



**Breakaway
Research**

June 2015

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Company Information

ASX Code	RTR
Share Price (5/6/15)	A\$0.069
Ord Shares	187.65m
Options	85.23m
Market Cap (FD)	A\$18.64m
Cash (May 4, 2015)	A\$2.20m
Total Debt	A\$0m
Enterprise Value	A\$16.44m

Directors

CEO	Shane Sikora
Executive Director	Terry Topping
Non-Exec Director	Matthew Banks
Non-Exec Director	Michael Smith
Non-Exec Director	Andrew McBain
Company Secretary	Bruno Seneque

Company Details

Address	Suite 9, 36 Ord Street West Perth, WA 6005
Phone	+618 65553980
Web	www.rumblersources.com.au

Top Shareholders

Board and Management	7%
Top 20	26%

1 Year Price Chart



Source: IRESS

Rumble Resources (RTR)

Fraser Range - Zanthus Ni-Cu Drilling Imminent

Recommendation: Maintain Speculative BUY

Company Update

Key Points

- **Initial drilling programme imminent on the magmatic Ni-Cu prospective Zanthus Project**
- **Targeting co-incident magnetic, EM and gravity geophysical anomalies**
- **Similar features to those at Sirius' Nova deposit, 20km to the NW**
- **Work is fully funded following a recent \$1.68m placement @ \$0.045/share**
- **Late 2014 drilling at Big Red intercepted disseminated Ni-Cu sulphides and has resulted in compelling downhole EM targets**

Rumble is poised to commence its initial drilling programme on the Zanthus Project, in which it is earning 75% from Blackham Resources. Zanthus is centred approximately 20km south-east of Sirius' Nova-Bollinger discovery, and geophysical work has highlighted an "eye" like magnetic feature, with coincident electro-magnetic ("EM") and gravity anomalies, highlighting the potential for gabbroic intrusives, and massive Ni-Cu sulphide mineralisation similar to that at Nova.

This five hole, 1,200m RC drilling programme will test five bedrock EM conductors spatially associated with the magnetic and gravity anomalies, with the gravity "highs" potentially due to gabbroic units.

Recent drilling at the nearby Big Red Project has returned very encouraging results, intersecting gabbroic intrusives, containing zones of disseminated pyrrhotite and Ni-Cu sulphides, with associated anomalous nickel and copper geochemistry. This drilling was followed up by downhole EM surveying, which has highlighted a number of high conductance off-hole conductors which now require drill testing.

With further drilling about to commence we expect rising investor interest and allied with high leverage to exploration success we continue to rate Rumble as a SPECULATIVE BUY.

Company Overview

Rumble Resources Limited (ASX: RTR) is an Australian junior mineral exploration company whose main focus is on nickel-copper exploration in the highly prospective Fraser Range Nickel Province of Western Australia.

The Company has a large 3,260km² landholding in this underexplored region, one of the largest of any explorer in the area.

Work to date has included comprehensive geophysical surveys and an initial drilling programme, which has returned very encouraging results.



Company Update

Encouraging Results

Continuing exploration progress on key Fraser Range tenements

Work has included drilling at Big Red, and geophysics at Big Red and Zanthus

Encouraging results have been returned from the drilling and geophysics

The Company is adequately funded with ~\$2m in cash

Strategic advisors appointed to access Asian and North American markets

Rumble Resources Limited (“Rumble” or “the Company”) has made substantial progress on its key Fraser Range properties since our October initiation report.

