



## Strong drilling results pave way for maiden resource estimation at Sandy Creek

*Broad widths of copper-gold mineralisation intersected in both Main and Western Zones during recent drilling program*

### Key Points:

- Significant results from Sandy Creek Main Zone confirm potential for a steeply-plunging high-grade shoot or core, with results including:
  - 12m @ 1.38% Cu, 1.56g/t Au from 218m;
  - 8m @ 1.99% Cu, 0.14g/t Au from 128m and 4m @ 1.99% Cu, 0.45g/t Au from 156m; and
  - 4m @ 1.99% Cu, 0.44g/t Au from 156m.
- Broad widths of higher grade mineralisation intersected at newly identified Western Zone, 100m west of the Main Zone, with best results including:
  - 10m @ 1.34% Cu, 0.23g/t Au from 213m;
  - 10m @ 1.63% Cu, 0.22g/t Au from 32m; and
  - 6m @ 2.00% Cu, 0.28g/t Au from 118m.
- Western Zone remains open along strike and at depth
- Consultants engaged to commence work on a maiden JORC compliant resource estimate for Sandy Creek Project – targeted for completion during Q3 2012.
- Initial Scoping Studies to be undertaken to assess viability of an initial open pit operation at Sandy Creek and to establish the next key steps for this project.

Breakaway Resources Limited (**ASX: BRW**) is pleased to advise that work will commence shortly to estimate a maiden JORC compliant resource estimate for its emerging **Sandy Creek** Copper-Gold Prospect, located 70km south-east of Cloncurry in North Queensland (*Figure 1*), following receipt of positive results from recently completed drilling.

The results from a 2,508m/10-hole Reverse Circulation (RC) drilling program completed in June has laid the foundations both for the maiden resource and for a preliminary economic assessment of the Sandy Creek Project. Both key objectives of the drilling program were achieved, namely:

- a strong down-hole EM conductor was successfully tested in the Main Zone, returning significant high-grade results indicating a potential steeply-plunging high-grade shoot or core to the mineralization; and
- broad widths of mineralization were returned from the newly discovered Western Zone, located 100m west of Main Zone, extending the previously intersected mineralization.

The Eloise Exploration Project is located 70km south-east of Cloncurry in the world-class Cloncurry Mineral District. The tenement package surrounds FMR Investments Pty Ltd's Eloise copper mine, where mining operations re-commenced last year (Figure 1).

## 2012 Drilling Results

At **Sandy Creek**, copper-gold mineralisation occurs within two well defined parallel zones, 100 metres apart, of sheared sulphidic quartz veining within a broader zone of mafic / garnet alteration on the western margin of a gabbroic intrusive body.

10 Reverse Circulation holes (12BERC0107 to 12BERC0116 – Table 1) totalling 2,508 metres were drilled in May/June 2012 to test a strong down-hole EM (DHTEM) conductor, obtained in late 2011, which potentially represents a high-grade shoot or core within the prospect's Main zone of copper-gold mineralisation, and to test the extensional potential of the newly discovered Western zone.

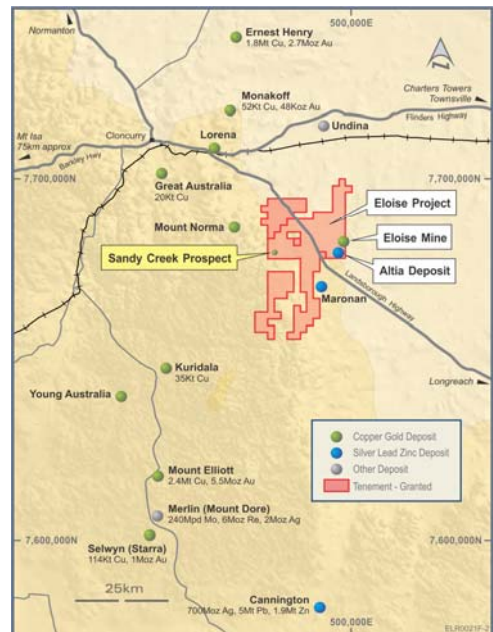


Figure 1: Eloise Exploration Project Location

The drilling was successful in achieving both of these objectives, confirming that a significant copper-gold system exists at Sandy Creek with mineralization extending over a currently identified strike length of 700m and to a vertical depth of 150m within the Sandy Creek Main Zone, and over a strike length of 190m and to a vertical depth of 150m at the Western Zone.

