



31 October 2007

## **SIGNIFICANT WIDE NICKEL INTERSECTION UPGRADES SAINTS WESTERN CONTACT DISCOVERY**

### **KEY POINTS**

- **Follow-up drilling intersects 27.45m @ 1.8% Ni in newly discovered southernmost zone on Western Contact Trend.**
- **Intersection occurs 100m down-dip of previous intersection of 1.9m @ 3.10% Ni including 0.3m @ 5.29% Ni.**
- **Assay results awaited from a second follow-up hole, with further drilling in progress.**
- **Further upgrades potential of Western Contact Trend with intensive diamond drilling continuing.**

---

Breakaway Resources Limited (ASX: **BRW**) is pleased to announce that ongoing drilling at its 100%-owned **Scotia Nickel Project**, located 65 kilometres north of Kalgoorlie in Western Australia (Figure 1), has returned a **significant broad intersection of nickel sulphides** from the southernmost of a group of three newly discovered zones of mineralisation on the Saints Western Contact Trend. The excellent result further significantly upgrades the potential of the Western Contact.

The outstanding intersection was returned from follow-up diamond drilling within a newly discovered zone which lies sub-parallel, and approximately 350 metres to the west of the St Andrews deposit, which is located on the Eastern Contact Trend (see Figure 2 attached).

#### **07BSGD0048                      27.45m @ 1.8% Ni from 143.05m**

07BSGD0048 was drilled 100 metres down-dip of hole 07BSGD0047, reported last week, which intersected 1.90m @ 3.10% Ni from 78.75m including 0.3m @ 5.29% Ni from 78.75m and 07BSGD0038, which intersected 1.00m @ 2.61% Ni from 48.00m (see Figure 2). The intersection is located at a vertical depth of approximately 180 metres below surface, making it one of the deepest holes drilled on the Western Contact (Figures 2 and 3). The true width of the intersection is at this stage uncertain, but is expected to be between 8-12 metres.

Hole 07BSGD0049 drilled up-dip of 07BSGD0048, closer to the original group of holes reported last week, was recently completed (Figures 2 and 3). Assays are awaited. Visual inspection of the drill core indicates that the hole intersected geologically similar mineralisation over **2.9 metres from 118.50 metres**. A further hole, 07BSGD0050 (see Figures 2 and 3) is currently being drilled.



The results are considered to be highly significant, further upgrading the newly defined southernmost zone of nickel sulphide mineralisation on the Western Contact Trend (Figure 3). The new intersections have now confirmed nickel mineralisation within this zone over an area measuring 100 metres along strike and 100 metres down-dip with the zone remaining open both along strike and down-dip.

Breakaway is currently focusing its drilling activities within this southernmost zone, although the Company plan to commence follow-up drilling at the two other recently announced zones located some 200-500 metres further to the north (see Figures 2 and 3).

As reported last week, these two other zones (Figure 3) were defined by intersections including the following:

<b>6 672 600N</b>	<b>07BSGD0033</b>	<b>0.61m @ 1.21% Ni from 198.8m</b>
	<b>07BSGD0039</b>	<b>0.65m @ 1.79% Ni from 166.9m</b>
<b>6 672 400N</b>	<b>07BSGD0046</b>	<b>0.40m at 2.15% Ni from 124.05m</b>

Breakaway's Managing Director, Mr Peter Buck, said the new intersection represented the first wide intercept to be returned from the current round of drilling at Saints, highlighting the potential of the newly discovered zones to continue to expand with ongoing drilling.

"We are very encouraged by this excellent result, which has further upgraded the Western Contact Trend as our priority exploration focus at Saints," Mr Buck said. "We are continuing to focus our drilling activities on this southernmost zone, although we have much unfinished business further to the north with the other two zones.

"Nickel mineralisation intersected at Saints on the Western and Eastern Contacts extends over a strike extent of 2 kilometres, making this project a highly attractive exploration opportunity for the Company," he added.

