Manna in June 2019 to provide samples for preliminary metallurgical testwork, involving an assessment of the amenability of the spodumene-rich mineralisation to upgrade to a lithium concentrate by heavy liquid separation. The results were reported during 2019/20.

The holes intercepted coarse-grained, spodumene-bearing pegmatite intervals as expected (Photo 2). Significant lithium results are shown in Figure 9.

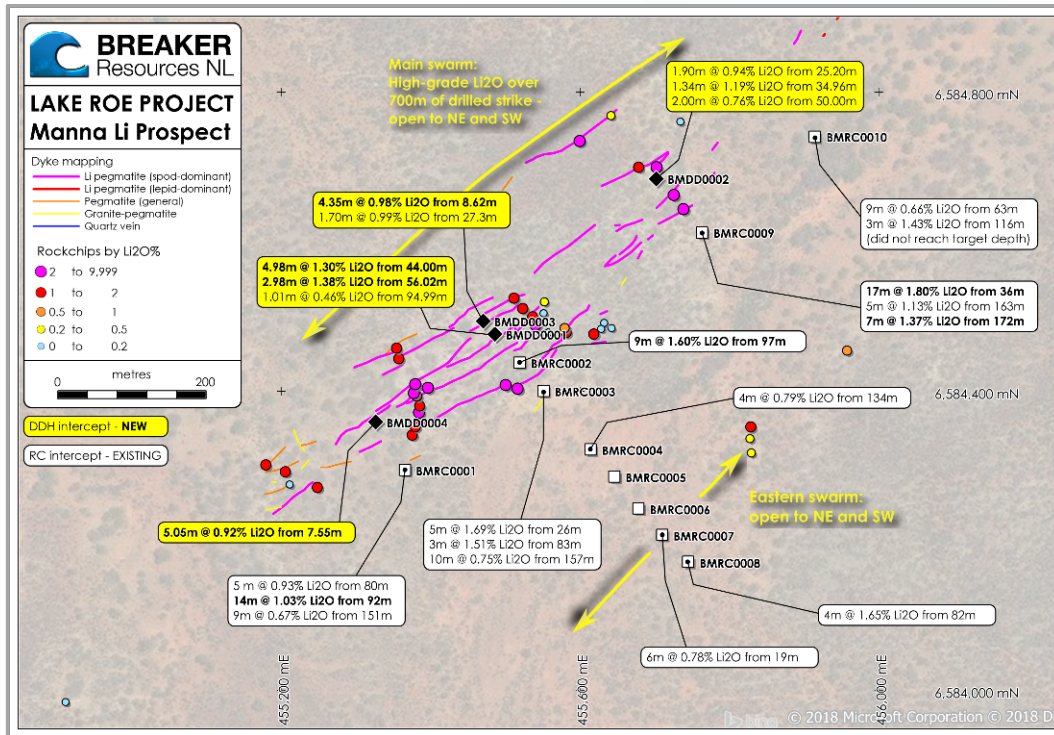


Figure 9: Manna Lithium Prospect Drill Hole Location Plan¹²



Photo 2: Manna Lithium Prospect - BMDD0001 41.40-45.01m (Wet)¹³

Mineralogy analysis indicates that lithium in the sampled lithologies in the Manna deposit is characterised by the presence of spodumene in isolation. The Manna pegmatite appears to contain relatively low iron and typical levels of feldspar-associated sodium and potassium that are generally removed by heavy media separation. The feldspar minerals represent the principal source of alkali contaminants. Clinocllore and garnet carry most of the contaminant iron in the material.

Although preliminary in nature, the test program suggests the Manna lithium deposit has the potential to produce high grade, low impurity spodumene concentrates.

Other Exploration

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

2019/20 activities were primarily focused on field reconnaissance and evaluation. The Company plans to undertake some reconnaissance drilling at the earliest opportunity to evaluate several gold-copper, tungsten and platinum group element-nickel targets identified.

As at 30 June 2020, the Company held approximately 908km² of tenements comprising a granted mining lease at Lake Roe, as well as nine granted exploration licences across the Lake Roe and Ularring Rock Project areas.

Review of Corporate Activities

On 4 October 2019, and following the receipt of several unsolicited enquiries from corporate and other entities, the Company advised of a decision to undertake a strategic review of all options available to accelerate unlocking of value from the Lake Roe Gold Project. The review process considered a range of potential partnering, funding and other asset initiatives, with a focus on maximising shareholder value.

The strategic review was completed in mid-November 2019, at which time Breaker announced the objective of expanding the Lake Roe Resource base through further drilling and an \$8million share placement to Electrum Strategic Opportunities Fund II LP (**Electrum**), a major US-based private equity fund focused on precious metals. The placement, consisting of 23,015,211 newly issued shares was undertaken at \$0.35 per share.

On 6 September 2019 the Company announced a call on its partly paid shares (ASX: BRBCA) of \$0.19 representing the balance of monies owed on the shares. The call was due and payable on 4 October 2019. Partly paid shares on which the call remain unpaid were forfeited on 18 October 2019 and a public auction was held on 14 November 2019. All forfeited partly paid shares were sold at the auction.

A total of 4,200,000 unlisted options were issued to personnel during the year under the Company's Incentive Option Scheme. 4,900,000 options lapsed or expired.

As at 30 June 2020, the Company's capital structure comprised:

- ✘ 231,320,076 fully paid ordinary shares (ASX: BRB); and
- ✘ 8,450,000 unlisted options at various exercise prices and expiry dates.

At the beginning of the period the Company's fully paid ordinary shares were trading at \$0.32, and the Company had a market capitalisation of \$65.9million and as at 30 June 2020, the share price was \$0.29 and the market capitalisation \$67.1million.

On 23 March 2020 the Company announced the appointment of US-based investment executive Eric Vincent to the Board of Directors. Eric has strong links in the North American capital markets and joins the Board as a nominee of Electrum.

The Company was represented at numerous industry events during the year including the Diggers & Dealers Mining Forum in Kalgoorlie, the Precious Metals Summit and Denver Gold Forum in Colorado, Australian Resources Conference in Zurich and the Prospectors and Developers Association of Canada conference in Toronto.

¹ ASX Release 8 July 2020

² ASX Release 2 July 2020

³ ASX Release 27 July 2020

⁴ ASX Release 17 June 2020

⁵ ASX Release 11 June 2020

⁶ ASX Releases 2 July 2020

⁷ ASX Release 27 July 2020

⁸ ASX Release 27 July 2020

⁹ ASX Release 24 October 2019

¹⁰ ASX Release 24 October 2019

¹¹ ASX Release 2 September 2019

¹² ASX Release 30 April 2018

¹³ ASX Release 31 October 2019

Tenement Schedule

The following is a summary of tenements held by Breaker Resources NL as at 30 June 2020.

