



Successful drilling campaign at Sandy Creek

Higher copper grades recorded in Western Zone

Highlights

- **Potential for resource extensions highlighted in both the Main and Western Zones.**
- **Western Zone extended down-plunge with new intercept indicating that copper grades are strengthening at depth:**
 - **3.6m @ 2.96% Cu, 6.6g/t Ag, 0.26g/t Au from 169.9m (12BERD0118)**
- **Main Zone results confirm consistency of grades and thicknesses down-plunge within the resource envelope, with higher gold grades of up to 1.6g/t Au encountered. Results include:**
 - **1.5m @ 4.12% Cu and 0.30g/t Au from 139.6 m (12BERD0120); and**
 - **6.8m @ 1.27% Cu and 0.32g/t Au from 173.2m (12BERD0119).**
- **Updated JORC resource planned for 2013, together with follow-up geophysics and drilling.**

Breakaway Resources Limited (ASX: BRW – “Breakaway”) is pleased to announce that recent drilling at its flagship **Sandy Creek Copper-Gold Project**, located 70km south-east of Cloncurry in North Queensland, has highlighted the potential for extensions to the current resource inventory.

Three out of four diamond drill holes completed as part of the 1,200m drilling program undertaken in October/November intersected significant mineralisation, with two holes demonstrating the internal down-plunge continuity of the thicker identified zone within the Main Zone mineralisation and one hole highlighting a potential down-plunge extension of the Western Zone, together with increasing copper grades at depth.

The Western Zone in particular appears to have significant potential for extensions, remaining open in all directions and requiring a significant amount of further drilling.

Geological logging of the diamond drill core indicates that the style of mineralisation at Sandy Creek is similar to the mineralisation seen at the nearby Eloise Copper Mine.

Western Zone

Diamond drill hole 12BERD0118, which was drilled into the Western Zone, intersected a zone of visible mineralisation from 168m down-hole, displaying strong mafic alteration together with massive sulphides (chalcopyrite) between 172.3 and 172.8m down-hole.

The location of this intercept, which occurs outside the current resource envelope for the Western Zone, can be seen on the Long Section in Figure 1 and the Cross Section in Figure 2.

Assay results for this hole returned the following intersection:

12BERD0118 **3.6m at 2.96% Cu, 6.6g/t Ag, 0.26g/t Au** from 169.9m down-hole

This intersection demonstrates that copper grades may be strengthening at depth within the Western Zone, with the hole expected to extend the current Western Zone resource in this area. Further drilling is required to evaluate the true size of the Western Zone as it remains relatively poorly drilled.

Main Zone

Diamond drill holes 12BERD0119 and 12BERD0120, targeting the southern margins of the Main Zone Inferred Resource, returned the following significant intersections:

12BERD0119 **6.8m @ 1.27% Cu and 0.32g/t Au** from 173.2m down-hole

2.9m @ 1.07% Cu and 0.11g/t Au from 205.6m down-hole

7.4m @ 1.20% Cu and 1.6g/t Au from 238m down-hole

12BERD0120 **1.5m @ 4.12% Cu and 0.30g/t Au** from 139.6m down-hole

1.5m @ 1.96% Cu and 0.58g/t Au from 155.5m down-hole

These results further demonstrate the consistency of grades and thicknesses at Sandy Creek, and given these holes sit at the margins of the existing inferred resource, provide strong encouragement for extensional potential both at the Western Zone and the down-plunge extent of the Main Zone. The location of Main Zone intercept can be seen on the Long Section in Figure 2 and the Cross Section in Figure 4.

