



Sandy Creek diamond drilling update

- 3 diamond drill holes (1,184 metres) recently completed to test the prospect’s down dip potential.
- All 3 holes intersected shear – hosted quartz veining and copper sulphide (chalcopyrite – pyrite) mineralisation down dip from existing high grade copper – gold mineralisation.
- New, shallow, zone of copper sulphide mineralisation intersected 100 metres west of existing mineralisation.
- First assay results expected mid to late January 2012.
- DHTEM surveying expected to commence late January 2012.

Further to its release of 14 November 2011, Breakaway Resources Limited (ASX: BRW) is pleased to report that 3 diamond drillholes (1,184 metres) have been recently completed at 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**, previous RC drilling by Breakaway on nominal 50m spaced sections has confirmed continuous high grade copper – gold mineralisation (with drill intercepts up to 6.23% copper) over a strike length of 600 metres and to a depth of 120 metres. **Mineralisation** remains **open both down-dip and along strike**, particularly to the north.

The 3 diamond drill holes (11BERD0104 to 11BERD0106 – 1,184 metres) were designed to test the prospect’s down-dip potential. As shown on *Figure 2*, the holes were spaced approximately 200 metres apart and tested the mineralisation between 220 and 325 metres vertical.

Each hole successfully intersected zones of shear – hosted quartz veining, disseminated and vein – hosted **copper sulphide (chalcopyrite – pyrite) mineralisation** ranging in downhole width from **0.3 to 15 metres**. The new intersections lie down dip of existing mineralised intercepts, reinforcing the prospect’s **extensional**

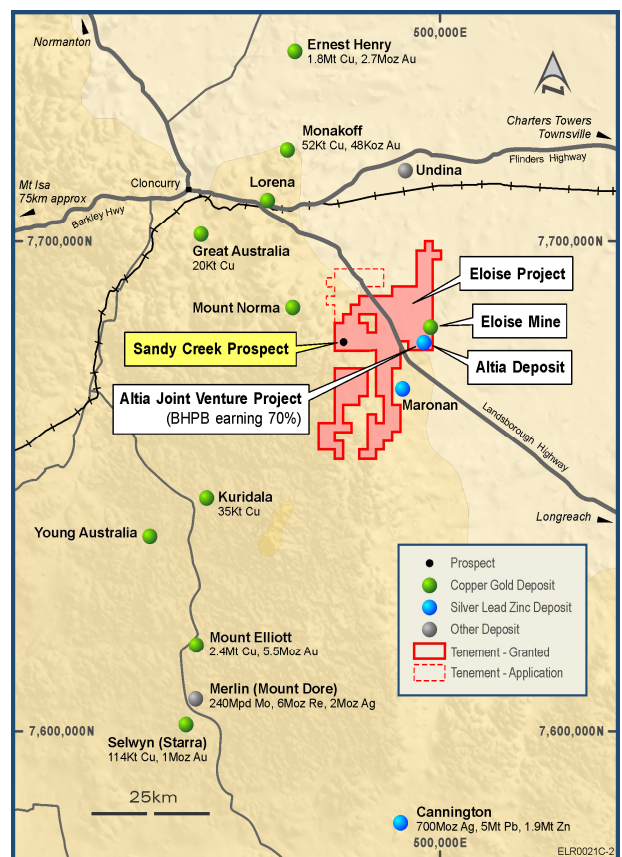


Figure 1: Eloise Exploration Project Location Plan

potential in the vicinity of the area drilled.

Hole 11BERD0104 also intersected a **new, shallow, zone** of shear – hosted quartz veining and brecciation, strongly disseminated and vein – hosted **copper sulphide (chalcopyrite – pyrite) mineralisation** over a downhole width of **16 metres**. The intercept lies approximately 100 metres west of the existing mineralisation and may represent a separate **parallel zone of copper – gold mineralisation**.

The northern most diamond drill hole (11BERD0106) also intersected two deeper zones (downhole widths of 5 and 10 metres) of strong quartz – carbonate veining, biotite alteration and copper sulphide (chalcopyrite – pyrite) mineralisation immediately east of the main mineralised zone within the adjacent gabbro wall rocks.

The gabbro – hosted zones within 11BERD0106 are potentially significant as Breakaway has previously intersected gold mineralisation (i.e. **12m @ 1.25g/t gold** from 104 metres in 11BERC0070 – ASX Release dated 16 August 2011) within the same rock type approximately 200 metres to the south.