Project	Tenement Number	Status	Percentage Held/Earning %
Lake Roe	E28/2515	Granted	100
	E28/2522	Granted	100
	E28/2551	Granted	100
	E28/2555	Granted	100
	E28/2556	Granted	100
	E28/2559	Granted	100
	E28/2920	Granted	100
	M28/388	Granted	100
Ularring Rock	E70/4686	Granted	100
	E70/4901	Granted	100



Photo 3: Milky Way over Lake Roe Camp



Photo 4: Diamond Core Logging

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Tom Sanders, Competent Person, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Sanders is an executive of Breaker Resources NL and his services have been engaged by Breaker on an 80% of full time basis; he is also a shareholder in the Company. Mr Sanders has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Sanders consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

#The reference in this report to Mineral Resources is based on information announced to the ASX on 2 September 2019 (also see table on page 11). Breaker confirms that it is not aware of any new information or data in relation to the Resource that materially affects the information included in the relevant market announcement that has not been updated in subsequent announcements, and that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed.

Directors' Report

The directors of Breaker Resources NL herewith submit the financial report for the year ended 30 June 2020. In order to comply with the provisions of the *Corporations Act 2001* (Cth), 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, and the term of their appointment, are provided below.

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. He has extensive experience in project generation, exploration, feasibility, mining and corporate management with a strong emphasis on gold and nickel in Western Australia (**WA**). Mr Sanders has published works on nickel and gold in WA, in addition to regional mineralisation studies on the eastern Kimberley region under contract to the Geological Survey of WA.

Mr Sanders has managed a large number of exploration projects, several of which he progressed into production during a 23 year period based in the Kalgoorlie region in WA. He has extensive production experience on several underground and open pit gold and nickel operations.

Mr Sanders was responsible for identifying Breaker's initial projects and guiding the Company to a successful ASX listing in 2012. Mr Sanders previously founded Navigator Resources Limited and steered that company from initial project acquisition to ASX-listing. He then managed the building of a two million ounce gold resource inventory through discovery and acquisition and identified the Cummins Range rare earth resource.

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

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

Mark Edwards is a solicitor with over 30 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.

Michael Kitney Assoc. Met; Post Grad Dip (Extractive Metallurgy); MSc (Mineral Economics); MAICD; 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 Kasbah Resources Limited, Alcoa Australia Limited, Minproc Engineers Limited, Property Company of London plc, British Phosphate Commissioners, Nelson Gold Corporation Limited and Avocet Mining plc. He is currently a technical consultant to ASX-listed Prospect Resources Limited.

During the past three (3) years, Mr Kitney has served as a director on ASX-listed General Mining Corporation Limited (appointed 20 October 2015; ceased 5 August 2016).

Linton Putland BEng (Mining), MSc (Mineral Economics), MAusIMM, GAICD
Non-Executive Director (appointed 16 August 2018)

Linton Putland holds a degree in mining engineering and a masters in science from the Western Australian School of Mines and has over 30 years' experience in mining operations, joint ventures and corporate management in Australia, Africa and the Americas over a wide range of commodities.

Mr Putland is principal of LJ Putland & Associates, a private mining consultancy company which was founded in 2002, providing advisory and consultancy services in mining project and company evaluation and due diligence appraisals with a focus on corporate growth. During this period he has also been Managing Director of a privately owned exploration company, with joint venture interests in Africa. Prior to this he held corporate and senior management roles in IAMGOLD Corporation, AurionGold Limited, Delta Gold NL and Pancontinental Mining Limited.

During the past three (3) years, Mr Putland has served as a director on previously ASX-listed companies Pacific Energy Limited (appointed 18 October 2016; resigned 28 November 2019) and Azumah Resources Limited (appointed 18 July 2018; resigned 14 November 2019).

Eric Vincent BA; JD
Non-Executive Director (appointed 23 March 2020)

Eric Vincent is the President of Sarissa Capital, a healthcare-focused activist investment firm in the United States. Most recently, he served as the Head of Business Development at Mubadala Capital, the financial investment arm of the sovereign wealth firm Mubadala Investment Company. From 2012 through 2017, Mr Vincent was Chief Executive Officer of Electrum Group.

Mr Vincent previously served as President of Ospraie Management, an investment firm focused on commodities and basic industries. From 2007 through October 2009, he served as Chairman of the Board of Directors of the Managed Funds Association, the leading trade association representing the US hedge fund industry.

He began his career as an attorney at Cravath, Swaine & Moore and holds a Juris Doctor degree from Harvard Law School and a Bachelor of Arts degree from Williams College. Mr Vincent was previously a member of the Global Markets Advisory Committee of the US Commodity Futures Trading Commission and a member of the Investor Advisory Group of the Public Company Accounting Oversight Board.

During the past three (3) years, Mr Vincent 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.

Michelle Simson EMBA (Dist.); GradDipACG; ACIS; AGIA
Company Secretary (appointed 22 October 2012)

Michelle Simson has 25 years' administration experience, including the last 15 years in the resources 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 and a Graduate Diploma in Applied Corporate Governance. She is a Chartered Secretary and member of the Governance Institute of Australia.

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. Three of the five directors comprise membership of each committee and the respective chairmen are:

- ✘ Audit Committee: Mark Edwards;
- ✘ Nomination Committee: Linton Putland;
- ✘ 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							
	Held	Present	Audit		Nomination		Remuneration		Risk	
			Held	Present	Held	Present	Held	Present	Held	Present
Tom Sanders	4	4	-	-	1	1	-	-	2	2
Mark Edwards	4	4	2	2	1	1	1	1	-	-
Mike Kitney	4	4	2	2	-	-	1	1	2	2
Linton Putland	4	4	2	2	1	1	1	1	2	2
Eric Vincent <i>(appointed 23/03/2020)</i>	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	Unlisted share options
	Number	Number
Tom Sanders	23,414,531	3,000,000
Mark Edwards	1,843,190	-
Mike Kitney	1,526,669	-
Linton Putland	-	1,250,000
Eric Vincent	-	-

During the financial year Nil share options were granted to directors of the Company as part of their remuneration (2019: 4,250,000).

Directors' and Officers' Insurance

During the financial year, Breaker 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 exploration activities undertaken during the year commences on page 3.

