



## Nickel Drilling and Exploration Update

- RC drilling continues to test multiple nickel sulphide targets in the Leinster District with 18 holes completed to date.
- Disseminated sulphides with maximum value of 0.67% Ni recorded in one hole.
- Favourable stratigraphy along Revolution-Horn trend and in the vicinity of the Horn Deposit confirmed by the drilling.
- Exciting targets near Sinclair and Weebo nickel deposits to be tested next.
- Refinement of drilling targets at Miranda continues.

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Further to its release of 5 March 2010, Breakaway Resources Limited (ASX: **BRW**) is pleased to provide an update on drilling and exploration within its nickel sulphide exploration portfolio in the **Leinster District** of Western Australia's North Eastern Goldfields (see Figure 1).

The 7,500 metre Reverse Circulation (RC) drilling programme within the Wildara Project Group is progressing, with 18 holes of the initial 40 hole programme now complete.

Drilling initially commenced on targets at the northern end of the **Revolution-Horn** trend, with the current phase of activity focused on potential extensions or repeats of the **Horn Nickel Deposit** (Inferred Resource of 600,000 tonnes at 1.39% Ni and 0.30% Cu for 8,300 tonnes of contained nickel and 1,800 tonnes of contained copper).

Drilling to date along the Revolution-Horn trend has intersected zones of weak disseminated and/or blebby sulphides. Assay results have been received for eight holes including the three previously reported disseminated sulphide intersections (see *ASX Announcement – 5 March 2010*). A maximum value of 0.67% Ni over one meter was received in hole 10BWDC0086 (see *Table 1*). The favourable stratigraphy, presence of sulphide-bearing high MgO rocks and the limited drilling along the Revolution-Horn trend, provides Breakaway with confidence that further exploration of these targets is warranted.

Once drilling at the Horn is completed, the RC rig will move to the west to test a series of priority EM targets located within ultramafic stratigraphy north along strike from the **Sinclair Nickel Deposit** (Xstrata) before moving to test geochemical and EM targets in the vicinity of the **Weebo Nickel Deposit** (BHP Billiton). The Weebo targets lie within the Yillaree Project where Breakaway's joint venture partner, Hampton Hill Mining (18.73%), is contributing to expenditure on a pro-rata basis.

Concurrent with work being undertaken at Wildara, Breakaway has defined **eight** priority targets for possible drill testing from the previously announced 23 bedrock geochemical anomalies identified at the **Miranda Project**. The Miranda Project covers the southern extension of the Mt Goode ultramafic belt, directly along strike to the south of Xstrata's **Cosmos Deposits** (+0.5Mt of nickel metal).

*“It’s still relatively early days for our 2010 nickel programme with less than half of the holes planned at Wildara having been completed., The drilling has provided further solid geological evidence that we are looking in the right areas with very favourable nickel-host stratigraphy, together with some disseminated nickel sulphides encountered in the holes drilled to date,”* commented Breakaway Chief Executive Officer, David Hutton.

The Leinster District contains over 9Mt of nickel metal in major deposits such as Perseverance, Rocky's Reward, Mount Keith, Yakabindie (BHP Billiton), and Honeymoon Well (Norilsk), as well as the large Cosmos (Xstrata) camp and the nearby discoveries of Waterloo (Norilsk) and Sinclair (Xstrata) which have progressed to production.

