19 November 2007

HIGH-GRADE NICKEL SULPHIDES INTERSECTED IN FIRST DRILL HOLE AT WEST KAMBALDA

KEY POINTS

- **High grade nickel mineralisation intersected on two parallel surfaces by the first diamond drill hole targeting extensions of the 1A deposit:**
  - ***5.6m @ 4.19% Ni and 1.49m @ 7.32% Ni including 1.14m @ 9.65% Ni***
- **Massive and disseminated sulphides intersected in a second diamond drill hole, located 100 metres down-plunge of the first hole, with assays awaited.**
- **Early success confirms the excellent potential for discovering additional resources and new zones of mineralisation at 1A.**
- **Diamond drilling to commence at the 5A deposit while downhole TEM geophysics is carried out on the recent 1A drill holes.**

Breakaway Resources Limited (ASX: **BRW**) is pleased to announce that the first diamond drill hole, 07BKWD0001, completed at its 100%-owned **West Kambalda Nickel Project** in Western Australia (Figure 1) intersected significant widths of high-grade nickel sulphide mineralisation on two surfaces at the **1A nickel deposit**. The first diamond drill hole, 07BKWD0001, intersected high-grade nickel sulphide mineralisation on two separate surfaces (Figure 2), as follows:

Surface 1: **5.60m @ 4.19% Ni from 146.40m**

Surface 2: **1.49m @ 7.32% Ni from 261.26m**
Including **1.14m @ 9.65% Ni from 261.26m**

Note: the intersections are not weighted by density measurements which are yet to be carried out and will potentially upgrade the intersection grades slightly. Also the intersections are considered to be close to true width.

The Surface 1 intersection consists dominantly of massive sulphide zones with associated disseminated and vein sulphide zones on a basalt-ultramafic contact (Figure 2). This represents the most significant intersection ever achieved on this surface, highlighting the potential of the surface which has not been explored in sufficient detail by previous drilling.

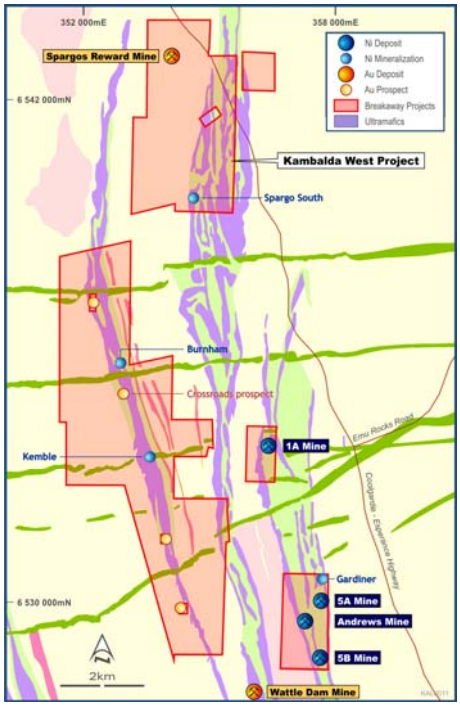

Figure 1: Location Plan, West Kambalda

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The underlying Surface 2 intersection (Figures 2 and 3) consists of 1.14 metres of remobilised massive sulphides and 0.35 metres of vein sulphides, occurring on a basalt/basalt contact some 60 metres down dip from the deepest mining level which is situated at about 240 vertical metres below the surface.

A second drill hole, 07BKWD0002, which is currently being drilled some 100 metres down-dip of 07BKWD0001, has intersected additional extensions of Surface 2 mineralisation on a basalt-ultramafic contact. Although the drill core has yet to be assayed, the massive sulphide mineralisation intersected in the hole is visually similar to that intersected on Surface 2 in 07BKWD00001 with the overall intersection summarised, as follows:

Surface 2: 6.12 metres of disseminated sulphides from 268.00 metres and
0.8 metres of massive sulphides from 274.12 metres,

Assay results for the hole will be reported as soon as they become available.

The early success of the drilling immediately following the commencement of the programme at West Kambalda (as announced on 13 November), reinforces the significant discovery potential of the area both for depth extensions of Surface 2 and the discovery of new mineralisation on other surfaces.

From recent 3D modelling and interpretation of the historical data available for the Spargoville deposits, the 1A deposit area is interpreted to have a complex internal architecture, consisting of a stacked, sub-parallel series of at least three prospective basalt-ultramafic contacts - similar to the majority of nickel deposits in the Kambalda district. Previous mining at 1A was confined to the upper portion of the middle surface, Surface 2, with only limited wide-spaced drilling 50m x 50 – 100m) carried out down dip below deepest mining level and on other adjacent parallel surfaces. Given the limited and broad spaced drilling there is excellent potential to discover additional zones of mineralisation on the known surfaces as well as the possibility to discover new prospective surfaces not detected by either the previous drilling carried out in the 1970s or previous mining which was carried out in the 1990's and confined to Surface 2 (producing 112,000 tonnes at 3.80% Ni).

