

Activity Report for the Quarter Ended 30 June 2013

Breakaway announces agreed takeover by Minotaur; new EM conductors at Eloise; drilling underway at Altia

Highlights:

Recommended Takeover Offer from Minotaur Exploration

- Breakaway and Minotaur enter into a binding Bid Implementation Agreement (BIA) under which Minotaur Exploration (ASX: MEP) proposes to acquire all of the issued shares in Breakaway through an off-market agreed takeover offer.
- Breakaway shareholders to receive 1 Minotaur (MEP) share for every 10 Breakaway (BRW) shares, valuing Breakaway at 1.24 cents per share – a 33.4% premium to the 30-day VWAP of Breakaway shares prior to announcement.

Base Metal Exploration – Queensland

- Two significant new EM conductors identified at the Eloise Exploration Project following a successful MLEM survey conducted by Newexco Services Pty Ltd.
- Joint Venture manager Sandfire Resources (ASX: SFR) commences a program of follow-up diamond and RC drilling at the Broader Altia Project.

Nickel & Gold Exploration – Western Australia

- Agreement with Norilsk Nickel Australia Pty Ltd and Norilsk Nickel Avalon Pty Ltd releasing it from a claw-back and pre-emptive rights arrangement over Western Australian tenements held by Breakaway and converting their rights into a Net Smelter Royalty (NSR) over future production.

Scotia Tenement Sale – Western Australia

- Completed the sale of the Scotia Project, located 65km north of Kalgoorlie, to Minotaur Exploration for \$600,000 in cash.

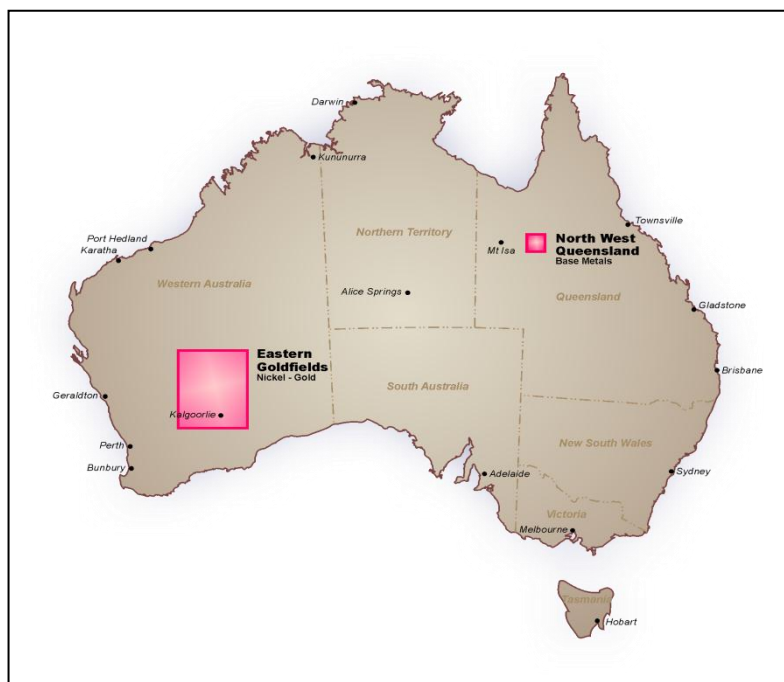


Figure 1: Breakaway Project Locations

OVERVIEW

Breakaway has a portfolio of quality mineral exploration projects, strategically located within two of Australia's premier mineral districts (Figure 1). Breakaway is focused on the evaluation and development of its highly prospective Eloise Copper-Gold Exploration Project, located within the world-class Cloncurry District of North West Queensland and the Leinster tenements in Western Australia (gold and base metals). The Company believes these areas offer the most attractive opportunities for future success.

CORPORATE – TAKEOVER OFFER BY MINOTAUR EXPLORATION

Subsequent to Quarter-end, on 15 July 2013, Breakaway announced that it had entered into a binding Bid Implementation Agreement (“BIA”) with Minotaur Exploration Limited (ASX: MEP, “Minotaur”) under which Minotaur proposes to acquire all of the issued shares in Breakaway by way of an off-market agreed takeover offer.

Under the offer, Breakaway shareholders will receive one (1) new Minotaur share for every ten (10) Breakaway shares held. Based on Minotaur's 30-day volume weighted average price (VWAP) of 12.4 cents on the ASX on 8 July 2013 (the last trading day for Breakaway shares before the date of this announcement), the offer values Breakaway at \$5.4 million or 1.24 cents per share. This represents a premium of 33.4% to the 30-day volume weighted average price (VWAP) of Breakaway shares.

The transaction, which has been unanimously recommended by the Breakaway Board of Directors in the absence of a superior offer, will enhance Minotaur's position as a well-funded, diversified Australian minerals explorer with a strong focus on copper-gold and gold exploration in premier IOCG (iron oxide copper-gold) and gold provinces across Australia.

Breakaway shareholders will have the opportunity to participate in the growth of a well-credentialed and well-funded Australian exploration group with a strong balance sheet, access to funding through a recently announced copper-gold funding alliance with a cornerstone investor, and the opportunity to realise value from an expanded asset base including Breakaway's projects in North Queensland and WA.

Minotaur's exploration team has identified a number of high priority drill targets over both the Eloise tenements in Queensland and the Leinster tenements in WA. Both projects include a number of drill targets identified under cover and will benefit from Minotaur's expertise in this area of exploration.

