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SIGNIFICANT SULPHIDE EXTENSIONS DISCOVERED IN KELLER CREEK NI-CU COMPLEX, EAST KIMBERLEY

HIGHLIGHTS

- **Six out of seven RC drill holes intersect additional massive to disseminated sulphides in the Keller Creek Ni-Cu complex, approximately 7 kilometres northwest of the producing Savannah Nickel Mine (Panoramic Resources).**
- **The Keller Creek mineralisation known to extend over a strike length of 600 metres and >300 metres down-dip and remains open in all directions.**

Breakaway Resources Limited (ASX: **BRW** – "Breakaway") is pleased to announce that a limited infill Reverse Circulation (RC) drilling programme intersected massive to strongly disseminated sulphides in the majority of holes completed within the broad, poorly explored nickel – copper sulphide system hosted by the **Keller Creek** mafic to ultramafic intrusion. Keller Creek is located approximately 7 kilometres northwest of Panoramic Resources Ltd's operating Savannah Nickel Mine. Keller Creek forms part of the **East Kimberley Nickel Project** in which Breakaway owns a 60% interest.

The 1,000 metre RC drilling programme recently completed at Keller Creek comprised seven holes (08BEKC0014 to 20). While assay results are awaited, logging of the drill samples indicates that six of the holes intersected massive to strongly disseminated (>20%) sulphides, as detailed below (Figure 1):

08BEKC0014	**1.0m of massive/matrix and disseminated sulphides from 49.0m**
08BEKC0015	**2.0m of massive sulphides from 71.0m, 2.0m of disseminated sulphides (20-30%) from 93.0m, 3.0m of disseminated sulphides from 98.0m**
08BEKC0017	**1.0m of matrix sulphides (30%) from 165.0m, 1.0m of semi-massive sulphides from 166.0m, 1.0m of disseminated sulphides (20%) from 203.0m**
08BEKC0018	**4.0m of matrix/massive sulphides from 81.0m, 2m of matrix/massive sulphides from 86.0m and 3.0m of matrix/massive sulphides from 91.0m**
08BEKC0019	**1.0m of massive sulphides from 109.0m, 5.0m of massive sulphides from 115.0m**
08BEKC0020	**2.0m of matrix sulphides from 52.0m, 4.0m of massive sulphides from 119.0m, 7.0m of disseminated sulphides (20%) from 123.0m, 2.0m of matrix sulphides (40%) from 130.0m, 7.0m of matrix sulphides (40%) from 153.0m**

The Keller Creek intrusion contains broadly distributed disseminated to massive nickel sulphide mineralisation which has been intersected by historical drilling towards the base of the complex as well as in several zones within the footwall, over an area measuring 600 metres and over 300 metres down-dip on the northwestern margin.

The complex has only been superficially tested by wide-spaced drill holes in which higher grade massive sulphide intersections contain nickel concentrations in the 1 to 2% Ni range over downhole widths of up to 6 metres. For example, wide-spaced drilling carried out by LionOre in 2005 returned a best intersection of 6.77 metres at 1.98% nickel and 0.53% copper from 36.8 metres (length weighted).

Breakaway's recent drilling programme tested a series of unexplained downhole TEM geophysical anomalies occurring within major gaps of up to 300 metres in the pre-existing drill coverage. The holes confirm that the sulphide mineralisation is responsible for the TEM anomalies and is open in all directions; however, the drilling to date is insufficient to determine the continuity of individual massive sulphide intersections.

Commenting on the results, Breakaway's Managing Director, Mr Peter Buck, said: "This is a very exciting development from our first drilling programme at the East Kimberley Project. While it's still early days, this wide-spaced drilling confirms that the Keller Creek intrusion contains an extensive system of sulphides found to be nickel-bearing by historical drilling" Mr Buck continued. "Significantly, the system has not been closed off and the nickel sulphides appear to occur over a wider area than at the Savannah and Copernicus deposits which are currently in production in the region".

"Holes 08BEKC0018 – 20, which intersected broader widths of massive sulphides on the western side of the Keller Creek complex, are particularly interesting and highlight the potential for increased concentrations of sulphides. However we are awaiting the assay results to determine their potential and the next phase of exploration, in conjunction with our existing high priority exploration commitments at West Kambalda and the Horn, in the Eastern Goldfields of Western Australia" he added.