Holes 12BERC0107 and 12BERC0108 successfully tested the DHTEM conductor below Sandy Creek Main Zone, confirming extensions to the mineralization at depth and highlighting a potential high-grade core:

- 12BERC0107                      **12m @ 1.38% Cu, 1.56g/t Au, 8.03g/t Ag** from 218m;
- 12BERC0108                      **8m @ 1.99% Cu, 0.14g/t Au, 6.44g/t Ag** from 128m; and  
     **4m @ 1.99% Cu, 0.45g/t Au, 9.5g/t Ag** from 156m.

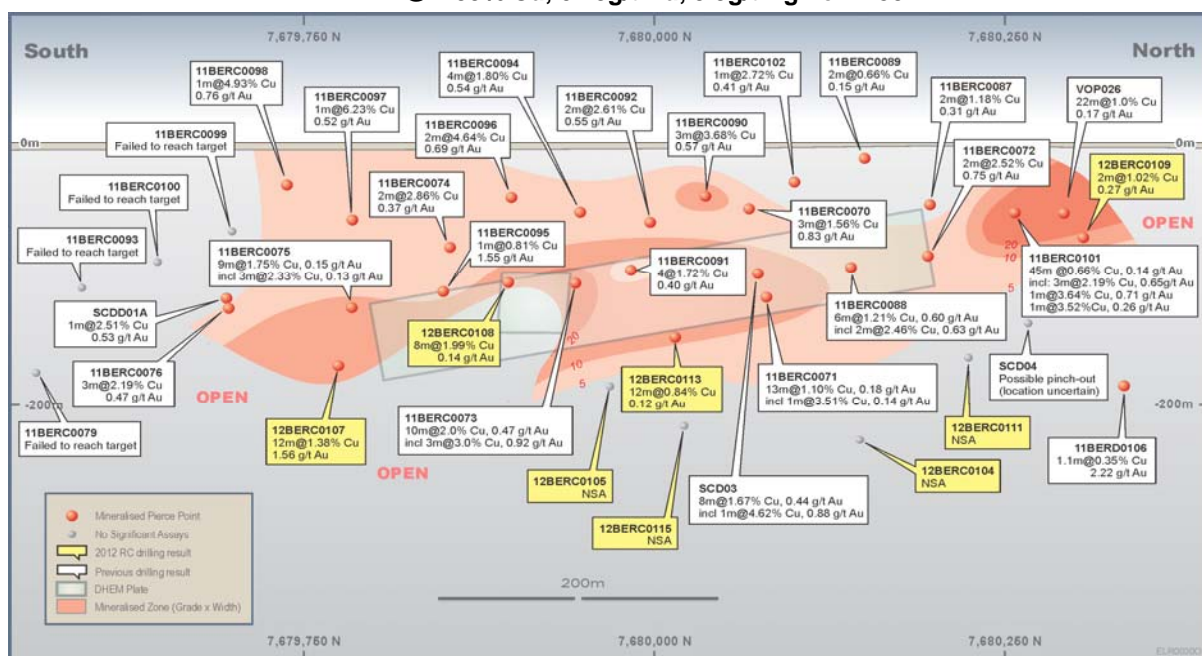


Figure 2: Sandy Creek Prospect Main Zone long-section showing new drill results and DHTEM Conductor

A high-grade, steeply-plunging core indicates the potential for the Sandy Creek Main Zone to continue to develop into a larger-scale copper-gold system similar to the nearby Eloise Copper Mine. Importantly, the mineralisation remains open down-plunge.

Down-hole EM (DHTEM) surveying of 12BERC0108 at the southern end of the Main Zone has identified a new off-hole EM conductor which is interpreted to lie beneath and slightly south of the hole (*Figure 2*). While the conductor is yet to be fully assessed, it may represent a down-dip extension to the existing mineralisation in the vicinity of the surveyed drill hole, and provides an attractive target for follow-up drilling to further test the potential for a plunging high-grade core to the mineralization.