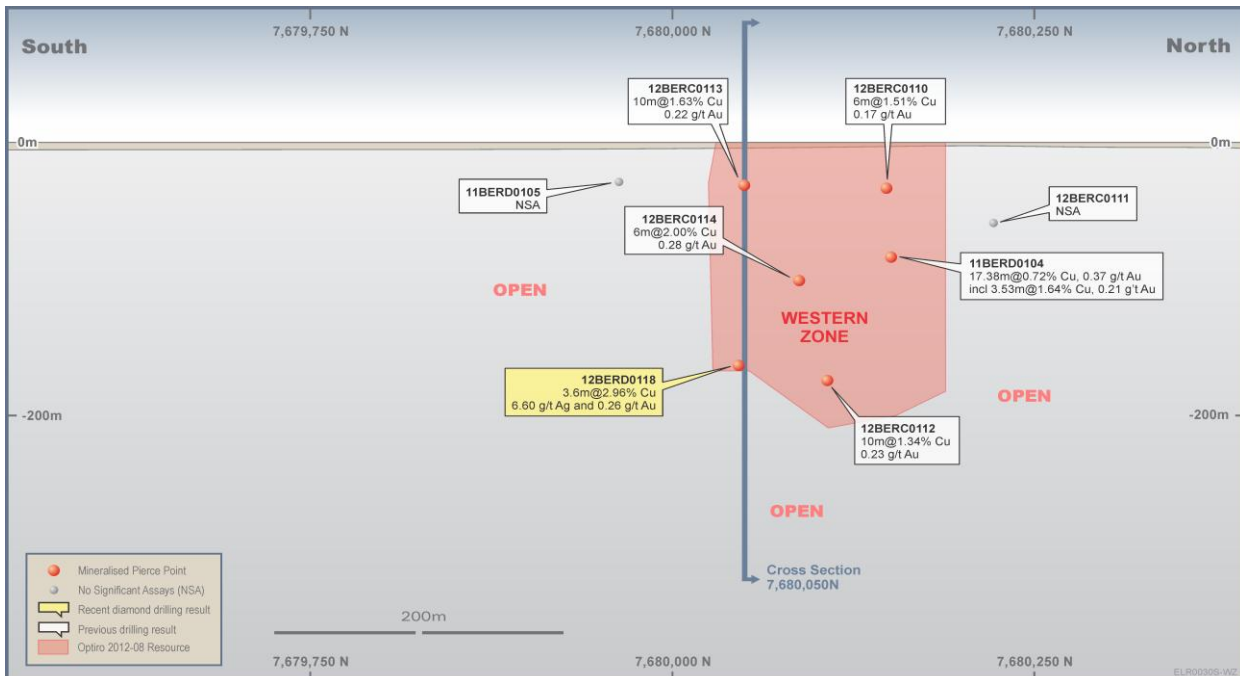


Figure 1: Sandy Creek Project Long Section showing the Western Zone resource

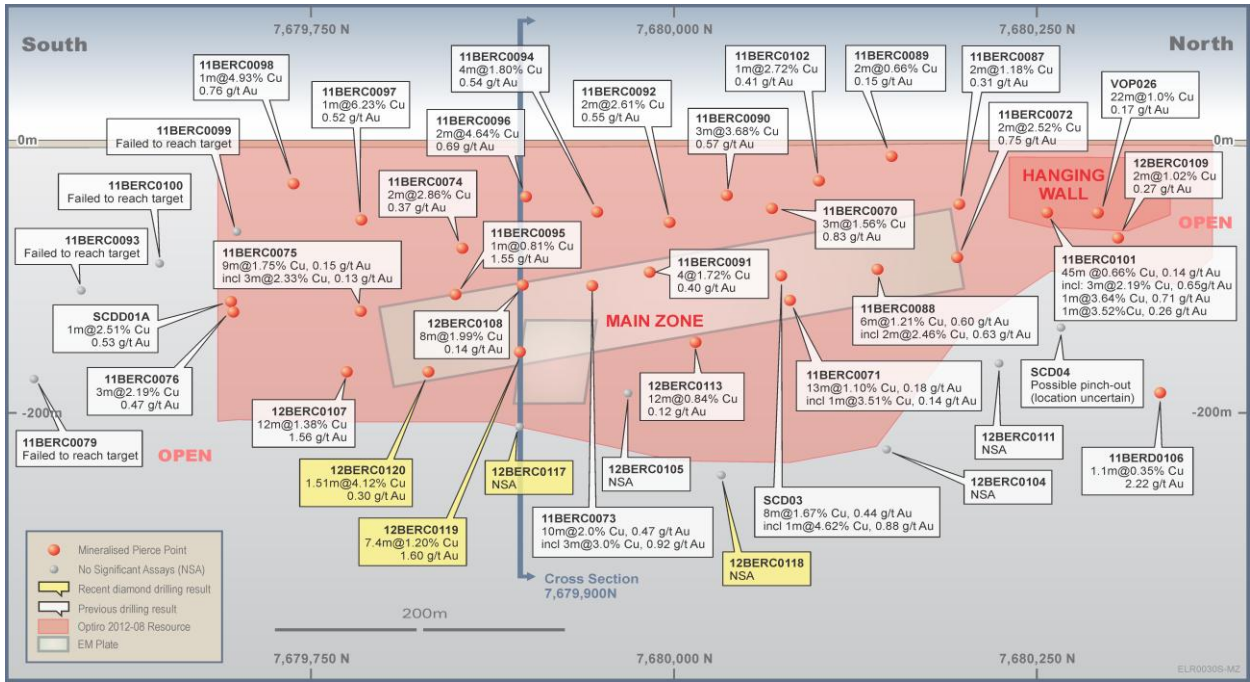


