



BREAKAWAY
Resources Limited



QUARTERLY REPORT

For the period ending
31 March 2004

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HIGHLIGHTS

NICKEL

Kambalda West (BRW 100%)

- Significant nickel and gold intersections were achieved in initial drilling beneath the existing **5B** open pit at Spargoville. A new resource calculation and mine planning studies have commenced.
- The Notice of Intent for proposed **5A** open pit development at Spargoville has been submitted to the Department of Infrastructure and Resources.
- Exploration drilling of down hole EM conductors at the **5A** deposit intersected two zones of nickel sulphide mineralisation some 75 metres beneath previous drilling. Further down hole EM surveys indicate stronger targets exist at depth.
- A ground EM survey at **Yilmia** has identified several strong conductors associated with outcropping nickel gossans. Drilling of these targets will be undertaken next quarter. In addition, the Company acquired an additional 3 prospecting license applications east of the existing project area from private company Maincoast Pty Ltd.
- A regional airborne magnetic survey has been completed over the Kambalda West area. Target definition is underway.

GOLD

- At the 100% owned **Bannockburn Gold Project**, total gold resources increased to 433,600 contained ounces. A Mining Option Study has commenced to evaluate several open pit development scenarios.
- Optimisation of the **Vivien** underground mine design and Life of Mine (LOM) development schedule is being undertaken with Joint Venture partner, Agnew Gold Pty Ltd (a subsidiary of Gold Fields Limited).
- At the **Miranda Joint Venture (BRW 40%)**, joint venture partner Agnew Gold Pty Ltd (a subsidiary of Gold Fields Limited) continued the evaluation of the gold resource at the Maria prospect and completed a regional structural interpretation of Agnew Mine and surrounding JV tenements.

COPPER

- Site operations at the **Eloise Copper Mine** produced **12,682** tonnes of concentrate containing **3,654** tonnes of copper, **1,715** ounces of gold and **33,989** ounces of silver.

CORPORATE

- Placement of 23,000,000 shares was undertaken on 23 February 2004 to raise \$1.1 million for exploration and development activities.
- Subsequent to the end of the quarter, shareholders approved the sale of the Eloise Copper Mine to underground mining contractor Barmenco Pty Ltd for \$14.8 million. Settlement is expected to be completed during May.



OPERATIONS

ELOISE COPPER GOLD MINE (BRW 100% sale pending)

Production

The underground mining operation achieved an improved performance compared to the December 2003 quarter but continued to be affected by a combination of restricted ore access, dilution issues and equipment availability. Operational performance improved as the quarter progressed however overall reconciled ore production remained below budget.

Key quarterly production statistics are summarised in Table 1.

Table 1
Production Statistics – Eloise Copper-Gold Mine

Activity	Units	March 2004 Quarter	December 2003 Quarter	FY 2003 / 2004 Performance to Date
Ore Mined	Wet tonnes	118,945	111,022	353,383
Ore Milled	Dry tonnes	118,951	108,800	356,652
Head Grade				
Copper	%	3.24	3.32	3.18
Gold	g/t	0.93	0.82	0.87
Silver	g/t	11.34	10.88	10.78
Metal Recovery				
Copper	%	94.4	95.3	95.1
Gold	%	47.9	53.7	49.3
Silver	%	77.7	80.4	80.3
Concentrate Produced	Tonnes	12,612	11,277	36,429
Copper in Concentrate	Tonnes	3,633	3,317	10,666
Gold in Concentrate	Ounces	1,703	1,553	4,867
Silver in Concentrate	Ounces	33,714	28,253	97,198
Concentrate Sold	Tonnes	12,430	12,347	36,242
Concentrate Stock	Tonnes	1,004	1,806	NA
Operating Costs	\$US/lb Cu eq	0.95	0.99	0.94
Total Costs	\$US/lb Cu eq	1.21	1.28	1.15

**YTD costs are based on averaged commodity prices and exchange rates*

Underground development continued with the 340 Level completed and the development of the 320 Level commenced.

Stoping production was concentrated on the 360 and 380 Levels with the majority of development ore produced from the 340 and 320 Levels. Ore production rates steadily increased through the quarter as the 380 and 360 Level stoping blocks developed.

