

BLUE BOOK

RESOURCES SECTOR

Exploration Review

Quarterly

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Volume 1

Contents

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Breakaway Resources Ltd
ASX Code: BRW

Status:



Core Commodities	Copper, Gold, Nickel
Price (as at 06-Apr-04)	\$0.05
Market Cap (\$M)	20.9
Cash (\$M)	1.5
Cash / Share (\$)	0.00
Turnover (\$M pa)	35.1
Top Shareholders	
Barmingo Pty Ltd	23.06%
Sherrifmuir Holdings Pty Ltd	6.00%
ANZ Nominees Limited	1.99%

Summary activity for the current quarter	Quantity	Budget
Soil/Rock Chipping	1,000	\$0.04M
RAB	2,000 m	\$0.02M
RC/Diamond	5,000	\$0.45M
Assays	2,000	\$0.025M
Geophysics	EM Survey	\$0.1M
Other		
Total Expenditure		\$0.30M

Exploration Project 1: Eloise Mine

Location	65km south of Cloncurry QLD	The Eloise Mine produced 11,277 tonnes of copper-gold concentrate for the quarter at a total cost of US\$1.28/lb. Mine production was impacted by limited access to stoping areas and reduced ore haulage. Increased development provided new production areas by the quarter's end. Total costs reflected reduced production and the capital expenditure program. Subsequent to the end of the quarter, the Company announced the sale of the Eloise Mine to Barmingo Pty Ltd (subject to shareholder approval).
Commodity	Copper / Gold	
Style	Structurally Controlled / Copper-Gold Iron Oxide	
Best Intersection	22.80m @ 5.87% Cu, 1.25 g/t gold, 22.9 g/t Ag	

Exploration Project 2: Vivien Gold Project

Location	Agnew WA	Joint Venture partner Gold Fields has completed a global resource estimate which totaled 191,000 ounces at 4.0 g/t cut off. The Feasibility Study indicates that the project is robust and discussions are continuing with Goldfields on the optimal development strategy.
Commodity	Gold	
Style	Shear Hosted / Quartz	
Best Intersection	4.72m @ 24.21 g/t	

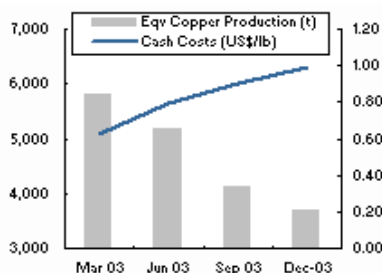
Exploration Project 3: Kambalda West Project

Location	Spargoville WA	Feasibility study at the 5A deposit is due for completion at the end of March 2004. Extensional drilling at the 5A deposit successfully located two nickel sulphide zones. Drilling at the 5B deposit located significant new nickel and gold mineralisation beneath the existing open pit. A resource upgrade is pending. Follow-up of significant anomalies at Yilmia located outcropping high grade nickel mineralisation. Airborne and ground geophysical surveys are underway.
Commodity	Nickel / Gold	
Style	Komatite Hosted / Massive Sulphide	
Best Intersection	2.97m @ 10.53% Ni, 4.11m @ 6.29% Ni	

Aegis Equities Comments

- **Projects:** BRW will maintain a 30% Net Profit interest in the Eloise Copper Mine following its sale, upon recoupment of the sale price of \$14.8M by the purchaser, Barmingo. Feasibility is nearing completion for mining the 5A Nickel Project, containing over 1,000t nickel in resource and conceptual mine planning of 5B has begun. Activity at Bannockburn will concentrate on increasing resources at the mine and environs. Feasibility is also progressing on the 191Koz Vivien Gold JV (GFA to earn 60%).
- **Potential:** The company is likely soon to become a nickel producer from the 5A Nickel Project and gold production also appears to be getting closer at the Vivien deposit. Significant high grade nickel and gold drill results at 5B have made it necessary to revise the resource model of the deposit with high expectations of an upgrade. The Bannockburn Shear Zone provides potential below transported overburden that has not been substantially penetrated with previous drilling.
- **Overall:** BRW's business plans have been revised following the sale of the Eloise Copper Mine with its other activities coming to the fore. The focus is now on: commencing nickel production at Kambalda West, expanding nickel resources and building gold production and resources at existing sites. It is positive that the risk of sustained operating losses has been removed. BRW's equity share of gold resources has increased this year to 646.4Koz, including Bannockburn and Miranda.

Share price performance



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Source: Bloomberg

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