



# 12 % increase in Bannockburn Gold Resource to 489,000 ounces

25 November 2004

## Highlights

Breakaway Resources Limited (ASX code "BRW") today announced a 12 % increase in total gold resources at its Bannockburn Gold Project in Western Australia.

The improvement is due a virtual doubling of resources from the North Well area of the 100% owned Bannockburn Gold Project, 70 kilometres north west of Leonora.

- **North Well Area gold resources increased by 96% to 109,900 contained ounces from 56,000 ounces.**
- **Upgraded North Well resource to be incorporated into the production scoping review currently in progress.**
- **Bannockburn Gold Project total gold resource base increases to 489,000 contained ounces from 433,000 ounces previously (JORC compliant).**
- **Breakaway is now well positioned to accelerate the re-emergence of the Bannockburn region as a "significant gold centre".**

## Background

The Bannockburn Gold Project is located approximately 70 kilometres north west of Leonora and comprises a contiguous tenement package totalling 350 square kilometres complete with a 1.0Mtpa CIL mill and associated infrastructure.

The Bannockburn Gold Mine operated between 1990 and 1998 producing in excess of 300,000 ounces of gold. The main Bannockburn deposits lies within the significant regional structural corridor, the Bannockburn Shear Zone. Breakaway currently controls over 27 strike kilometres of this regional mineralised corridor.

Breakaway is evaluating the near term potential of the existing gold resources within the Bannockburn Gold Project. Central to the study has been the re-calculation of the existing resources within the project area to JORC standards to allow for mine optimization studies to be completed.

## North Well

The previous mining activity at Bannockburn extended to the North Well area located some 7 kilometres north west of the Bannockburn deposit. The North Well area includes the previously mined Frosties and Diesel open pits and the unmined Dakota deposit.

As part of the ongoing scoping evaluation of the Bannockburn Gold Project, Breakaway has completed a full geological review and re-interpretation of all gold mineralisation in the North Well area. Independent consultants Micromine Pty Ltd ("Micromine") were engaged to assist in the modelling and calculation of a revised gold resource in the North Well area to JORC standard.

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Based on RC and diamond drilling results, the North Well resource identified to date extends over a strike length of 2.6 kilometres to a vertical depth of 175 metres. The resource modelling undertaken by Micromine used ordinary kriging methodology based upon a 1 g/t lower cut of grade ("COG"), an upper COG of 30 g/t, a 20-25 metre section spacing and SG data derived from mining records.

The revised global gold resource at the North Well area has been calculated as:

**1.97 million tonnes grading 1.73 g/t gold containing 109,900 ounces**

This represents a 96% increase on the previous resource inventory for the North Well area. Approximately 36 % of the new resource (40,000 ounces) is soft oxide material suitable for blending with the harder primary material to allow optimised mill throughput.

The total global gold resource for the Bannockburn Gold Project (Table 1) has now increased to:

**7.93 million tonnes grading 1.92g/t gold containing 489,000 ounces.**

As at the Bannockburn Mine, the results of this new resource modelling has highlighted a significant lack of deep drilling below and along strike from the existing North Well mineralisation.

## Gold Development Strategy

The upgraded North Well resource is now being incorporated into a revised gold resource model for at the Bannockburn Gold Project, the model forming the core of the production scoping review currently in progress.

This review includes a range of optimisation studies and quantifying the capital costs associated with the re-commencement of production utilising the existing Bannockburn infrastructure. The review is also consider the strategic opportunities available from the significant gold resources at Breakaway's Vivien and Miranda Joint Venture Projects located to the north west of the Company's Bannockburn Gold Project.

Breakaway's equity accounted gold resource inventory for the region now stands at 692,000 ounces (Table 1).

**Breakaway now well positioned to accelerate the re-emergence of the Bannockburn region as a significant gold production centre.**

Exploration of several new gold targets within the Bannockburn area with the potential to increase the identified resources has commenced. This work is expected to reinforce the Company's view that substantial potential remains in the Bannockburn area for the discovery of new gold resources. (Figure 1)

Yours faithfully

A handwritten signature in black ink, appearing to read 'Michael Mulroney'.

**MICHAEL MULRONEY**  
Managing Director

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by James Guy who is a Member of The Australian Institute of Geoscientists. James Guy is a fulltime employees of the Company and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 1999 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'. James Guy consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Mineral Resources or Ore Reserves at Cams and Vivien is based on information compiled by Agnew Gold Mining Company Pty Ltd personnel. These personnel have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as a Competent Person(s) as defined in the 1999 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'. This report accurately reflects the information compiled by Agnew Gold Mining Company Pty Ltd.