The combination of diamond drilling with downhole TEM geophysics will enable the Company to carry out a much more comprehensive and robust exploration assessment of the 1A deposit than was possible in the 1970's. While follow-up drilling will be undertaken at 1A as a priority, the next round of drilling will await the completion of downhole surveying to accurately locate the intersection positions and downhole TEM to assist in targeting extensions of mineralisation.

Ongoing Exploration Programme

While the downhole geophysics is being carried out and interpreted on the first two holes completed at 1A, the drill rig will relocate to the nearby 5A deposit to test for down-dip extensions below the known mineralisation (Figure 4). It is anticipated that future drilling will oscillate between the two deposits to optimise the collection and assimilation of results and the Company's planning of ongoing exploration.

The 5A deposit also offers significant opportunities for new discoveries, with the recently completed geological review identifying immediate drilling opportunities beneath the shallow open pit, which was excavated in the early 1990's to mine the near-surface nickel oxide zone. An underlying supergene/primary nickel sulphide zone was outlined by historical drilling over a strike extent of approximately 120 metres between 30-75 metres below surface with nickel intersections having downhole widths between 3-13 metres and grades ranging from 2.7-13.02% nickel (Figure 4). Prior drilling below this zone is both limited and wide spaced, offering excellent opportunities for discovering extensions of mineralisation.

The early success at 1A has added significant momentum to Breakaway's exploration programme at West Kambalda. The Company commenced a detailed investigation of the four known deposits last Quarter, including the compilation and interpretation of historical mining and drilling information and the construction of 3D models. This work has been completed for the 1A and 5A deposits and is nearing completion for the Andrews and 5B deposits. The West Kambalda exploration programme will be expanded next year to include testing of exploration targets on the 5B and Andrews deposits, which was the most significant historical producer on the Company's West Kambalda tenements.

Commenting on the announcement, Breakaway's Managing Director, Mr Peter Buck, said: "The early success of our exploration campaign at West Kambalda is very exciting for the Company and vindicates our exploration approach, which is based on a comprehensive re-assessment of the known deposits in the area and the application of modern exploration techniques.

"It is a credit to our exploration team and consultants - who commonly have to cope with inaccurate, ambiguous and patchy historical information – that we have been able to successfully position the first holes to intersect new mineralisation, which includes high grade massive sulphides on two separate surfaces" Mr Buck added. "We intend to follow up these exciting intersections in a systematic manner as quickly as possible, while continuing to test other prospective target zones around the 5A deposit in the short term."

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 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^2 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.

