

AUSTRALIAN

RESEARCH

BLUE BOOK SERIES

Exploration Review

Quarterly

June 2006

The Resources Express: gold plated and nuclear powered

Contents

This is an extract from the June 2006 Quarterly Exploration Review.

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Breakaway Resources Limited

ASX Code: BRW

Core Commodities	Nickel, Copper, Gold
Price (as at 19-May-06)	\$0.07
Market Cap	\$36.0M
Cash (as at 31-Mar-06)	\$4.9M
Cash / Share	\$0.01
Shares Traded (\$M pa)	\$17.6M

Top Shareholders

Barmincio Pty Ltd	18.0%
LionOre	12.7%

Status:



Summary activity for the current quarter

	Quantity	Budget
Soil/Rock Chipping		
RAB		
RC/Diamond	5,000	\$0.5M
Assays	3,000	\$0.1M
Geophysics	EM	\$0.1M
Other	Target compilation	\$0.2M
Total Expenditure		\$0.8M

Miranda Project

Location	North and south of Agnew	RC and diamond program testing of surface EM conductors at Pinnacles
Commodity	Nickel / Copper	Prospect will recommence in May.
Style	Komatite Hosted / Nickel Sulphide	
Best Intersection	4 metres @ 0.71% nickel	

Eloise Project

Location	South East of Cloncurry QLD	A 3,000m RC/DDH drilling program is planned for the coming season to expand the Altia Pb-Ag-Zn prospect. The program will test geophysical targets identified along strike from the Eloise Cu-Au mine for potential repetitions. During March the 30% Net Profit Royalty of \$2.1M from the December quarter was received. The \$5.1M March quarter royalty will be paid by 30 June 2006.
Commodity	Copper / Lead	
Style	Shear Hosted / Broken Hill	
Best Intersection	39.6 m @ 8.1% Pb 30.6 g/t Ag	

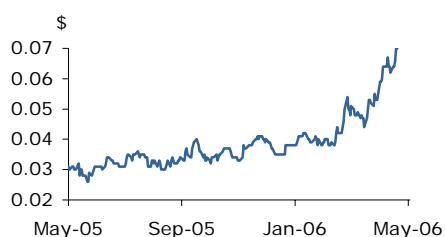
Kambalda West Project

Location	Spargoville WA	Ground EM survey completed on Yilima ultramafic belt and new targets identified for follow-up testing. Downhole EM anomalies were identified in recently completed RC holes that require follow-up drill testing. A 4000m RAB program completed in March to test gold geochemical targets. Results are pending but further testing of gold targets planned.
Commodity	Nickel / Gold	
Style	Komatite Hosted / Shear Hosted	
Best Intersection	2.97m @ 10.53% Ni	

Aegis Equities Comments

- Projects:** The RC drilling program at Miranda completed so far has indicated the presence of thick geological sequences favourable for nickel sulphide mineralisation. At Eloise six new gold and base metal targets have been identified by exploration work. BRW is increasing its focus on this location with field crew base being set up and additional geologists being recruited. At Kambalda West a gold anomaly has been identified, this and several newly identified surface targets warrant follow up work.
- Potential:** BRW has acquired LionOre's advanced WA nickel exploration assets. Combined with BRW's existing ground in WA and Queensland the company is now has to potential to become a significant mid-tier base metal producer. The WA tenements are located in an established nickel sulphide province, while the ground around Mt Isa and the Kimberley is also highly prospective. Revenue from the Eloise mine combined with a planned capital raising will enable the planned exploration work.
- Overall:** BRW is a highly focused, predominantly nickel explorer with three independently owned areas of operation: Kambalda West Nickel tenements (100%); Miranda Nickel Project (100%); and Eloise regional exploration (100%), plus the newly acquired LionOre assets. The March quarter Eloise royalty of \$5.1M reflects the high copper price being received. Mr Peter Buck is now the MD and CEO, an accomplished resources executive, he played a key role in taking LionOre from a market cap. of \$50M to \$1B.

Share price performance



Source: IRESS

no
photo
available

Peter Buck (Managing Director)
James Guy (Exploration Manager)
61 8 9278 6444

www.breakawayresources.com.au



Level 6, 33 York Street
Sydney NSW 2000 Australia
Locked Bag 7 Australia Square
Sydney NSW 1215
Phone 61 2 8296 1100
Fax 61 2 9299 3777
ABN 72 085 293 910
www.aer.com.au