



Leinster District nickel drilling returns highly promising results

- Drilling confirms existence of high MgO ultramafic rocks at 19 Mile North, south along strike from Cosmos nickel deposits
- Nickel – PGE anomalism with new DHTEM off-hole conductor identified at Bakers Target, Mt Clifford
- Results enable prioritisation of future target areas with strategic review to be conducted next

Breakaway Resources (ASX: **BRW**) is pleased to report that the recent RC / diamond drilling programme at its priority **Leinster District, WA** nickel targets has returned a series of highly promising results.

At **19 Mile North**, which lies at the northern end of the Miranda Project (see Figure 1), drilling has confirmed the presence of highly prospective high MgO ultramafics, which is significant given that the majority of the known nickel sulphide deposits within the Leinster District are intimately associated with the same high MgO ultramafic rock types.

The presence of high MgO rocks at 19 Mile North is highly significant given that the target lies within the interpreted southern extension of the Mt Goode Ultramafic Belt which hosts Xstrata's Cosmos Nickel Deposits (+0.5Mt Ni metal) approximately 15 kilometres to the north.

Broad downhole widths (+30 metres) of high MgO ultramafic (ortho and mesocumulate lithologies) were intersected in 3 of the 5 holes drilled at **19 Mile North**. Significantly, the drill holes represent the first deep nickel – focussed test of the area and the new information will greatly assist in refining the area's current geological model and will underpin the reassessment of surface EM data acquired by Breakaway in 2010 (ASX announcement dated 7 October 2010).

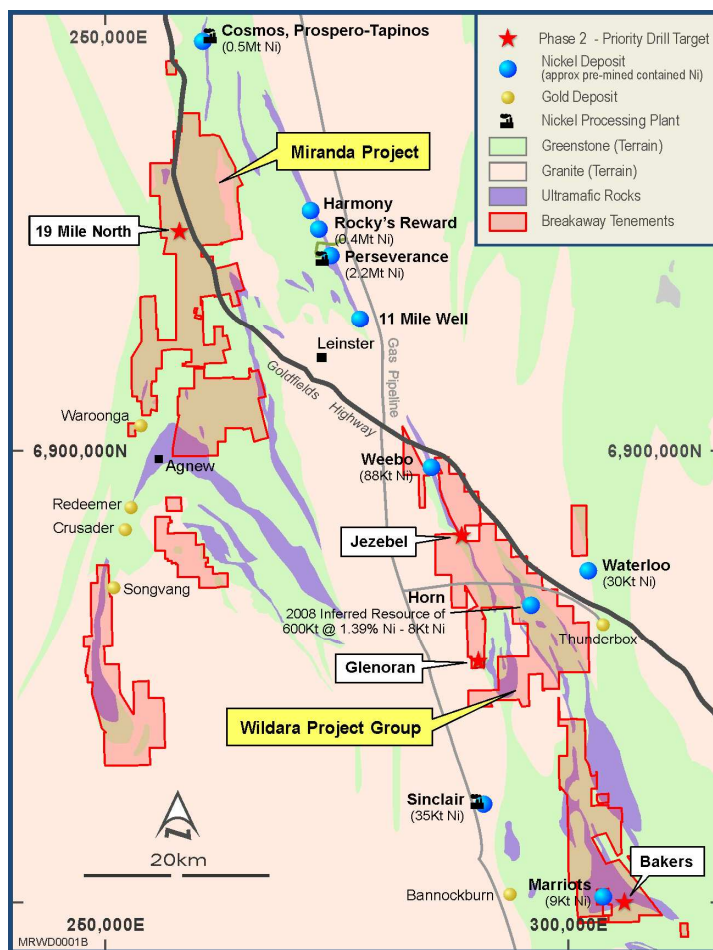


Figure 1: Project Location Plan

Drilling at the **Bakers Target**, located at the southern end of the Mt Clifford Project (see *Figure 1*), also intersected nickel–PGE (platinum group elements) anomalism within a prospective high MgO ultramafic. This ultramafic is interpreted to be the southern extension of the Roadside Ultramafic Belt which hosts Breakaway's Horn Nickel Deposit (2008 JORC Code Compliant Inferred Resource of 600,000t at 1.39% Ni, 0.2% Cu - 8,300t nickel metal) further to the north.

