



29 January 2008

ADDITIONAL HIGH-GRADE NICKEL INTERSECTED AT 1A DEPOSIT, WEST KAMBALDA

KEY POINTS

- **Massive, matrix and disseminated nickel sulphides intersected in a diamond drill hole at the 1A deposit, with a Surface 1 intercept of:**
7.29m @ 6.94% Ni, 0.59% Cu from 189.30m
Including: 1.42m @ 13.08% Ni, 0.77% Cu from 195.17m
- **Intersection further highlights the high tenor nature of the deposit and the significant exploration potential of Surface 1, which occurs in the hangingwall of the historical mine workings centred on Surface 2.**

Further to its announcements of 19 November and 18 December 2007, Breakaway Resources Limited (ASX: **BRW**) is pleased to advise that additional significant nickel mineralisation has been intersected in the first diamond drill hole drilled in 2008 at its 100%-owned **West Kambalda Nickel Project** in Western Australia (Figure 1). These results, which are from the sixth diamond drillhole completed to date by Breakaway, confirm high grade extensions to the Surface 1 nickel mineralisation at the **1A nickel deposit** (Figure 2).

Hole 07BKWD0006, which was drilled approximately 60 metres to the north of 07BKWD0001 (**5.6m @ 4.19% Ni from 146.4m on Surface 1 and 1.49m @ 7.32% Ni from 262.26m incl. 1.14m @ 9.65% Ni from 261.26m on Surface 2**), returned the following intercept on Surface 1:

7.29m @ 6.94% Ni, 0.59% Cu and 0.7g/t Pt +Pd from 189.30m

Including:

1.42m @ 13.08% Ni, 0.77% Cu and 0.8g/t Pt+Pd from 195.17m

Note: The averaged intersection is estimated by weighting individual assay intervals by corresponding downhole lengths and density measurements.

This intersection further highlights the potential importance and **high tenor of the nickel sulphide mineralisation on Surface 1**, which is located some 40 metres in the hangingwall of Surface 2 on which previous mining was centred on the up-dip portion during the early 1990's.

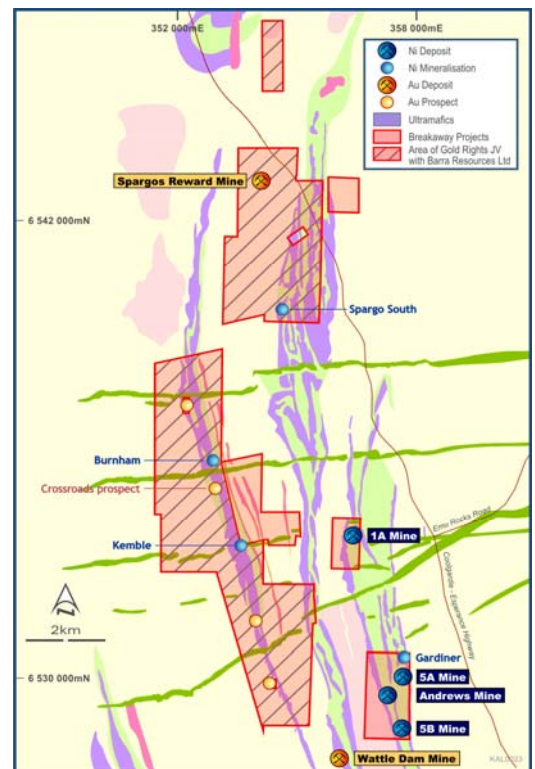


Figure 1: West Kambalda Nickel Project Location Plan



breakaway

The full extent of the Surface 1 mineralisation has yet to be determined by Breakaway. The available drilling has intersected the mineralisation over a down-dip extent of about 200 metres commencing from near the surface to a vertical depth of about 180 metres. Two recent additional holes, 07BKWD0007 and 07BKWD0008, which were drilled 40 metres and 115 metres down dip of the 07BKWD0006 intersection, respectively, did not locate deeper down-dip extensions to Surface 1. However, two holes are not considered to be an adequate test considering the structural complexity of the deposit.

Diamond drilling will continue as a priority, to investigate the potential of Surface 1 as well as the broader potential of the 1A deposit.

Commenting on the latest results from West Kambalda, Breakaway's Managing Director, Mr Peter Buck, said: "Our exploration activities in this area continue to be rewarded with success, demonstrating the high nickel tenor of the 1A deposit and the potential for significant extensions to the mineralisation which were not considered by previous mining in the early 1990's".