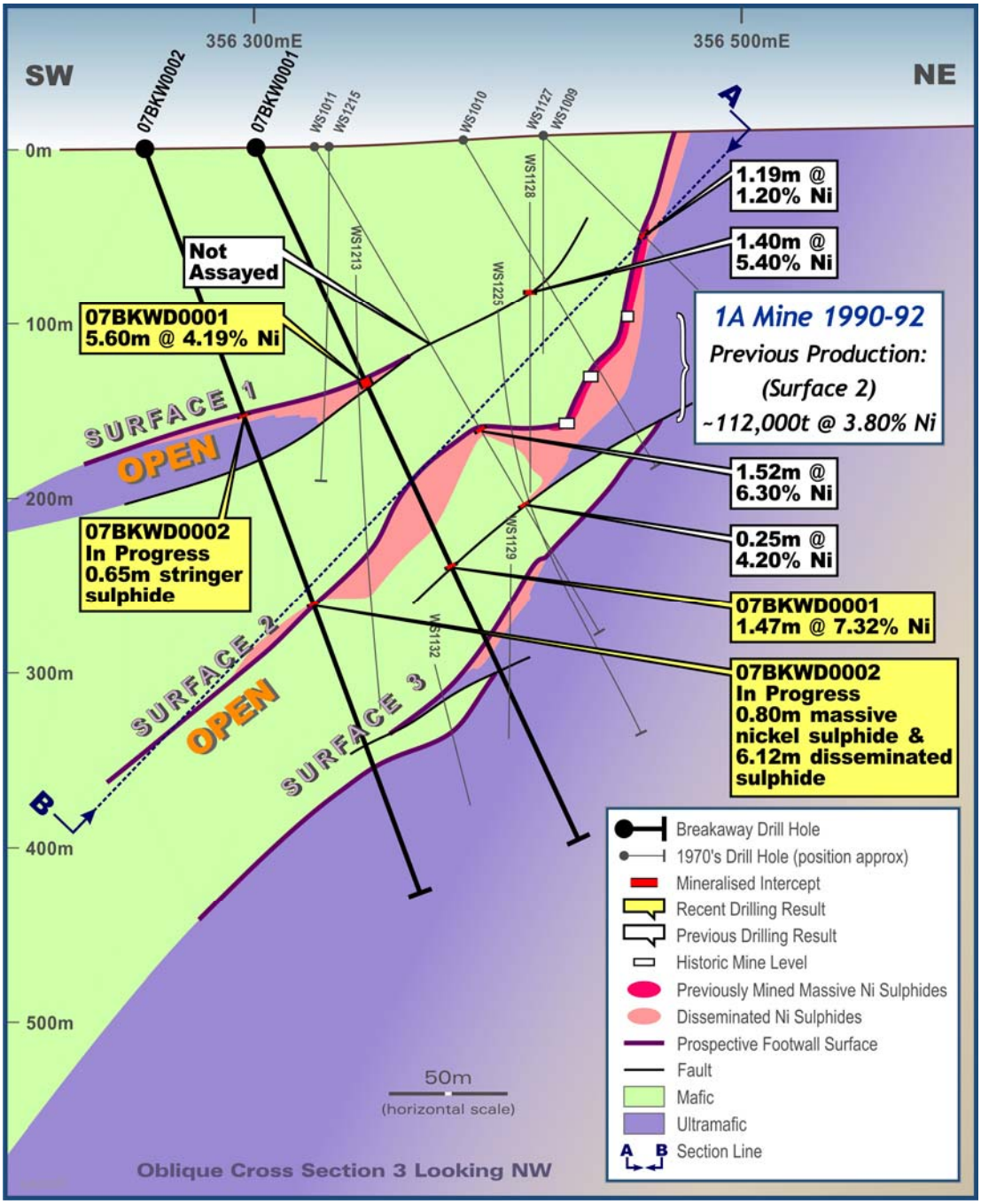

Figure 2: Cross Section, 1A Nickel Deposit, West Kambalda

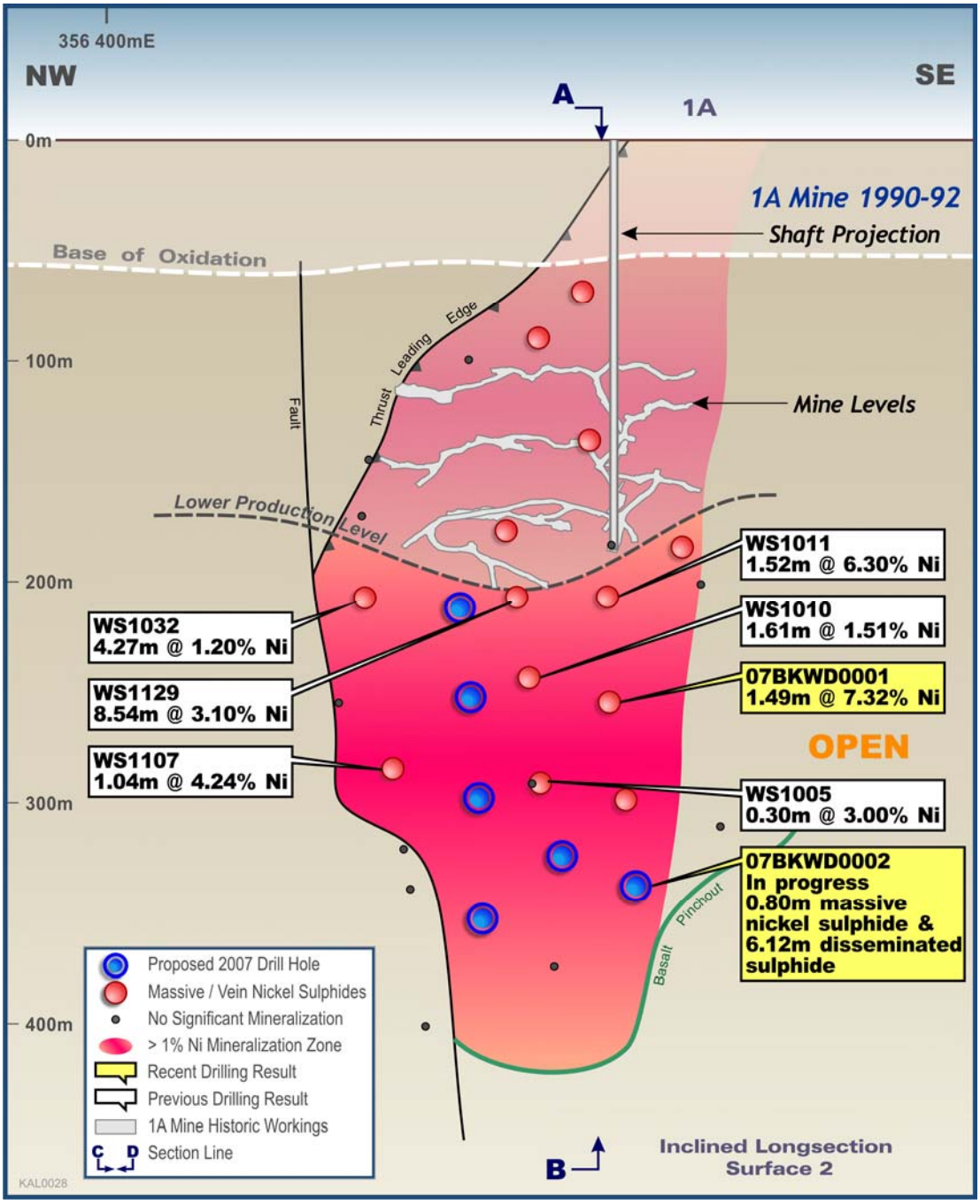

