

21 October 2009

## BREAKAWAY TO RECOMMENCE NICKEL DRILLING AT SCOTIA PROJECT

### KEY POINTS

- **2,000 metres diamond drill programme planned to test down plunge extensions to Western Contact mineralisation at Saints Nickel Target**
- **Drilling to commence by early November 2009**

Breakaway Resources Limited (ASX: BRW) is pleased to announce that a 2,000 metre Diamond drilling programme will be carried out to further test its high priority Western Contact prospect, which forms part of the Company's Saints Nickel Target (100% owned Scotia Project) located 70 kilometres northwest of Kalgoorlie (Figure1).

Located 15 kilometres north of the Scotia Nickel Mine (historic production ~14,700t nickel metal), nickel sulphide mineralisation at the Saints is present as a series of sub-parallel planar zones developed along a strongly sheared eastern and western ultramafic/basalt contact (Figure 2 and 3) termed the Eastern and Western Contact respectively.

On the Eastern Contact, previous exploration has located two mineralised zones located 400 metres apart - St Andrews and St Patricks (A Mineral Resource of 135,600t @ 3.70%Ni for 5,000t Ni metal and categorised as an Inferred Resource was reported for St Patricks in accordance to the JORC Code guidelines in 2006).

The Western Contact was discovered by Breakaway in 2007 following up anomalous aircore geochemistry. Subsequent drilling over 600 metres strike extent located +1% nickel sulphides in a large number of holes with grades up to 6.29% Ni. A north plunging zone of higher grade matrix sulphides was defined at the southern end of the Western Contact (Figure 4). The zone has been drilled on nominal 50 metre centres over approximately 150 metres strike length to a vertical depth of 180 metres and remains open in all directions. Significantly the zone displays "pinching and swelling" of mineralisation and includes the following intersections:

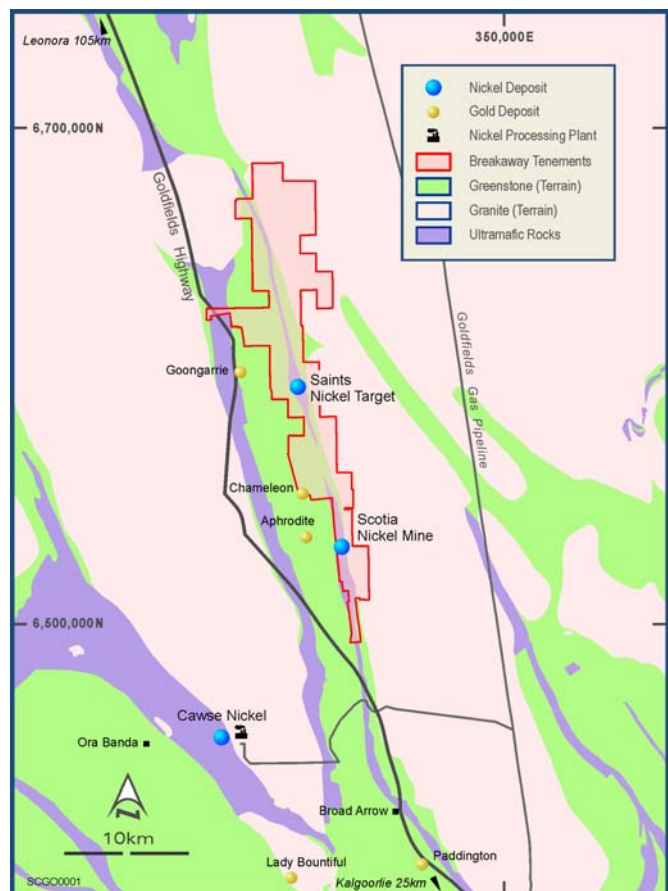


Figure 1: Scotia Project Tenement Location Plan

- 07BSGD0047 – 1.90m @ 3.10% Ni from 78.75 metres (incl. 0.30m @ 5.29% Ni from 87.75 metres)
- 07BSGD0048 – 27.45m @ 1.8% Ni from 143.05 metres
- 07BSGD0055 – 4.8m @ 2.81% Ni from 114.70 metres

The drill programme will test the Western Contact's north plunging zone for a further 50 metres along strike, 150 metres down plunge to a vertical depth of 280 metres and enable the reinterpretation of several previously obtained DHTEM conductors that are present within the mineralised zone. The Western Contact represents an exceptional opportunity for the Company to rapidly delineate additional nickel sulphides down plunge from the known mineralisation.

Breakaway views this programme as a key development in realising its primary corporate objective of discovering a stand alone nickel sulphide deposit of no less than 30Kt nickel metal @ 3% Ni (in Reserve) and looks forward to carrying out additional drilling based on success in the initial programme.

