



## Drilling Update – Sandy Creek, North Queensland

- Infill and extensional RC drilling continuing with 6 holes of 22 hole RC / diamond drilling programme completed.
- Shear – hosted quartz veining and copper sulphide (chalcopyrite – pyrite) mineralisation intersected in 5 of the 6 holes drilled to date.
- Newly intersected mineralisation lies between existing copper – gold drill intercepts confirming internal continuity.
- First assay results expected mid October.
- Diamond drill rig booked to commence down dip testing mid October.
- High resolution ground magnetics survey underway to assist in defining geological setting and delineate additional targets along strike.

Further to its release of 20 September 2011, Breakaway Resources Limited (ASX: **BRW**) is pleased to provide an update on exploration activities currently underway on the **Sandy Creek** prospect which is located on its 100%-owned **Eloise Exploration Project**, 70km south-east of Cloncurry, in the heart of the world-class Cloncurry Mineral District of North West Queensland (see *Figure 1*).

At **Sandy Creek**, copper-gold mineralisation occurs within a well defined zone of sheared sulphidic quartz veining within a broader zone of mafic / garnet alteration on the western margin of a gabbroic intrusive body.

Recent broad spaced RC drilling by Breakaway has identified a significant new copper system (with previous drill intercepts up to 3.51% copper) extending over a currently identified strike length of 600 metres and to a depth of 120 metres. The mineralisation remains open in all directions with most sections only containing one drill hole.

At the time of writing, Reverse Circulation drilling was continuing with 6 holes (11BERC0087 to 11BERC0092 – 914 metres) of a 22 hole (3,700 metre) RC / diamond

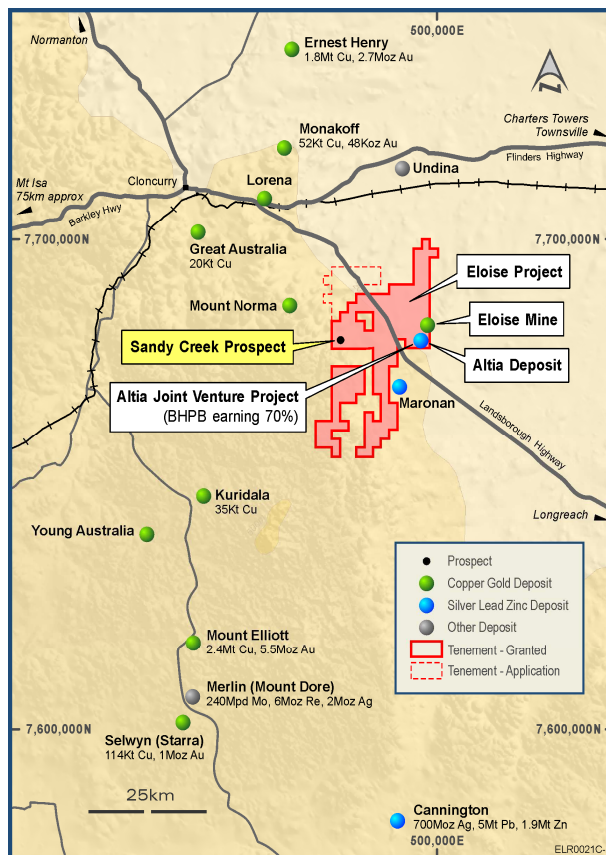


Figure 1: Eloise Exploration Project Location Plan

drilling programme completed to date.

The RC drilling is being carried out on nominal 50m centres to 120 metres depth throughout the existing mineralisation to determine internal continuity and test for potential extensions of the mineralisation along strike.

Five of the six holes drilled to date at **Sandy Creek** have intersected zones of shear – hosted quartz veining and **copper sulphide (chalcopyrite – pyrite) mineralisation** ranging in downhole width from **3 to 18 metres**. The new intersections lie between existing mineralised intercepts (*Figure 2*), confirming **internal continuity** in the vicinity of the area drilled. First assay results are expected by mid October 2011.

The diamond drilling will be carried out to test the down-dip potential of the prospect and to establish “platforms” for follow up DHTEM surveying. A locally-based diamond drilling contractor had been booked to undertake the deeper drilling commencing mid October 2011.

Concurrent with the RC drilling, a high resolution ground magnetic survey to assist in defining the prospect's geological setting and delineate additional targets along strike is also underway. Ground magnetic data is being collected on 25 – metre spaced traverses over a 6kms<sup>2</sup> area centred on Sandy Creek, and at the time of writing, the survey was nearing completion.

The Company looks forward to providing further updates as drilling progresses.

