



Breakaway Announces Phase 2 Nickel Work Programme

- Up to 2,800m RC/diamond drilling and geophysics to test six priority targets in premier Leinster Nickel District
- Four priority targets confirmed at Wildara Project Group – Revolution, Bakers, Glenoran and Jezebel
- Two priority EM targets confirmed at Miranda Project, located directly south of Xstrata's world-class Cosmos Nickel Deposits (+0.5Mt nickel metal)
- Miranda drilling represents first deep, nickel-focused exploration to be conducted in this area
- Work programme to commence before Christmas 2010

Breakaway Resources Limited (**ASX: BRW**) is pleased to announce a substantial new nickel exploration work programme at its 100%-owned **Wildara Project Group** and **Miranda Nickel Project** in the premier Leinster Nickel District, Western Australia.

The Phase 2 programme will comprise up to 1,500 metres of Reverse Circulation (RC) and 1,300 metres of Diamond Drilling, as well as Fixed Loop Electromagnetic (FLTEM) surveying to refine a key target area at the Wildara Project (see *Figure 1*). It is anticipated that Heritage site clearances and geophysical surveying will commence before Christmas 2010, with drilling activities shortly thereafter.

The new nickel exploration programme will be fully funded from existing cash resources combined with the proceeds of the Company's recently announced \$3.5 million Share Purchase Plan ("SPP").

Wildara Project Group

Located 30 kilometres south along strike from BHP Nickel West's Leinster Nickel Deposits (+2.5Mt nickel metal), Breakaway's Wildara Project Group comprises the 100%-owned Wildara and Mt Clifford Projects and the 81.27%-owned Yillaree Project, with Breakaway's joint venture partner Hampton Hill Mining NL (ASX:HMM) holding the balance of 18.73% and contributing to expenditure on a pro rata basis.

The Phase 2 programme within the Wildara Project Group will focus on the following priority targets (see *Table 1 and Figure 2*):