Work completed subsequent to October has included:

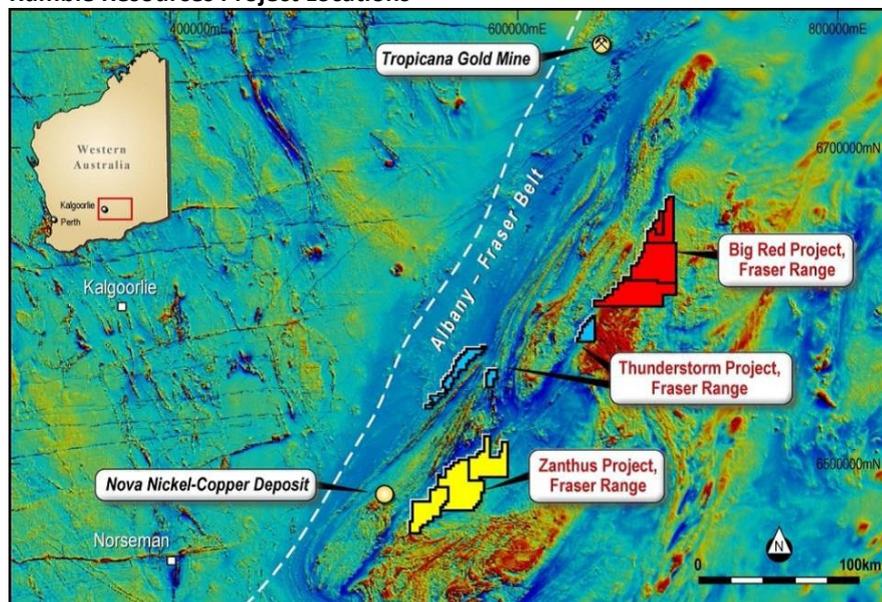
- Mud rotary/diamond drilling at the Big Red Project (4 holes for 1,504m), testing a 2km long ground EM conductor
- Downhole EM surveying on three of the holes
- Petrological studies of drill core
- Ground gravity survey over the entire Zanthus Project area
- Granting of approvals for drilling at the Zanthus eye feature

The work has returned very encouraging results, with drilling now imminent on targets at Zanthus, and future drill targets defined at Big Red.

On the corporate side the Company has had two oversubscribed capital raisings – a \$1.15m placement in November last year, and a \$1.68m placement in late April, leaving the Company with over \$2m in the tin. There are also around 44m \$0.08 listed options due for expiry at the end of June, and given that we have recently seen prices above the conversion price we see potential for some of these to be exercised, providing additional cash.

Nathan Tinkler has been appointed as a strategic corporate advisor concentrating on the lucrative Asian markets, followed by the appointment of New York based EAS Advisors LLC (“EAS”) to target the large North American market.

Rumble Resources Project Locations



Source: Rumble Resources

Zanthus Project (RTR earning 75%)

Rumble is earning 75% of the key E69/2506 tenement at Zanthus

Rumble’s Zanthus Project is located to the east of Sirius’ Nova-Bollinger Ni-Cu Project (“Nova”). The project includes tenement E69/2506 in which Rumble is earning 75% from Blackham Resources (ASX: BLK) and a number of 100% applications. The project is located over Mid-Proterozoic sedimentary derived gneisses of the western Nornalup Zone of the Albany-Fraser Orogen, which have been intruded by gabbros of similar (~1,300Ma) age to those that host the Nova sulphide mineralisation.



Initial work by Rumble included a detailed airborne magnetic survey, which identified a number of areas for follow-up, including an “eye” feature, similar to that at Nova.

