

# Diversity the key for junior

During the past 12 months West Australian-based Breakaway Resources Ltd has not lost sight of its corporate strategy to become a diversified producer with a focus on value creation.

The company has four main exploration plays currently in train, each containing plenty of upside plus the added potential to become a significant cash cow for the junior.

During the September quarter Breakaway announced it had stepped up field activities for its Bannockburn gold and nickel play, located 67 kilometres north west of Leonora in its home state of WA, where the junior controls some 350 square kilometres of tenements around the historic Bannockburn mine.

Last year Breakaway's managing director Michael Mulroneo told the Mining 2003 audience that the prospect represented the second leg of the company's nickel strategy, where an ultramafic contact along 100 km of strike was providing plenty of incentive to increase field activities.

The junior's base metal joint venture partner at Bannockburn is dynamic mid-tier WA mining house Jubilee Mines NL, which is earning 70% in the project and has undertaken geophysical and drilling programs over several nickel areas.

In terms of the project's gold potential,

Breakaway has started a scoping study to look at the development options for its 433,000 oz resource.

During September Mulroneo told the ASX that the document should be completed by December, with the exploration of newly-generated structural targets within the Bannockburn shear zone set to begin with an extensive SAM geophysical survey in areas of extensive cover.

The Bannockburn shear has historically yielded over 300,000 gold oz.

Meanwhile Breakaway's other gold project – Vivian (situated 125 km north west of Leonora) – is also gaining some legs, with the company reviewing a detailed report compiled by Agnew Gold Mining Company Pty Ltd into the proposed redevelopment of the Vivian mine.

Located just 7 km from Gold Field Ltd's Agnew mill, Vivian produced 112,000 oz from an underground operation during the early 1900s and was later redeveloped by the now-gone Australian mining house Goldfields Ltd.

The junior's major nickel undertaking is Kambalda West, a project which covers around 30.5 km of real estate over three separate blocks.

A deep RC and diamond drilling program has been conducted on the Spargoville target to look at extensions to the 5A, 5B and

Andrews deposits. This will be followed up by down hole EM surveys, which are due to be wrapped up some time in November.

Breakaway's final project is the Eloise copper play in Queensland, which covers several major structural corridors along the eastern margin of the Mt Isa block.

The junior explorer is currently seeking JV partners to help develop the copper-gold and lead-zinc exploration targets on the 245 sq km it currently holds.

Last year Mulroneo told Mining 2003 delegates that Breakaway was very much focused on margins and value.

He also described the company's story as unique, saying it offered punters a multi-commodity exposure.

"We don't want to be the largest of anything – we don't want to be looked at in terms of producing 100,000 oz, 150,000 oz or 250,000 Mulroneo explained.

"We are very much driven by value and the margin we can get out of these businesses."



▲ Michael Mulroneo