Figure 3: Longitudinal Section Surface 2, 1A Nickel Deposit, West Kambalda

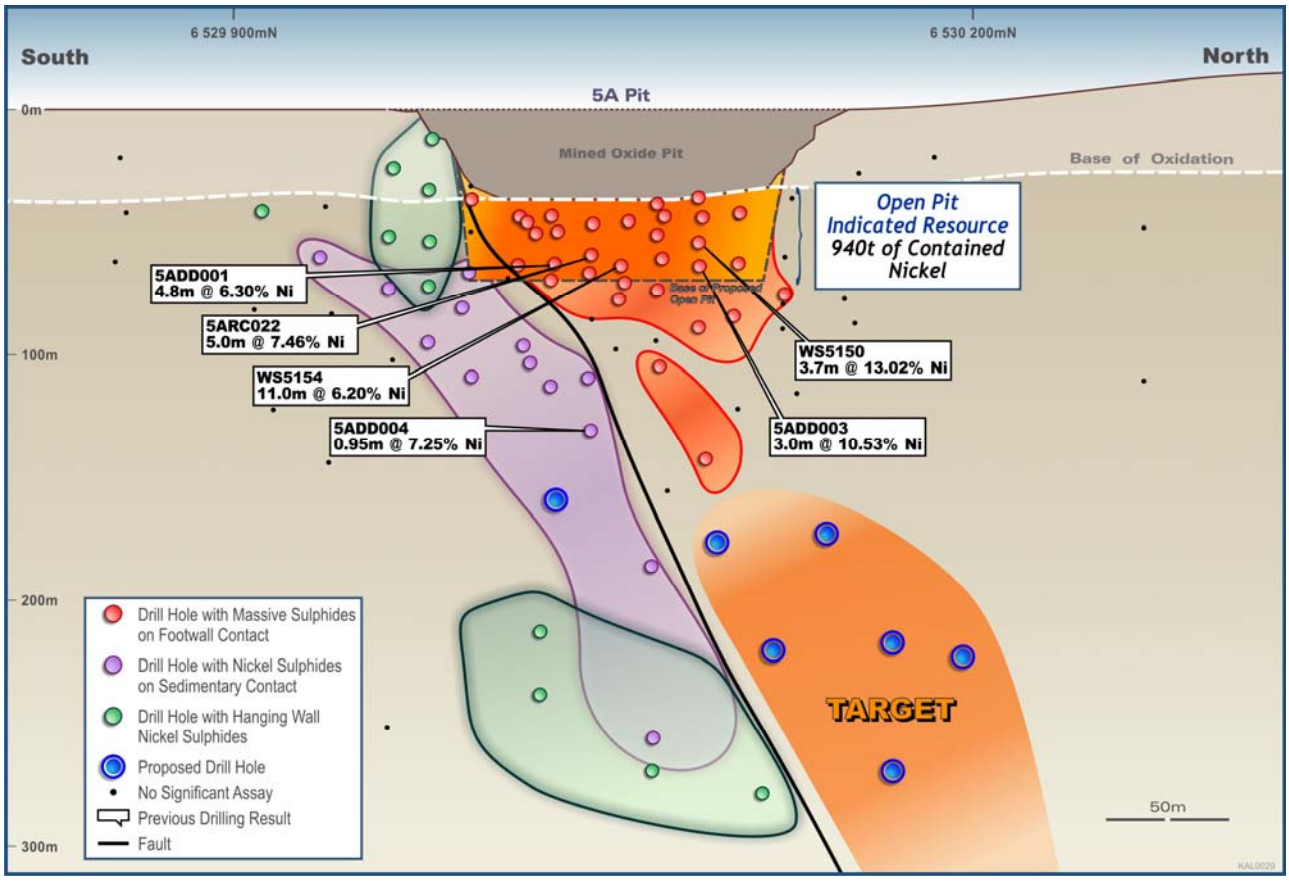

Figure 4: Longitudinal Section of the 5A Nickel Deposit, West Kambalda