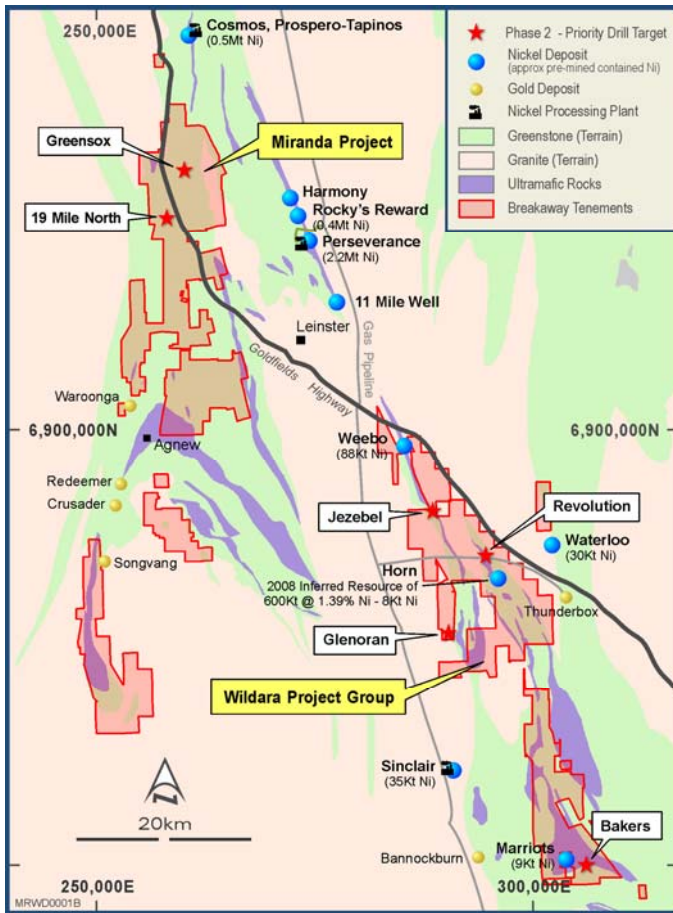


Figure 1: Leinster District Location Plan

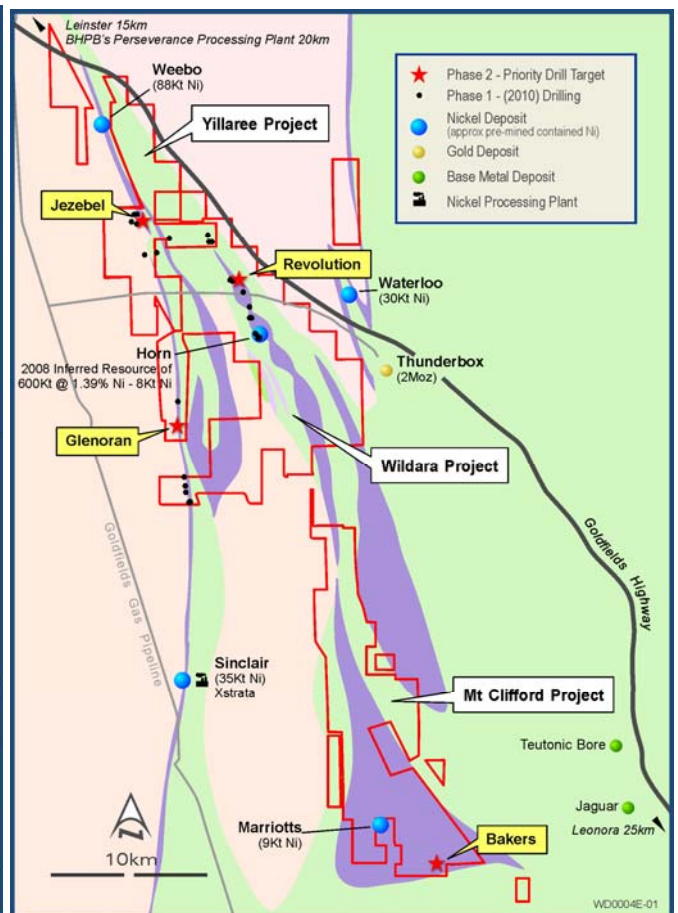


Figure 2: Wildara Project Group - Priority Target Location Plan

- Revolution**, which is located immediately north of Breakaway's Horn Nickel Deposit (2008 JORC Code Compliant Inferred Resource of 600,000t @ 1.39% Ni, 0.2% Cu for 8,300t nickel metal). Geological remodelling of the target has shown that existing disseminated sulphide mineralisation (i.e. 12m @ 0.96% Ni, 311ppm Cu and 424ppb Pt + Pd from 192 metres and 4m @ 1.14%Ni, 1,003ppm Cu and 749ppb Pt + Pd from 209 metres in LWDD0809) lies within a high MgO ultramafic unit. Revolution's prospectivity is further enhanced by the presence of high grade remobilised nickel sulphides (i.e. 0.15m @ 5.1% Ni, 923ppm Cu and 3,029ppb Pt + Pd from 267 metres in LWDD0819) and an untested historical EM conductor 400 metres along strike of the disseminated sulphides. A fixed-loop EM survey will be undertaken to further refine the EM conductor prior to drill testing;
- Bakers**, which is located in the southern part of the Mt Clifford Project, in close proximity to Australian Mines Limited's Marriott's Nickel Deposit (9,400t of nickel metal – 2009 Resource Statement). Breakaway drilling carried out in 2007 intersected disseminated sulphide mineralisation (i.e. 8m @ 0.43%Ni, 608ppm Cu and 136ppb Pt + Pd from 239 metres in 07BMCC007) within the southern extension of the Roadside Ultramafic Belt (host to the Horn Deposit and Revolution prospect). Drilling will further test the mineralisation and the significance of several historical EM conductors that are present down-dip and below the disseminated sulphides.
- Glenoran**, which is located in the western part of Wildara within the Sinclair Ultramafic Trend approximately 15 kilometres north along strike of Xstrata's Sinclair Nickel Mine (~45Kt nickel metal). This target also lies along strike from a series of EM conductors drill-tested by Breakaway earlier this year. In contrast to barren massive sulphides that were intersected at each of the recently drilled EM conductors, the Glenoran EM conductor sits on the interpreted footwall basal contact of the ultramafic making it a prime target for nickel sulphides. Drilling will test the nature of this conductive feature; and