The Saints Region lies 15 kilometres north of the historic Scotia Mine within a strategic tenement package located within the world-class Kambalda-Mt Keith nickel corridor.

**ENDS**

For further information contact:

Mr Peter Buck  
Managing Director  
Breakaway Resources Limited  
Mobile: 0411 554 099  
Business: (08) 9278 6444

Mr David Hutton  
Exploration Manager  
Breakaway Resources Limited  
Mobile: 0417 974 843  
Business: (08) 9278 6444

Mr Nick Castleden  
Manager Nickel Geology and Exploration  
Breakaway Resources Limited  
Mobile: 0408 701 845  
Business: (08) 9278 6444



**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.*

**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 programmes within this portfolio, which covers a combined area of approximately 3,300km<sup>2</sup> 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 \$15.5 million. With a strong cash position in excess of \$16 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.

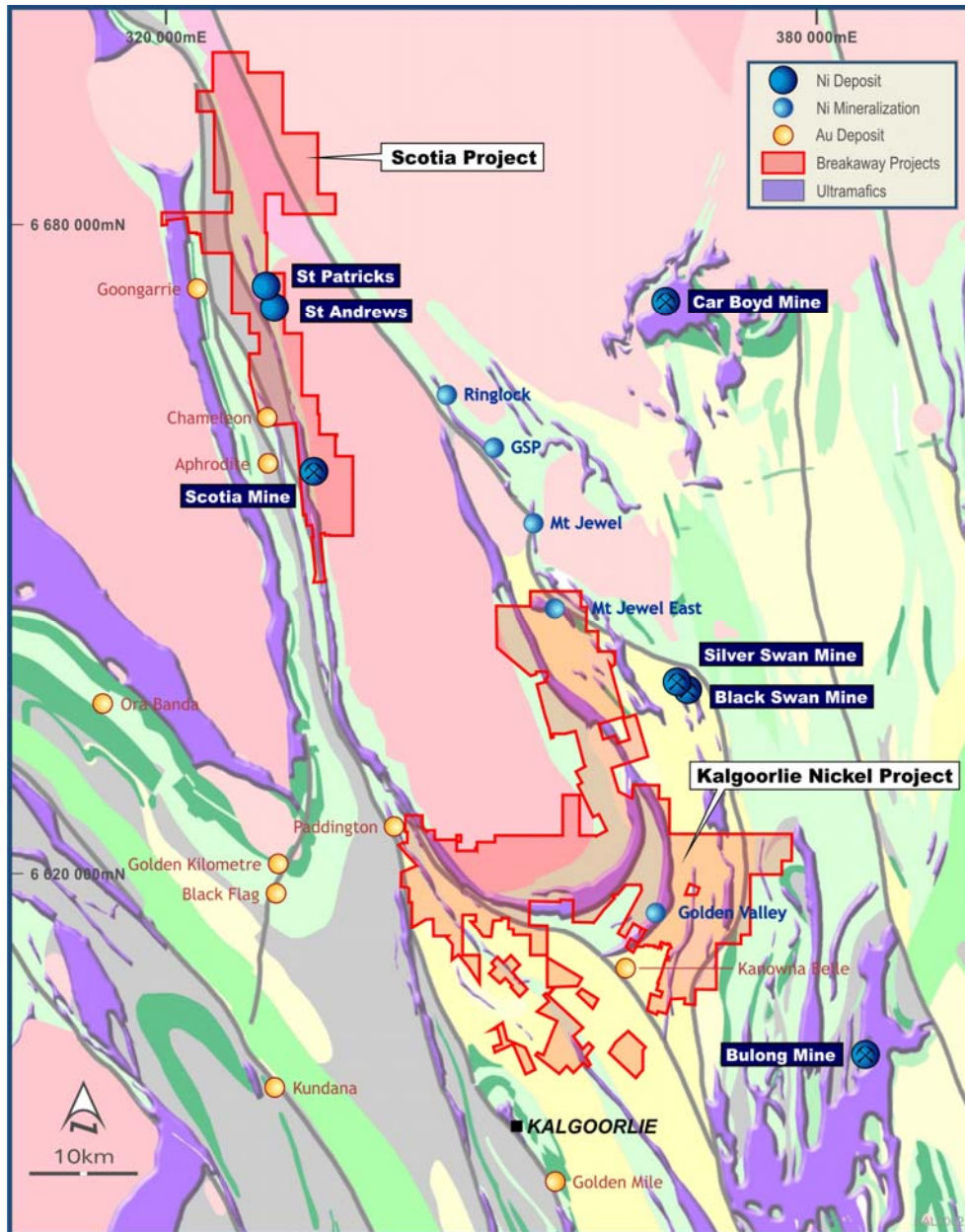


Figure 1: Regional Geological Setting showing Scotia Nickel Project, Eastern Goldfields, WA