Metallurgical performance was slightly reduced due to inconsistent ore availability and planned maintenance shutdowns. Quarterly concentrate production totalled 12,612 dry metric tonnes grading 28.8% copper and 4.2g/t gold. Concentrate sold for the quarter was 12,430 dry metric tonnes.

DEVELOPMENT

KAMBALDA WEST PROJECT (BRW 100%)

Breakaway's project development pipeline encompasses the 5A, 5B, 5D (Andrew's) and Yilmia Projects. All projects were advanced during the quarter with the 5B Nickel Project advancing rapidly behind the 5A Nickel Project.

Spargoville

During the quarter, work continued to define the production parameters for the **5A Nickel Project**. Geotechnical and hydrological drilling was completed to finalise open pit design criteria. This drilling also recovered upper transitional ore material for metallurgical test work which was completed during the quarter. Further process optimisation work is underway in conjunction with a potential off take partner to maximise nickel recovery and concentrate grade. The Feasibility Study will be finalised at the completion of this work.

The Notice of Intent (NOI) to recommence mining was completed during the quarter with technical certification achieved in early April. The NOI was submitted in April to the Department of Industry and Resources (DoIR) for governmental approval.

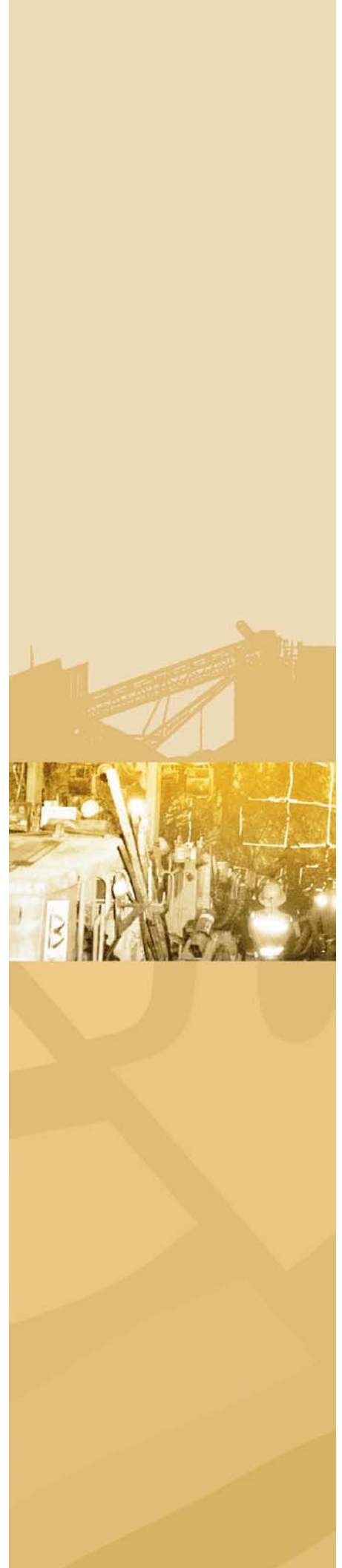
With the recent drilling results at the adjacent **5B Nickel Project**, the co-development of the 5A and 5B Nickel Projects is under consideration to reduce overheads, increase mine life and significantly extend the cash flow generation potential of the development.

VIVIEN EXPLORATION AND MINING JOINT VENTURE

(BRW 100%, Gold Fields can earn 60%)

The Vivien gold deposit, located approximately 7 kilometres east of the Agnew Gold Project owned by Agnew Gold Pty Ltd, contains a global resource of 190,900 ounces of gold at a 4g/t gold cut-off grade. Agnew Gold Pty Ltd has advised that during the quarter work focussed on evaluating several underground mine design and Life of Mine (LOM) schedule scenarios to optimise the projects performance.

Breakaway has engaged consulting engineers, Rapallo Engineers to provide an independent review of the Vivien Mine Plan. Ongoing discussions are continuing to evaluate the various development options for the joint venture. Agnew Gold only earns a 60% interest in the Project on committing to a positive decision to mine by 10 September 2004.



