



## Update on the Altia Joint Venture, North Queensland

### Key Points

- Breakaway’s joint venture partner advises its intention to withdraw from the JV following commercial and technical review
- Creates significant exploration opportunity for Breakaway by opening up several promising copper and silver exploration targets within the joint venture area
- Targets include the Altia West Copper Target and Altia South Silver Target, where strongly anomalous copper and high-grade silver has been intersected immediately adjacent to the current 7.5Moz resource

Breakaway Resources Limited (ASX: **BRW**) advises that BHP Billiton Minerals Pty Ltd (ASX: **BHP** – “BHP Billiton”) has formally withdrawn from the **Altia silver-lead-zinc joint venture**, located 70km south-east of Cloncurry in North Western Queensland (Figure 1).

The decision is based on the results of a commercial and technical review undertaken by BHP Billiton following the completion of 6,884 metres of deep diamond drilling surrounding the **7.5Moz Altia Silver Deposit**<sup>1</sup> during the 2010 and 2011 field seasons.

While the drilling has demonstrated that the Altia Deposit lies within a broad mineralised system with silver-lead-zinc mineralisation now drilled over 1,200 metres strike length and to a vertical depth of 800 metres, BHP Billiton believe there is limited potential for the discovery of mineable widths of high-grade silver mineralisation at depth that meet their commercial criteria.

Significantly, the **existing Inferred Mineral Resource** at Altia **remains intact** given that no drilling has been carried out within the resource envelope during the joint venture period.

The withdrawal now creates a significant exploration opportunity for Breakaway as it gives the Company

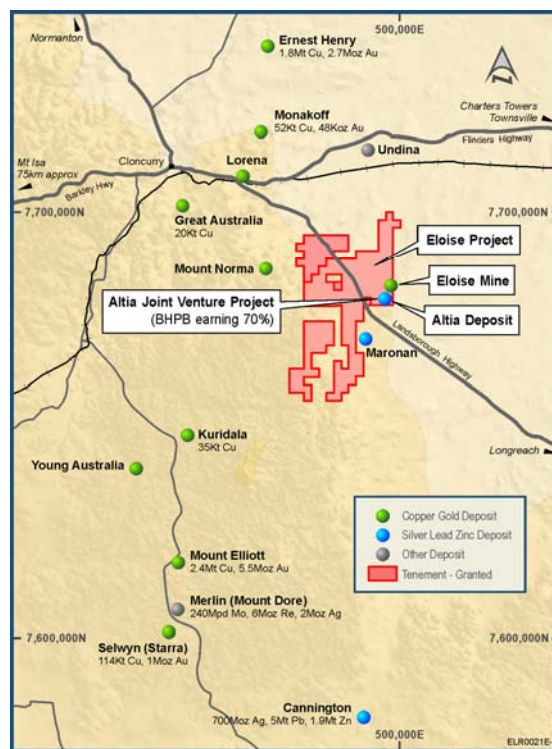


Figure 1: Altia Joint Venture Location Plan

<sup>1</sup> Breakaway delineated a maiden Inferred Mineral Resource for the Altia Deposit in 2008 of 5.78 million tonnes grading 3.96 per cent lead, 40.3g/t silver and 0.49 per cent zinc (7.5Moz contained silver). The Mineral Resource was completed to a standard that meets JORC, 2004 guidelines.

unrestricted access to three exciting advanced exploration targets (*Figure 2*) that lie within the former joint venture area and an extensive database of new geological information generated during the joint venture period.

## Exploration Targets

Approximately 150 metres west of Altia, lies the **Altia West Copper Target**, where wide-spaced historic drilling has intersected broad widths of strongly anomalous copper-gold-silver mineralisation over 200 metres strike extent within a parallel trending sub-vertical zone of shearing and alteration.

The mineralisation which includes a better drill of **16m @ 0.95% copper, 0.76g/t gold, 41.8g/t silver** from 145 metres in 06BERD0005 including 9m @ 1.28% copper, 1.16g/t gold, 36.1g/t silver from 152 metres (down hole widths) remains open in all directions.

While the significance of the mineralisation is yet to be determined, the intercepts are regarded as encouraging and further demonstrates the varied base metal potential of Altia. Follow-up is required to determine if the target contains a zone of more concentrated copper +/- gold mineralisation which, given its close proximity to the operating Eloise Copper Mine (less than 3 kilometres), would be of strategic importance to Breakaway.