Hole 12BERC0113, which intersected both the Sandy Creek Western Zone and a down-plunge extension of the Main Zone mineralisation, returning the following intercept within the Main Zone:

- 12BERC0113                    **12m @ 0.84% Cu, 0.12g/t Au, 2.98g/t Ag** from 186m

Four holes successfully tested the Sandy Creek Western Zone surrounding the single drill intercept obtained last year (i.e. **17.38m @ 0.72% copper, 0.37g/t gold from 85.42m** including **3.53m @ 1.64% copper, 0.21g/t gold** from 96.27m in 11BERD0104). The latest drilling has significantly extended the distribution of mineralization in this zone.

Results from the Western Zone included:

- 12BERC0112                    **10m @ 1.34% Cu, 0.23g/t Au, 2.65g/t Ag** from 213m
- 12BERC0113                    **10m @ 1.63% Cu, 0.22g/t Au, 3.36g/t Ag** from 32m
- 12BERC0114                    **6m @ 2.00% Cu, 0.28g/t Au, 5.48g/t Ag** from 118m
- 12BERC0110                    **6m @ 1.51% Cu, 0.17g/t Au, 3.48g/t Ag** from 36m;

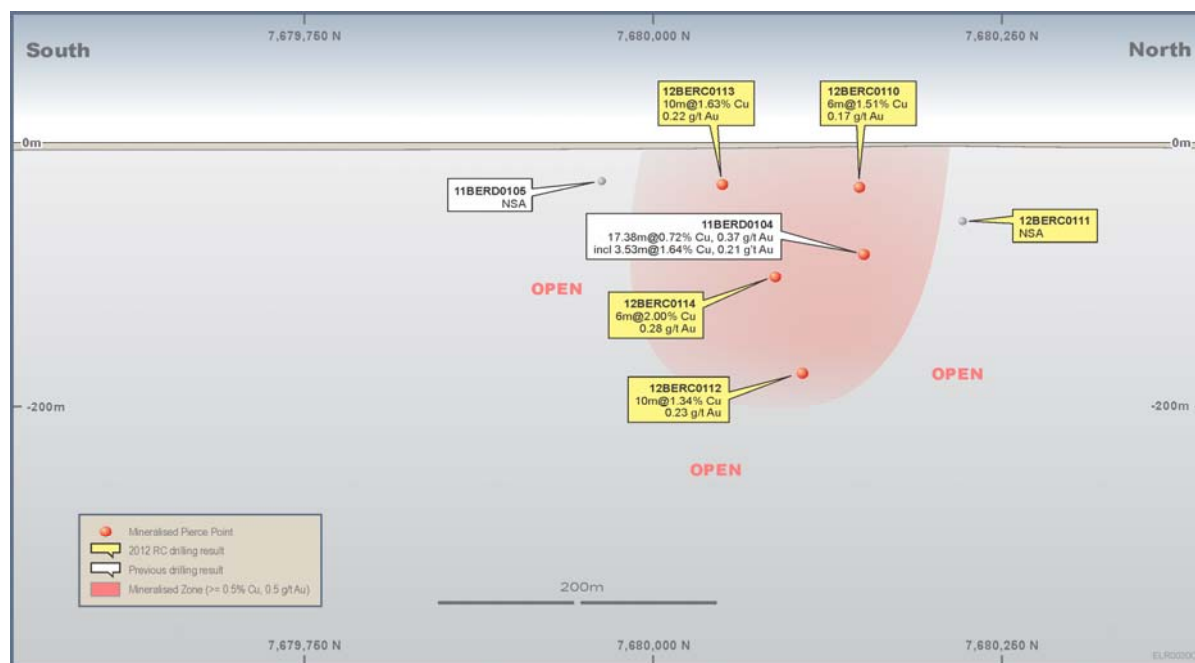


Figure 3: Sandy Creek Prospect Western Zone long-section showing new drill results

These four intersections are all higher grade than the only previous intersection recorded in the Western Zone (17.38m@ 0.72% Cu in hole 11BERD104) and highlight the significant strike and depth potential of this poorly tested zone (Figure 3). Further drilling is required to test this potential.