Financial Review

During the year total exploration expenditure incurred by the Company amounted to \$9,595,634 (2019: \$14,418,057). In line with the Company's accounting policies, all exploration expenditure is written off as it is incurred. Administration and other expenses, net of income, amounted to \$1,336,002 (2019: \$1,892,150). The Company's operating loss after income tax for the year is \$10,931,636 (2019: \$16,310,207).

At year end the Company held cash and cash equivalents and term deposits of \$3,643,184 (2019: \$4,925,956).

Operating Results for the Year

Summarised operating results are as follows:

	Revenues \$	Results \$
Revenues and profit/(loss) from ordinary activities before income tax expenses	246,375	(10,931,636)

Shareholder Return

Summarised shareholder return is as follows:

	2020 cents	2019 Cents
Basic profit/(loss) per share	(4.94)	(9.30)

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 8,650,000 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
Unlisted	4,250,000	\$0.465	31 December 2021
Unlisted	1,000,000	\$0.375	30 November 2022
Unlisted	125,000	\$0.246	28 February 2023
Unlisted	1,000,000	\$0.195	28 February 2023
Unlisted	150,000	\$0.169	28 February 2023
Unlisted	1,000,000	\$0.166	28 February 2023
Unlisted	175,000	\$0.150	27 March 2023
Unlisted	200,000	\$0.288	15 May 2023
Unlisted	550,000	\$0.320	28 February 2023
Unlisted	200,000	\$0.339	10 July 2023

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
Unlisted	1,000,000	\$0.375	30 November 2022	Issued under Company's Incentive Option Scheme
Unlisted	125,000	\$0.246	28 February 2023	Issued under Company's Incentive Option Scheme
Unlisted	1,000,000	\$0.195	28 February 2023	Issued under Company's Incentive Option Scheme
Unlisted	150,000	\$0.169	28 February 2023	Issued under Company's Incentive Option Scheme
Unlisted	1,000,000	\$0.166	28 February 2023	Issued under Company's Incentive Option Scheme
Unlisted	175,000	\$0.150	27 March 2023	Issued under Company's Incentive Option Scheme
Unlisted	200,000	\$0.288	15 May 2023	Issued under Company's Incentive Option Scheme
Unlisted	550,000	\$0.320	28 February 2023	Issued under Company's Incentive Option Scheme

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

The following options expired or lapsed during the financial year:

Type of option	Number	Exercise price	Expiry date	Reason for lapse
Unlisted	2,500,000	\$0.448	31 December 2019	Expired
Unlisted	2,000,000	\$0.432	31 December 2019	Expired
Unlisted	150,000	\$0.644	31 December 2019	Expired
Unlisted	250,000	\$0.730	31 December 2020	Lapsed on cessation of employment

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 30 July 2020 the Company announced a \$23 million capital raising comprising a two tranche placement to institutional and sophisticated investors, a placement to existing major shareholder Electrum Strategic Opportunities Fund II LP (**Electrum**) and a share purchase plan (**SPP**). The issue price of the capital raising was \$0.24. The issue of shares associated with the first tranche of the placement took place on 5 August 2020. The issue of shares to participants in the second tranche of the placement and to Electrum, is subject to shareholder approval at the annual general meeting expected to be held on 17 September 2020. The SPP opened on 7 August 2020 and the indicative closing date is 9 September 2020.

The impact of the Coronavirus (**COVID-19**) pandemic is ongoing and while there has been no material impact on the Company's financial position and operation up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the WA and Australian Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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 2020.

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 that 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* (Cth) 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 28 and forms part of the Directors' Report for the financial year ended 30 June 2020.

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 2020. The information provided in this report has been audited as per the requirements of section 308(3C) of the *Corporations Act 2001* (Cth).

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
- ✘ Linton Putland Non-Executive Director
- ✘ Eric Vincent Non-Executive Director (*appointed 23 March 2020*)
- ✘ 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 eligible to participate in the employee incentive option scheme.
- ✦ Where applicable, executives receive a superannuation guarantee contribution required by the government, which during the reporting period was 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 in general meeting. The current remuneration pool limit is \$300,000 and is currently utilised to a level of \$192,000 per annum. The base fee paid to non-executive directors is \$48,000 per annum inclusive of superannuation.

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 incentive option scheme, 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 2020.

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						
✘ 2020	350,698	-	-	-	-	350,698
✘ 2019	313,875	-	-	-	517,729	831,604
Mark Edwards						
✘ 2020	48,000	-	-	-	-	48,000
✘ 2019	47,000	-	-	-	-	47,000
Mike Kitney						
✘ 2020	45,200¹	-	8,000	-	-	53,200
✘ 2019	53,330 ²	-	7,833	-	-	61,163
Linton Putland						
✘ 2020	58,019³	-	4,164	-	-	62,183
✘ 2019	52,316 ⁴	-	3,638	-	206,851	262,805
Eric Vincent ⁵						
✘ 2020	13,161	-	-	-	-	13,161
Alastair Barker						
✘ 2020	261,363	-	-	-	38,273	299,636
✘ 2019	253,750	-	-	-	-	253,750
Michelle Simson						
✘ 2020	231,044	-	24,532	-	40,589	296,165
✘ 2019	223,040	-	23,880	-	-	246,920

Notes

¹ In addition to directors' fees of \$40,000 and associated superannuation of \$8,000 during 2019/20, Metallurgical Design, an entity controlled by Mike Kitney, was paid fees of \$5,200, at arm's length market rates, under an agreement for the provision of project management services for Lake Roe metallurgical testwork.

² In addition to Mike Kitney's directors' fees of \$39,167 and associated superannuation of \$7,833 during 2018/19, Metallurgical Design was paid consulting fees of \$14,163.

³ In addition to directors' fees of \$43,836 and associated superannuation of \$4,164 during 2019/20, LJ Putland & Associates, an entity controlled by Linton Putland, was paid fees of \$14,183, at arm's length market rates, under an agreement for the provision of project management services for Lake Roe engineering studies.

⁴ In addition to Linton Putland's directors' fees of \$38,297 and associated superannuation of \$3,638 during 2018/19, LJ Putland & Associates was paid consulting fees of \$14,019.

⁵ Eric Vincent was appointed a director on 23 March 2020.

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 (2019: Nil).

Options

2,000,000 options in the Company were issued to key management personnel as part of their remuneration during the year (2019: 4,250,000). There were Nil options exercised or sold by key management personnel during the year (2019: Nil). 4,500,000 options held by key management personnel expired on 31 December 2019.