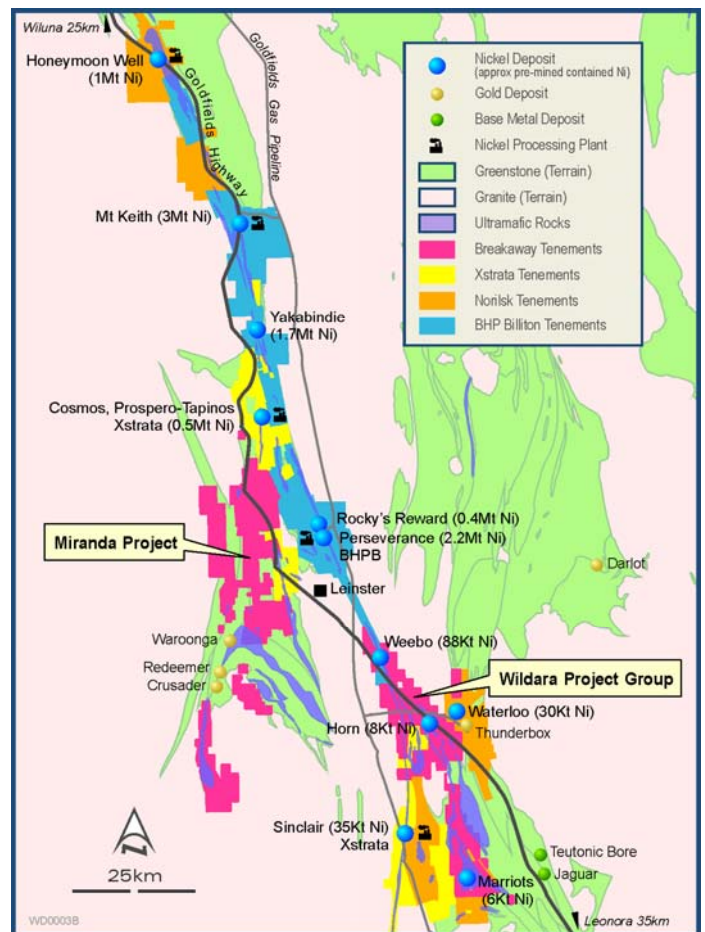


Figure 1. Comparative Landholdings, Leinster District

## 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.

**Table 1. Wildara Project Group RC Drilling Intercepts and Collar Details (reported using a 0.5% Ni lower cut off)**

Hole ID	Northing	Easting	Dip°	Azimuth Mag°	From	Downhole Width	Ni%
10BWDC0081	6888560	292600	-60	90			NSA
10BWDC0082	6888560	292465	-60	90			NSA
10BWDC0083	6888560	292415	-60	90			NSA
10BWDC0084	6889000	292351	-60	90			NSA
10BWDC0085	6886043	294154	-60	90			NSA
10BWDC0086	6886039	293942	-60	90	130	1.0	0.67
"	"	"	"	"	140	1.0	0.64
"	"	"	"	"	143	1.0	0.55
10BWDC0087	6886100	294050	-60	90			NSA
10BWDC0088	6886100	293965	-60	90			NSA
10BWDC0089	6886100	293890	-60	90	Assays Awaited		
10BWDC0090	6886100	293750	-60	90	Assays Awaited		
10BWDC0091	6886150	293910	-60	90	Assays Awaited		
10BWDC0092	6886150	293840	-60	90	Assays Awaited		
10BWDC0093	6884350	295000	-60	90	Assays Awaited		
10BWDC0094	6883650	295140	-60	90	Assays Awaited		
10BWDC0095	6883650	295140	-60	90	Assays Awaited		
10BWDC0096	6882350	295645	-60	90	Assays Awaited		
10BWDC0097	6882350	295620	-60	90	Assays Awaited		
10BWDC0098	6882400	295674	-60	270	Assays Awaited		
10BWDC0099	6882400	295674	-75	270	Assays Awaited		

**Calculation of Drill Hole Results:**

All Reverse Circulation drill hole results were obtained from analysis of 1-metre samples (unless otherwise specified). Sampling was undertaken following logging of geological boundaries within the drill hole. All samples were prepared at Genalysis Laboratory Services Pty Ltd's Kalgoorlie Sample Preparation facility using a single stage mix and grind technique. Nickel analysis (1ppm detection limit) was carried out at Genalysis' Perth laboratory by subjecting a 50-gram portion of the sample to a four acid digest and analysing the sample by Inductively Coupled Plasma Optical Emission Spectrometry (ICPOES).

The location of drill holes were determined using a handheld GPS achieving +/- 4 metre accuracy and using the MGA datum (Zone 51). End of hole surveys were obtained using an Eastman single shot survey camera.