

12 March 2008

DRILLING PLANNED TO TEST SUBSTANTIAL DEPTH EXTENSIONS AT ANDREWS NICKEL MINE

KEY POINTS

- **Diamond drilling about to commence beneath the Andrews Mine, West Kambalda (~8,000t of past Ni metal production).**
- **Target with potential to host up to circa 18,000 tonnes of contained nickel identified below the mine workings.**
- **Historical nickel grades appear to increase at depth and comprise high nickel tenors with individual grades of up to [20%] Ni in massive sulphides around the lowest production level.**

Breakaway Resources Limited (ASX: **BRW**) is pleased to advise that a Stage 1 diamond drilling programme is about to commence to delineate down-plunge extensions at the historical **Andrews Nickel Mine** located on its 100%-owned **West Kambalda Nickel Project** in Western Australia (Figure 1). Andrews was a significant historical nickel producer in the 1970's and represents one of Breakaway's most advanced, near-mine brownfields nickel sulphide exploration opportunities.

Breakaway has identified the potential for the down-plunge extensions of the mine to **host up to 18,000 tonnes of contained nickel below the base of previous mining**, between 330 and 750 metres below the surface.

Andrews was the most significant producer of four former Spargoville Mines at West Kambalda (1A, 5A, 5B and Andrews). It was mined by Selection Trust from 1976-79 to a vertical depth of 330 metres (11 level), producing an estimated 7,800 tonnes of contained nickel prior to its premature closure due to low nickel prices.

The potential for substantial down-plunge extensions of the mineralisation is based on the interpretation and extrapolation of historical mine geological information and 3D modelling recently completed by Breakaway.

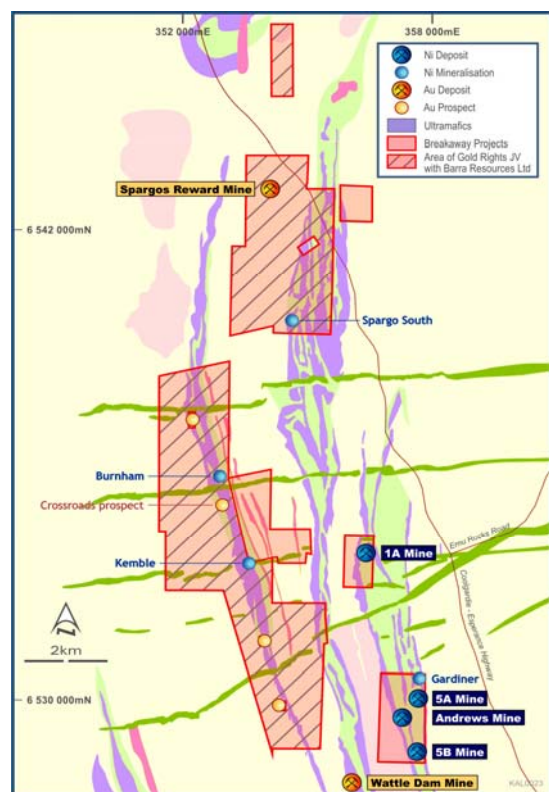


Figure 1: West Kambalda Nickel Project Location Plan



breakaway

Mining records indicate that nickel grades are higher at the deepest mining level, the 11 level, with face grades ranging from **2.2% to 3.6% Ni** over average mining widths of about **3.0 metres** (Figure 2). Individual assays for the face grades indicate that the mineralisation comprises high-grade, high-tenor nickel sulphides with massive sulphides grading **up to 18-20% Ni**.

Only limited historical drilling, carried out on a hole spacing in excess of 100m x 100m, was undertaken below the 11 level. Evidence for the continuation of the mineralisation down plunge is indicated by several diamond drill intersections at depths of up to 700 vertical metres, including **4.9m @ 1.63% Ni, 0.75m @ 1.10% Ni, 0.8m @ 1.9% Ni** and **1.6m @ 0.47% Ni**.

Commenting on the announcement, Breakaway's Managing Director, Mr Peter Buck, said: "Andrews represents an exciting opportunity to target substantial new depth extensions of mineralisation in an area which has undergone very limited historical drilling.

"Based on historical production and drilling records we have identified a sizeable exploration target at Andrews which has company-changing potential for Breakaway," he added.

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 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.

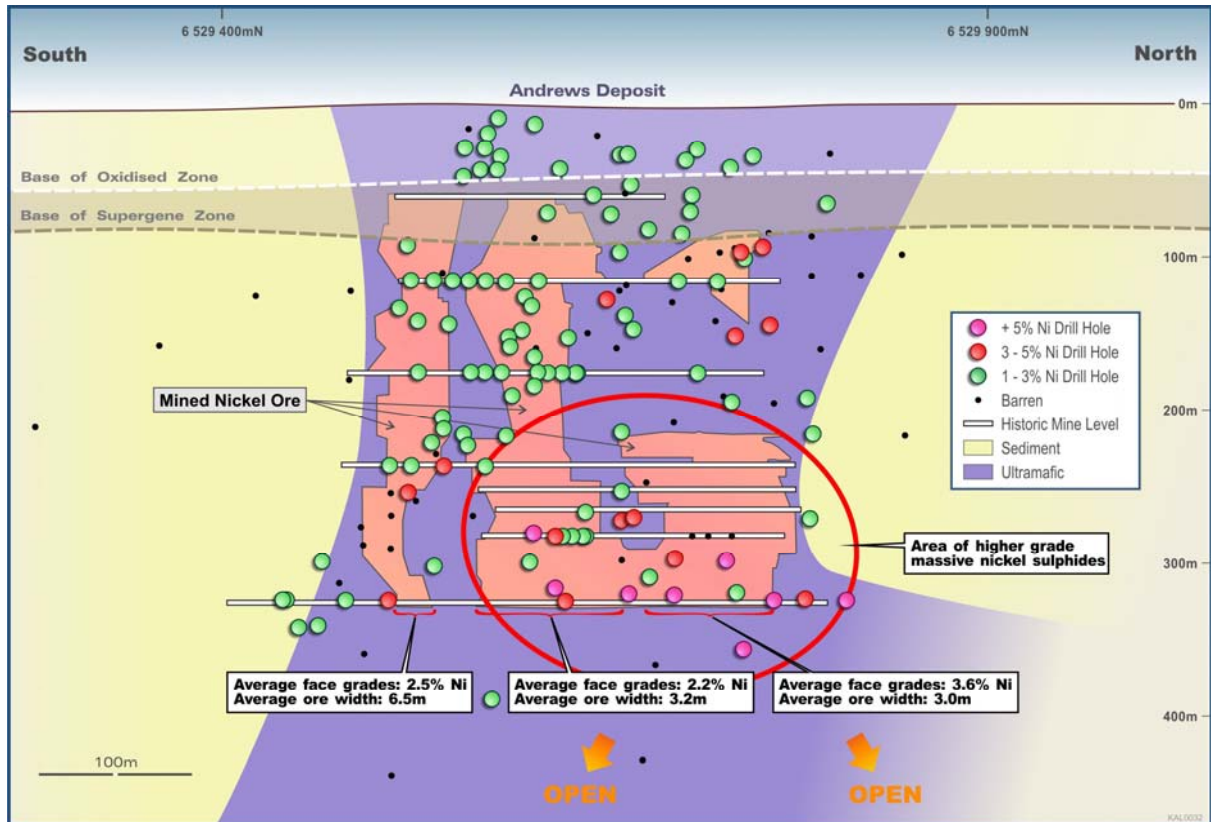


Figure 2: Andrews Deposit Long Section