- **Jezebel**, a new target which has been identified 7 kilometres south along strike from BHP Billiton’s Weebo Nickel Deposit (88Kt nickel metal) on the Yillaree Joint Venture. At Jezebel, a prominent magnetic feature that bears a similarity to the Weebo magnetic “signature” is interpreted to be a “thickened” accumulation of the prospective ultramafic unit. Drilling will test the significance of this magnetic feature.

Miranda Project

Miranda covers the interpreted southern extension of the Mt Goode Ultramafic Belt which hosts Xstrata’s **Cosmos Nickel Deposits** (+0.5Mt Ni metal), At Miranda, Breakaway owns 100% of the nickel rights with Gold Fields Australia Limited owning the gold rights. Most of the historic exploration activity in this belt has been targeted toward gold.

Following a detailed geological review of the results of the Company’s recently completed ground-based Moving Loop TEM (MLTEM) survey, Breakaway has selected two priority targets for initial follow-up (See Table 1 and Figure 3):

- **19 Mile North**, which is located within the southern portion of the 2010 MLTEM survey area and comprising a strong EM conductor coincident with a magnetic feature interpreted to be a structurally complex remnant of the Mt Goode Ultramafic. An adjacent air core hole shows geochemistry consistent with that of weathered nickel sulphide (i.e. 1m @ 1,920ppm Ni, 385ppm Cu, 46ppb Pt + Pd from 64 metres in 06BMAC010). Drilling will test the nature of this conductive feature; and
- **Greensox**, which is located immediately north of the 2010 MLTEM survey area comprises an EM conductor defined by Breakaway during an earlier 2005 MLTEM survey. The conductor appears to be located close to the eastern footwall contact of the favourable ultramafic unit which also shows evidence of nickel sulphides (i.e. 40m @ 3,900ppm Ni, 77ppm Cu from 36 metres in PL_10_23). Subject to Heritage site clearances, drilling will test the nature and prospectivity of this conductive feature.