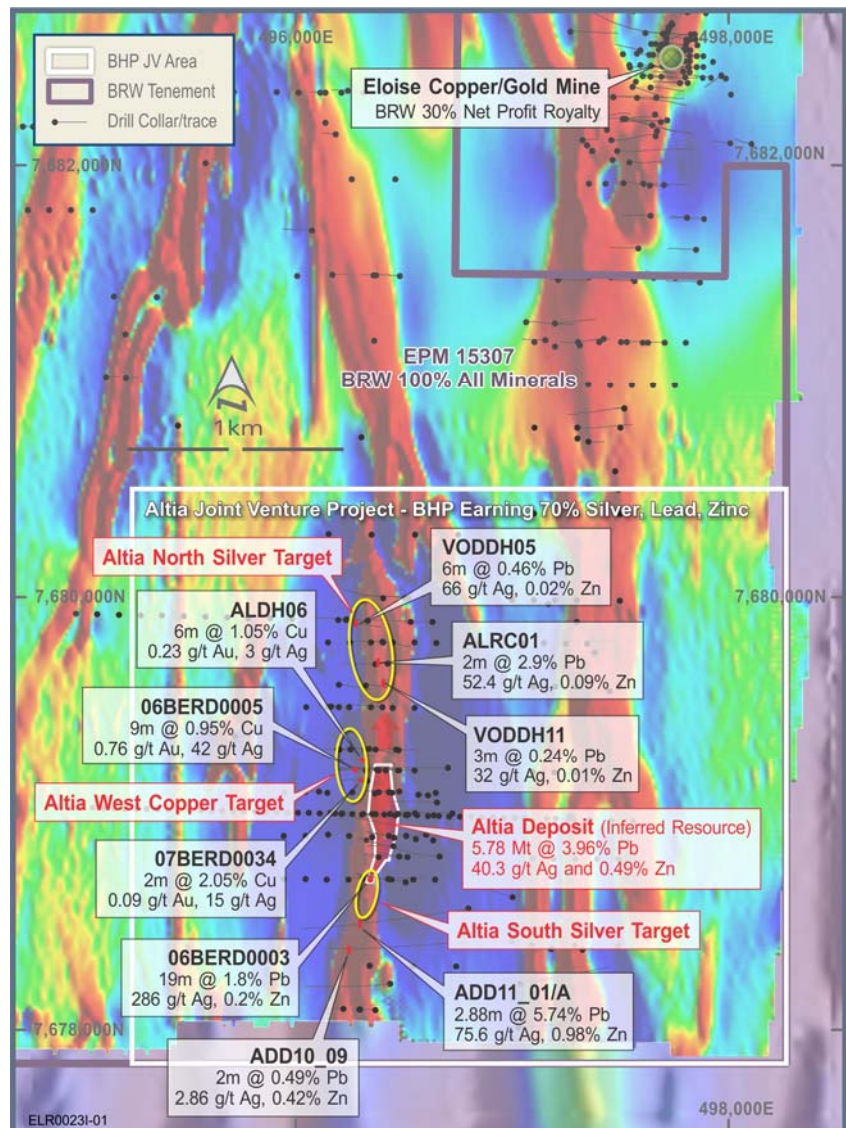


Figure 2: Altia Deposit exploration targets

A number of high grade silver drill intercepts including **19m @ 286g/t silver**, 1.8% lead and 0.2% zinc from 287 metres in 06BERD0003 (downhole widths) are present at the southern end of the current resource (**Altia South Silver Target**).

These mineralised intersections remain open down-plunge and along strike to the south and reinforce the potential of the deposit to contain internal zones of high-grade silver mineralisation.

Additionally, a review of historic drilling has identified numerous silver-lead-zinc drill intercepts approximately 400 metres north of Altia (**Altia North Silver Target**) within the same Altia BIF host rocks (*Figure 3*). While their significance is yet to be determined, they may represent the near-surface expression of a new mineralised shoot. Better drill intercepts include **6m @ 0.46% lead, 66.0g/t silver**, 0.02% zinc from 180 metres in VODDH05 (down-hole widths).

Breakaway's Managing Director, Mr David Hutton said that the Company would now focus on progressing these exciting exploration targets in conjunction with its ongoing drilling activities at the nearby Sandy Creek copper – gold prospect.