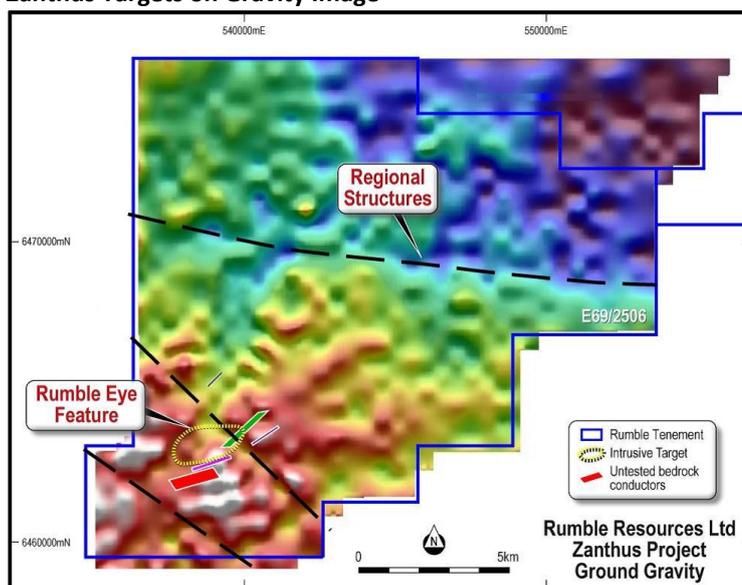
This feature has been interpreted as a doubly-plunging syncline at Nova (*Bennett et al 2014. Motive, Means and Opportunity; Key Factors in the Discovery of the Nova-Bollinger Magmatic Nickel-Copper Sulfide Deposits in Western Australia. Society of Economic Geologists Inc. Special Publication 18, pp. 301-320*) defined by magnetic rock units.

Exploration to date is limited to geophysics due to the depth of cover

Drill targets defined by coincident magnetics, EM and gravity features

Follow up work by Rumble has included ground EM surveying (the cover precludes geochemical surveying and geological mapping), which identified a number of bedrock conductors associated with the “eye” feature. More recently the Company completed a 500m x 500m ground gravity survey over the entire Zanthus tenement, which delineated areas of high gravity. These potentially reflect large gabbroic bodies at depth; potential sources for higher level host intrusives for magmatic Ni-Cu mineralisation.

Zanthus Targets on Gravity Image

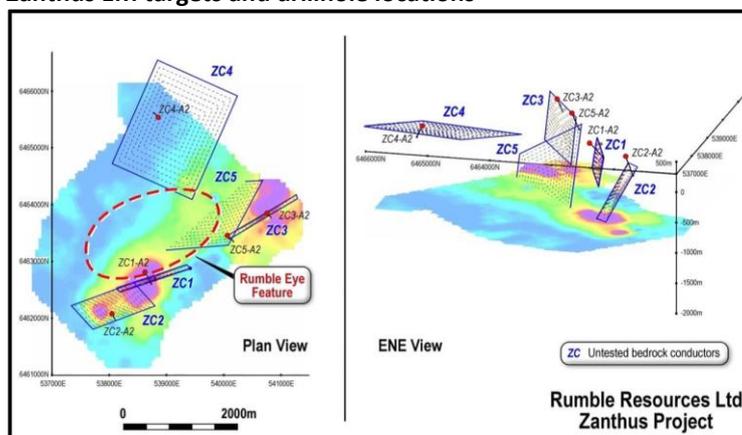


Source: Rumble Resources

Drilling is about to commence on five EM targets, including three priority high conductance zones

This work has been used to plan a five hole, 1,200m RC drilling programme which will test five EM anomalies, three of which (ZC1, ZC2 and ZC3) are high conductance and form priority targets. The Company has approvals in place and is adequately funded to carry out additional drilling should results warrant it.

Zanthus EM targets and drillhole locations



Source: Rumble Resources

The programme is expected to take 2-3 weeks to complete, and is co-funded by a WA Government EIS grant

This programme, which is expected to take 2-3 weeks to complete, has been co-funded by a \$150,000 Exploration Initiative Scheme (“EIS”) grant from the WA Government.



