



16 March 2007

POSITIVE DRILL RESULTS AT ST ANDREWS PROSPECT ENHANCE OPPORTUNITIES AT SCOTIA NICKEL PROJECT

KEY POINTS

- **Several new developments - including positive assay results for 2 RC percussion holes at the St Andrews nickel prospect – further elevate status of Breakaway’s Scotia Nickel Project near Kalgoorlie in Western Australia.**
- **In addition, confirmation of an additional parallel mineralised contact to the west of the mineralised St Andrews-St Patricks line boosts the potential of the region.**
- **Pace of exploration to be substantially increased with a view to identifying near term development opportunities.**

Breakaway Resources Limited (ASX: BRW) is pleased to announce a number of new developments - including positive assay results for two RC percussion holes drilled at the northern end of known mineralisation identified at the St Andrews nickel prospect - further enhancing the company’s **100% owned Scotia Nickel Project**, located 65 kilometres north of Kalgoorlie in Western Australia (Fig.1).

Results of the two holes (06BSGC0003 and 06BSGC0004) drilled at the northern end of the known mineralisation (Fig. 2) discovered by earlier drilling are summarised below:

**06SGC0003 Basal contact: 2 metres @ 3.17% nickel from 171 metres
Hanging wall: 4 metres @ 0.71% nickel from 161 metres**

06SGC0004 Basal contact: 7 metres @ 0.80% nickel from 224 metres

The basal contact intersection in 06BSGC0003 appears to comprise primary stringer–massive sulphides and is significant in that it increases the strike length of the better grade mineralisation (2.00 - 5.80% nickel) to in excess of 100 metres (Fig. 3) and demonstrates the scope for higher grades and improved widths.

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The St Andrews Prospect is located 15 kilometres north of the Scotia nickel mine (Fig. 1) that produced 14,700 tonnes of nickel at an average grade of 2.2% nickel before its closure in 1977. Previous wide spaced drilling at St Andrews had identified broadly distributed nickel sulphides over a 200 metre strike extent and 300 metres down dip.

The St Andrews prospect forms part of a large mineralised system which includes the St Patricks nickel deposit, approximately 600 metres to the north (Fig. 2), where a JORC compliant inferred resource of 135,000 tonnes at a grade of 3.7% nickel has been defined.

Breakaway's Managing Director, Mr Peter Buck said the Scotia Project had emerged as the company's highest priority nickel project.

"The Scotia Project in total covers nickel prospective geology over a strike length of around 40 kilometres and represents a high strategic priority for Breakaway by virtue that it is significantly mineralised and only sparsely explored," Mr Buck said. "It therefore presents excellent scope for the discovery of additional nickel sulphide occurrences and represents a favourable prospect for possible near term development."

"We intend to substantially step up the pace of exploration at the Scotia Project commencing with RC drilling which is scheduled to get underway later this month," he added.

Western Trend

The discovery potential for nickel deposits in the St Andrews- St Patricks region has been further enhanced by the confirmation of an additional prospective trend 250 metres to the west of the St Patricks-St Andrews trend (Fig. 2) characterised by anomalous nickel geochemical signatures and a TEM anomaly which have not yet been tested by drilling.

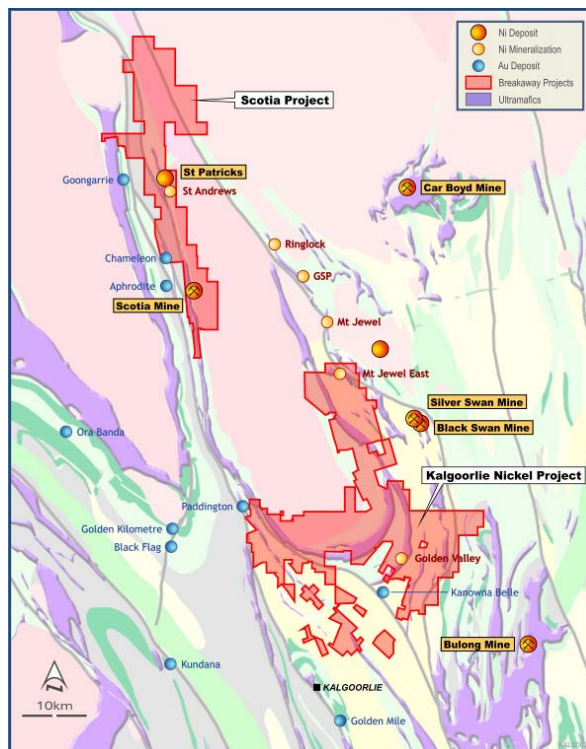


Figure 1. Kalgoorlie Geology and Location of the Scotia and Kalgoorlie Nickel Projects

The western mineralised trend received only scant attention in historical exploration notwithstanding that sparse drilling intersected 2.45 metres @ 0.80% nickel from 72 metres in hole DND2003-005 and surface TEM located a conductor some 500 metres to the south (Fig. 2).