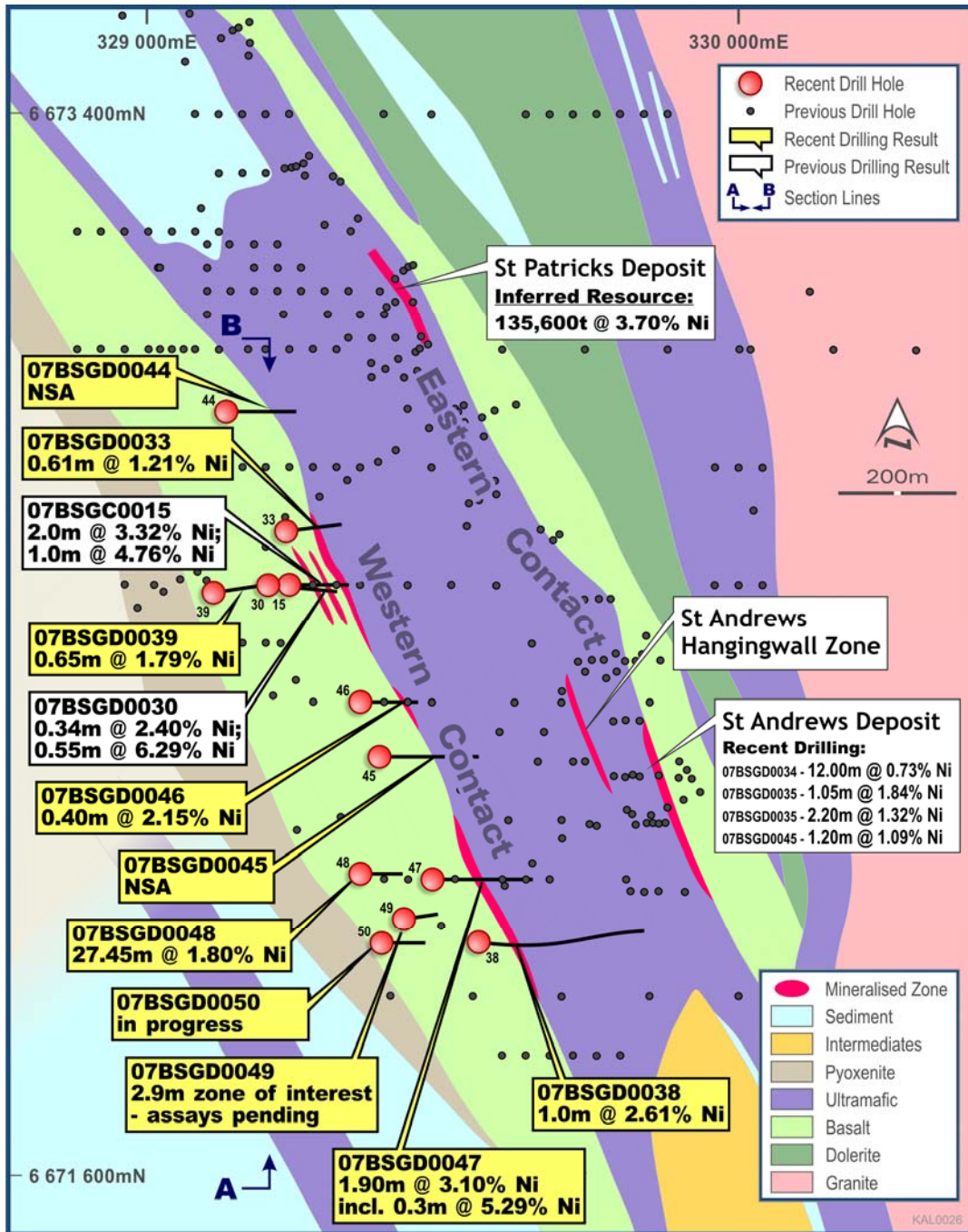


Figure 2: Plan of Saints Area showing the mineralised contacts and recent intersections on the Western Contact