EXPLORATION ACTIVITIES

NICKEL

Kambalda West Project

Spargoville

At the **5A Deposit**, follow up drilling of a down hole electromagnetic (“EM”) conductor intersected significant massive and disseminated nickel sulphide mineralisation in diamond drill hole 5ADD012. The hole intersected two zones of mineralisation, the first being **0.93 metres grading 2.2% nickel** on the basalt-ultramafic contact position and a second intersection of **1.42 metres grading 1.3% nickel** located approximately 18 metres into the hanging wall.

These intersections are located approximately 230 metres below surface and 160 metres below the base of the proposed 5A open pit cutback. A subsequent down hole EM survey of 5ADD012 defined a new strong conductor located down dip and north of the 5ADD012 in the contact zone position. A second weaker conductor is thought to represent the hanging wall mineralisation seen in 5ADD012. Both conductors will be drilled once a suitable drilling rig is secured.

The **5B deposit** is located one kilometre south of the 5A nickel deposit. The gossan cap at the 5B deposit was previously mined for gold and the Company has previously released an inferred geological resource at 5B of **195,000 tonnes grading 1.95% nickel**.

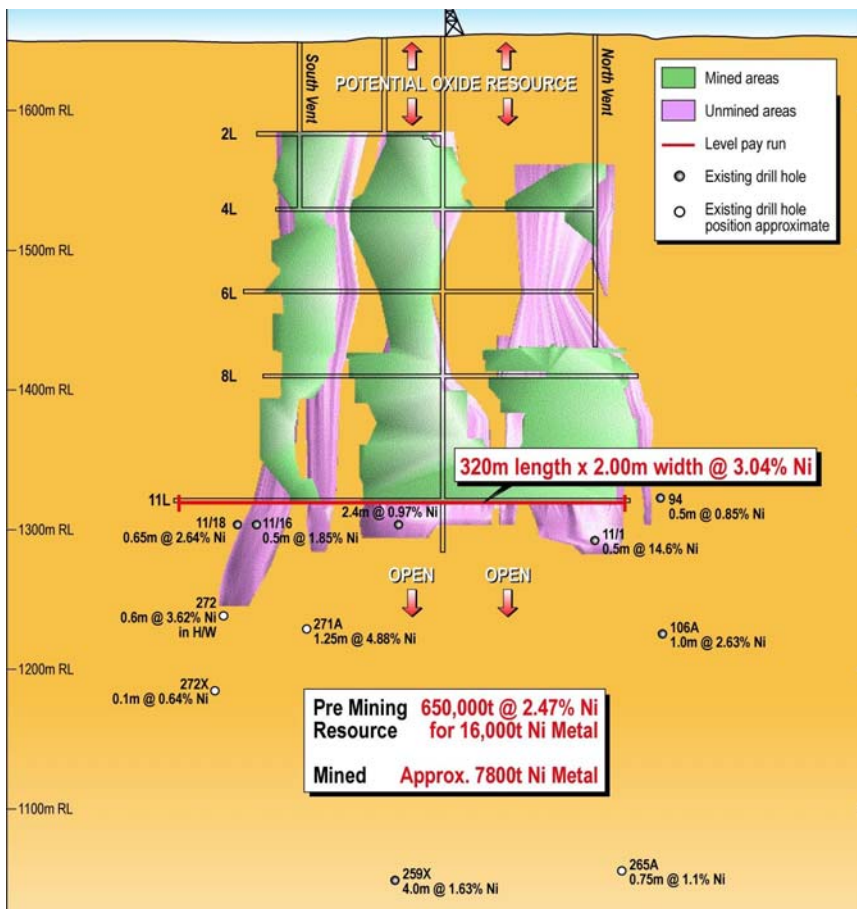
As previously advised, the Company completed a 12 hole drilling program comprising 2,132.8 metres of reverse circulation (RC) and diamond drilling at the 5B deposit to test a 40 metre zone between the base of existing open cut and the upper limit of drilling completed by previous explorers. Final results from all the drill holes have been received and a full listing of significant results is appended.

All drill holes in the program intersected significant oxide and transitional nickel mineralisation with a number of holes also intersecting very significant gold mineralisation within the oxide and upper transitional zones. The Company is finalising a revised geological and resource model of the 5B deposit incorporating the recent drilling results. This will form the basis for preliminary mine design work to commence in conjunction with metallurgical test work to scope the project’s economic potential.

