



Potential new parallel copper-gold zone discovered at Sandy Creek

Strong DHTEM anomaly also highlights potential to extend main mineralised zone at depth

- Significant copper-gold result returned 100m west of the existing mineralisation:
 - 14.38m @ 0.72% copper, 0.37g/t gold from 65m, including:
 - 3.53m @ 1.64% copper, 0.21g/t gold;
- Potentially represents new parallel mineralised zone which remains open in all directions
- New off-hole DHTEM anomaly identified extending down-plunge from existing high-grade drill intercepts in the main zone of mineralisation
- Determining next steps to establish size of Sandy Creek prospect area

Breakaway Resources Limited (ASX: BRW) is pleased to report that new drilling results have highlighted a potential new parallel zone of copper-gold mineralisation approximately 100m west of the main mineralised zone at its emerging **Sandy Creek** Copper-Gold Prospect, located 70km south-east of Cloncurry in North Queensland (Figure 1). Down-hole geophysics has also identified a new conductor extending down-plunge from existing high-grade drill intercepts within the main zone of mineralisation.

The new developments – following receipt and analysis of final results from the 2011 exploration program – reinforce the potential for further increases in the overall size of the Sandy Creek prospect, and provide clear targets for follow-up drilling in 2012.

Three broadly spaced diamond drill holes (11BERD0104 to 11BERD0106 – 1,184m) were completed in early December 2011 as an initial test of the prospect’s wider potential, as well as providing platforms for down-hole TEM (DHTEM) geophysical surveying.

As shown on Figure 2, hole 11BERD0104 intersected shallow copper-gold mineralisation approximately 100m west of the main mineralised zone, with the following intercept returned:

- **14.38m @ 0.72% copper, 0.37g/t gold from 85.42m including 3.53m @ 1.64% copper, 0.21g/t gold from 96.27m**

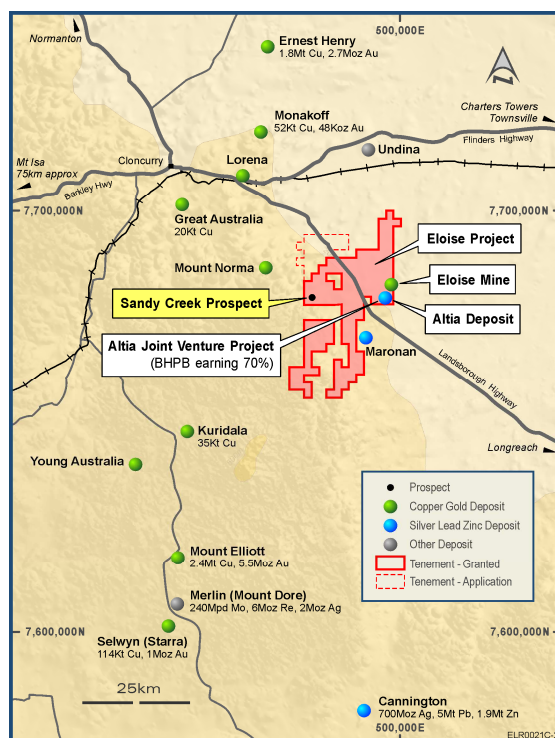


Figure 1: Eloise Exploration Project Location

The new mineralisation displays strong similarities to the existing mineralisation and occurs within shear-hosted quartz veining and brecciation, and strongly disseminated and vein-hosted **copper sulphide (chalcopyrite-pyrite) mineralisation**.

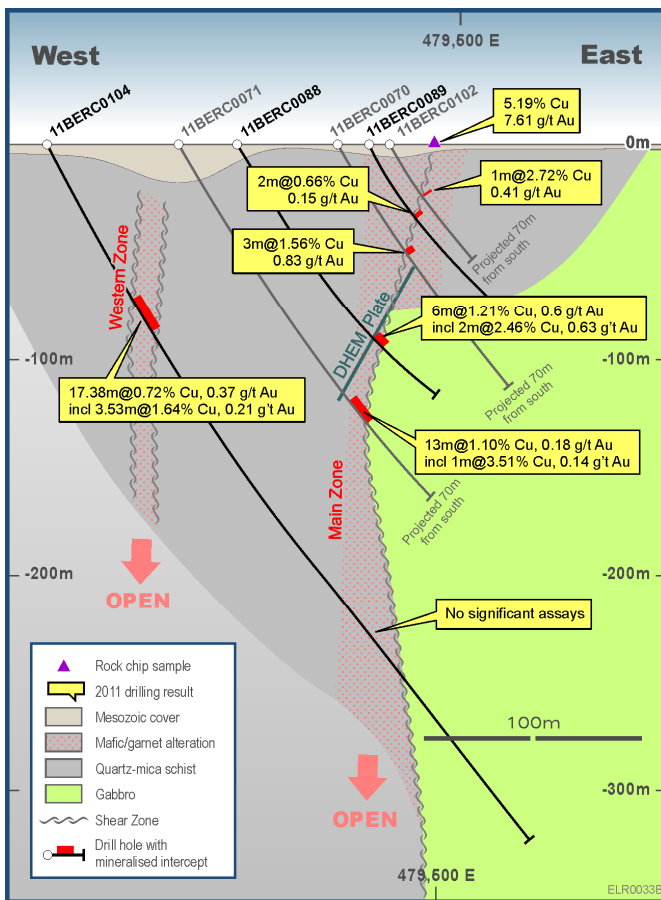


Figure 2: Sandy Creek geological cross-section (7,680,150N)