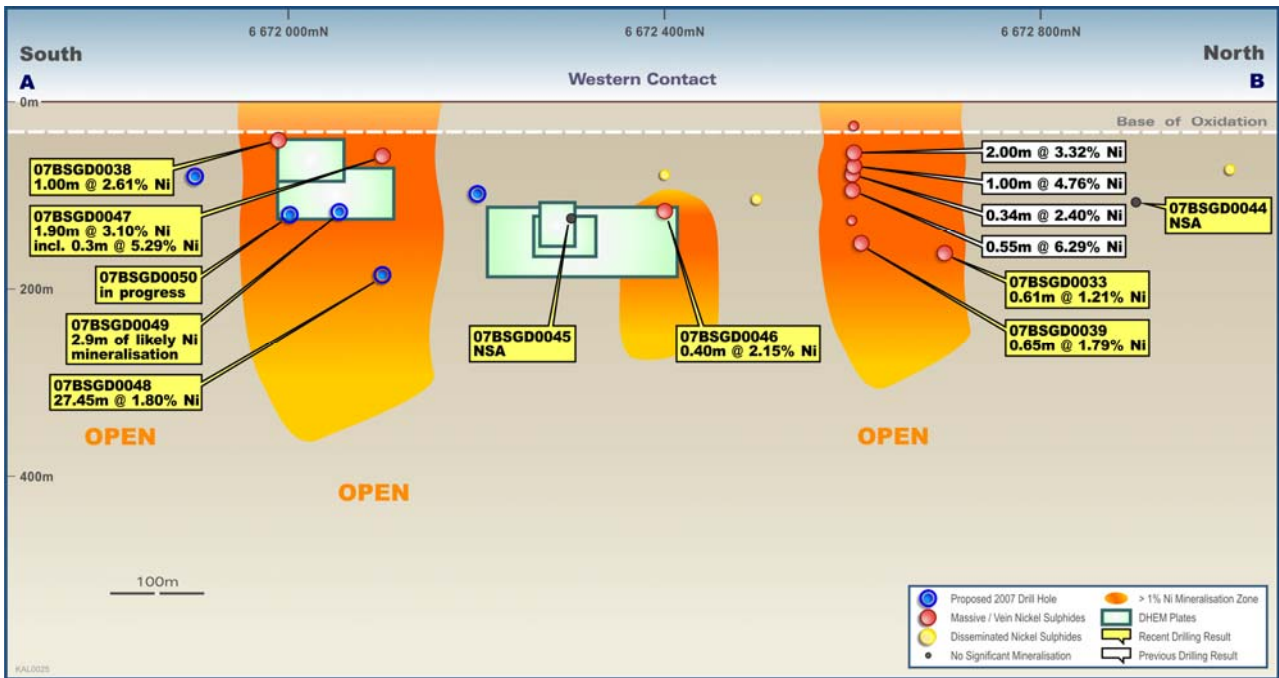


Figure 3: Drill hole intersections of nickel mineralisation on Western Contact at Saints, Scotia Nickel Project, WA