The **5D or Andrew’s Deposit** is located on a separate ultramafic belt 1 kilometre to the west of the 5A deposit. Discovered by Selection Trust in the mid 1970’s, Selcast developed the Andrews underground mine to the 11 Level (approximately 330 metres below surface) on the deposit and produced approximately 7,800 tonnes of contained nickel metal.

During the quarter, Breakaway validated all historical mine geological and assay data and created 3D geological and resource model of the immediate mine area as outlined in the following figure.





This work indicated significant quantities of remnant nickel mineralisation remain within, and beneath the mined area, however uncertainties over the accuracy of some historical data exist. The Company is planning a drill program to test these areas prior to undertaking a JORC compliant resource calculation.

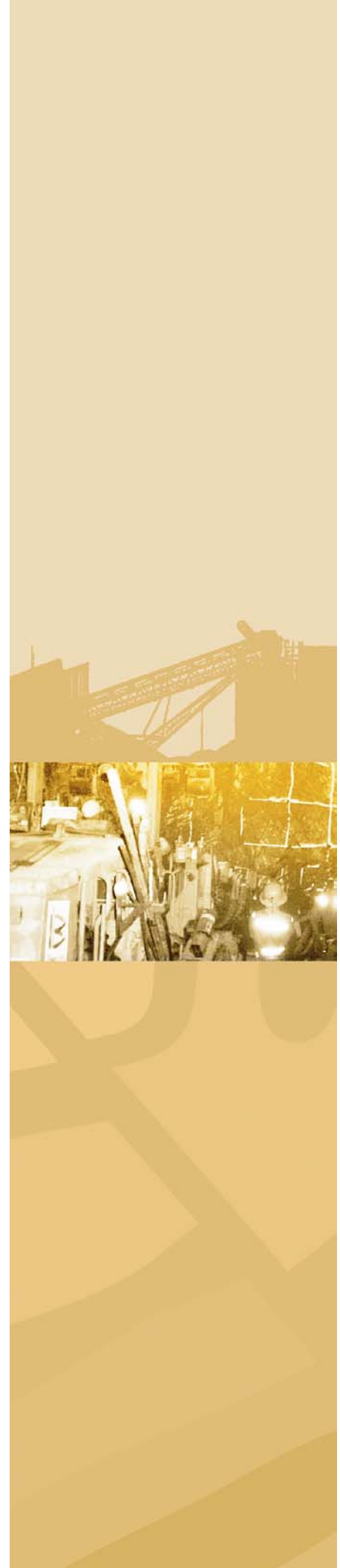
Yilmia (BRW option to acquire 100%)

At Yilmia, Breakaway has approximately four strike kilometres of under explored greenstone stratigraphy considered highly prospective for both nickel and gold mineralisation located west of the Spargoville mining centre. Preliminary work completed by the company has included an auger geochemical sampling, field mapping and rock chip sampling.

This work has results in the identification of several significant nickel targets. The most advanced target is **Burnam** where detailed field mapping and rock chip sampling has defined an outcropping 200 metre long gossan zone adjacent to the interpreted ultramafic basal contact position. Two ferruginous gossan samples approximately 50 metres apart returned assays of **3.2% nickel** and **0.64% nickel** respectively. The samples also returned assays of up to **0.2% copper**, **0.34 g/t gold** and **5.26% sulphur**.

A ground EM survey has been completed at Burnam which identified four prominent conductors. Three conductors occur within the ultramafic unit and are considered highly prospective. Ground checking of the targets is underway prior to commencing drilling on the targets.

In addition, the auger geochemical sampling program has been extended to cover the entire tenement area. A further 528 samples were collected on a 200 metre by 25 metre grid pattern with assay results pending.



**Bannockburn Base Metal Joint Venture
(Jubilee Mines NL 70%, BRW 30% contributing)**

Joint Venture operator, Jubilee Mines NL, advised that no field activities were conducted during the quarter. The Joint Venture plans to explore a further ten target areas during the remainder of 2004 in a \$1.3 million program.