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
60532	28 November 2016	31 December 2019	22.36	28 November 2016
60533	5 December 2016	31 December 2019	17.48	5 December 2016
BRBOPT07	22 November 2018	31 December 2021	16.55	28 November 2018
BRBOPT07	22 November 2018	31 December 2021	17.26	29 November 2018
BRBOPT10	15 March 2020	28 February 2023	4.05	16 March 2020
BRBOPT12	19 March 2020	28 February 2023	3.83	19 March 2020

Shareholdings of Key Management Personnel

The numbers of ordinary shares in the Company during the financial year in which each director of Breaker Resources NL and other key management personnel of the Company holds a relevant interest, including their closely related parties, are detailed below:

Key management personnel	Fully Paid Ordinary Shares				
	Balance at start of year Number	Granted as compensation Number	Received on exercise of options Number	Other changes Number	Balance at year end Number
Tom Sanders					
✖ 2020	22,544,660	-	-	869,871	23,414,531
✖ 2019	22,544,660	-	-	-	22,544,660
Mark Edwards					
✖ 2020	1,778,190	-	-	65,000	1,843,190
✖ 2019	1,778,190	-	-	-	1,778,190
Mike Kitney					
✖ 2020	1,468,544	-	-	58,125	1,526,669
✖ 2019	1,468,544	-	-	-	1,468,544
Linton Putland					
✖ 2020	-	-	-	-	-
✖ 2019	-	-	-	-	-

Key management personnel	Balance at start of year Number	Granted as compensation Number	Received on exercise of options Number	Other changes Number	Balance at year end Number
Eric Vincent ¹					
✖ 2020	-	-	-	-	-
Alastair Barker					
✖ 2020	373,162	-	-	-	373,162
✖ 2019	373,162	-	-	-	373,162
Michelle Simson					
✖ 2020	16,300	-	-	-	16,300
✖ 2019	16,300	-	-	-	16,300

Notes

¹ Eric Vincent was appointed a director on 23 March 2020.

Partly Paid Ordinary Shares

Key management personnel	Balance at start of year Number	Granted as compensation Number	Other changes Number	Balance at year end Number
Tom Sanders				
✖ 2020	309,871	-	(309,871)	-
✖ 2019	309,871	-	-	309,871
Mark Edwards				
✖ 2020	65,000	-	(65,000)	-
✖ 2019	65,000	-	-	65,000
Mike Kitney				
✖ 2020	58,125	-	(58,125)	-
✖ 2019	58,125	-	-	58,125
Linton Putland				
✖ 2020	-	-	-	-
✖ 2019	-	-	-	-
Eric Vincent ¹				
✖ 2020	-	-	-	-
Alastair Barker				
✖ 2020	-	-	-	-
✖ 2019	-	-	-	-
Michelle Simson				
✖ 2020	-	-	-	-
✖ 2019	-	-	-	-

Notes

¹ Eric Vincent was appointed a director on 23 March 2020.

Option Holdings of Key Management Personnel

The numbers of options over ordinary shares in the Company during the financial year in which each director of Breaker Resources NL and other key management personnel of the Company holds a relevant interest, including their closely 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						
✘ 2020	3,000,000	-	-	-	3,000,000	3,000,000
✘ 2019	-	3,000,000	-	-	3,000,000	3,000,000
Mark Edwards						
✘ 2020	1,250,000	-	-	(1,250,000)	-	-
✘ 2019	1,250,000	-	-	-	1,250,000	1,250,000
Mike Kitney						
✘ 2020	1,250,000	-	-	(1,250,000)	-	-
✘ 2019	1,250,000	-	-	-	1,250,000	1,250,000
Linton Putland						
✘ 2020	1,250,000	-	-	-	1,250,000	1,250,000
✘ 2019	-	1,250,000	-	-	1,250,000	1,250,000
Eric Vincent ¹						
✘ 2020	-	-	-	-	-	-
Alastair Barker						
✘ 2020	1,000,000	1,000,000	-	(1,000,000)	1,000,000	1,000,000
✘ 2019	1,000,000	-	-	-	1,000,000	1,000,000
Michelle Simson						
✘ 2020	1,000,000	1,000,000	-	(1,000,000)	1,000,000	1,000,000
✘ 2019	1,000,000	-	-	-	1,000,000	1,000,000

Notes

¹ Eric Vincent was appointed a director on 23 March 2020.

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 2020 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 \$328,879* (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* (Cth) 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 \$265,225* (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* (Cth) 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 \$234,459* per annum (exclusive of superannuation).
 - ✦ Payment of termination benefit on termination by the employer, other than for gross misconduct, equals three (3) months' salary.
 - ✦ Notice period of three (3) months.

*The figures stated represent the respective fees as at 30 June 2020. An increase was implemented during 2019/20.

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

On behalf of the directors



TOM SANDERS
Executive Chairman

Perth, 13 August 2020

Auditor's Independence Declaration



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 Directors

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 2020 financial statements; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'Dalla'.

Daniel Dalla CA (Lead auditor)
Partner
Rothsay Auditing

Dated 13th August 2020



Liability limited by a scheme approved under Professional Standards Legislation

Statement of Profit or Loss and Other Comprehensive Income for the Financial Year ended 30 June 2020

	Notes	2020 \$	2019 \$
Income			
Government grant and incentive	4	170,000	-
Interest income	4	61,567	91,086
Other income	4	14,808	7,000
Total income		246,375	98,086
Expenses			
Administration expenses		(686,076)	(785,535)
Depreciation expenses	4	(185,284)	(172,758)
Employee benefits expenses	4	(341,237)	(304,747)
Exploration and evaluation expenses	4	(9,595,634)	(14,418,057)
Share-based payment expenses		(369,483)	(724,580)
Other expenses		(297)	(2,616)
Total expenses		(11,178,011)	(16,408,293)
Profit/(Loss) before income tax		(10,931,636)	(16,310,207)
Income tax expense	6	-	-
Profit/(Loss) for the year		(10,931,636)	(16,310,207)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(10,931,636)	(16,310,207)
Profit/(Loss) attributable to owners of the Company		(10,931,636)	(16,310,207)
Total comprehensive income/(loss) attributable to owners of the Company		(10,931,636)	(16,310,207)
Basic and diluted profit/(loss) per share attributable to the ordinary equity holders of the Company (cents per share)	14	(4.94)	(9.30)

