



# Kambalda West Project Development and Drilling Update

9 October 2003

## Highlights

- Resource established for 5B Nickel Project
- Drilling of down hole geophysical targets at 5A Nickel Project commences

### 5B Nickel Project

Breakaway Resources Limited today is pleased to announce an inferred geological resource at the 5B Deposit within the Company's Kambalda West Project centred on Spargoville, 20 kilometres west of Kambalda.

The 5B Nickel Project is located approximately 1 kilometre to the south of the Company's 5A Nickel Project. 5A is currently the subject of a feasibility study. Breakaway's intent is to build a significant nickel sulphide production profile from the Kambalda West Project. Breakaway holds 30.5 km<sup>2</sup> of highly prospective tenements in this nickel province.

The 5B nickel deposit was discovered by Selection Trust who completed surface diamond drilling and constructed a small exploration decline to advance underground drilling. In the late 1990's a oxide gold resource associated with the nickel mineralisation was mined. Following the compilation of previous surface and underground drilling data with recent in pit sampling programs, nickel mineralisation has been defined by Breakaway over a strike length of approximately 120 metres and to a vertical depth of 175 metres.

The deposit remains open at depth. The mineralisation occurs as multiple lenses that have been displaced by later faulting. Breakaway has defined the following Inferred Resource for the 5B Nickel Project:

| Nickel            | Tonnes  | Grade (Ni %) | Contained Metal (tonnes) |
|-------------------|---------|--------------|--------------------------|
| Inferred Resource | 195,000 | 1.80         | 3,500                    |

Associated with the nickel mineralisation is a cross cutting gold bearing shear zone the upper levels of which were previously mined by a shallow open pit. Based on historic drill data a separate inferred resource for this discrete zone has been calculated as follows:

| Gold              | Tonnes | Grade (Au g/t) | Contained Metal (ounces) |
|-------------------|--------|----------------|--------------------------|
| Inferred Resource | 49,000 | 1.9            | 3,000                    |

This first pass assessment of the known 5B resource by Breakaway has highlighted several targets that require follow up drill testing.

A high priority target area exists directly below the existing oxide gold pit and the top of the resource model. This zone and the down plunge continuation of the 5B resource remains untested.

A program to test these targets is planned for the near future.



### **Drilling Recommences at 5A Nickel Project**

Diamond drilling has recommenced at the 5A Nickel Project to obtain ore material for further metallurgical testwork and to test the two down-hole Transient Electromagnetic (DHTEM) off hole conductors reported previously.

One target is located in a deep footwall position and may represent a remobilised sulphide body or a new channel position within the favoured contact zone. The second target position was detected down dip from the previously drilled 5ADD04 (1.04 metres grading 5.4% Ni) suggesting that this hole may have intersected the edge of a second nickel sulphide body.

Yours faithfully



Michael Mulroney  
Managing Director

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by James Guy who is a Member of The Australian Institute of Geoscientists. James Guy is a fulltime employee of the Company. James Guy has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 1999 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'. James Guy consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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