Drilling is scheduled to commence by early November 2009.

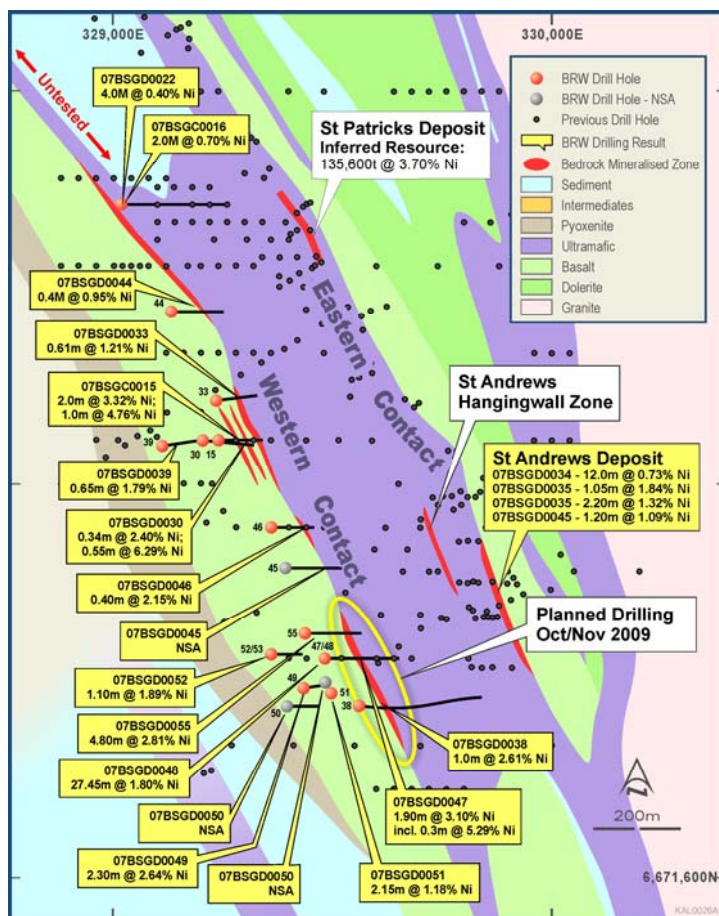


Figure 2: Saints Nickel Target – Geological Plan

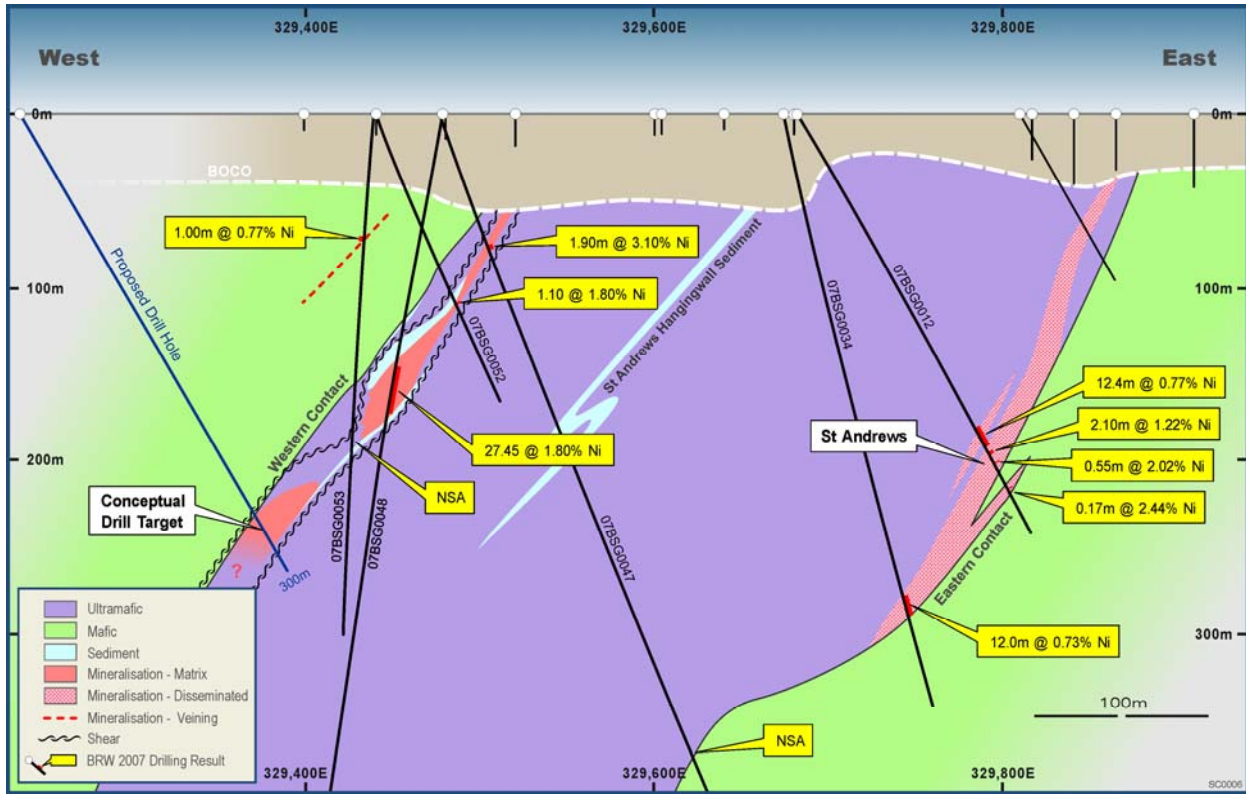


Figure 3: Saints Cross Section 6,672,100N (AMG)

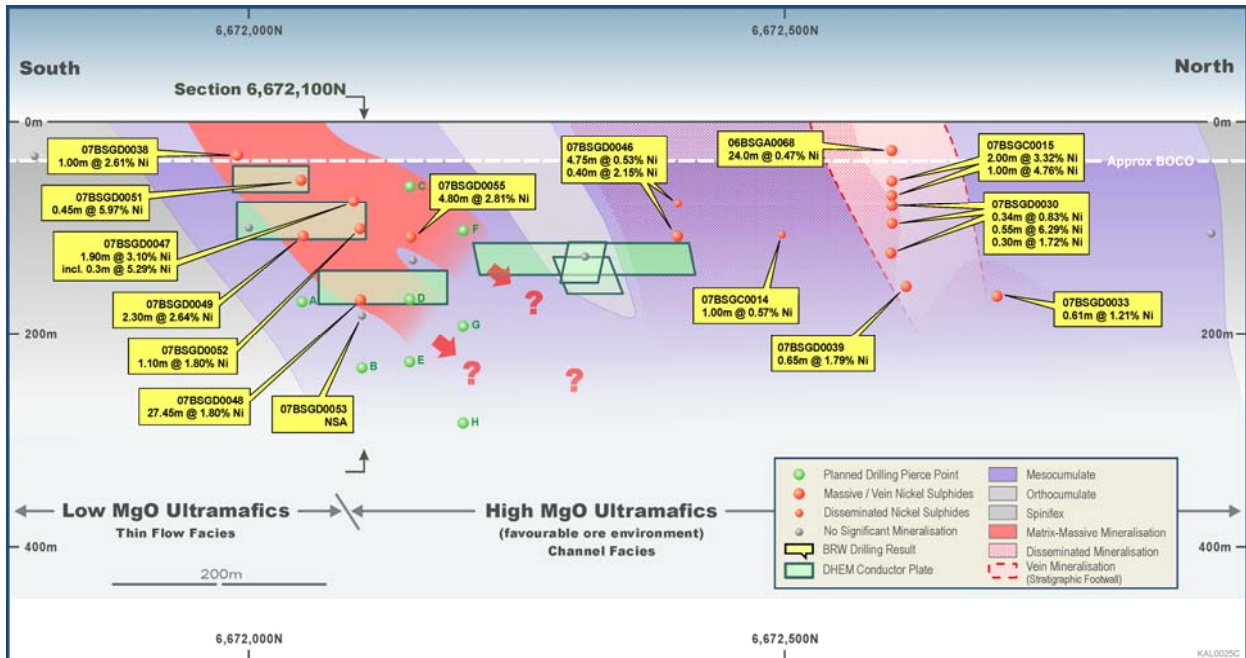


Figure 4: Western Contact Long Section Showing Position of Cross Section (see Figure 3 above)



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**ENDS**

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**Competent Persons Statement:**

*The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr David Hutton (Chief Executive Officer and Exploration Manager), a full time employee of the Company. Mr Hutton is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has 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.*

*Geological interpretation and resource estimation of the St Patricks Deposit was completed by Mr Ingvar Kirchner, Manager Resource Geology Perth for Coffey Mining Pty Ltd (merged with RSG Global Consulting Pty Ltd). Data collection procedures and data verification required for estimation of the St Patricks Deposit was completed by Mr Peter Buck, former Managing Director of Breakaway Resources Limited, and former Director-Geology, LionOre Australia Pty Ltd. Both Mr Kirchner and Mr Buck are Members of the Australasian Institute of Mining and Metallurgy (MAusIMM) and have the necessary experience to be classed as a Competent Person under the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Kirchner and Mr Buck consent to the inclusion of this information in the form and context in which it appears in this report.*