GOLD

Bannockburn Gold Project (100% BRW)

During the quarter the company completed a detailed review of the remanent geological resources surrounding the Bannockburn Mine area. As announced on 15 February 2004, the JORC compliant geological resource for the Bannockburn Gold Mine has increased to:

5.963 million tonnes grading 1.98 g/t gold containing 377,400 ounces

Table 2

Bannockburn Gold Mine - Global Resource

MEASURED			INDICATED			INFERRED		
Tonnes	Grade (g/t)	Ozs	Tonnes	Grade (g/t)	Ozs	Tonnes	Grade (g/t)	Ozs
760,000	2.19	53,400	1,451,000	2.02	94,000	3,750,000	1.92	230,000

The total global gold resources for the Bannockburn Gold Project have increased to 7.16 million tonnes grading 1.89 g/t gold containing 433,600 ounces

Breakaway is undertaking a scoping study on possible development options utilising the existing mill and infrastructure facilities. The study will also identify areas within the resource models that require additional drilling and future resource extension targets.

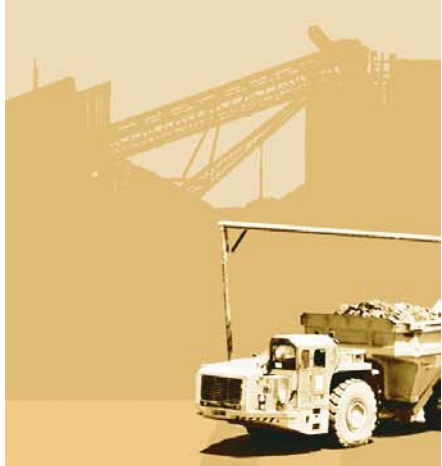
This new resource modelling has highlighted a significant lack of deep drilling below existing Bannockburn mining operations with only 10 holes testing the existing mineralisation at depths greater than 200 metres vertical.

**Miranda Exploration Joint Venture
(Agnew Gold Pty Ltd 60% BRW 40% contributing)**

Joint Venture manager, Agnew Gold Pty Ltd advised that exploration activity for the quarter was focused on the interpretation of **Maria** resource model. Pit mapping and face sampling carried out in the existing Maria South Pit indicated that the highest grades are associated with a series of N-S veins with a best assay result of **3 metres grading 41.93 g/t** returned from the northern pit wall.

A further detailed mapping program is planned for the northern Maria Pit together with re-logging of the remaining diamond core.

At the **Fortitude and Pinnacles prospects**, a series of 1 km x 1 km SAM geophysical surveys were completed to assist in the structural interpretation. This will be used in conjunction with other geophysical data to define the possible position of southerly extensions to the western lode bearing structures of the Songvang Deposit into the Fortitude area.



COPPER

Eloise Regional Exploration

Further exploration is pending the finalisation of the sale of the Eloise Mine. Several approaches have been received with respect to the 100% retained Breakaway exploration package and these discussions are being advanced.

CORPORATE

EXPANSION OF KAMBALDA WEST PROJECT AREA

During the quarter, the Company acquired an option to acquire three prospecting licences adjacent to Breakaway's existing land holdings at Yilmia from a private syndicate, Maincoast Pty Ltd. Breakaway now controls approximately 50 square kilometres of tenements within the highly prospective Spargoville – Yilmia area.

CAPITAL RAISING

On 23 February 2004, the Company announced the completion of a placement of 23,000,000 shares to clients of Paterson Securities Limited at an issue price of 4.8 cents each, raising gross proceeds of \$1.1 million. The funds will be applied towards ongoing exploration and development activities.

SALE OF ELOISE COPPER MINE

On 27 January 2004, the Company announced the sale of the Eloise Copper Mine on a walk in – walk out basis to Barmenco Pty Ltd subject to shareholder approval, statutory approvals and finalisation of the conditions precedent.

Subsequent to the end of the quarter, a General Meeting of Breakaway shareholders held on 30 April 2004 approved the sale of the Eloise Copper Mine. Settlement is expected to be completed during May.

FINANCIAL

Audited financial statements were lodged with the ASIC and the ASX during the quarter.



Michael Mulrone
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 employee 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 Gold Fields Australasia 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 Gold Fields Australasia Pty Ltd.