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

Statement of Financial Position

Statement of Financial Position as at 30 June 2020

	Notes	2020 \$	2019 \$
Current Assets			
Cash and cash equivalents	7	3,643,184	3,875,956
Term deposits	7	-	1,050,000
Trade and other receivables	8	292,532	353,321
Other financial assets	9	72,235	71,755
Total Current Assets		4,007,951	5,351,032
Non-Current Assets			
Plant and equipment	10	281,971	429,867
Total Non-Current Assets		281,971	429,867
Total Assets		4,289,922	5,780,899
Current Liabilities			
Trade and other payables	11	719,856	541,396
Total Current Liabilities		719,856	541,396
Total Liabilities		719,856	541,396
Net Assets		3,570,066	5,239,503
Equity			
Contributed equity	12	61,985,316	53,092,600
Share-based payment reserve		1,094,063	1,747,915
Accumulated profit/(loss)		(59,509,313)	(49,601,012)
Total Equity		3,570,066	5,239,503

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

Statement of Changes in Equity for the Financial Year ended 30 June 2020

	Notes	Contributed Equity \$	Share- based Payments Reserve \$	Accumulated Profit/(Losses) \$	Total \$
Balance at 30 June 2018		37,051,251	1,140,114	(33,407,584)	4,783,781
Profit/(Loss) for the year		-	-	(16,310,207)	(16,310,207)
Total comprehensive income/(loss) for the year		-	-	(16,310,207)	(16,310,207)
Options issued during the year		-	724,580	-	724,580
Options expired/withdrawn and transferred to accumulated loss		-	(116,779)	116,779	-
Transactions with owners in their capacity as owners:					
Contributions of equity net of transaction costs	12	16,041,349	-	-	16,041,349
Balance at 30 June 2019		53,092,600	1,747,915	(49,601,012)	5,239,503
Profit/(Loss) for the year		-	-	(10,931,636)	(10,931,636)
Total comprehensive income/(loss) for the year		-	-	(10,931,636)	(10,931,636)
Options issued during the year		-	369,483	-	369,483
Options expired/withdrawn and transferred to accumulated loss		-	(1,023,335)	1,023,335	-
Transactions with owners in their capacity as owners:					
Contributions of equity net of transaction costs	12	8,892,716	-	-	8,892,716
Balance at 30 June 2020		61,985,316	1,094,063	(59,509,313)	3,570,066

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

Statement of Cash Flows

Statement of Cash Flows for the Financial Year ended 30 June 2020

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,041,679)	(1,128,117)
Payments for exploration and evaluation expenditure		(9,342,018)	(15,070,750)
Receipts from government grant and incentive		170,000	-
Other income received		14,807	7,000
Interest received		61,567	91,086
Net cash inflow/(outflow) from operating activities	16	<u>(10,137,323)</u>	<u>(16,100,781)</u>
Cash flows from investing activities			
Payments for plant and equipment		(37,685)	(186,669)
Payments for other financial assets		(480)	(1,365)
Investment in term deposits		(4,550,000)	(7,350,000)
Withdrawn from term deposits		5,600,000	6,300,000
Net cash inflow/(outflow) from investing activities		<u>1,011,835</u>	<u>(1,238,034)</u>
Cash flows from financing activities			
Proceeds from issue of ordinary shares		8,932,267	16,905,143
Share issue transaction costs		(39,551)	(863,794)
Net cash inflow/(outflow) from financing activities		<u>8,892,716</u>	<u>16,041,349</u>
Net increase/(decrease) in cash and cash equivalents			
		<u>(232,772)</u>	<u>(1,297,466)</u>
Cash and cash equivalents at the beginning of the period			
		3,875,956	5,173,422
Cash and cash equivalents at the end of the period			
	7	<u>3,643,184</u>	<u>3,875,956</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 2020

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 13 August 2020. 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* (Cth) (**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 Directors have considered the impact of the COVID-19 pandemic on the position of the Company at 30 June 2020 and its operations in future periods.

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 raise capital if it is needed. Therefore, they 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. Amendments to Accounting Standards that are mandatorily effective for the current year

The Company has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current year.

AASB 16 Leases

AASB 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. Under AASB 16, right-of-use assets and lease liabilities need to be recognised in the Statement of Financial Position, initially measured at the present value of the future lease payments. Depreciation of right-of-use assets and interest on lease liabilities will subsequently be recognised in profit or loss accounts.

The adoption of AASB 16 has not had material impact on the Company's financial position and performance as it did not have operating leases with terms over 12 months during the period.

AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle

- *AASB 112 Income Taxes* – The amendments clarify that the Company should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Company originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits;

- *AASB 123 Borrowing Cost* – The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings;

- *AASB 3 Business Combinations* – The amendments clarify when the Company obtains control of a business that is a joint operation;

- *AASB 11 Joint Arrangements* – The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business, obtains joint control of such a joint operation, the group does not remeasure its previously held interest in the joint operation.

Interpretation 23 Uncertainty over Income Tax Treatments; AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments

The Company has adopted Interpretation 23 for the first time in the current year. Interpretation 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments.

The Interpretation requires an entity to determine whether uncertain tax positions are assessed separately or as a group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings.

ii. New and revised Accounting Standards in issue not yet adopted

At the date of authorisation of the Financial Statements, the Standards applicable to the Company's business 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 2014-10 Amendments to Australian Accounting standards – Sale or Contribution of Assets between an investor and its Associates or Joint Venture [AASB 10 & AASB 128], AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections, effective for annual reporting periods beginning on or after 1 January 2021;

AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business, effective for annual reporting periods beginning on or after 1 January 2020;

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material, effective for annual reporting periods beginning on or after 1 January 2020;

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework, effective for annual reporting periods beginning on or after 1 January 2020;

AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform, effective for annual reporting periods beginning on or after 1 January 2020;

AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia, effective for annual reporting periods beginning on or after 1 January 2020.

(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 non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial 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 and 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 not subject to significant risk of changes in value.

(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

There are three principal classification categories for financial assets: measured at amortised cost, at fair value through other comprehensive income (**FVTOCI**) and at fair value through profit and loss (**FVTPL**). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Impairment

The Company assesses at each reporting date whether there is an expected credit loss in relation to the impairment of financial assets. The Company accounts for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

(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) and suppliers in the form of share-based payment transactions, whereby employees and suppliers render goods or services in exchange for shares or rights over shares (**equity-settled transactions**) (refer to Note 17).

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 of options 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 or suppliers 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.

(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.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on known information. This consideration extends to the nature of business, supply chain, staffing and geographic regions in which the entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the Financial Statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

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 Board via the audit and risk committees as the Company believes that it is crucial for 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 current operations are within Australia the Company is not exposed to foreign exchange risk.

