



New EM Conductors identified at Miranda North

New EM conductors identified along strike from the high grade Cosmos nickel deposits

- 5 new highly ranked EM conductors identified within the interpreted southern extension of Mt Goode Ultramafic Belt - host to Xstrata's Cosmos Nickel Deposits (+0.5Mt Ni metal).
- Bedrock nickel anomalism in historic drilling reinforces prospectivity of Miranda North area.
- Geological evaluation and prioritisation continuing ahead of future drill testing.

Breakaway Resources Limited (ASX: **BRW**) is pleased to provide an update on the recently completed Miranda North **ground-based electromagnetic (EM) survey** at its **Miranda Project**, in the Leinster District of Western Australia's Northeastern Goldfields (see *Figure 1*).

The EM survey covered 6-7 strike kilometres of the interpreted southern extension of the highly prospective **Mt Goode Ultramafic Belt**, which hosts Xstrata's world-class Cosmos nickel deposits (+0.5Mt Ni metal), approximately 15 kilometres north along strike of the survey area.

The survey identified numerous new bedrock EM conductors, five of which (see *Figure 2*) have geophysical characteristics potentially indicative of massive nickel sulphide mineralisation and lie either within or immediately adjacent to favourable ultramafic rocks. Ground based EM surveying is one of the primary techniques used to explore for nickel mineralisation as it can detect buried conductive material such as massive sulphide mineralisation, but also barren graphitic shales and/or saline ground water.

The five highly ranked conductors together with an EM conductor previously obtained by Breakaway to the north are priorities for further geological evaluation and follow up.

The newly completed survey builds on the results of an earlier (2005) Breakaway survey at Miranda North which covered an additional 7 kilometre strike length of the Mt Goode ultramafic, immediately north of the current survey area (see *Figure 2*). In total, Breakaway has now completed modern detailed geophysical coverage over a 14 kilometre strike length of the favourable ultramafic.

The ultramafics at Miranda North have previously been covered with RAB and Aircore drilling on irregularly – spaced sections, typically 200 – 400 metres apart mainly targeting gold. Significantly, interpretation of the drilling has underpinned Breakaway's enhanced geological understanding of the area and bedrock nickel-copper anomalism within the drill dataset (e.g 36m @ 2,700ppm Ni, 163ppm Cu from 40 metres including 18m @ 3,100ppm Ni, 140ppm Cu from 58 metres, and 1m @ 1,920ppm Ni, 385ppm Cu from 64 metres) reinforces the nickel sulphide prospectivity of the ultramafic rocks at Miranda North (see *Table 1 and Figure 2*).

Breakaway's Managing Director, David Hutton said "the identification of new EM conductors at Miranda North is a significant development for the Miranda Project and further justifies the Company's strategy of focussing its ongoing nickel exploration activities within the world class Leinster nickel district".

"The presence of new EM conductors within prospective ultramafics combined with Breakaway's enhanced geological understanding of Miranda North makes this a priority target for new nickel sulphide discoveries" he said.

Geological evaluation and prioritisation of the EM conductors is continuing ahead of future drill testing.