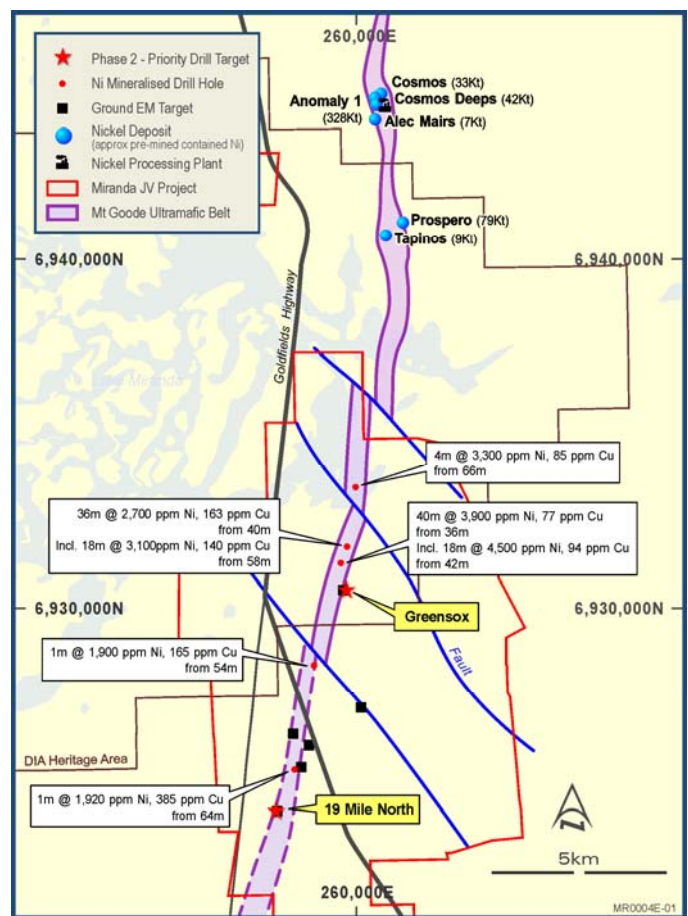


Figure 3: Miranda Project – Priority Target Location Plan

This drilling represents the first deep, nickel focussed drilling programme to be carried out on these tenements.

Summary

Breakaway's Managing Director, Mr David Hutton, said the forthcoming nickel exploration programme was one of the most important in the Company's history.

"This will bring to fruition much of the hard work that has been done over the past six months by our exploration team. We are particularly excited by the sophisticated modelling and target generation work that has been completed over the Wildara Project Group,

"The forthcoming programme will test a series of priority targets at Wildara, while also providing a first-pass test of the Miranda Project, which we regard as one of the most exciting and under-explored tracts of nickel ground within our project portfolio," he added.

Table 1. Wildara and Miranda Anomalous Historic Drilling Intercepts and Collar Details

| Hole ID | Northing | Easting | Dip° | Azi Mag° | From | Downhole Width | % Ni | ppm Cu | ppb Pt+Pd |
|-----------|----------|----------|------|----------|------|----------------|------|--------|-----------|
| LWDD0809 | 6886039 | 293886.6 | -60 | 090 | 192 | 13.0 | 0.96 | 311 | 424 |
| " | " | " | " | " | 209 | 4.0 | 1.14 | 1,003 | 749 |
| LWDD0819 | 6886119 | 293806.6 | -60 | 090 | 267 | 0.15 | 5.1 | 923 | 3,029 |
| 07BMCC007 | 6850143 | 305225.7 | -60 | 160 | 239 | 8.0 | 0.43 | 608 | 136 |
| 06BMAC010 | 6924162 | 259050 | -60 | 270 | 64 | 1.0 | 0.19 | 385 | 46 |
| PL_10_23 | 6931291 | 259634 | -60 | 076 | 36 | 40.0 | 0.39 | 77 | - |

Notes on Drill Hole Results:

1. The drillholes are historic and as such, details of the analytical methods used are unknown.
2. The location of drill holes were determined using a handheld GPS achieving +/- 4 metre accuracy and using the MGA datum (Zone 51).
3. Intersections are reported as down hole widths, not true widths and calculated using a 0.3%Ni lower cut off.

ENDS

For Further Information Contact:

Mr David Hutton, Managing Director

Mobile: 0417 974 843
Business: (08) 9278 6444

Mr John Atkins, Chairman

Mobile: 0419 767 573
Business: (08) 9323 8563

Breakaway Resources Limited

ABN 16 061 595 051
Level 2, 23 Ventnor Avenue
West Perth WA 6005

P/ (08) 9278 6444
F/ (08) 9278 6449
E/ admin@breakawayresources.com.au
W/ www.breakawayresources.com.au

Competent Persons Statement:

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Charles (Mark) Fletcher (Exploration Manager) and Mr David Hutton (Managing Director), both full time employees of the Company. Mr Fletcher is a Member of the Australian Institute of Geoscientists (AIG) and Mr Hutton is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Both 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.

About Breakaway Resources Limited:

Breakaway Resources aims to become one of Australia's leading mining and exploration companies with exploration focussed at our priority Wildara and Miranda Projects within the Leinster district of the North Eastern Goldfields of Western Australia; an area we believe offers the most attractive opportunities for future success.

Our objectives are the discovery and development of a high-quality stand alone nickel sulphide deposit and maximisation of shareholder wealth for non-priority assets.