

Early lesson in the importance of critical evaluation puts geologist on discovery trail

By Mark Fraser

Soon after graduating with a science degree (with honours) from Monash University in the late 1980s, Breakaway Resources Ltd's chief executive David Hutton received the professional chance of a lifetime when he was given free geological access to one of Australia's best known mines.

At the time Hutton was employed by MIM Holdings, where his initial brief was to work as a production geologist on Mount Isa's 1100 copper deposit.

He soon found himself under the supervision of renowned Mt Isa geologist Bill Perkins, who was completing what eventually became a controversial thesis on the origins of the mine's lead-silver-zinc mineralisation as part of his PhD.

Aside from carrying out various underground duties around the operation, Hutton assisted Perkins with his research – something which gave him the chance to fully explore Mt Isa's endless labyrinth of tunnels, old workings and world class geology.

On top of becoming familiar with one of the country's largest base metals operations, the experience also helped the young rock kicker learn to make a distinction between scientific facts and interpretation.

"Bill was first and foremost about letting the rocks tell the story for themselves by making very detailed observations of the rocks and underground exposures," Hutton recalled.

"His thesis ended up causing something of a ruckus at MIM because it opposed what were, at the time, accepted commonly held wisdoms about the deposit.

"However, the real problem was that some people attacked the individual (Perkins) without critically examining

the evidence which he was presenting.

"It became obvious to me that there is a very big difference between attacking the messenger as opposed to critically looking at the science behind what is being said.

"At the end of the day, when you are searching for deposits, you must find the clues within the rocks themselves.

"So you've got to look at the drill core, you've got to look at the rock samples, you've got to look at your data and you've got to let the data speak for itself.

"As a graduate, I was fortunate to be able to go anywhere and everywhere throughout the Mt Isa mine, which was a fantastic and unique learning experience."

Great outdoors

Armed with this knowledge, the Victorian-born Hutton then spent the next five years out in the field as part of MIM's exploration arm looking for base metal and gold deposits in North West Queensland, Western Australia's Great Sandy Desert and, briefly, in Argentina as part of the company's efforts at the time to find small, secondary copper deposits amenable to heap leaching.

Having had enough of working for a big multinational by 1996, he then joined the WA-based Forrestania Gold, whose exploration effort was headed by veteran geologist Peter Buck.

Hutton was given a \$500,000 budget,

a Toyota Landcruiser, a field assistant and a single instruction – to find a deposit.

After several stints following up gold prospects in the Ravensthorpe and Lake Johnston districts of southern WA, he oversaw the drilling of a series of surface gold anomalies east of the old Goanna Patch and Double A mine south of Leinster in the state's Northern Goldfields.

"I went up there with Marcus Harris (who was managing director of Forrestania Gold's joint venture partner Dalrymple Resources) in mid 1996 and we inspected a number of historic low level gold surface anomalies and subsequently found, through follow-up rock chip sampling and RAB drilling, a series of small oxide gold deposits that – as we followed the trend southwards – highlighted an area several kilometres to the south as an area of interest, Hutton explained.

"Due to substantial surface cover, the area had not been effectively tested by past geochemical sampling.

"So the idea was to obtain bedrock information by drilling a line of reconnaissance RAB holes along a fence line through the target area, one of which intersected 4 metres at 1.4 grams/tonne gold from 32m and associated arsenic anomalism.

"This was the initial anomaly that Forrestania Gold subsequently revisited

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David Hutton

about a year later, which resulted in the delineation of the 2 million ounce Thunderbox gold deposit.”

Following the drilling of the original anomalous RAB hole, Hutton moved briefly across to Canadian company Viceroy Resource Corporation when it bought Forrestania Gold's Bounty gold mine in WA at the end of the 1990s.

He then joined the original Western Metals group in 2000, where he worked at the Lennard Shelf operations in WA's Kimberley region. By 2003, when the resources house slumped into receivership, Hutton was the company's chief geologist for the operations.

After this, he re-teamed with Buck, who by now was part of the LionOre Australia stable, and became involved in the search for nickel and copper in WA's East Kimberley with JV partner Thundelarra Exploration Ltd. Some of this original ground remains within Breakaway's portfolio today.

Within a couple of years both men were with the exploration-driven

Breakaway Resources, with Hutton eventually taking on the role of CEO at the start of 2009 following Buck's departure.

As it stands, Breakaway has three target areas – the above-mentioned copper-nickel holdings in the East Kimberley, substantial nickel and gold ground in WA's Eastern Goldfields, as well as the Eloise copper-gold and lead-silver-zinc project in Hutton's old stomping ground east of Mt Isa.

Maintaining focus

While the rock kicker has something of an affinity with all of the project areas (having worked them during previous chapters in his career), he says the company's top priority is its nickel sulphide search throughout the Eastern Goldfields.

Like many other juniors, Hutton said, the company had spent the last year streamlining and focusing its activities in response to the global financial crisis.

During this time, it has also managed to build on its success in the field, establishing an inferred resource for extensions to the previously mined 1A nickel deposit of 142,000t at 2% nickel for 2,900t of contained metal in WA, as well as an inferred resource of 5.78 Mt at 3.96% lead, 40.3 g/t silver and 0.49% zinc at its Altia deposit in Queensland.

“The key for the company moving forward is to keep our focus very tight,” Hutton explained.

“Breakaway's primary aim is the discovery of a stand-alone nickel deposit of no less than 30,000t of metal in reserve at a grade of 3% or greater, because a deposit of that size will be sufficiently robust, generally, no matter what the nickel price is.”

Bright outlook

Although he enjoyed his formative years at MIM, Hutton said he liked the cut and thrust of being in a junior company with a small close knit team – even if it meant he now spent more time in the office than out in the field.

“A priority for us right now is to attract and bring funding to projects so we can explore them at the required level,” he added.

“Right now we are evaluating a number of options ranging from rights issues and placements, to establishing joint ventures and strategic partnerships.

“Aside from Breakaway, the last year – to be honest – has been very much focused around a quite different, but rewarding, challenge of raising, with my wife Rachel, our one year old son Angus.”

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