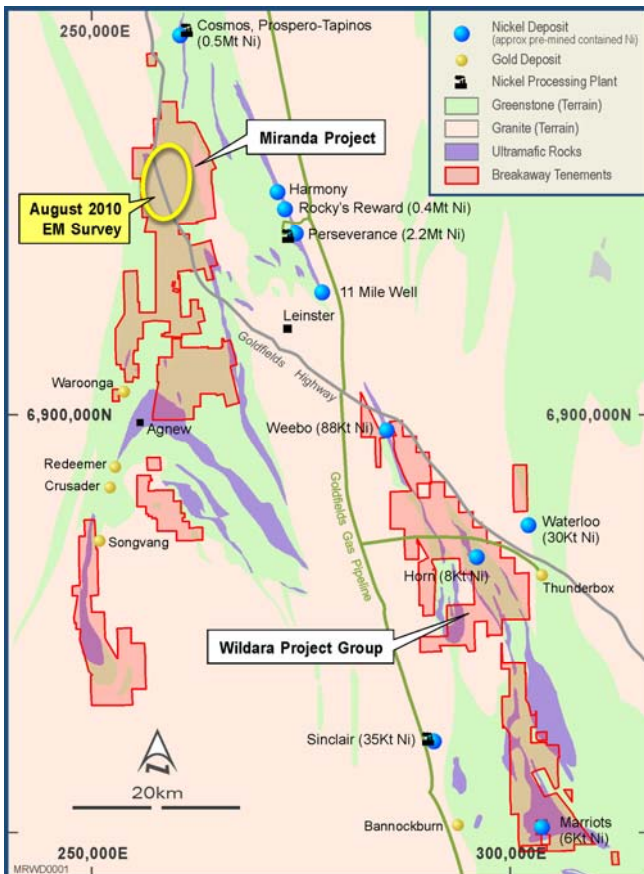


Figure 1: Project Locations showing Miranda North EM Survey

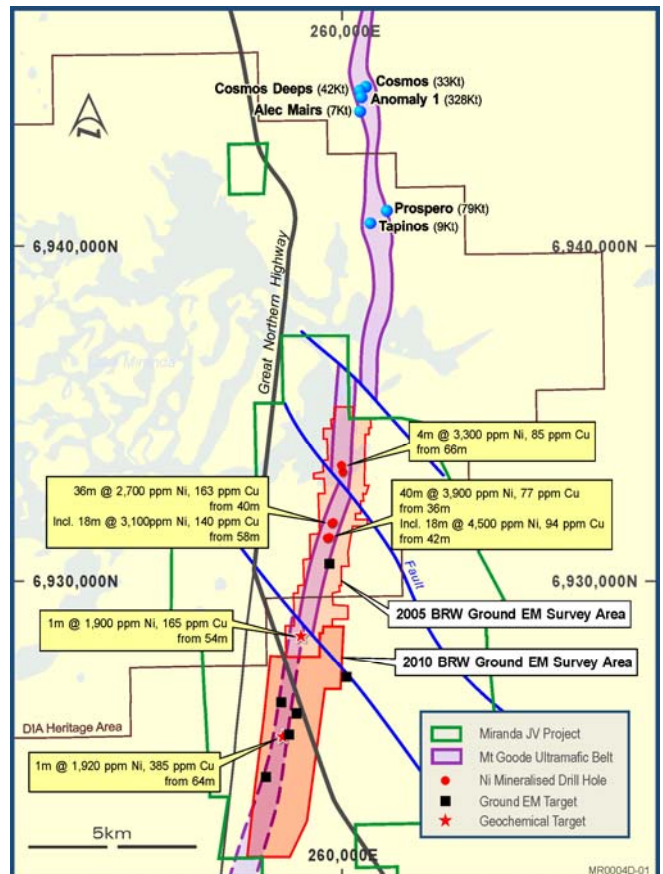


Figure 2: Southern Mt Goode Ultramafic Belt and Location of EM Conductors

Table 1. Miranda North Anomalous Historic Drilling Intercepts and Collar Details

Hole ID	Northing	Easting	Dip°	Azi Mag°	From	Downhole Width	ppm Ni	ppm Cu	ppb Pt+Pd
PL_10_17	6931718	259701	-60	076	40	36.0	2,700	163	-
"	"	"	"	"	58	18.0	3,100	140	-
PL_10_23	6931291	259634	-60	076	36	40.0	3,900	77	-
"	"	"	"	"	42	18.0	4,500	94	-
PL_10_28	6933444	260004	-60	076	66	4.0	3,300	85	-
06BMAC010	6924162	259050	-60	270	64	1.0	1,920	385	46
MRRAB5844	6928358	258811	-90	-	54	1.0	1,900	165	-

Notes on Drill Hole Results:

1. The drillholes are historic and as such, details of the analytical methods used are unknown.
2. The location of drill holes were determined using a handheld GPS achieving +/- 4 metre accuracy and using the MGA datum (Zone 51).
3. Intersections are reported as down hole widths, not true widths.

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 Charles (Mark) Fletcher (Exploration Manager) and Mr David Hutton (Managing Director), both full time employees of the Company. Mr Fletcher is a Member of the Australian Institute of Geoscientists (AIG) and Mr Hutton is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Both 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.

About Breakaway Resources Limited:

Breakaway Resources aims to become one of Australia's leading mining and exploration companies with exploration focussed at our priority Wildara and Miranda Projects within the Leinster district of the North Eastern Goldfields of Western Australia; an area we believe offers the most attractive opportunities for future success.

Our objectives are the discovery and development of a high-quality stand alone nickel sulphide deposit and maximisation of shareholder wealth for non-priority assets.
