

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**BREAKAWAY RESOURCES LIMITED**

ABN

16 061 595 051

Quarter ended

30 June 2004

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	85	23,963
1.2 Payments for (a)exploration and evaluation	(535)	(1,953)
(b) development	-	(2,170)
(c) production	-	(22,051)
(d) administration	(304)	(1,648)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	20	105
1.5 Interest and other costs of finance paid	(2)	(715)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(736)</b>	<b>(4,469)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(3)	(1,233)
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	353
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(3)</b>	<b>(880)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(739)</b>	<b>(5,349)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(739)	(5,349)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	3,000	4,104
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(10)	(120)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	2,990	3,984
	<b>Net increase (decrease) in cash held</b>	2,251	(1,365)
1.20	Cash at beginning of quarter/year to date	1,024	4,640
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of month /year to date</b>	3,275	3,275

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	61
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director fees, salary and entitlements for the quarter ending 30 June 2004

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

The sale of Eloise Copper Mine to Barmenco on a “walk in walk out basis” effective 31 January 2004 was finalised on 30 June 2004 whereby Barmenco has acquired the Eloise mining leases and assets in consideration for cancellation of all amounts outstanding under the mining contract and assuming third party creditors, debtors, employee entitlements and environmental liabilities.

A new agreement with NM Rothschild & Sons (Australia) Limited (“Rothschild”)– was completed resulting in the restructuring of the performance bonds security over the Bannockburn tenements such that the existing Guarantee facility provided by Rothschild totalling \$2.1 million be eliminated by 30 June 2005 and that similar security against these bonds be implemented by Breakaway.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

**Estimated cash outflows for next month**

	\$A'000
4.1 Exploration and evaluation	350
4.2 Development	-
<b>Total</b>	

**Reconciliation of cash**

Reconciliation of cash at the end of the month (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,275	1,024
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (Cash backed performance bonds)	1,000	
<b>Total: cash at end of month (item 1.22)</b>	3,275	1,024

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of	Interest at end of
6.1 Interests in mining tenements relinquished, reduced or lapsed	ML 90064	Sale of Eloise Copper	100%	-
	ML90080	Sale of Eloise Copper	100%	-
	ML 90086	Sale of Eloise Copper	100%	-
	ML90155	Sale of Eloise Copper	100%	-
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during month (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	466,325,729	466,325,729		
7.4 Changes during month (a) Increases through issues (b) Decreases through returns of capital, buy-backs	65,217,391	65,217,391	4.6 cents	fully paid
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during month (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	5,000,000 5,000,000 3,000,000 33,333,333	- - - -	<i>Exercise price</i> <b>10 cents</b> <b>12.5 cents</b> <b>15 cents</b> <b>6 cents</b>	<i>Expiry date</i> <b>1.12.06</b> <b>1.7.07</b> <b>1.11.07</b> <b>22.06.05</b>
7.8 Issued during quarter	33,333,333	-	<b>6 cents</b>	<b>22.06.05</b>
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....Date: 30<sup>th</sup> July 2004  
(Director/Company secretary)

Print name: GRANT MOONEY

## Notes

- 1 The monthly report provides a basis for informing the market how the entity's activities have been financed for the past month and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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