

Kambalda West Project Further High Grade Nickel Drill Results From 5A

26 June 2003

Breakaway Resources Limited has received the results from the final two diamond drill holes from the initial drilling program at the wholly owned 5A Nickel Prospect at Spargoville. The excellent results will accelerate scoping studies into the redevelopment of the 5A open pit to produce both oxide and sulphide ore for treatment at regional facilities.

The Spargoville tenements are within the Kambalda West Project area located approximately 20 kilometres west of Kambalda and 5 kilometres north of Widgiemooltha in the Eastern Goldfields.

The diamond drilling program has confirmed both the results from vertical RC holes previously drilled from the bottom of the 5A open pit and the continuity of the mineralised contact. The three diamond holes all successfully intersected significant high-grade nickel sulphide mineralisation confirming the postulated structure and extending the mineralised zone down plunge to the north.

Hole 5ADD02 intersected 3.27 metres grading 5.33% nickel, 0.34 g/t palladium and 0.18 g/t platinum from 73.65 metres with Hole 5ADD03 intersected 2.97 metres grading 10.53% nickel, 0.26 g/t palladium and 0.31 g/t platinum from 68.00 metres.

Kambalda West Project – Spargoville 5A Prospect Diamond Drill Hole Results

Hole ID	Northing	Easting	RL	Azi	Dip	TD (m)	From (m)	To (m)	Width (m)	Ni (%)	Pd (g/t)	Pt (g/t)	Au (g/t)
5ADD01	30030.50	7826.37	348.0	270	-57	90.1	65.65	69.76	4.11	6.29	1.56	0.16	0.75
						incl	67.00	69.46	2.46	8.83	2.52	0.27	1.36
5ADD02	30057.40	7831.71	346.7	270	-57	96.1	73.65	76.92	3.27	5.33	0.34	0.18	0.07
5ADD03	30090.30	7838.00	345.1	270	-54	83.9	68.00	70.97	2.97	10.53	0.26	0.31	0.06

Geological and resource modeling on the 5A deposit, which is located immediately beneath the floor of the existing 5A open pit, has commenced. The Company expects to undertake additional resource drilling at the 5A and 5B prospects during the next quarter.

Further metallurgical test work to verify the optimum process route for both the oxidised and sulphide ore types is underway. The Company envisages that this work, together with negotiations with interested regional processing facilities, can be rapidly advanced to provide the basis for an early development decision.

The potential reopening of the 5A open pit operation will continue the cash flow generation from the Kambalda West Project following the recent sale of stockpiled of oxidised nickel ore to OMG Cawse Pty Ltd for processing through the Cawse Plant.

Yours faithfully



Michael Mulroney
Managing Director

Mr James Guy, MAusIMM, Exploration Manager of Breakaway Resources Limited, compiled the technical aspects of this report. Mr Guy has sufficient experience which is relevant to this style of mineralisation and type of deposit under consideration and to the activity which is being reported on to qualify as a Competent Person as defined in the Australasian Code of Reporting Mineral Resources and Reserves. Mr Guy has consented to the inclusion in this report of the matters reported in and the context in which they appear.