Figure 2: Sandy Creek Project Long Section showing the Main Zone resource

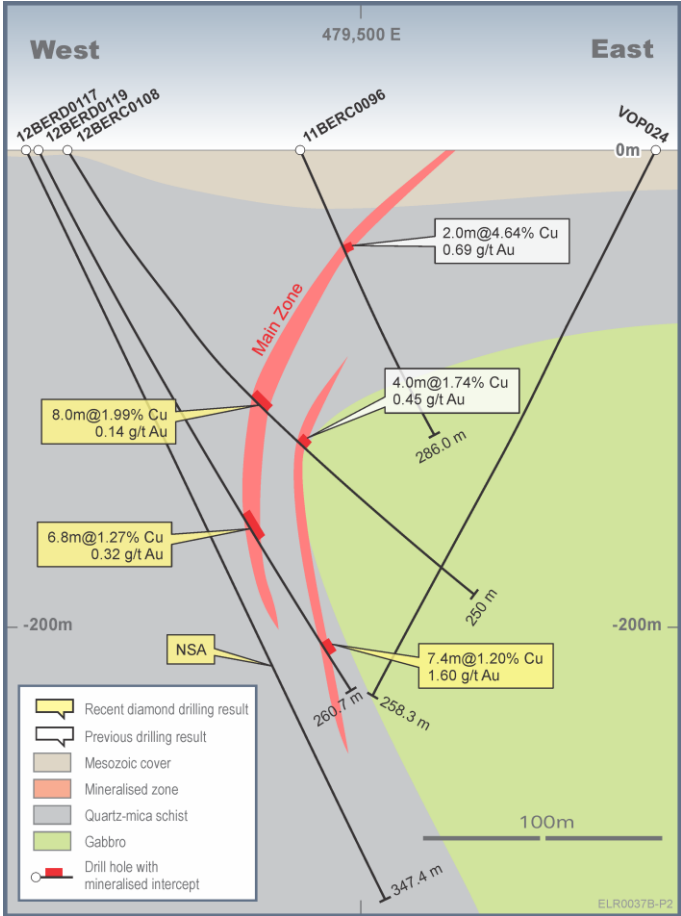
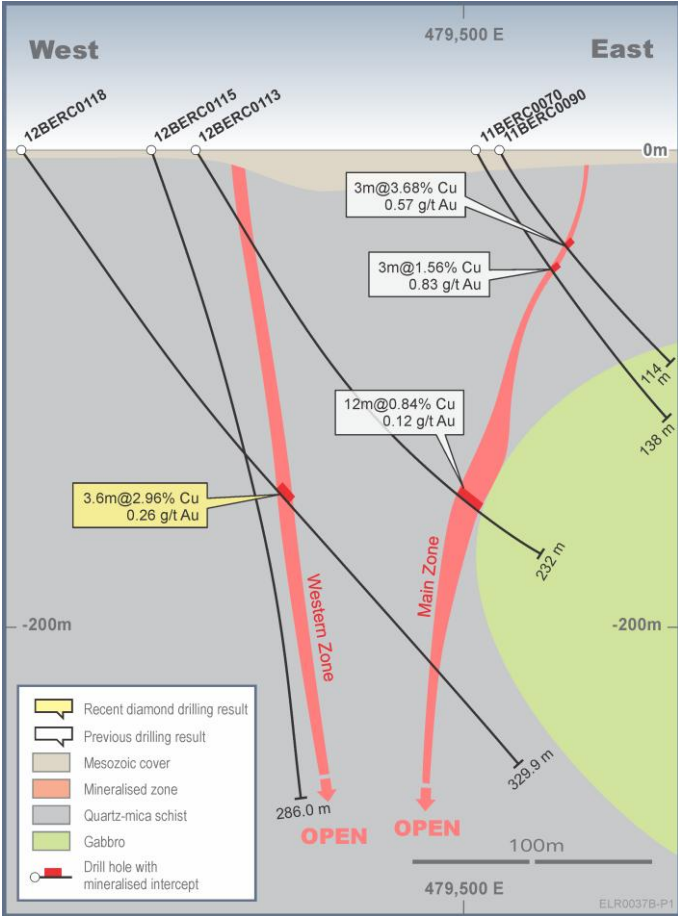