## **Next Steps**

Breakaway has engaged mining consultants Optiro Pty Ltd to undertake an initial resource estimate to be reported in accordance with the JORC Code for the Sandy Creek Project. The process is estimated to take six weeks and will generate a block model suitable for use in optimisation studies. These studies will assist Breakaway in optimising the next round of drilling at Sandy Creek and to provide initial understanding of the project economics.

Commenting on the results, Breakaway's Managing Director, Mr Victor Rajasooriar, said: "The drilling results from Sandy Creek indicate the potential for a medium size open pit development encompassing the Main Zone and the currently poorly tested Western Zone. During the current Quarter, we will undertake initial scoping work in parallel with the resource estimation to determine how best to progress Sandy Creek to the next level.

"Of particular note is the higher grade zone of mineralisation intersected down-plunge at the southern end of the Main Zone. The higher tenor copper and gold results in this area, combined with the presence of a strong off-hole DHTeM anomaly further down-plunge of the most recent drilling, point to a potential emerging high-grade core.

"The presence of a plunging core is typical of the nearby Eloise Copper Mine, and could indicate the presence of a much larger deposit at Sandy Creek. Developing a better understanding of this potential and undertaking some drilling to test the down-plunge extensions of the mineralisation will be a priority for us moving forward.

"The positive drill results from the Western Zone highlight the larger potential of the Sandy Creek mineralised system and the requirement for further drilling," Mr Rajasooriar added. "We look forward to updating the market in due course on the results of the ongoing review of our Company's assets, as well as completing the maiden resource estimate for Sandy Creek and results of our initial scoping studies."

## **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 Jeff Gresham a non-executive director of the Company. Mr Gresham 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 Gresham 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, an area that we believe offers the most attractive opportunities for future success.**

**Table 1 – Sandy Creek 2012 Drilling Intercepts and Collar Details**

| Hole ID    | Prospect | Northing  | Easting | Dip° | AziMag° | From                              | Width | g/tAu | %Cu  | g/tAg | %Pb | %Zn  |
|------------|----------|-----------|---------|------|---------|-----------------------------------|-------|-------|------|-------|-----|------|
| 12BERC0107 | Sandy Ck | 7,679,800 | 479,390 | -60  | 90      | 218                               | 12    | 1.56  | 1.38 | 8.03  | -   | -    |
| 12BERC0108 | Sandy Ck | 7,679,900 | 479,380 | "    | "       | 128                               | 8     | 0.14  | 1.99 | 6.44  | -   | 0.28 |
| and        |          |           |         |      |         | 156                               | 4     | 0.45  | 1.99 | 9.55  | -   | -    |
| 12BERC0109 | Sandy Ck | 7,680,320 | 479,470 | "    | "       | 46                                | 2     | 0.27  | 1.02 | 2.5   |     |      |
| 12BERC0110 | SC-WZ    | 7,680,150 | 479,350 | "    | "       | 36                                | 6     | 0.17  | 1.51 | 3.48  | -   | -    |
| 12BERC0111 | Sandy Ck | 7,680,250 | 479,320 | "    | "       | NSI                               |       |       |      |       |     |      |
| 12BER0112  | SC-WZ    | 7,680,150 | 479,260 | "    | "       | 213                               | 10    | 0.23  | 1.34 | 2.65  | -   | -    |
| 12BERC0113 | SC-WZ    | 7,680,050 | 479,340 | "    | "       | 32                                | 10    | 0.22  | 1.63 | 3.36  | -   | -    |
| and        | Sandy Ck |           |         |      |         | 186                               | 12    | 0.12  | 0.84 | 2.98  | -   | -    |
| 12BERC114  | SC-WZ    | 7,680,100 | 479,300 | "    | "       | 118                               | 6     | 0.28  | 2    | 5.48  | -   | -    |
| 12BERC0115 | Sandy Ck | 7,679,899 | 479,378 | -70  | "       | NSI – hole failed to reach target |       |       |      |       |     |      |
| 12BERC116  | Sandy Ck | 7,680,220 | 479,340 | -60  | "       | NSI                               |       |       |      |       |     |      |

**Notes:**

All Reverse Circulation drill hole results are obtained from analysis of 2 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.