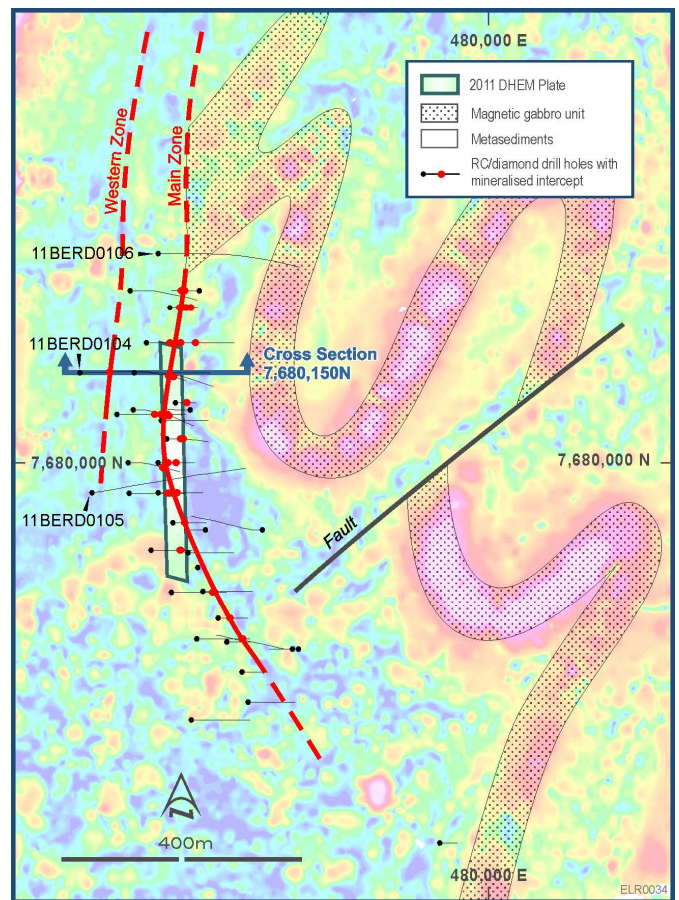


Figure 3: Sandy Creek drilling and ground magnetics

The intercept is significant as it potentially represents a new zone of copper-gold mineralisation which, with the exception of 11BERD0104, has not been previously drilled and remains open in all directions.

Examination of newly acquired high-resolution ground magnetic data shows that the intercept lies within a thin linear magnetic “low” feature that can be mapped over several hundred metres, primarily to the north of 11BERD0104, which is **interpreted to be a structural zone developed parallel to the main Sandy Creek mineralised zone** (Figure 3).

Copper-gold mineralisation within the main mineralised zone at Sandy Creek occurs within a sub-vertical zone of sheared sulphidic quartz-carbonate veining and mafic / garnet alteration that cuts across a broader package of folded interbedded metasediments and gabbroic intrusives.

Each of the three diamond drill holes also intersected the target shear zone approximately 100 metres down-dip of the main mineralised zone at Sandy Creek, with a best intercept of **1.10m @ 0.35% copper, 2.2g/t gold from 215.00m** returned from 11BERD0106. The presence of the host structure and associated mafic / garnet alteration at the target position in each hole is encouraging, as it suggests that the geological system that controls the mineralisation is still present and that there is potential for further mineralisation at depth.

In addition, geophysical surveying of the three diamond drill holes has identified a strong off-hole DHEM anomaly within the main zone of mineralisation, which has been modeled to have a southerly plunge over a strike length of 400m to a vertical depth of 200 metres (Figure 4).

The DHEM anomaly is highly significant, given that it is potentially indicative of further massive copper sulphide mineralisation and extends down plunge from existing drill hole intercepts such as **3m @ 3.0% copper**, 0.92g/t gold in 11BERC0073, **2m @ 2.46% copper**, 0.63g/t gold in 11BERC088, **1m @ 4.62% copper**, 0.88g/t gold in SCD03 and 13m @ 1.10% copper, 0.18g/t gold in 11BERC0071.

Commenting on the results, Breakaway's Managing Director, Mr David Hutton, said: "It is encouraging to see evidence for a new parallel zone of copper-gold mineralisation at Sandy Creek. When considered in conjunction with the DHEM anomaly, and the broad spacing of existing drilling, the results continue to reinforce the significant size potential of the prospect.