It is expected that **assay results** for all holes will be received by **mid – late January 2012**, at which stage a full geological review and three dimensional modelling of the prospect will be undertaken.

Down Hole TEM (DHTEM) geophysical surveying of the holes will be undertaken late January 2012, weather dependent.

The Company looks forward to providing further updates once assay results are received.

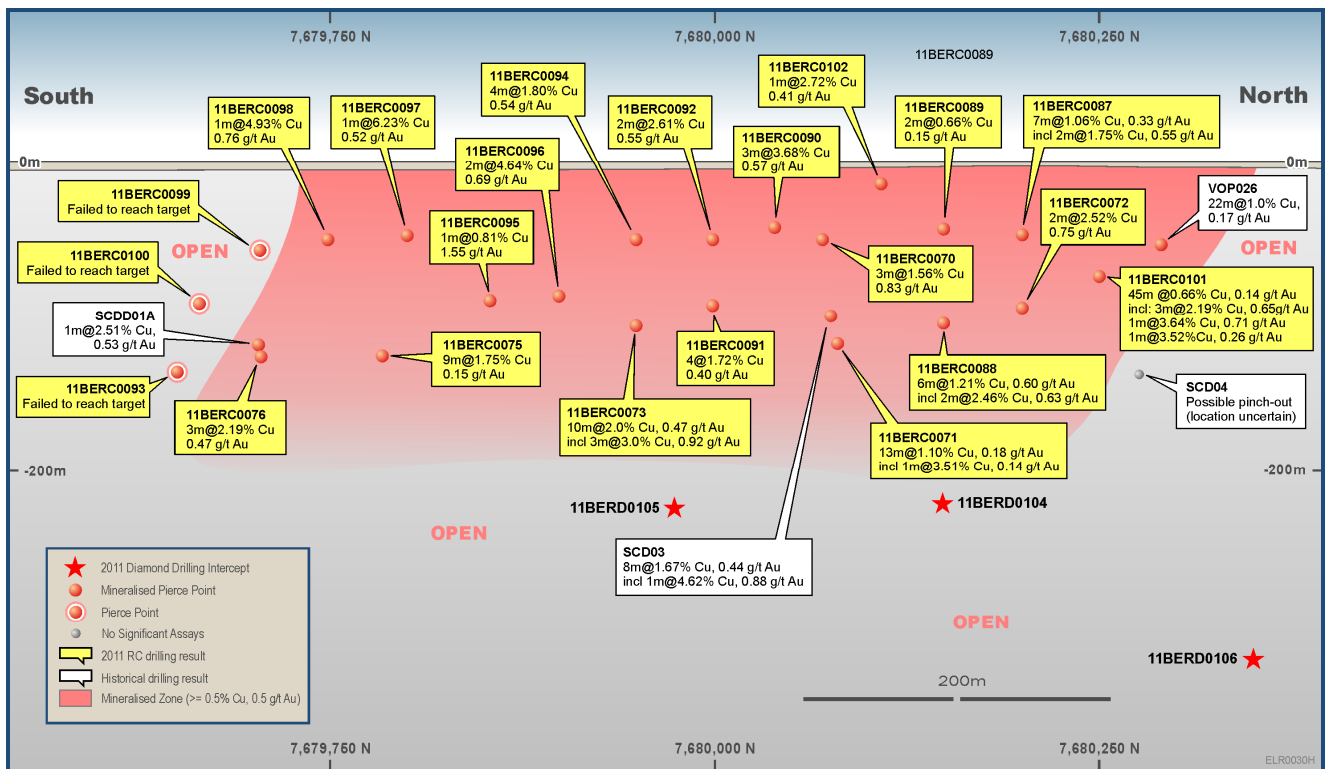


Figure 2: Sandy Creek Long Section showing position of new drillholes

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 Diamond Drilling Intercepts and Collar Details

Hole ID	Prospect	Northing	Easting	Dip°	AziMag°	From	Width	g/tAu	%Cu	g/tAg	%Pb	%Zn
11BERD0104	Sandy Ck	7680150	479320	-60	84	Assays Awaited						
11BERD0105	"	7679950	479340	"	"	Assays Awaited						
11BERD0106	"	7680350	479450	"	90	Assays Awaited						

Notes:

All diamond drill hole results are obtained from analysis of ½ core samples ranging in length from 0.5 to 1.5 metres. 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.