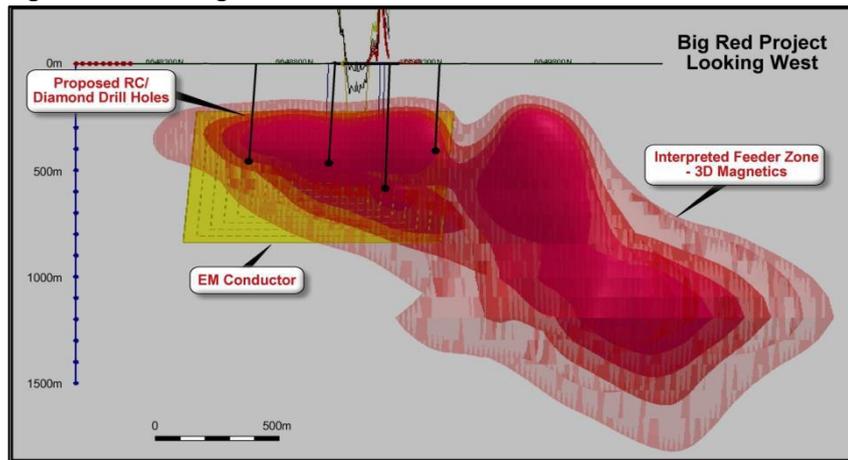
Big Red Project (RTR 100%)

Initial drilling at Big Red intersected multiple zones of Fraser Range Gabbro containing disseminated magmatic sulphides, including pentlandite and chalcopyrite.

Rumble’s initial Fraser Range drilling programme was completed in December 2014, and targeted a 2km long EM conductor at Big Red. The programme included four mud rotary/diamond drillholes totalling 1,504m, of which the first did not reach the planned target due to drilling difficulties.

The other three holes, BDD002, BDD003 and BDD004 all intersected multiple zones of Fraser Range gabbro (up to 39m downhole width) containing disseminated magmatic sulphides and intruding into metasediments. The sulphides include pyrrhotite, pentlandite ((Fe,Ni)₉S₈) and chalcopyrite (CuFeS₂), with assay results returning anomalous copper, nickel and cobalt, thus confirming the exploration model and the presence of a mineralising system.

Big Red 3D EM image and drillhole locations

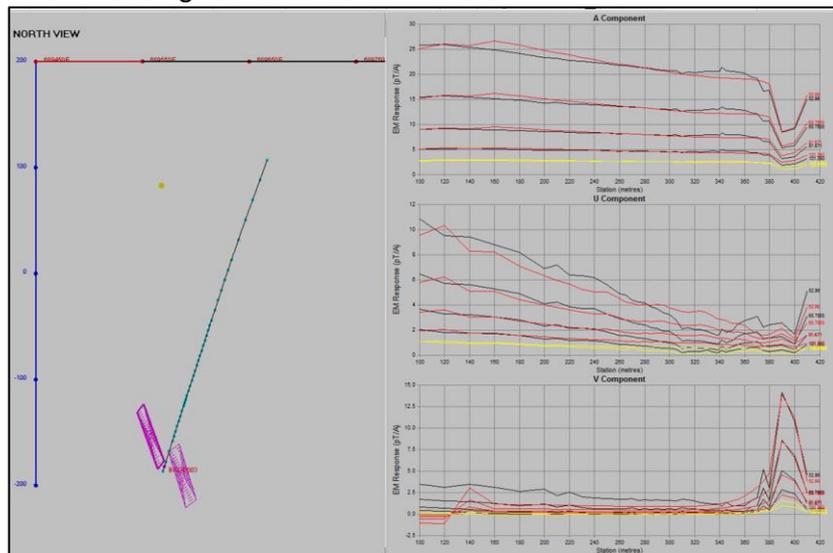


Source: Rumble Resources

Subsequent DHEM surveying returned very significant results, including delineating two off-hole conductors with very high conductance, possibly indicating massive sulphides.

Following on from the drilling downhole EM (“DHEM”), surveying was completed in holes BDD002 to BDD004, returning very significant results. Off-hole conductors were identified in all holes, including two sub-vertical plates with very high conductance levels (~6,000-8,000 Siemens) in hole BDD003, potentially indicating massive sulphides.

Hole RDD003 high conductance DHEM model



Source: Rumble Resources

These conductors are to be considered priority targets

Given the results of all work to date at Big Red, these conductors are considered to be first order drill targets. The Company is currently planning drilling of these targets, with this scheduled later in 2015 following the Zanthus programme.