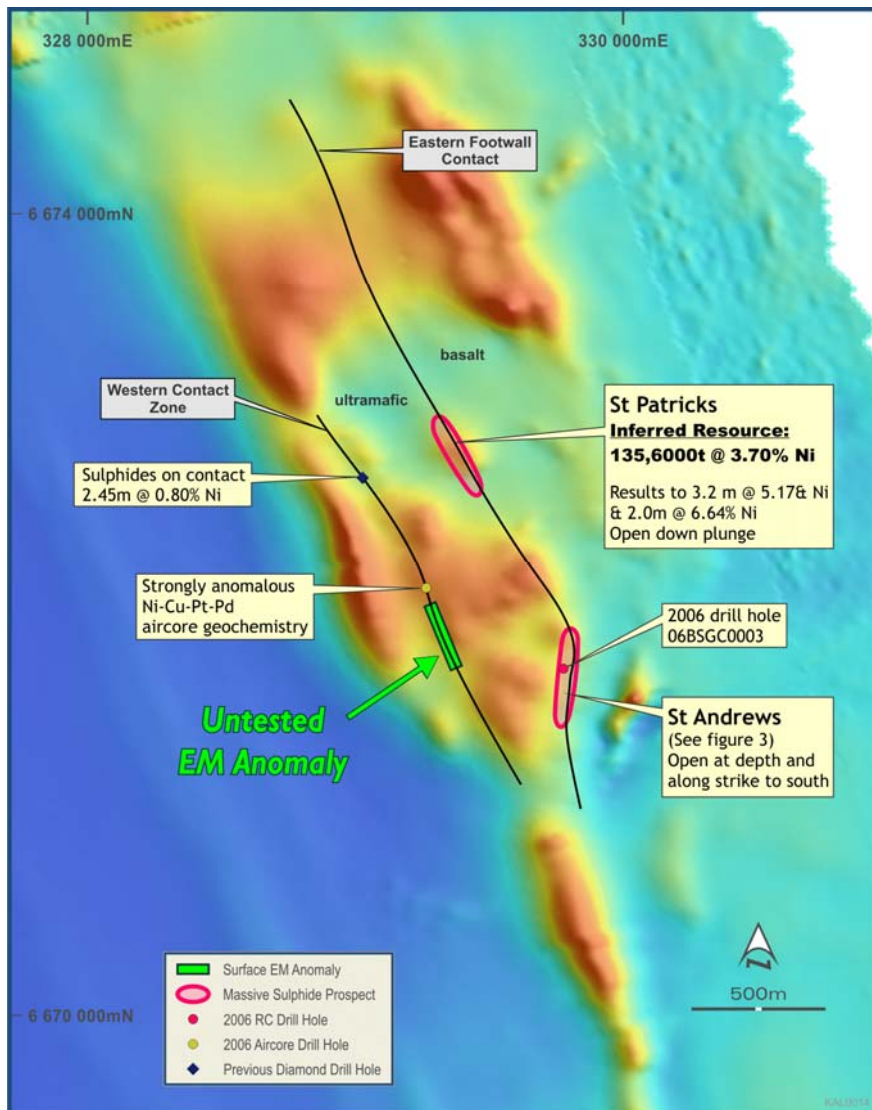


Figure 2. Plan showing St Patricks and St Andrews Prospects and Western Contact Targets

Recent aircore drilling by Breakaway added strength to the potential importance of the TEM geophysical anomaly by intersecting anomalous nickel – copper – platinum group elements (06BSGA0068 intersected 16m @ 0.41%Ni, 1280 ppm Cu, 430 ppm combined Pt & Pd) in the weathered zone, immediately to the north of the anomaly.

This contact and associated anomalies are considered by Breakaway to be high priority exploration targets for drilling.

Exploration Strategy

Breakaway's future exploration strategy at the Scotia Nickel Project comprises several broad thrusts aimed at identifying near term development opportunities, including:

- infill drilling of large gaps in the St Andrews drill coverage as well as drilling of downhole EM anomalies to the south (Fig. 3);
- exploring for nickel extensions and new positions on the St Andrews- St Patricks line where a series of parallel mineralised trends have been identified;
- RC drilling of nickel targets west of St Andrews-St Patricks; and
- deeper drilling beneath the essentially untested Scotia deposit where recent work located a downhole EM conductor which requires follow up diamond drilling.