"Sandy Creek continues to grow and, as a result, we are yet to find the limits to the copper-gold mineralisation. We are currently determining the next steps to better establish the prospect's true size. This may include further drilling of the DHEM anomaly and the new western zone, as well as further geophysical surveying throughout the prospect area" Mr Hutton said.

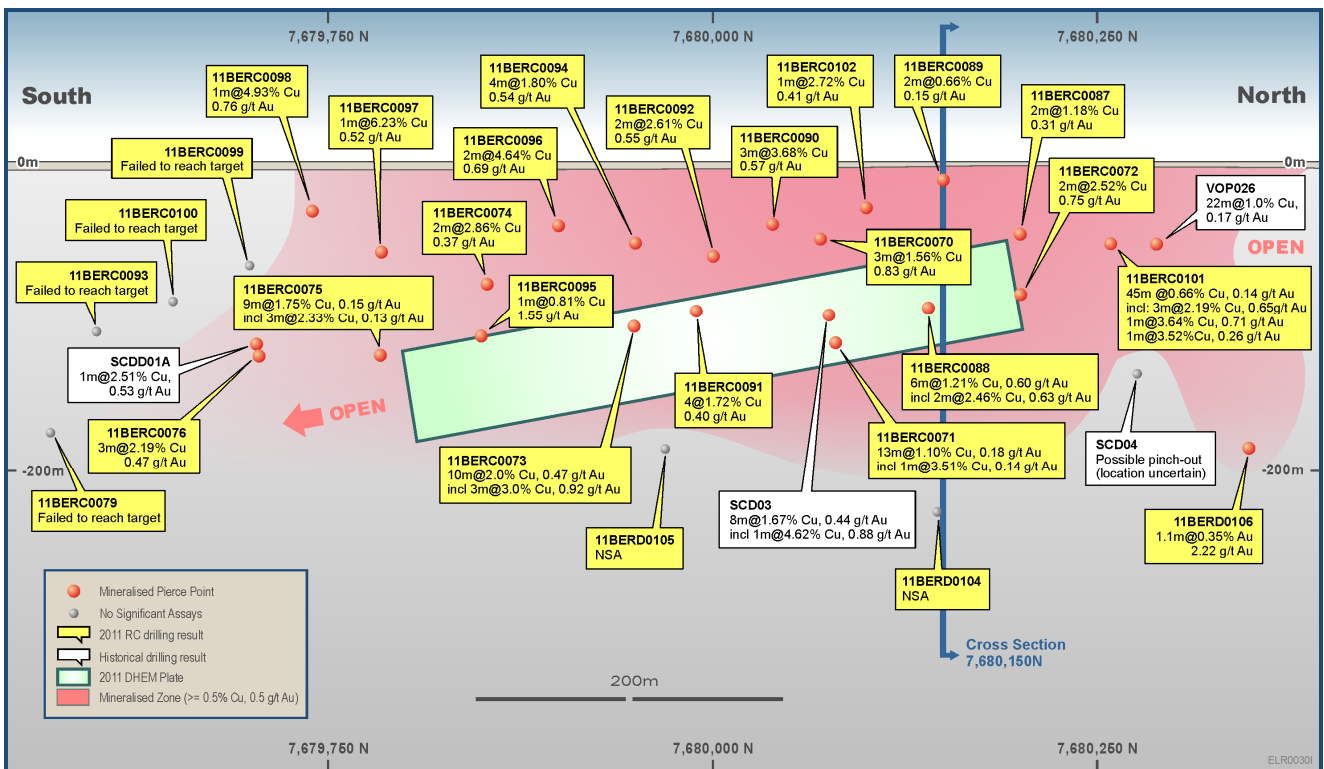


Figure 4: Sandy Creek Long Section showing position of DHEM anomaly

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 Mineral District of North West Queensland which is host to a number of world-class mineral deposits.

About the Sandy Creek copper – gold prospect:

Sandy Creek lies within Breakaway's 100%-owned Eloise Exploration Project, 70km south-east of Cloncurry, in the heart of the world-class Cloncurry Mineral District of North West Queensland and 20km west of the operating Eloise Copper Mine.

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
11BERD0104	Sandy Ck	7680150	479320	-60	84	85.42	14.38	0.37	0.72	1.76	-	-
<i>including</i>						96.27	3.53	0.21	1.64	4.20	-	-
11BERD0105	"	7679950	479340	"	"	180.40	0.55	0.03	0.62	2.20	-	-
11BERD0106	"	7680350	479450	"	90	215.00	1.10	2.22	0.35	0.83	-	-

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 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.

Sandy Creek 2011 High Resolution Ground Magnetics Survey**Notes:**

Ground magnetic data was acquired on 25 metre x 2 metre centres over an area 3 kilometres x 2 kilometres in size and centred on the Sandy Creek prospect.

An AS_UC5_TMI image has been used as the background to Figure 3.