Corporate

Rumble has raised close to \$3m through two oversubscribed placements in the last 6 months

Corporate advisors have been appointed to help crack the lucrative Asian and North American capital markets

Work to date by Rumble has confirmed the prospectivity of the Fraser Range tenements, located in an under-explored region

We see potential for a large mineralised system at Big Red

Zanthus provides compelling drill targets

We see it only a matter of time before there are more large Ni-Cu discoveries in the Fraser Range region

We continue to rate Rumble as a SPECULATIVE BUY, being highly geared to exploration success

Capital Raising

Rumble has raised a total of \$2.83m through two oversubscribed placements; the first of \$1.15m to Australian professional and institutional investors, and the second of \$1.68m largely to Asian small cap funds and family offices. Both raisings were at \$0.045; with both including free 2 for 1 attaching options exercisable at \$0.08.

Appointment of Advisors

The Company has appointed both Mr Nathan Tinkler and EAS as corporate and strategic advisors. Nathan Tinkler's focus will be on Asian markets, with remuneration being strongly performance based via options.

Headquartered in New York, EAS Advisors is a boutique global resources advisory firm that was founded by Edward Sugar in 2008 and has participated in over US\$3 billion of transactions to date, with the focus for Rumble being on the North American capital markets, which have an understanding of magmatic nickel projects.

Breakaway's View

Work completed by Rumble has confirmed the magmatic Ni-Cu prospectivity of their properties in the western Nornalup Zone of the Albany-Fraser Orogen, which still remains underexplored; firstly by virtue of the majority of work being carried out on the Fraser Zone to the west and by the up to 50m of younger cover in the region. There is also the relatively short period that the region has seen intensive Ni-Cu exploration – Nova, which was the catalyst for the current activity, was only discovered three years ago, and subsequent years have been in the current down-cycle, which has resulted in much reduced exploration budgets.

At Big Red we see all the ingredients required for a potential large mineralised system, including the right geology and magmatic sulphides associated with anomalous Ni-Cu geochemistry. The DHEM anomalies defined from the last drilling programme now make for compelling drill targets, and we look forward to the future drilling of them.

Of more immediate interest is the imminent drilling at Zanthus. The coincident gravity, EM and magnetic features, similar to those at Nova, again make compelling targets, and we look forward to the results of this five hole programme.

Patience is required in exploring in this area. By virtue of its nature mineral exploration is risky and ongoing exploration in the Albany-Fraser Nickel Province is no different – this has been shown by promising targets drilled by other companies not returning the results desired!

However we believe that it is only a matter of time before more large Ni-Cu discoveries are made in what could well develop into a world-class nickel province. It has to be stated that not all fertile intrusives in global magmatic Ni-Cu camps contain economic mineralisation. Also, there is a matter of luck in these discoveries. As discussed in Bennett et al (2014), if the Nova discovery holes had have been sited 50m to either the north or south Nova would now probably remain undiscovered...

The Company has been successful in fundraising, and the appointment of the corporate advisers is important for targeting the lucrative Asian and North American markets.

Exploration work has been methodical, defining a number of very promising targets. With a current undiluted market capitalisation of around \$13m, the Company is well geared to any exploration success, and hence we rate Rumble as a SPECULATIVE BUY.

We expect a high level of news flow with the current drilling and future activities.



Analyst Verification

We, Grant Craighead and Mark Gordon, as the Research Analysts, hereby certify that the views expressed in this research accurately reflect our personal views about the subject securities or issuers and no part of analyst compensation is directly or indirectly related to the inclusion of specific recommendations or views in this research.

Disclosure

Breakaway Investment Group (AFSL 290093) may receive corporate advisory fees, consultancy fees and commissions on sale and purchase of the shares of Rumble and may hold direct and indirect shares in the company. It has also received a commission on the preparation of this research note.

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