Figure 3 & 4: Sandy Creek Project Cross Section showing the Western Zone (7 680 050N) and Main Zone (7 679 900N)

Breakaway announced a maiden Inferred Resource estimate for the Sandy Creek Project in September, comprising **2.06 million tonnes grading 1.42% Cu and 0.33g/t Au** containing **29,400 tonnes** of copper metal and **21,900 ounces** of gold (see ASX Announcement – 11 September 2012). The Western Zone was a smaller part of the overall resource containing **0.41 million tonnes grading 1.31% Cu and 0.25g/t Au**.

The new results will be incorporated in a revised JORC Mineral Resource estimate, to be completed during Q1 2013. Diamond drill core from the recent drilling will also be utilised to conduct metallurgical testwork early next year, which will assist in conducting preliminary scoping and development studies for the Sandy Creek Project.

Breakaway's Managing Director, Mr Victor Rajasooriar, said he was very pleased with the results from the drilling, which had been successful in extending the mineralisation at the Western Zone and confirming the presence of zones of high-tenor copper sulphide mineralisation within the deposit, while at the same time demonstrating the down-plunge continuity of the Main Zone.

"This reinforces the prospectivity and potential of the Sandy Creek Project, which we believe represents a high-quality, near-term development opportunity for the Company," he said. "The Western Zone in particular appears to have significant growth potential and requires a lot more drilling to test its true potential.

"Next steps for the Sandy Creek Project will include completion of a revised resource estimate, further drilling to test the Western Zone and metallurgical testwork. Geophysical surveys are also planned to identify and prioritise the regional targets within the Eloise Exploration Project Area," Mr Rajasooriar said.

ENDS

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Competent Persons Statement:

The information in this report that relates to Exploration Results is based on information compiled by Mr Michael Robinson (Project Geologist), a full time employee of the Company. Mr Robinson 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 Robinson 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 Sandy Creek Mineral Resource was compiled by Mr Michael Andrew. Mr Andrew is a full time employee of Optiro mining consultants. Mr Andrew 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 Andrew 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 priority Eloise Exploration Project (copper – gold) located within the Cloncurry District of North West Queensland an area that we believe offers the most attractive opportunities for future success.

Table 1 – Sandy Creek Drilling Intercepts and Collar Details

Hole ID	Prospect	Northing	Easting	Dip°	AziMag°	From	Width	g/tAu	%Cu	g/tAg	%Pb	%Zn
12BERD0117	Main Zone	7679900	479360	-65	84	No significant assay						
12BERD0118	Western	7680050	479265	-55	84	169.9	3.6m	0.26	2.96	6.60	-	-
12BERD0119	Main Zone	7679900	479365	-60	84	173.2	6.8m	0.32	1.27	-	-	-
<i>and</i>						205.6	2.92m	0.11	1.07	-	-	-
<i>and</i>						238	7.4m	1.6	1.20	-	-	-
12BERD0120	Main Zone	7679838	479411	-60	84	139.59	1.51	0.30	4.12	16.48	-	-
<i>and</i>						155.46	1.54	0.58	1.96	8.67	-	-

Notes:

All diamond 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 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.