Commodity price risk

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

Interest rate risk

The Company is exposed to movements in market interest rates on cash and cash equivalents and bank deposits. The Company's 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 bank deposits for the Company of \$3,643,184 (2019: \$4,925,956) is subject to interest rate risk. The weighted average interest rate received on cash and cash equivalents by the Company was 0.39% (2019: 1.71%).

Sensitivity analysis

At 30 June 2020, 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 \$42,846 lower/higher (2019: \$50,497) 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:

	2020	2019
	\$	\$
Government grant and incentive	170,000	-
Interest income	61,567	91,086
Other	14,808	7,000
	246,375	98,086

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

	2020	2019
	\$	\$
Depreciation expenses	185,284	172,758
Exploration and evaluation expenses	9,595,634	14,418,057

(c) Employee benefit expenses:

	2020	2019
	\$	\$
Wages and superannuation	145,723	139,441
Directors' fees	160,833	128,936
Leave provisions	16,330	616
Other	18,351	35,754
	<u>341,237</u>	<u>304,747</u>

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.

	2020	2019
	\$	\$
Segment revenue	-	-
<i>Reconciliation of segment revenue to total revenue before tax:</i>		
Government grant and incentive	170,000	-
Interest revenue	61,567	91,086
Other income	14,808	7,000
Total revenue	<u>246,375</u>	<u>98,086</u>
Segment result	(9,595,634)	(14,418,057)
<i>Reconciliation of segment result to loss before tax:</i>		
Depreciation expenses	(185,284)	(172,758)
Other corporate and administration income/(expenses), net	(1,150,718)	(1,719,392)
Net profit/(loss) before tax	<u>(10,931,636)</u>	<u>(16,310,207)</u>
Segment operating assets	245,647	381,562
<i>Reconciliation of segment operating assets to total assets:</i>		
Other corporate and administration assets	4,044,275	5,399,337
Total assets	<u>4,289,922</u>	<u>5,780,899</u>
Segment additions to non-current assets	28,530	134,261
Other corporate additions to non-current assets	9,155	6,545
Total additions to non-current assets	<u>37,685</u>	<u>140,806</u>
Segment operating liabilities	635,592	381,974
<i>Reconciliation of segment operating liabilities to total liabilities:</i>		
Other corporate and administration liabilities	84,264	159,422
Total liabilities	<u>719,856</u>	<u>541,396</u>

Notes to the Financial Statements

6. Income tax

	2020 \$	2019 \$
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	(10,931,636)	(16,310,207)
Prima facie tax benefit at the Australian tax rate of 27.5% (2019: 30%)	(3,006,200)	(4,893,062)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
✦ Non-assessable income	(13,750)	-
✦ Capital raising costs	(123,211)	(133,214)
✦ Non-deductible expenses	1,502	3,926
✦ Share-based payments	101,608	221,005
	(3,040,051)	(4,801,345)
Movements in unrecognised temporary differences	26,709	(29,633)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	3,013,342	4,830,978
Income tax expense	-	-
<i>Unrecognised temporary differences</i>		
Deferred tax liabilities on income tax account		
Prepayments	17,109	21,458
Plant and equipment	77,542	121,577
DTL used to offset DTA	(94,651)	(143,035)
Deferred tax liabilities	-	-
Deferred tax assets on income tax account		
Accruals	11,842	19,500
Provisions	2,995	12,280
Capital raising costs	246,777	386,860
Carry forward tax losses	12,708,767	10,576,826
DTL used to offset DTA	(94,651)	(143,035)
	12,875,730	10,852,431
Deferred tax assets	-	-

Breaker Resources NL is considered a base rate entity for income tax purposes for the 2020 income year and is therefore subject to income tax at a rate of 27.5% (2019: 30%). As a result, the deferred tax assets of the Company have been adjusted in the 2020 year to reflect the decrease in corporate tax rate applicable to the Company.

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.

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise benefits. The utilisation of tax losses is dependent on the Company satisfying the continuity of ownership test or the same business test at the time the tax losses are applied against taxable income.

7. Cash and cash equivalents

	2020 \$	2019 \$
Cash at bank and in hand	3,643,184	3,875,956
Cash and cash equivalents as shown in the <i>Statement of Financial Position</i> and the <i>Statement of Cash Flows</i>	3,643,184	3,875,956
Term deposits classified separate to cash on face of <i>Statement of Financial Position</i>	-	1,050,000

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

As at 30 June 2020, the Company had Nil term deposits with maturities more than three (3) months (2019: \$1,050,000 with maturity of four (4) months).

8. Trade and other receivables

	2020 \$	2019 \$
Prepayments	74,215	71,529
GST receivable and PAYG withheld	218,317	281,792
	292,532	353,321

The carrying amounts of trade and other receivables are assumed to be the same as their fair values, due to their short-term nature.

9. Other financial assets

	2020 \$	2019 \$
Term deposits as a security	71,472	70,992
Other financial assets	763	763
	72,235	71,755

Notes to the Financial Statements

10. Plant and equipment

	2020				2019			
	Furniture & office equipment \$	Exploration equipment \$	Motor vehicles \$	Total \$	Furniture & office equipment \$	Exploration equipment \$	Motor vehicles \$	Total \$
Cost	142,154	210,285	799,757	1,152,196	132,999	184,628	799,758	1,117,385
Accumulated depreciation	(105,830)	(157,000)	(607,395)	(870,225)	(84,694)	(141,908)	(460,916)	(687,518)
Net book amount	36,324	53,285	192,362	281,971	48,305	42,720	338,842	429,867
Opening net book amount	48,305	42,720	338,842	429,867	60,810	39,061	360,248	460,119
Additions	9,155	28,530	-	37,685	6,545	18,979	115,282	140,806
Depreciation charge	(21,136)	(17,668)	(146,480)	(185,284)	(19,050)	(15,320)	(136,688)	(171,058)
Disposal	-	(297)	-	(297)	-	-	-	-
Closing net book amount	36,324	53,285	192,362	281,971	48,305	42,720	338,842	429,867

11. Trade and other payables

	2020 \$	2019 \$
Trade creditors	660,156	412,890
Other payables and accruals	59,700	128,506
	719,856	541,396

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. Contributed equity

(a) Share capital

	Notes	2020		2019	
		Number	\$	Number	\$
Ordinary shares fully paid	(b),(d)	231,320,076	61,985,316	203,689,492	53,046,447
Ordinary shares partly paid	(b)	-	-	4,615,373	46,153
Total issued capital		231,320,076	61,985,316	208,304,865	53,092,600

(b) Movements in ordinary share capital

	2020		2019	
	Number	\$	Number	\$
Beginning of the year	208,304,865	53,092,600	150,766,967	37,051,251
Issued during the year:				
✘ Placements to sophisticated and professional investors	23,015,211	8,055,324	57,537,898	16,895,643
✘ Partly paid shares converted to fully paid shares	-	876,943	-	9,500
✘ Transaction costs	-	(39,551)	-	(863,794)
End of the year	231,320,076	61,985,316	208,304,865	53,092,600

(c) Movements in options on issue

	2020	2019
	Number	Number
Beginning of the year	9,150,000	5,650,000
✘ Issued	4,200,000	4,250,000
✘ Expired or lapsed	(4,900,000)	(750,000)
End of the year	8,450,000	9,150,000

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 \$0.150 and \$0.465 and expire between 31 December 2021 and 15 May 2023.

