



NICKEL DRILLING COMMENCES: LEINSTER DISTRICT, WA

- 2011 exploration field season commences with Phase 2 nickel sulphide work programme now underway
- RC/Diamond drilling to test multiple targets down dip of known nickel sulphides and/or along strike from existing nickel deposits
- Represents first stage of dual commodity (nickel and copper) push for 2011

Breakaway Resources Limited (ASX: **BRW** – “Breakaway”) is pleased to advise that the first stage of its dual-commodity exploration push for 2011 is underway with the commencement of drilling at its **Miranda Project** located directly south of Xstrata’s world-class Cosmos nickel deposits in the Leinster Nickel District of Western Australia (see Figure 1).

A combined programme of approximately 3,100 metres of Reverse Circulation and Diamond Drilling is planned across **four priority nickel sulphide targets** at both Miranda and the adjacent **Wildara Project Group**. Downhole TEM (DHTEM) surveying will be undertaken upon completion of the holes.

The Phase 2 programme builds on the results of the Phase 1 drilling conducted last year and follows the progressive refinement of key targets over the past 12 months. Recent unseasonable rainfall throughout the field area has delayed the commencement of the current programme.

The Phase 2 nickel work programme comes ahead of a major copper exploration initiative planned for Breakaway’s Eloise Exploration Project in the Cloncurry District of North Queensland – where drilling is targeted to commence during the June Quarter.

The nickel drilling will continue through until the June Quarter, with results to be reported as they become available.

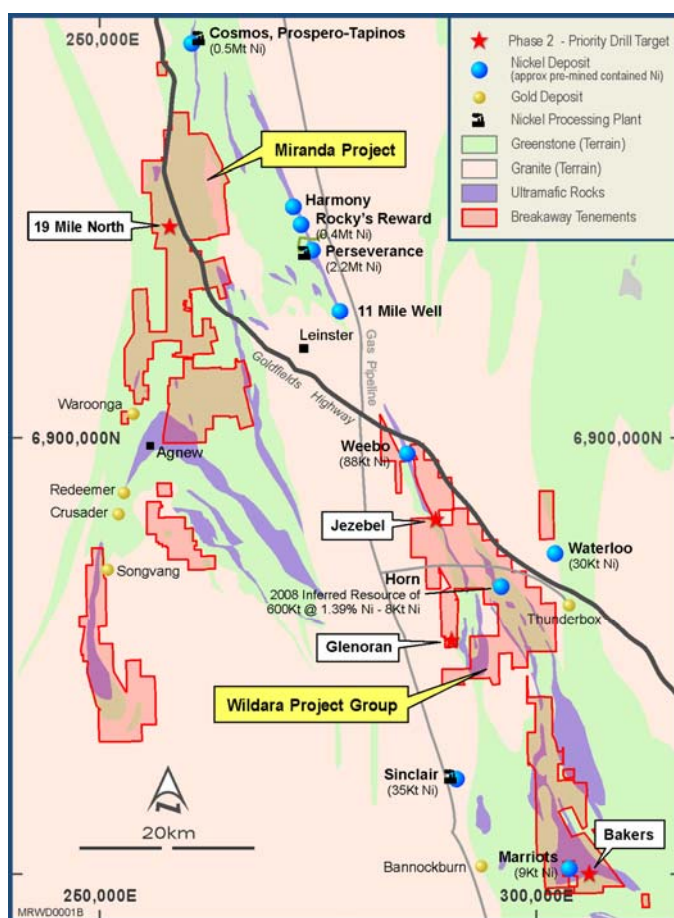


Figure 1: Project Location Plan

Miranda Project – Drilling Now

Miranda covers a 14 kilometre strike length of the interpreted southern extension of the Mt Goode Ultramafic Belt which hosts Xstrata's **Cosmos Nickel Deposits** (+0.5Mt Ni metal). At Miranda, Breakaway owns 100% of the nickel rights with Gold Fields Australia Limited owning the gold rights. Most of the historic exploration activity in this belt has been targeted toward gold.

RC drilling has commenced at the **19 Mile North** target which comprises a strong EM conductor coincident with a magnetic feature interpreted to be a structurally complex remnant of the Mt Goode Ultramafic.

This drilling represents the first deep, nickel-focused drilling programme to be carried out on these tenements and geological information obtained from the work will greatly assist in the development of additional targets for future testing.

Wildara Project Group – Drilling Next

The Wildara Project Group, which is located 30 kilometres south along strike from BHP Nickel West's Leinster Nickel Deposits (+2.5Mt nickel metal), comprises the 100%-owned Wildara and Mt Clifford Projects and the 81.27%-owned Yillaree Project, with Breakaway's joint venture partner Hampton Hill Mining NL (ASX:HMM) holding the balance of 18.73% and contributing to expenditure on a *pro rata* basis. Three targets will be drilled during the current programme:

- **Bakers**, located at the southern end of the Mt Clifford Project, near Australian Mines Limited's Marriott Nickel Deposit (9,400t of nickel metal – 2009 Resource Statement) and Jabiru Metals' Jaguar Project - where drilling will test a group of historical EM conductor plates located down-dip and below a zone of disseminated sulphides intersected by Breakaway in 2007 (i.e. 8m @ 0.43%Ni, 608ppm Cu and 136ppb Pt + Pd from 239 metres in 07BMCC007). The prospective ultramafic horizon is a southern extension of the Roadside Ultramafic Belt which hosts Breakaway's The Horn Deposit (2008 JORC Code Compliant Inferred Resource of 600,000t @ 1.39% Ni, 0.2% Cu - 8,300t nickel metal).
- **Glenoran**, which is located in the western part of Wildara within the Sinclair Ultramafic Trend approximately 15 kilometres north along strike of Xstrata's **Sinclair Nickel Mine** (~45Kt nickel metal) – where drilling will test a strong EM conductor on the interpreted footwall basal contact of the ultramafic; and
- **Jezebel**, a new target which has been identified 7 kilometres south along strike from BHP Billiton's Weebo Nickel Deposit (88Kt nickel metal) on the Yillaree Joint Venture – where drilling will test a prominent magnetic feature with similarities to the Weebo deposit magnetic signature.

Commenting on the announcement, Breakaway's Managing Director, Mr David Hutton, said: "It's great to have our first rig turning at Miranda, marking the start of a milestone 2011 exploration field season which should see a steady stream of news flow between now and the end of the year.

"The next two months will see a definitive test of our current priority nickel sulphide prospects at Wildara and Miranda, giving us an indication of the potential of these areas to host a substantial accumulation of nickel sulphide mineralisation."

"Together with our upcoming copper exploration programmes in North Queensland – where we anticipate drilling to commence in the June Quarter – we expect to have drilling continuing for around seven months of the year with just a short hiatus between the nickel and copper programmes."

"2011 is set to be an exciting year for Breakaway, with steady news flow and results providing excellent opportunities for shareholders and investors to follow out story," 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 David Hutton (Managing Director), a full time employee of the Company. Mr Hutton is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). He 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.

About Breakaway Resources Limited:

Breakaway Resources aims to generate shareholder wealth through the discovery and development of a high-quality standalone mineral deposit. The Company's exploration activities are focussed on our priority Wildara and Miranda Projects (nickel) located within the Leinster district of Western Australia's North Eastern Goldfields and the Cloncurry District (copper – gold) of North West Queensland; two areas that we believe offers the most attractive opportunities for future success.