



# Drilling Success at Kambalda West

9 November 2004

## Highlights

Breakaway Resources Limited ("Breakaway") is pleased to announce the initial results from the current diamond drilling program at Spargoville at the Company's Kambalda West Project Area.

- Three diamond drill holes completed at the 5B deposit have intersected zones of massive and disseminated nickel sulphides with grades to 7.7% nickel.
- Initial results defining further trough positions for follow up EM testing for massive sulphide accumulations.
- Continuation of the primary ore zone of the 5B deposit below 200 metres vertical depth confirmed.
- Diamond drilling underway at the 5A and Andrews deposits.

## Spargoville Project

At Spargoville, a 7 hole diamond drilling program is in progress within the 5A, 5B and Andrews nickel deposit's environs. The program is designed to identify further trough positions which will lead to further high grade mineralisation by testing target areas below and adjacent to the existing 5A, 5B and Andrews deposits and allow for future down hole geophysical programs.

At the 5B Project, a total of three (3) diamond drill holes have been completed to test for extensions to the nickel sulphide mineralisation at depth below the currently defined resource of 261,500 tonnes grading 1.85% nickel.

All three holes, 5BDD009–5BDD011, successfully intersected massive and/or disseminated nickel sulphide mineralisation in a basal contact position at approximately 250 metres vertical depth, some 75 metres below the existing resource. Significant assays for these drill holes are summarised below with full results appended in Table 1:

Hole 5BDD009 2.90 metres grading 0.47% nickel,  
Hole 5BDD010 1.50 metres grading 1.86% nickel including 0.30 metres grading 7.70% nickel, and  
Hole 5BDD011 1.25 metres grading 1.56% nickel including 0.65 metres grading 2.42% nickel

Hole 5BDD009, intersected a 2.9 metre zone of disrupted disseminated and matrix nickel sulphides in an interpreted sheared channel margin setting. The nickel mineralisation is accompanied with anomalous gold values (up to 0.78g/t) indicating that the mineralisation may have been remobilised along a shear structure.

The central hole, 5BDD010, intersected an undisturbed basal contact sequence including a 0.3 metre zone of massive nickel sulphide with overlying disseminated sulphides. The narrow massive sulphide zone also reported elevated PGM values of 1.13g/t Pt+Pd with low arsenic content.

The southern most hole, 5BDD011, intersected an undisturbed basal contact sequence including 0.6 metres of massive and matrix nickel sulphides some 50 metres further to the south demonstrating a broadening of the target "channel".





## Future Potential

The drilling program is continuing with the planned holes at the 5A deposit and the Andrews deposit underway and expected to be completed within the next two weeks. All holes will be cased in preparation for DHEM geophysical surveying to be completed at the completion of the current drilling.

Breakaway is extremely encouraged by these results which indicate the potential of the mineralised 5B structure with increasing depth (Figure 1). The continuing presence of massive nickel sulphide mineralisation demonstrates that the mineralised environment remains conducive to further economic accumulations of nickel sulphides at depth and greatly enhances the potential for identification of further resources to add to the existing resource base. The current intersections are located at approximately 250 metres vertical depth with comparable deposits on the Kambalda and Widgemooltha Domes known to extend to 800 - 1,000 metres in vertical extent.

These results will be added to the existing data being used for the mining feasibility study currently being undertaken at Spargoville where Breakaway seeks to establish a combined resource base for regional mining operations.

Existing offtake arrangements for any production have been established with new major shareholder and international nickel producer, LionOre Australia Pty Ltd.

Yours faithfully

**MICHAEL MULRONEY**  
Managing Director

**Table 1**  
**5B DIAMOND DRILL HOLE RESULTS**

Hole ID	AMG North	AMG East	AMG RL	Azi	Dip	From (m)	To (m)	Interval (m)	Ni (%)
5BDD009	6528633	357410	340	090	-60	292.60	295.50	2.90	0.47
5BDD010	6528604	357383	340	090	-60	320.05	321.55	1.50	1.86
					<i>Incl.</i>	<b>321.25</b>	<b>321.55</b>	<b>0.30</b>	<b>7.70</b>
5BDD011	6528554	357407	340	090	-60	294.50	295.75	1.25	1.56
					<i>Incl.</i>	<b>295.10</b>	<b>295.50</b>	<b>0.40</b>	<b>1.41</b>
					<i>and</i>	<b>295.50</b>	<b>295.75</b>	<b>0.25</b>	<b>4.05</b>

**Note:** No SG weighting of nickel grades  
Nickel assays were by multi acid digest with Inductively Coupled Plasma Optical Emission Spectrometry finish.





**Figure 1**