The East Kimberley Project is a joint venture in which Breakaway owns a 60% interest with Thundelarra Exploration Limited holding the remaining 40%. The Savannah (formerly Sally Malay) nickel deposit, which has a published Proved and Probable Reserve of 3.13 million tonnes at 1.57% nickel, 0.63% copper and 0.08% cobalt, lies on a small excision of tenements owned by Panoramic Resources within the Project area.

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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.

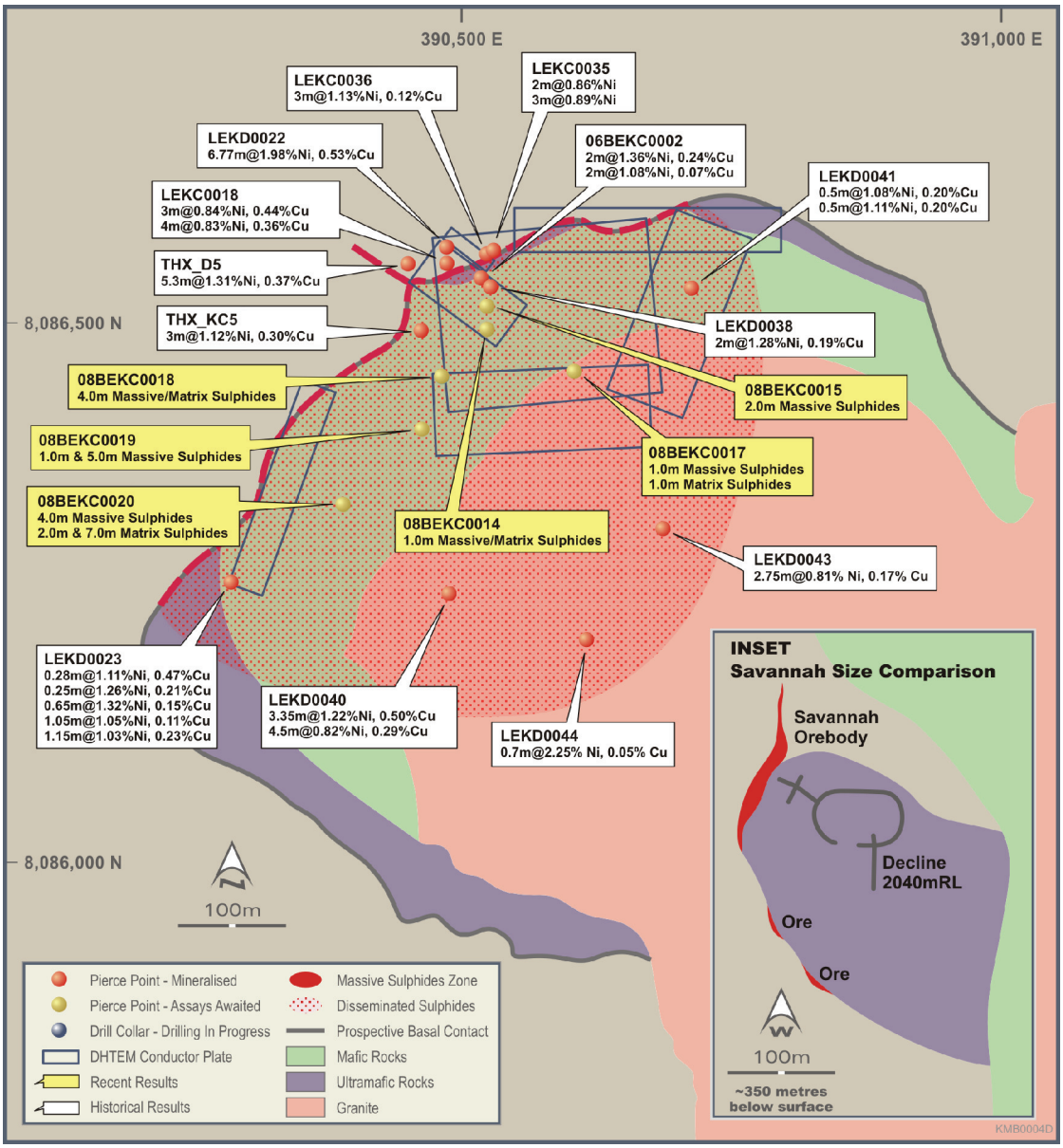

Figure 1: East Kimberley Nickel Project – Keller Creek Drillhole Location Plan