



Sandfire Commences Drilling at Altia JV, North Queensland

- **JV manager Sandfire Resources (ASX: SFR) commences a program of follow-up diamond and RC drilling at the Broader Altia Project.**
- **Sandfire targeting the potential for large-scale Broken Hill Type (BHT) lead-zinc-silver mineralisation similar to the Cannington deposit.**

Breakaway Resources Limited (ASX: BRW – “Breakaway”) is pleased to advise that its joint venture partner, Sandfire Resources NL (ASX: SFR), has commenced a new drilling program at the **Broader Altia Project**, located 70km south-east of Cloncurry in north-west Queensland (Figure 1).

Sandfire is managing the exploration programs at the Broader Altia Project under a farm-in joint venture executed in 2012 under which it can earn an initial 60% interest by spending A\$4 million on exploration over a three-year period. It can increase its stake to 80% by spending a further A\$4 million.

Sandfire completed a maiden reconnaissance diamond drilling program last year comprising five diamond drill holes for 3,013m.

Three holes were drilled at the Altia Deposit and two at the Boralis Prospect (Figure 1). The objective of this maiden drilling was to scope out the potential for large-scale Broken Hill Type (BHT) lead-zinc-silver discoveries, similar to the nearby Cannington deposit within the joint venture area.

Drilling conducted by Breakaway during 2010 and 2011 demonstrated that the Altia Deposit (Inferred Resource of 5.8Mt grading 4% Pb, 40g/t Ag and 0.5% Zn for 229,000 tonnes of contained lead, 7.5 million ounces of silver and 29,000 tonnes of contained zinc) lies within a broad mineralised system with silver-lead-zinc mineralisation drill-defined over a strike length of 1.2km and to a vertical depth of 800 metres.

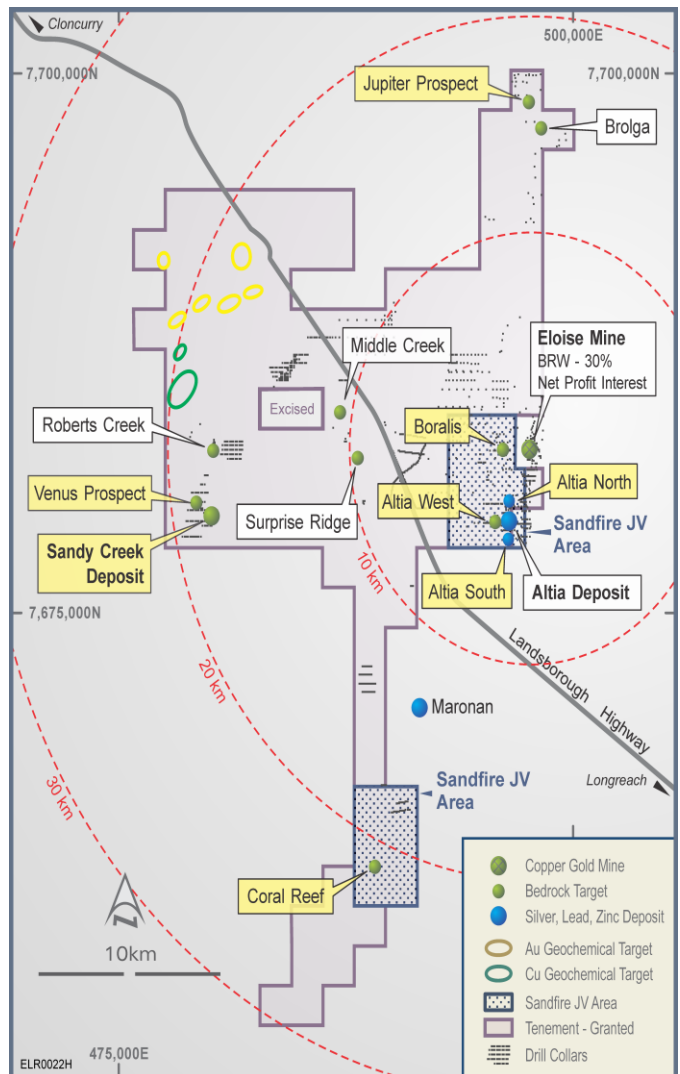


Figure 1: Breakaway tenements and Sandfire JV area

Sandfire completed a review of the broader Altia Project and believes that the Altia deposit may form part of a larger regional structure extending from Boralis in the north, through Altia and south through the Maronan deposit (not on Breakaway's ground) to Coral Reef (*Figure 1*).

The 2012 drilling returned anomalous intersections of lead-zinc-silver mineralisation, demonstrating that mineralisation extends both north and south of the existing Altia resource.

Table 1 – Altia Mineral Resource

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 5.8Mt @ 4.0% Pb, 40g/t Ag and 0.5% Zn has been estimated for the Altia Deposit.

Lens	Tonnes (Mt)	Pb (%)	Contained Pb Metal * (t)	Ag g/t	Contained Ag * (Moz)	Zn (%)	Contained Zn Metal * (t)
Lens 1 (Upper)	3.9	4.1	159,000	32	4.0	0.4	17,000
Lens 2 (Lower)	1.9	3.8	70,000	57	3.4	0.6	12,000
Total	5.8	4.0	229,000	40	7.5	0.5	29,000

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 2.0m 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 10m E x 50m N x 25m 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.

ENDS

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Competent Persons Statement:

The information in this report that relates to the estimation of the Altia Mineral Resource was compiled by Mr Ivor Jones. Mr Jones is a full time employee of Snowden Mining Industry Consultants. Mr Jones is a Fellow 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 Jones 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.