“We will now strategically evaluate the Altia targets to determine the most effective way of rapidly advancing them to drill -ready status,” he said.

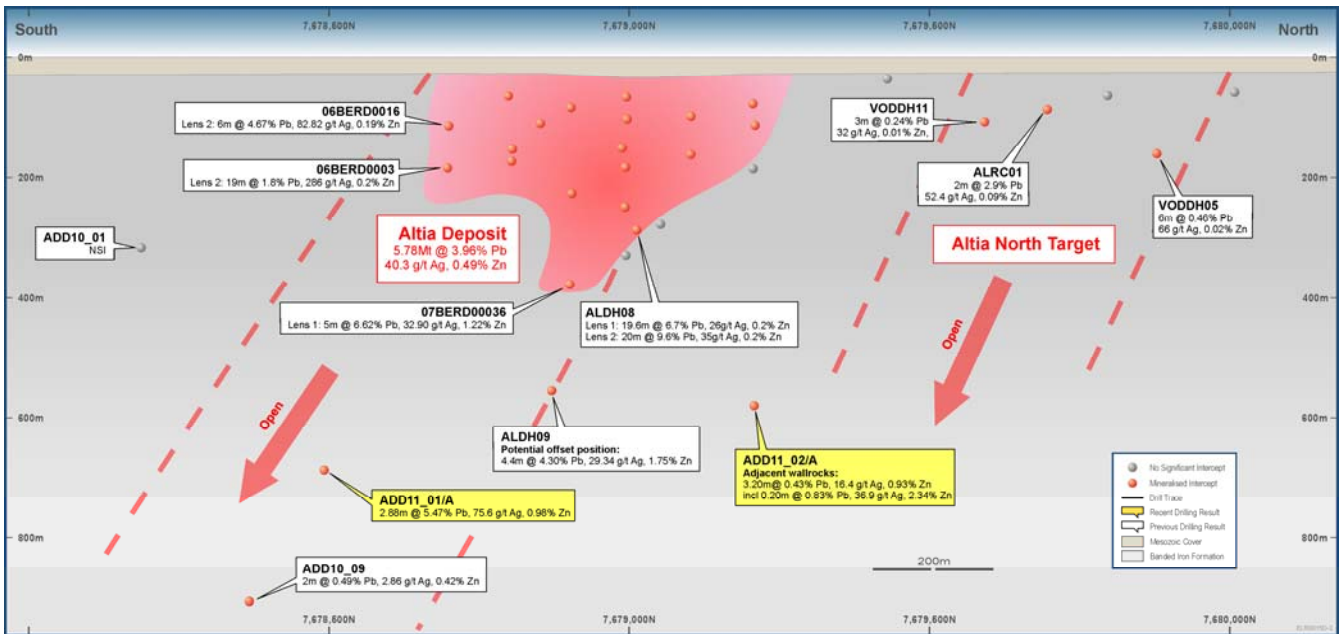


Figure 3: Altia Deposit Long Section showing position of existing resource and recent drilling.

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 Fellow 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.

The information in this report that relates to the estimation of the **Altia Mineral Resource** was compiled by **Mr Justin Watson**. Mr Watson is a full time employee of Snowden Mining Industry Consultants. Mr Watson is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Watson consents to the inclusion of this information in the form and context in which it appears in this announcement.

**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 100% - owned priority Eloise Exploration Project (copper – gold) located within the Cloncurry Mineral District of North West Queensland which is host to a number of world-class mineral deposits.