Sampling of vein, breccia and stringer sulphides within the drillholes returned the following results:

- 4.33m @ 0.37%Ni, 0.12%Cu, 161ppbPt+Pd from 246.00 metres in 08BMCD008, and
- 0.38m @ 0.44%Ni, 0.16%Cu, 81ppbPt+Pd from 280.95 metres in 08BMCD009.

Follow-up downhole TEM (DHEM) surveying of the Bakers drillholes also identified a new offhole conductor adjacent to the 08BMCD009 intersection which may require further drill testing.

Two diamond holes were also drilled to test historic surface EM conductors at the **Glenoran and Jezebel Targets**, which are located in the western and north-eastern part of the Wildara Project Group respectively (*Note that the Jezebel Target lies within the Yillaree Joint Venture in which Breakaway's partner, Hampton Hill Mining holds an 18.73% interest*). Despite both holes intersecting broad widths of stringer, vein and disseminated sulphides within and adjacent to favourable ultramafic lithologies, no significant results were returned.

As well as reinforcing the prospectivity of the **19 Mile North** and **Bakers Targets**, the drill programme effectively highlights the priority areas for future nickel exploration within Breakaway's Wildara Project Group and Miranda Project.

Breakaway Managing Director David Hutton said the confirmation of prospective ultramafic rock types at 19 Mile North reinforced the Company's strong confidence in the area's prospectivity.

"It is our belief that the area represents the southern extension of the Mt Goode Ultramafic Belt which hosts Xstrata's Cosmos Nickel Deposits further to the north and further highlights the area as one of the most exciting nickel target areas within the Leinster District."

The Company now intends to strategically review its Leinster District nickel projects to determine the most efficient and successful way of advancing them.

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 (Managing Director), a full time employee of the Company. Mr Hutton is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). He 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.

About Breakaway Resources Limited:

Breakaway Resources aims to generate shareholder wealth through the discovery and development of a high-quality standalone mineral deposit. The Company's exploration activities are focussed on our priority Eloise Exploration Project (copper – gold) located within the Cloncurry District of North West Queensland and the Wildara and Miranda Projects (nickel) located within the Leinster District of Western Australia's North Eastern Goldfields; two areas that we believe offers the most attractive opportunities for future success.

Table 1. Leinster District Drilling Intercepts and Collar Details

Hole ID	Prospect	Northing	Easting	Dip°	Azi Mag°	Fro m	Downhole Width	Ni%	Cu%	Pt+Pd ppb
08BMCD0008	Bakers	6850139	305227	-85	160	246.0	4.33	0.37	0.12	161
08BMCD0009	Bakers	6850049	305007	-60	135	280.95	0.38	0.44	0.16	81
08BMCD0010	Bakers	6849949	304777	-60	125	No Significant Intersection				
11BMAC0003	19 Mile North	6927000	260250	-60	270	No Significant Intersection				
11BMAC0006	19 Mile North	6924100	257690	-60	90	No Significant Intersection				
11BMAC0007	19 Mile North	6924100	257810	-60	90	No Significant Intersection				
11BMAD0001	19 Mile North	6925403	258262	-60	90	No Significant Intersection				
11BMAD0002	19 Mile North	6925253	258241	-60	90	No Significant Intersection				
11BWDD0004	Glenoran	6875980	290290	-60	90	No Significant Intersection				
11BWDD0005	Jezebel	6890470	287750	-60	90	No Significant Intersection				

Notes:

All Reverse Circulation and Diamond 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).

- Intersections are reported as down hole widths, not true widths.
- Reported intersections are calculated as length weighted average grades using a 0.3% nickel lower cut off.
- The location of drill holes were determined using a handheld GPS achieving +/- 4 metre accuracy - MGA datum (Zone 51).
- End of hole surveys were obtained using either an Eastman single shot survey camera or Reflex downhole survey tool.