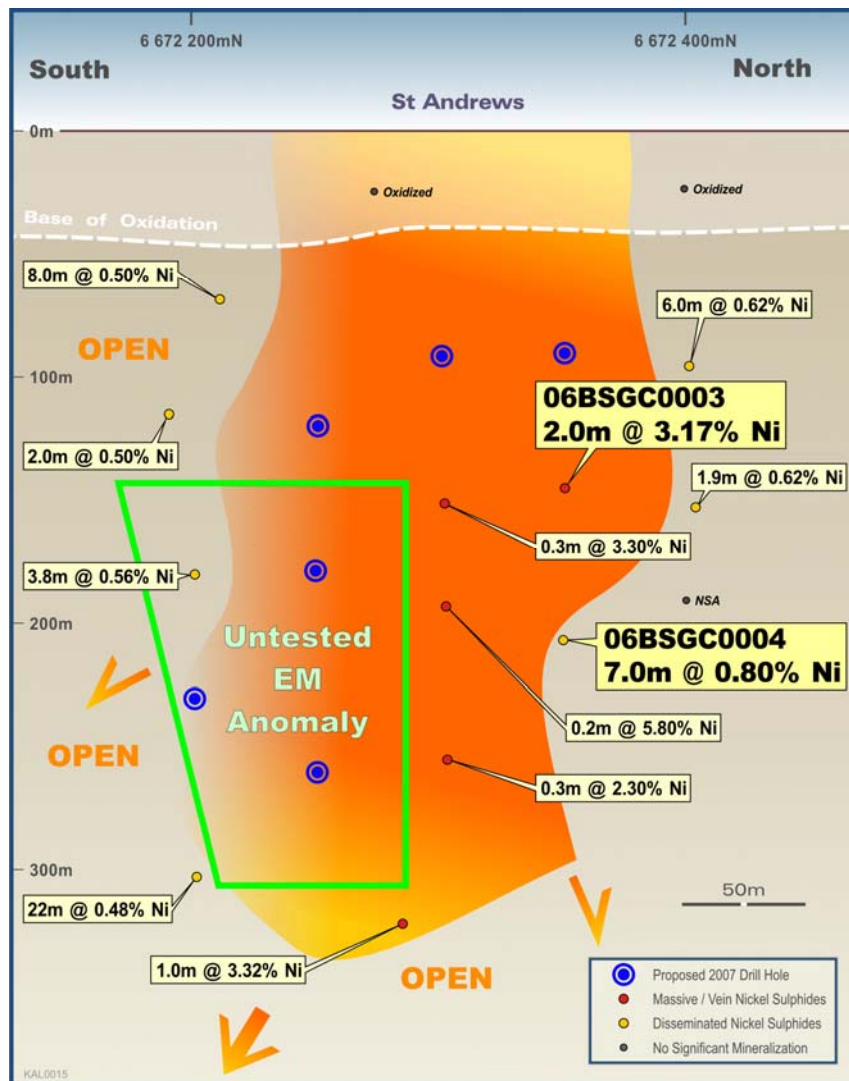


Figure 3. St Andrews Longitudinal Section with Recent Drill Hole Intersections



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Background Information:

Breakaway Resources Limited (ASX: BRW) is one of Australia's leading nickel and base metal exploration companies, with commanding strategic ground holdings covering some of Australia's most prospective nickel and base metal provinces.

In August 2006, Breakaway finalised the acquisition of a premium portfolio of Australian nickel exploration assets from LionOre Mining International Ltd for A\$10.55 million, augmenting its existing exploration portfolio and repositioning the Company as a substantial base metal company.

Breakaway has committed to a minimum \$6 million per annum exploration budget to pursue intensive exploration programs within this portfolio, which covers a combined area of approximately 3,700km² in the Eastern Goldfields and East Kimberley regions of Western Australia, as well as extensive exploration interests surrounding the Eloise Copper Mine in North Queensland.

Breakaway also holds a 30% net profit royalty interest in Eloise Copper Mine, with royalty earnings for the 2005/06 totalling approximately \$14.15 million. With a strong cash position in excess of \$20 million and a continuing cash flow from the Eloise royalty, Breakaway is well placed to realise its vision of targeting the next generation of major base metal discoveries in Australia.

Competent Persons Statement:

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Peter Buck (Managing Director) and Mr David Hutton (Exploration Manager), both full time employees of the Company. Mr Buck and Mr Hutton are members of the Australasian Institute of Mining and Metallurgy (AusIMM) and have sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

All Reverse Circulation drill hole results were obtained from analysis of 1 metre samples. All Aircore results were obtained from 4 metre composite samples. Sample quality in both cases was good and dry. All samples were prepared and analysed at UltraTrace's Perth facility using dual stage crush and pulverisation. Analysis was by four acid digest and ICP/OES finish (ICP102, Ni, Cu, Cr) and fire assay/ICPMS finish (FA003, Au, Pt, Pd).

The location of drill holes were determined using a handheld GPS achieving +/- 4 metres accuracy and reading AMG co-ordinates (AGD84, Zone 51 datum). Downhole surveys were conducted on the RC holes every 30 metres downhole using an Eastman single shot survey camera.

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