**Table 1. Altia West Copper Target Historic Drilling Results and Collar Details**

Hole ID	Northing	Easting	Dip°	Azimuth Mag°	From	Downhole Width	Copper %	Gold g/t	Silver g/t
06BERD0005	7679372	496442	-60	270	145	16.0	0.95	0.76	41.8
<i>including</i>					152	9.0	1.28	1.16	36.1
“	“	“	“	“	207	8.0	0.67	0.25	7.1
<i>including</i>					214	1.0	2.72	0.04	5.9
06BERD0008	7679476	496458	-60	270	90	7.0	0.39	0.03	5.9
07BERD0032	7679375	496392	-60	270	80	9.0	0.82	0.22	4.1
<i>including</i>					81	2.0	2.14	0.38	10.2
“	“	“	“	“	108	13.0	0.44	0.08	7.4
07BERD0033	7679375	496492	-60	270	148	5.0	0.03	1.02	14.7
“	“	“	“	“	263	4.0	0.46	0.13	14.6
“	“	“	“	“	272	5.0	0.94	0.09	12.2
07BERD0034	7679325	496447	-60	270	160	2.0	0.50	0.52	5.6
“	“	“	“	“	211	2.0	2.05	0.09	15.5
ALDH06	7679424	496428	-64	270	154	3.0	0.73	0.18	27.9
“	“	“	“	“	204	6.0	1.05	0.23	3.8
“	“	“	“	“	217	3.0	0.23	1.71	5.2
LVRC006	7679475	496372	-60	090	39	9.0	0.60	0.31	6.6
VODDH04	7679174	496299	-60	090	117	9.0	0.43	0.09	4.3
VODDH10	7679473	496311	-60	270	44	6.0	0.41	0.28	6.3

**Table 2. Altia North Silver Target - Historical Drilling Results and Collar Details**

Hole ID	Northing	Easting	Dip°	Azimuth Mag°	From	Downhole Width	Silver g/t	Lead %	Zinc %
VODDH11	7679770	496443	-60	090	125	3.0	32.0	0.24	0.01
ALRC01	7679872	496543	-60	270	100	2.0	52.4	2.90	0.09
"	"	"	"	"	130	2.0	73.6	0.99	0.01
VODDH05	7680073	496315	-60	090	180	6.0	66.0	0.46	0.02

**Table 3. Altia South Silver Target - Historical Drilling Results and Collar Details**

Hole ID	Northing	Easting	Dip°	Azimuth Mag°	From	Downhole Width	Silver g/t	Lead %	Zinc %
06BERD0003	7678858	496625	-60	270	287	19.0	286	1.8	0.2
06BERD0016	7678871	496547	-60	270	170	6.0	83	4.7	0.2

**Notes Specific to Historic Drill Hole Results:**

- For all "BERD" series drillholes, results were 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)
- For non "BERD" series drill holes, the sampling and analytical methods are uncertain due to their historical nature.
- Significant results shown in Tables 1 and 2 of this report are calculated using a 0.25% copper, 0.25g/t gold, 1.0g/t silver, 0.1% lead, 0.1% zinc lower cut off.
- Drill hole intersection grades are length weighted averaged grades and do not take account of material density for each sample.
- *Au – gold, Ag – silver, Cu – copper, Pb – lead, and Zn – zinc*
- Drill hole locations were determined using a handheld GPS achieving +/- 4 metre accuracy and coordinates quoted above are given in MGA datum (Zone 54).

**Notes Specific to the Resource Estimation of the Altia Silver-Lead Deposit, Eloise Project**

A Resource estimate was carried out by Snowden Mining Industry Consultants Pty Ltd in November 2007 in accordance with the 2004 Guidelines of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. An Inferred Mineral Resource of 5.78Mt @ 40.3g/t Ag, 3.96% Pb and 0.49% Zn has been estimated for the Altia Deposit within interpreted mineralised lenses.

Lens	Tonnes (Mt)	Pb (%)	Contained Pb Metal * (kg)	Ag g/t	Contained Ag * (oz)	Zn (%)	Contained Zn Metal * (kg)
<b>Lens 1 (Upper)</b>	3.91	4.06	158,672	32.3	4,072,299	0.43	16,900
<b>Lens 2 (Lower)</b>	1.87	3.77	70,286	57.1	3,434,654	0.62	11,609
<b>Total</b>	<b>5.78</b>	<b>3.96</b>	<b>228,958</b>	<b>40.3</b>	<b>7,506,953</b>	<b>0.49</b>	<b>28,509</b>

\* The contained metal and ounces lie wholly within the resource boundaries and do not imply recoverable metal.

**Methodology:**

Estimation of silver, lead and zinc grades and density within each of the interpreted lenses was completed using the ordinary kriging interpolation technique within MineSight software. Compositing honoured the interpreted geological boundaries and was completed to a 2.0 m length. Composite samples were coded by lens so that only samples within a single lens were used for grade estimation of that particular lens. A block size of 10 m E x 50 m N x 25 m elevation was selected and block percentages for each lens were recorded into the MineSight block model. The total resource estimate for each lens has been derived by weighting the estimated silver, lead and zinc grades for each block by the estimated tonnage for each lens within each block.