

AUSTRALIAN

RESEARCH

BLUE BOOK SERIES

Exploration Review

Quarterly

July 2004

Exploration expenditure momentum continues

Contents

This is an extract from the July 2004 Quarterly Exploration Review.

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Breakaway Resources Ltd
ASX Code: BRW

Status:



Core Commodities	Copper, Gold, Nickel
Price (as at 29-Jun-04)	\$0.05
Market Cap	\$21.0M
Cash (as at 23 June 04)	\$3.5M
Cash / Share	\$0.01
Turnover (pa)	\$38.0M

Top Shareholders

Barmenco Pty Ltd	23.06%
LionOre	14.0%
Sherrifmuir Holdings Pty Ltd	5.17%

Summary activity for the current quarter	Quantity	Budget
Soil/Rock Chipping	1,200	\$0.02M
RAB	2,000 m	\$0.02M
RC/Diamond	3,500 m	\$0.15M
Assays	4,000	\$0.04M
Geophysics	EM Survey	\$0.1M
Other		
Total Expenditure		\$0.33M

Exploration Project 1: Bannockburn

Location	65km north west of Leonora WA	Bannockburn gold resources have increased to 433,000 ounces; further drilling is warranted as part of a scoping study. Base metal JV partner Jubilee is undertaking regional sampling and drilling programs adjacent to known nickel occurrences.
Commodity	Nickel / Gold	
Style	Massive Sulphide / Shear Hosted	

Best Intersection

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	

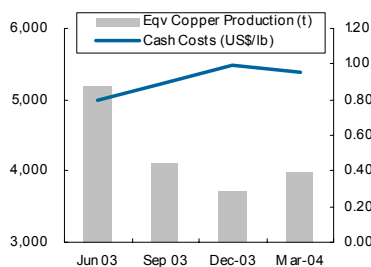
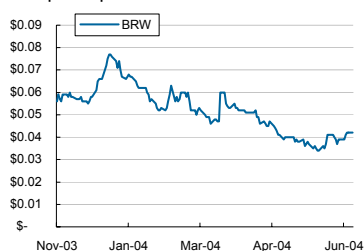
Exploration Project 3: Kambalda West Project

Location	Spargoville WA	Feasibility study at the 5A deposit indicated further metallurgical optimisation is required. 5B deposit resource upgrade is due by mid-June. Ground EM survey completed over the Burnam prospect at Yilmia located several conductors which will be drill tested in June. A ground EM survey is planned for the new Kemble prospect at Yilmia in June to define drilling targets.
Commodity	Nickel / Gold	
Style	Komatite Hosted / Massive Sulphide	
Best Intersection	2.97m @ 10.53% Ni	

Aegis Equities Comments

- **Projects:** The final stages of the 5A Nickel BFS of metallurgical test work and treatment optimisation are well in hand. Exploration at 5B (1.0km south) is also progressing well with a resource upgrade due and consideration of development simultaneously with 5A. Bannockburn has moved to the stage of Mining Option Study. BRW will maintain a 30% Net Profit interest in the Eloise Copper Mine, upon recoupment of the sale price of \$14.8M by the purchaser, Barmenco.
- **Potential:** Details and timing of nickel production will become apparent on the completion the 5A BFS, due in 2H04. Co-development of 5B would be beneficial in terms of scale and operating costs. Gold production also appears to be getting closer at the Vivien deposit. The Bannockburn Shear Zone provides potential below transported overburden not substantially penetrated with previous drilling.
- **Overall:** BRW has had to switch its primary focus from copper mining to exploration for nickel and gold due to the high costs and liabilities of the Eloise mine. The focus is now on the expansion of nickel and gold resources, the nickel BFS forward, and raising equity to fund the business. A placement was completed on 23 June to LionOre at a price of 4.6c, raising \$3.0M. 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: IRESS

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