



5 February 2008

INITIAL DRILLING INTERSECTS MASSIVE NICKEL SULPHIDES AT THE HORN PROSPECT, WILDARA

KEY POINTS

- **Diamond drilling intersects a thickened occurrence of massive sulphides at The Horn Prospect (Northeastern Goldfields, WA):**
 - **10.44m @ 2.19% Ni and 0.50% Cu from 134.56m.**
- **Indicates the potential for increased concentrations of higher nickel grades within a flat-plunging, northerly trending mineralised lens.**
- **Prospective ultramafic rocks extend in several directions, indicating a much larger region for nickel exploration yet to be tested.**

Breakaway Resources Limited (ASX: **BRW**) is pleased to announce that recently commenced wide-spaced drilling at its 100%-owned **Wildara Nickel Project** (Figure 1) in Western Australia's Northeastern Goldfields has delivered immediate success, intersecting a **significant broad interval of massive nickel sulphide mineralisation** in the first diamond drill hole.

The drill hole, 07BWDD0001, which was targeting extensions of a nickel sulphide system at **The Horn Prospect**, originally discovered by LionOre Mining International in 2004, returned the following significant intersection:

**07BWDD0001 10.44m @ 2.19% Ni and 0.50% Cu
from 134.56m**

The intersection is located some 100 metres south of five diamond holes drilled by LionOre in 2004 to test a single line moving loop TEM anomaly (Figure 2). The following intersections were recorded in the LionOre drill holes, as follows:

**2.65m @ 1.8% Ni and 0.44% Cu from 155m
9.85m @ 0.79% Ni and 0.24% Cu from 110m
9.95m @ 0.98% Ni and 0.21% Cu from 133m
including 1.55m @ 2.34% Ni from 133m; and
12.13m @ 0.85% Ni and from 98.4m**

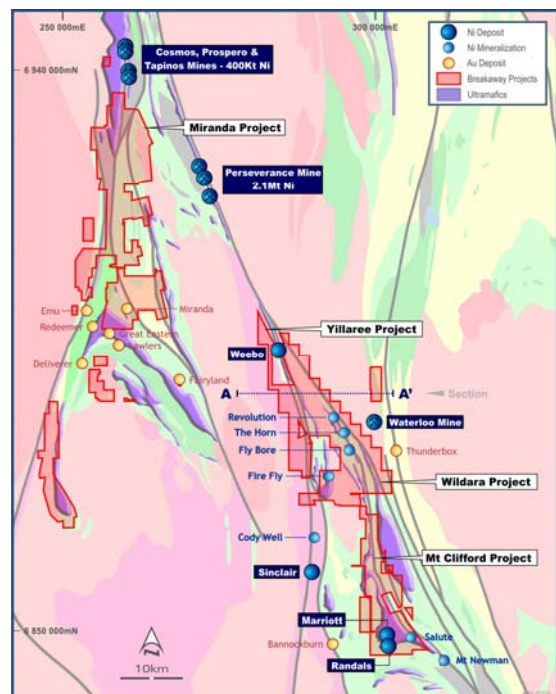


Figure 1: Location Plan The Horn Prospect, Wildara Nickel Project, Northeastern Goldfields, WA



The 07BWDD0001 intersection represents the greatest width of higher grade massive sulphide mineralisation achieved to date at The Horn Prospect and indicates the potential for increased concentrations of higher grades. The mineralisation appears to occur within a flat plunging, northerly trending, linear lens, dipping shallowly to the east, which has been broadly delineated by drilling over an **average horizontal width of 75 to 100 metres** and a drill defined **plunge extent of 150 to 200 metres**. Anomalous surface TEM results suggest that subtle anomalism occurs on several lines along the lens as well as delineating anomalies to the immediate north and south of the lens (Figure 2).

The lens of mineralisation at The Horn is completely blind, occurring at the top of an ultramafic unit and immediately beneath an overlying basalt carapace, 100 to 120 metres below the surface (Figure 3). Aeromagnetic and limited geological data indicate that the prospective ultramafic rocks extend beneath basalt well beyond the area of drilling in all directions. These facts clearly indicate a much larger region of nickel exploration potential yet to be tested.