**Table 1**  
**BREAKAWAY RESOURCES GOLD RESOURCE INVENTORY**

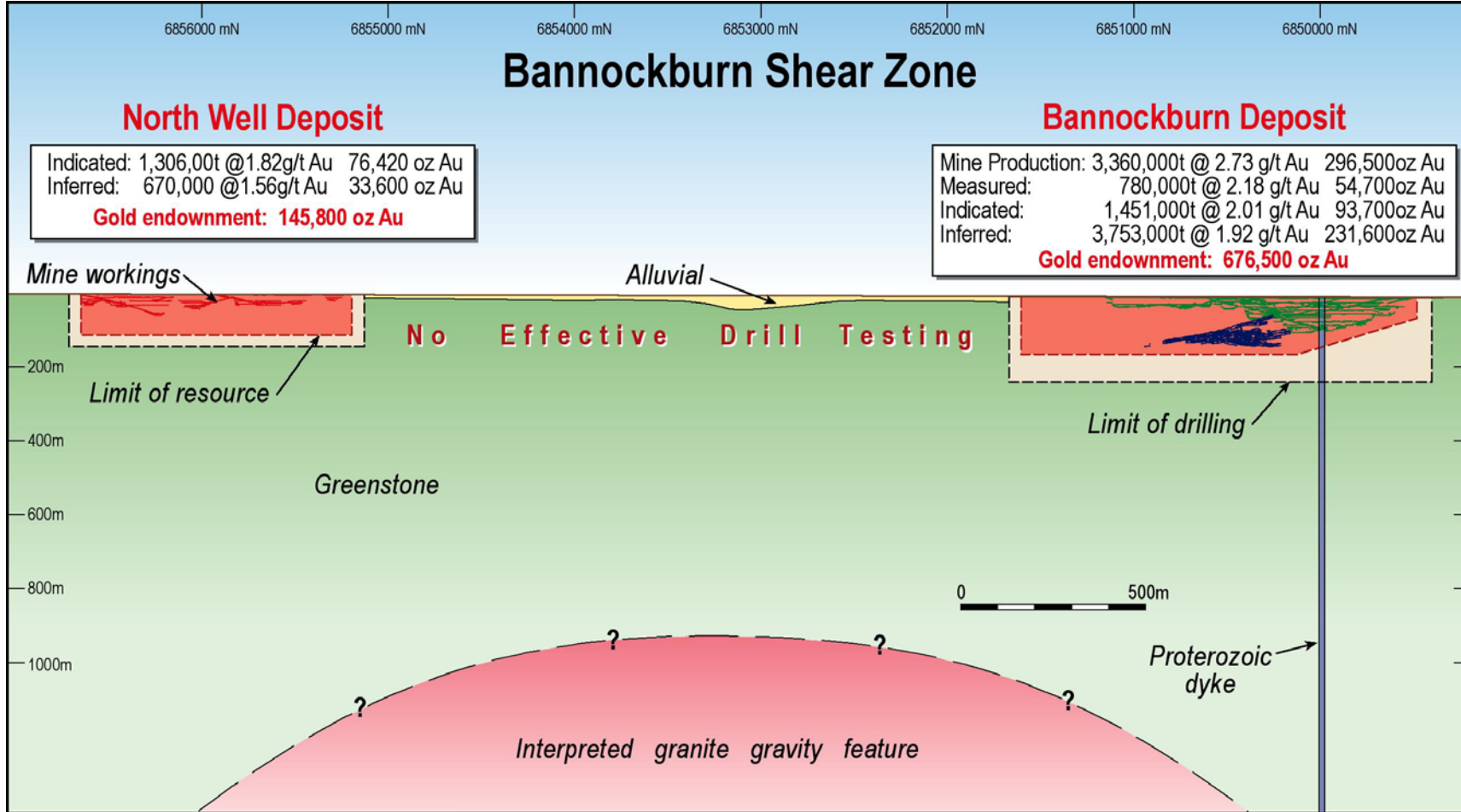
Project	Equity	COG (g/t)	MEASURED			INDICATED			INFERRED			TOTAL		
			Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
<b>BANNOCKBURN</b>														
Bannockburn Mine	100%	1.0	760,000	2.19	53,400	1,450,000	2.02	94,000	3,750,000	1.92	230,000	5,960,000	1.98	379,100
North Well	100%	1.0	-	-	-	1,300,000	1.82	76,400	670,000	1.56	33,600	1,970,000	1.73	109,900
<b>TOTAL</b>			760,000	2.19	53,400	2,750,000	1.93	170,400	4,420,000	1.87	263,600	<b>7,930,000</b>	<b>1.92</b>	<b>489,000</b>

<b>VIVIEN<sup>1</sup></b>	100%	4.0	-	-	-	497,400	9.45	151,100	138,400	7.69	34,200	635,800	9.07	185,300
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<b>MIRANDA<sup>2</sup></b>	40%	0.8	-	-	-	290,000	4.56	42,400	-	-	-	290,000	4.56	42,400
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<b>Global Breakaway Inventory<sup>3</sup></b>	<b>8,680,000 tonnes grading 2.48 g/t containing 692,000 ounces</b>													
<sup>1</sup> – Agnew Gold Mining Company Pty Ltd have the right to earn 60%														
<sup>2</sup> – Agnew Gold Mining Company Pty Ltd hold a 60% interest														
<sup>3</sup> – Equity accounted for joint venture interests														





**Figure 1**