Appendix I

Spargoville 5B Deposit Final Drilling Results

Hole_ID	Northing	Easting	RL	Azi	Dip	Depth	Nickel Intersection					Gold Intersection			
							From	To	Width	Ni %	Cu %	From	To	Width	Au g/t
5BDD001	6528621.2	357650.4	345.9	90	-50	107.8	64	68	4	1.70	0.48	64.00	68.00	4.00	1.4
5BDD002	6528623.0	357636.8	346.3	90	-60	117.0	83.2	86.5	3.3	1.57	0.08				NSI
							92.5	95.8	3.3	1.86	0.08				NSI
5BDD003	6528600.1	357654.2	346.0	90	-60	106.0	82	83.85	1.85	1.69	0.04	76.00	76.80	0.80	2.23
5BDD004	6528600.4	357631.5	346.6	90	-60	117.0	84.63	87.15	2.87	1.36	0.02	99.00	100.70	1.70	2.42
							91.08	104	11.52	2.63	0.11				
						inc	92.06	102	8.54	3.05	0.13				
5BDD005	6528610.2	357589.1	347.1	90	-60	171.0	130.85	144.68	12.33	1.73	0.23	135.60	144.68	8.88	1.98
						inc	130.85	132.4	1.55	1.73	0.18	139.00	142.96	3.96	2.65
							135.4	136.5	0.9	5.96	1.30				
							142.66	144.68	2.02	3.51	0.41				
5BDD006	6528590.3	357597.8	347.6	90	-60	170.0	126.3	127.2	0.9	1.11	0.08	132.20	135.70	3.50	1.89
							129.8	133.4	3.6	1.11	0.17	134.70	135.70	1.00	3.99
5BDD007	6528579.2	357625.9	347.6	90	-60	141.0	102.72	108.7	5.98	4.51	0.44	106.72	108.70	1.98	3.37
						inc	102.72	104.67	1.95	2.32	0.23				
						inc	106.72	108.7	1.98	10.39	1.03				
5BDD008	6528581.2	357653.2	346.1	90	-60	105.0	78.6	82.65	4.05	4.96	0.81	77.70	82.65	4.95	1.95
5BRC001	6528621.3	357649.4	345.9	90	-61	98	78	84	6	1.36	0.03				NSI
5BRC002	6528643.7	357650.1	345.3	90	-50	82	61	62	1	1.00	0.12				NSI
5BRC003	6528600.1	357656.4	346.0	90	-50	88	68	74	6	1.99	0.33	68.00	72.00	5.00	13.18
5BRC004	6528580.9	357660.5	345.8	90	-50	88	61	62	1	1.00	0.09	64.00	69.00	5.00	5.39
							68	70	2	1.70	0.39				NSI
5BRC005	6528561.1	357663.7	344.7	90	-50	85	69	70	1	1.12	0.33	62.00	66.00	4.00	1.12
5BRC006	6528561.2	357661.6	344.9	90	-60	94	67	68	1	1.03	0.45	65.00	68.00	3.00	1.41
							78	79	1	1.40	0.32				
5BRC007	6528540.1	357668.5	343.2	90	-50	85	48	49	1	1.72	0.24				NSI
							62	63	1	1.71	0.21				
							67	68	1	1.23	0.13				

Hole_ID	Northing	Easting	RL	Azi	Dip	Depth	Nickel Intersection					Gold Intersection			
							From	To	Width	Ni %	Cu %	From	To	Width	Au g/t
5BRC008	6528540.0	357666.7	343.3	90	-60	94	54	57	3	1.75	0.20				NSI
							69	70	1	2.64	0.13				
							80	81	1	2.39	0.17				
5BRC009	6528598.5	357655.1	346.1	88	-60	96	75	82	7	1.47	0.43	74.00	82.00	8.00	5.02
							inc	79	82	3	2.17	0.20	75.00	78.00	3.00
5BRC010	6528618.9	357651.0	346.0	88	-50	96	64	68	4	1.61	0.51	64.00	67.00	3.00	9.41
5BRC011	6528610.4	357643.0	346.4	89	-50	102	75	83	8	1.89	0.27	78.00	79.00	1.00	16.79
							inc	78	80	2	3.09	0.41			
5BRC012	6528588.3	357656.7	346.1	89	-55	90	76	78	2	1.39	0.42	73.00	76.00	3.00	4.11



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