The low tenor and high copper content of the mineralisation at The Horn and its apparent location within a flat structure suggests it has been remobilised from a primary source, which has yet to be discovered. The low tenor of the sulphides does not preclude the occurrence of higher tenor sulphides in the vicinity.

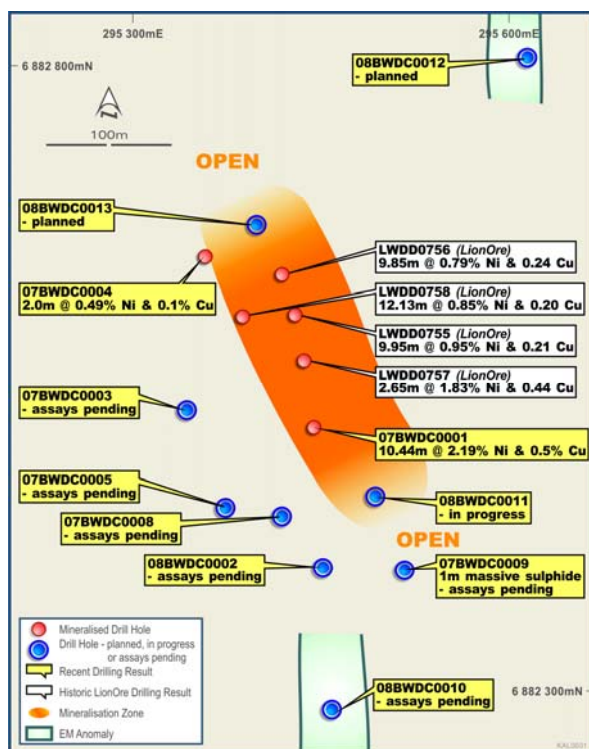


Figure 2: Plan Projection of The Horn mineralised lens and recent drilling

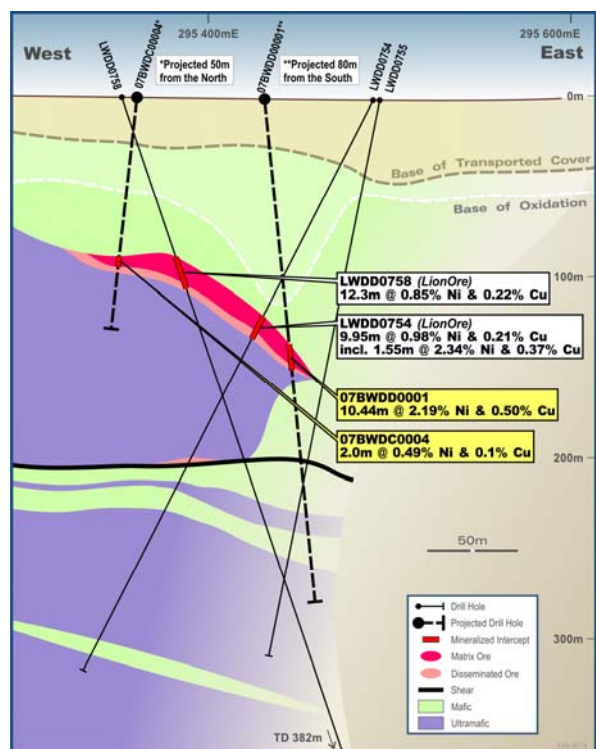


Figure 3: Schematic Cross Section of The Horn Prospect



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To date, Breakaway has completed nine diamond holes positioned as single holes at intervals of 50 to 75 metres along the interpreted strike to locate the mineralised lens. Several of the holes have intersected only narrow widths of mineralisation but the majority appear to be located on the western margin of the lens. One of these holes, 07BWDD0004 intersected 2 metres @ 0.49% Ni west of the line of the lens. Assay results are awaited for the remainder of the holes.

Breakaway intends to drill additional holes on selected lines across the lens to better determine its plunge continuation and potential for thicker occurrences of mineralisation beyond the drilled area. The current drill programme is also investigating several subtle TEM features to the north and south of the drilled area. Once this programme of drilling is completed, a thorough evaluation of the geological and geophysical results will be required to determine opportunities for additional drilling.

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Competent Persons Statement:

The information in this report that relates to Exploration Results 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.