(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 as a proportion of the issue price on the shares held (excluding any amounts paid up in advance of a call). Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(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 2020 and 30 June 2019 is as follows:

	2020	2019
	\$	\$
Cash and cash equivalents	3,643,184	3,875,956
Term deposits	-	1,050,000
Trade and other receivables	292,532	353,321
Other financial assets	72,235	71,755
Trade and other payables	(719,856)	(541,396)
Working capital position	3,288,095	4,809,636

13. Dividends

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

14. Loss per share

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

	2020 \$	2019 \$
Profit/(Loss) attributable to the owners of the Company used in calculating basic and diluted profit/(loss) per share	<u>(10,931,636)</u>	<u>(16,310,207)</u>

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

	2020 Number	2019 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	<u>221,359,478</u>	<u>175,292,538</u>

(c) Information on classification of options

As the Company has made a loss for the year ended 30 June 2020, 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.

15. Commitments

(a) Exploration Commitments

The Company must maintain current rights of tenure to tenements, which requires outlays of expenditure in 2020/21. 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 2020/21 as at the date of this report:

	2021 \$	2020 \$
	<u>869,900</u>	<u>635,100</u>

(b) Capital Commitments

There are no capital expenditure commitments for the Company as at 30 June 2020.

(c) Lease Commitments: Company as Lessee

The Company leases its office under a non-cancellable operating lease expiring within one (1) year. During the financial year, the short-term lease expense was recognised as an operating expense and charged to profit or loss accounts under the new AASB 16.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2020 \$	2019 \$
Within one (1) year	<u>45,576</u>	<u>45,551</u>
	<u>45,576</u>	<u>45,551</u>

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

	2020	2019
	\$	\$
<i>Reconciliation of net loss after income tax to net cash flow from operating activities</i>		
Net profit/(loss) for the year	(10,931,636)	(16,310,207)
Non-cash items		
Depreciation of non-current assets	185,284	172,758
Disposal of plant and equipment	297	2,616
Share-based payments of employee options	369,483	724,580
Share-based payments in exchange of services	-	12,104
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	60,789	(57,618)
Increase/(decrease) in trade and other payables	178,460	(645,014)
Net cash inflow/(outflow) from operating activities	(10,137,323)	(16,100,781)

(a) Non-cash transactions

During the year, the Company granted 4,200,000 options to its employees as incentives. The value of the options was included in the Share-based Payments (refer to Note 17).

17. Share-based payments

(a) Employee share options

The Company provides benefits to employees (including directors and eligible 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:

	2020		2019	
	Number	Weighted average exercise price cents	Number	Weighted average exercise price cents
Outstanding at the beginning of the year	9,150,000	46.3	5,150,000	46.0
Granted	4,200,000	25.0	4,250,000	46.5
Forfeited/cancelled/expired	4,900,000	46.2	250,000	69.0
Outstanding at year end	8,450,000	35.8	9,150,000	46.3
Exercisable at year end	8,450,000	35.8	9,150,000	46.3

A total of 250,000 unlisted employee options lapsed during the year and 4,650,000 options expired. The weighted average remaining contractual life of share options outstanding at the end of the financial year was 2.06 years (2019: 1.46 years) and the exercise prices ranged from 15.0 cents to 46.5 cents (2019: 43.2 cents to 73.0 cents).

Notes to the Financial Statements

The weighted average fair value of the employee share options granted during the year was 8.80 cents (2019: 16.76 cents). The fair value of the options was estimated using a Black-Scholes pricing model. Expected volatility was based on the historical movement of the underlying share price around its average share price. The assumption that the historical volatility is indicative of future trends may also not necessarily be the actual outcome.

Inputs into the pricing model	BRBOPT08	BRBOPT09	BRBOPT10	BRBOPT11
Issue date share price	\$0.310	\$0.110	\$0.110	\$0.100
Exercise price	\$0.375	\$0.246	\$0.195	\$0.169
Expected volatility	80.97%	79.70%	79.70%	79.61%
Option life	3.03 years	2.95 years	2.95 years	2.94 years
Risk-free interest rate	0.75%	0.45%	0.45%	0.34%

Inputs into the pricing model	BRBOPT12	BRBOPT13	BRBOPT14	BRBOPT15
Issue date share price	\$0.100	\$0.150	\$0.280	\$0.320
Exercise price	\$0.166	\$0.150	\$0.288	\$0.320
Expected volatility	79.61%	79.28%	81.03%	84.69%
Option life	2.94 years	2.98 years	2.98 years	2.67 years
Risk-free interest rate	0.34%	0.24%	0.25%	0.26%

(b) Other party options

In addition to options issued to employees, the Company may also issue unlisted options to other parties.

There were no other party options granted during the year.

(c) Share-based payments expenses

During the year, an amount of \$369,483 was recognised as a share-based payment expense. An amount of \$1,023,335 was transferred from the share-based payment reserve to accumulated losses as a result of the lapse or expiry of 4,900,000 options.

18. Key management personnel transactions

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

	2020 \$	2019 \$
Short term benefits	1,007,485	943,311
Post-employment benefits	36,696	35,351
Share-based payments	78,862	724,580
	1,123,043	1,703,242

There were no loans to/from key management personnel during the year. Detailed remuneration disclosures are provided in the Remuneration Report commencing on page 21.

19. Related party transactions

In addition to the services provided by Mr Sanders, the value of which is shown as Mr Sanders' remuneration in the Remuneration Report commencing on page 21, Goldfields Geological Associates is also reimbursed for other Company expenses including software maintenance and other out-of-pocket costs incurred on the Company's behalf. The value of these expenses incurred during the year was \$44,813 (2019: \$41,762).

The Company had no other transactions with related parties during the year except as outlined above and the payments to the key management personnel disclosed in the Remuneration Report commencing on page 21.