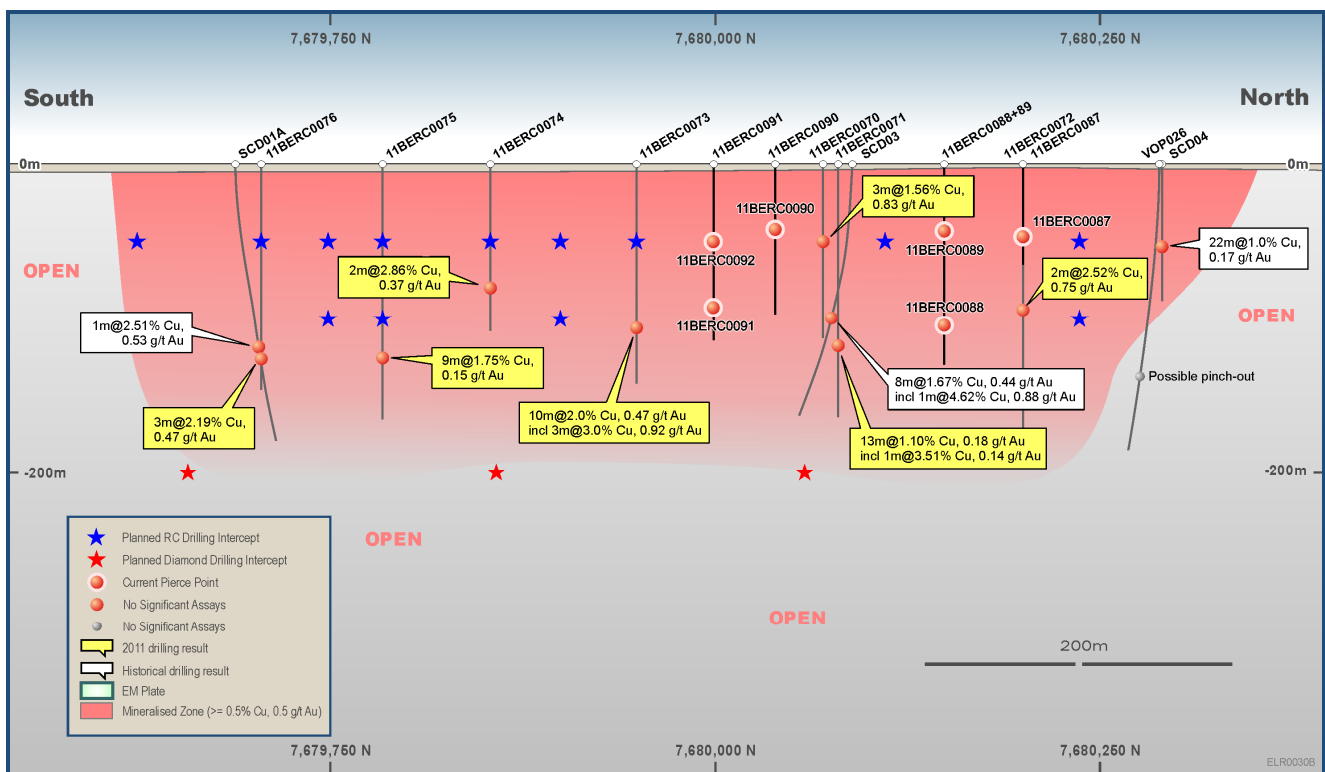


Figure 2: Sandy Creek Long Section showing position of new drillholes

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.

Mr Hutton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**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 – Sandy Creek 2011 Drilling Intercepts and Collar Details**

Hole ID	Prospect	Northing	Easting	Dip°	AziMag°	From	Width	g/tAu	%Cu	g/tAg	%Pb	%Zn
11BERC0087	Sandy Ck	7680200	479480	-60	90							
11BERC0088	"	7680150	479410	"	"							
11BERC0089	"	7680150	479470	"	"							
11BERC0090	"	7680040	479465	"	"							
11BERC0091	"	7680000	479400	"	"							
11BERC0092	"	7680000	479450	"	"							

**Notes:**

All Reverse Circulation drill hole results are obtained from analysis of 1 metre samples (unless otherwise specified). Sampling is undertaken following logging of geological boundaries within the drill hole. All samples are prepared and analysed at ALSGlobal Pty Ltd's Townsville Minerals Laboratory. Sample preparation is by pulverisation of the entire sample to a nominal 85% passing 75 microns in size (method LOG-23 / PUL-23). Base metal analysis is carried out by subjecting a 25-gram portion of the sample to a multi acid digest and analysing the sample by Inductively Coupled Plasma Atomic Emission Spectrometry (method ME-ICP61). Gold and precious metal analysis is carried by 25g Fire Assay and an AAS finish (method Au-AA25)

- Intersections are reported as **down hole widths**, not true widths.
- Reported intersections are calculated as length weighted average grades typically using the following cut off grades - a 0.5% copper, lead and zinc, and 0.5g/t gold and silver.
- Au – gold, Ag – silver, Cu – copper, Pb – lead, and Zn – zinc.
- The intersection obtained from 104 metres in 11BERC0070 was obtained from analysis of 4 metre composite samples.
- The location of drill holes were determined using a handheld GPS achieving +/- 4 metre accuracy - MGA datum (Zone 54).
- End of hole surveys were obtained using either an Eastman single shot survey camera or Reflex downhole survey tool.