"While 1A is shaping up as an exciting project, we are equally enthusiastic about the excellent potential for identifying relatively shallow depth extensions at the nearby Andrew's Mine and 5A deposits, as indicated by our recent modelling," Mr Buck continued. "Considering the broad range of opportunities, drilling will certainly continue for some time at West Kambalda, which represents one of Breakaway's key projects – offering the potential to be progressed towards feasibility in the shorter 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.

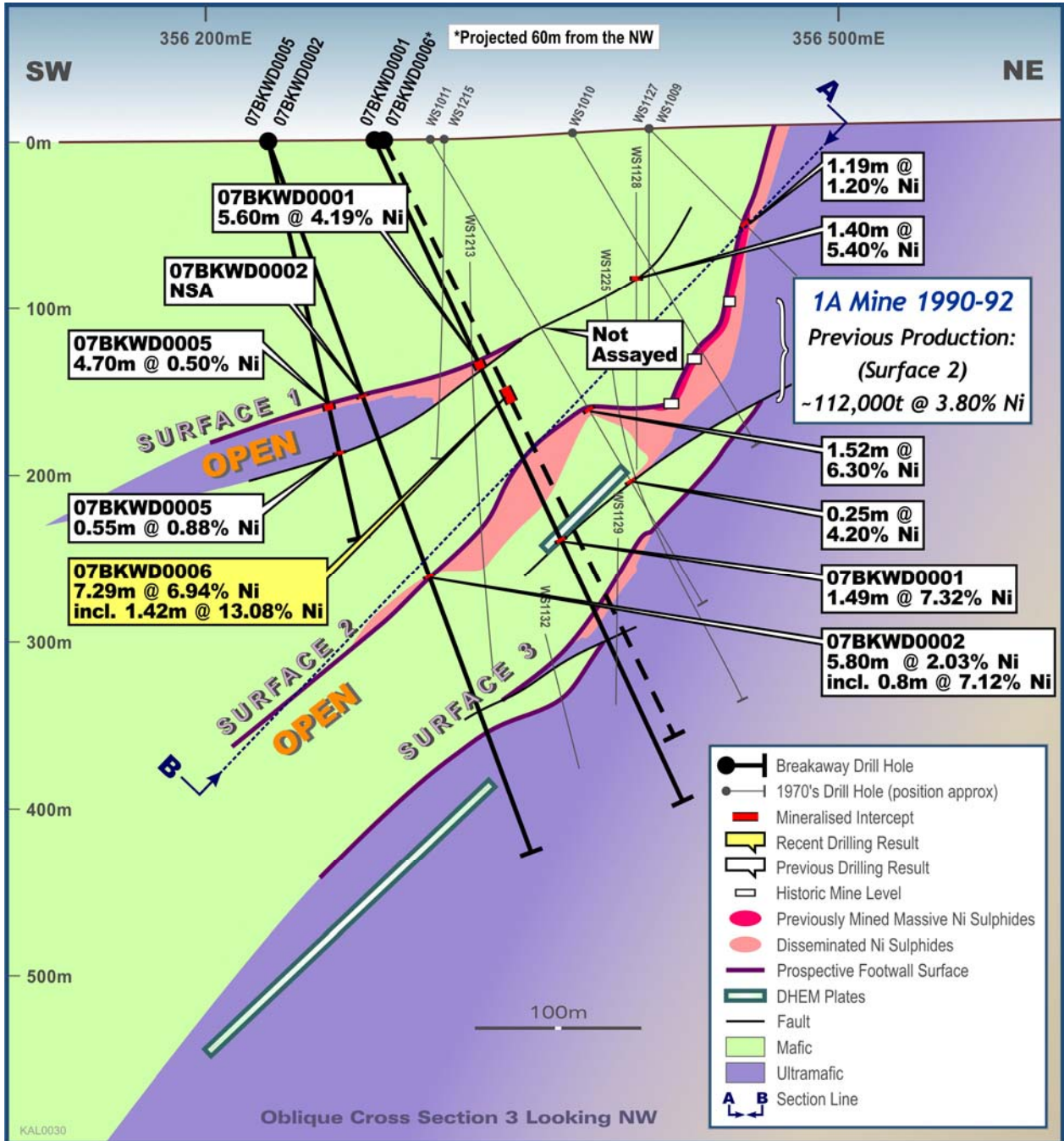


Figure 2: Cross Section, 1A Nickel Deposit, West Kambalda