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

20. 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

	2020 \$	2019 \$
Rothsay Auditing – audit and review of financial reports	22,000	22,000
Total remuneration for audit services	22,000	22,000

(b) Non-audit services

There were Nil non-audit services provided by the auditor of the Company, Rothsay Auditing, during the year (2019: Nil).

21. Subsequent events

On 30 July 2020 the Company announced a \$23 million capital raising comprising a two tranche placement to institutional and sophisticated investors, a placement to existing major shareholder Electrum and a SPP. The issue price of the capital raising was \$0.24. The issue of shares associated with the first tranche of the placement took place on 5 August 2020. The issue of shares to participants in the second tranche of the placement and to Electrum, is subject to shareholder approval at the annual general meeting expected to be held on 17 September 2020. The SPP opened on 7 August 2020 and the indicative closing date is 9 September 2020.

The impact of the COVID-19 pandemic is ongoing and while there has been no material impact on the Company's financial position and operation up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the WA and Australian Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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 2020.

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 33 to 49 are in accordance with the *Corporations Act 2001* (Cth), including:
 - i. complying with Accounting Standards, the *Corporations Regulations 2001* (Cth) and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date;
- ✘ in the opinion of the directors 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* (Cth).

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

On behalf of the directors



TOM SANDERS
Executive Chairman

Perth, 13 August 2020



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BREAKER RESOURCES NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Breaker Resources NL ("the Company") which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BREAKER RESOURCES NL (continued)

<i>Key Audit Matter - Cash and Cash Equivalents</i>	<i>How our Audit Addressed the Key Audit Matter</i>
<p>The Company's cash and cash equivalents make up 85% of total assets by value and are considered to be the key driver of the Company's operations and exploration activities.</p> <p>We do not consider cash and cash equivalents to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures over the existence of the Company's cash and cash equivalents included but were not limited to:</p> <ul style="list-style-type: none"> • Documenting and assessing the processes and controls in place to record cash transactions; • Testing a sample of cash payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger; and • Agreeing 100% of cash holdings to independent third-party confirmations. <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>
<i>Key Audit Matter - Exploration and Evaluation Expenditure</i>	<i>How our Audit Addressed the Key Audit Matter</i>
<p>The Company incurred significant exploration and evaluation expenditure during the year.</p> <p>We do not consider exploration and evaluation expenditure to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures in assessing the exploration and evaluation expenditure included but were not limited to the following:</p> <ul style="list-style-type: none"> • We enquired of management and reviewed work programs on exploration and evaluation on the mineral resources in the Company's areas of interest and cross referenced these discussions to ASX announcements and where applicable minutes of directors' meetings; • We tested a sample of exploration and evaluation expenditure to supporting documentation to ensure they were bona fide payments; and • We documented and assessed the processes and controls in place to record exploration and evaluation transactions. <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BREAKER RESOURCES NL (continued)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BREAKER RESOURCES NL (continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2020.

In our opinion the remuneration report of Breaker Resources NL for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Rothsay Auditing

Dated 13th August 2020

Daniel Dalla
Partner

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 7 August 2020.

Corporate Governance Statement

The 2020 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		
	Number of holders	Number of shares	% held
1-1,000	124	24,422	0.01
1,001-5,000	619	1,825,953	0.70
5,001-10,000	397	3,336,234	1.28
10,001-100,000	1,085	40,223,026	15.45
100,001 and over	275	214,971,445	82.56
	2,500	260,381,080	

Unmarketable Parcel

There are 271 holders of unmarketable parcels of fully paid ordinary shares, based on the closing market price of \$0.25 on 7 August 2020, representing 249,614 shares and amounting to 0.10% of issued capital.

Restricted Securities

There are no restricted securities on issue.

Voting Rights

All fully paid ordinary shares carry one (1) vote per share without restriction. 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	22,854,531	10.98
2	Electrum Strategic Opportunities Fund II LP	23,015,211	9.95
3	Norfolk Enchants Pty Ltd	15,500,000	8.48

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	Citicorp Nominees Pty Ltd	27,440,132	10.54
2	Norfolk Enchants Pty Ltd	15,920,000	6.11
3	Mr Thomas Stephen Sanders & Mrs Helen Sanders	15,295,702	5.87
4	HSBC Custody Nominees (Australia) Limited	14,735,331	5.66
5	BT Portfolio Services Limited	9,000,000	3.46
6	JP Morgan Nominees Australia Pty Ltd	8,627,069	3.31
7	Mr Thomas Stephen Sanders & Mrs Helen Sanders	8,094,829	3.11
8	Gurravembi Investments Pty Ltd	6,500,000	2.50
9	Kurraba Investments Pty Ltd	5,021,429	1.93
10	Dr Stephen Garth Nordstrom	3,200,000	1.23
11	T T Nicholls Pty Ltd	2,788,067	1.07
12	Gurravembi Investments Pty Ltd	2,700,000	1.04
13	Palmer Bookmaking Pty Ltd	2,311,681	0.89
14	Twynam Investments Pty Ltd	2,166,731	0.83
15	Ausdrill International Pty Ltd	1,994,460	0.77
16	Kemast Investments Pty Ltd	1,844,828	0.71
17	Tom Hume Pty Ltd	1,785,000	0.69
18	Mr Johan Schicht	1,700,000	0.65
19	Ross Sutherland Properties Pty Ltd	1,653,895	0.64
20	BNP Paribas Noms Pty Ltd	1,605,829	0.62
		134,384,983	51.61

Unquoted Securities

Details of unquoted securities on issue are:

Class	Securities Number	Holders Number
Unlisted 46.5 cent options, exercisable on or before 31 December 2021	4,250,000	2
Unlisted 37.5 cent options, exercisable on or before 20 November 2022	1,000,000	1
Unlisted 24.6 cent options, exercisable on or before 28 February 2023	125,000	1
Unlisted 19.5 cent options, exercisable on or before 28 February 2023	1,000,000	1
Unlisted 16.9 cent options, exercisable on or before 28 February 2023	150,000	1
Unlisted 16.6 cent options, exercisable on or before 28 February 2023	1,000,000	1
Unlisted 15.0 cent options, exercisable on or before 27 March 2023	175,000	1
Unlisted 28.8 cent options, exercisable on or before 15 May 2023	200,000	1
Unlisted 32.0 cent options, exercisable on or before 28 February 2023	550,000	1
Unlisted 33.9 cent options, exercisable on or before 10 July 2023	200,000	1

Holders of 20% or more of the class

There are no relevant holders of 20% or more of a class of unquoted securities.

On-market Buy-back

There is no current on-market buy-back.





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