Transaction Outcome

Following completion of the transaction the enlarged Minotaur Group is expected to have a pro-forma market capitalisation of approximately \$19 million and a strong balance sheet with cash and listed investments of approximately \$10 million (using cash balances as at 30 June) and no debt. The enlarged Minotaur Group will have:

- A diversified exploration portfolio including extensive high-quality copper-gold exploration acreage in the Cloncurry-Mt Isa District of North Queensland, from the strategic combination of Minotaur's Cloncurry and Osborne Projects and Breakaway's Eloise Copper-Gold Project and Altia Base Metals Project (JV with Sandfire Resources NL);
- A pipeline of emerging resource projects with existing JORC defined ore bodies, including the Mutooroo Iron Ore Project and Poochera Kaolin Project in South Australia;

- A strategic ground position in WA's renowned Leinster gold district, including Breakaway's Leinster Gold Project where new gold exploration targets have been identified recently, plus Minotaur's recently acquired Scotia Gold Project;
- High-quality generative copper-gold and base metal exploration projects in South Australia, NSW and Victoria, all of which offer the potential for greenfields discoveries and exploration upside;
- An experienced management team, led by Chairman Derek Carter and Managing Director Andrew Woskett, with the ability to create shareholder value from this strong asset base.

Commenting on the transaction with Minotaur, Breakaway's Chairman, Mr John Atkins, said:

"This transaction provides our shareholders with the opportunity to become part of a large, well-funded and highly-credentialed Australian exploration group with a diversified asset base and great upside. The current challenging market for junior explorers has made it virtually impossible to raise capital, which means that sensible business combinations such as this offer a far more attractive and less dilutive pathway for shareholders. Breakaway shareholders will emerge with around 29% of the merged entity, which will have a strong balance sheet, tight capital structure, excellent asset base and greater critical mass to survive the current tough times.

"Breakaway has a proud history as an Australian exploration company, and I would like to take this opportunity to thank our shareholders for their support over many years. The Company has played a pioneering role in exploration in some of Australia's most prospective districts, and this good work will be continued by Minotaur – which has an outstanding reputation as one of Australia's most technically skilled and accomplished explorers. We look forward to completing this transaction in a timely fashion and the board unreservedly recommends this offer to our shareholders."

Further Transaction Details

The offer will be implemented by way of an off-market takeover offer under the Australian Corporations Act. The consideration will be one (1) Minotaur share for every ten (10) Breakaway shares on issue. The offer extends to Breakaway shares only, as it is proposed that all Breakaway employee options on issue are to be cancelled.

Following implementation of the offer Breakaway is expected to become a wholly-owned subsidiary of Minotaur, with current Breakaway shareholders holding approximately 29% of the enlarged Minotaur.

Breakaway will be invited to nominate a representative to join the Minotaur Board which will continue to be chaired by Derek Carter with Andrew Woskett remaining as Managing Director. Breakaway's current Managing Director, Mr Victor Rajasooriar, and all but one of the other directors will step down from the Breakaway Board on completion of the offer.

Minotaur will remain headquartered in Adelaide with all of Breakaway's staff to be offered redundancies in accordance with their contractual arrangements.

Background on Minotaur

Minotaur is an Adelaide-based minerals explorer specialising in the application of cutting-edge geophysical techniques to locate virgin mineralisation deep beneath the surface. Minotaur's remote sensing approach to locate deposits contained within basement rocks, buried below several hundred metres of transported cover, has proven to be highly successful.

The directors and technical management of Minotaur each have around 30 years of exploration, mining and mineral resource experience and are eminently qualified in their respective fields of expertise. Under their

direction, Minotaur has earned a strong reputation for technical excellence and a high profile within the Australian resource sector.

Minotaur is actively exploring for IOCG-style deposits where geophysics has identified sub-surface anomalies prospective for copper-gold mineralisation. Each of these targets represents a possible Prominent Hill-style orebody. Other ready-to-drill targets are prospective for base metals such as zinc, lead and copper. Minotaur recently announced a partnership and funding alliance with a private equity group to further the acquisition and development of copper-gold and gold focused projects within Australia.

Minotaur wholly owns the premier Poochera Kaolin deposits in South Australia and the nearby Lake Purdilla gypsum deposit.

Minotaur also holds stakes in several ASX-listed mineral exploration and resource companies, being Mithril Resources Ltd (ASX: MTH – 9.75%), Mungana Goldmines Ltd (ASX: MUX – 1.9%), Petrathern Ltd (AAX: PTR – 17%), Platsearch NL (ASX: PTS – 4.56%), Spencer Resources Ltd (ASX: SPA – 4.26%) and Thomson Resources Ltd (ASX: TMZ – 14.25%).

Minotaur's key exploration assets are summarised below:

- 4,060km² of prospective tenure in Queensland, focused mainly on the renowned Cloncurry copper-belt, where Minotaur is in joint venture with Japan's JOGMEC (51%). The Company's wholly owned tenement position at Eloise is directly adjacent to Breakaway's Eloise project and the operating Eloise copper mine;
- 9,965km² of tenure in South Australia, including a 40.9% interest in the Mutooroo joint venture (Sumitomo 59.1%) which includes the Muster Dam magnetite project, 75km directly south-west of Broken Hill (JORC Inferred Resource of 1.5 billion tonnes grading 15.2% DTR magnetite). Nearby, also in joint venture with Sumitomo, Minotaur operates the Border base metals project. In the west of South Australia, Minotaur owns the extensive Poochera Kaolin deposits and the Lake Purdilla gypsum deposit.
- 925km² of tenure in NSW, including a joint venture with Mitsubishi Materials Corporation and Mitsubishi Corporation on the Arthurville base metals project; and
- 2,115km² of tenure in central and western Victoria where a number of copper-gold targets associated with the Cambrian volcanic sequences in the Stavelly Volcanic belt have been generated.

Selected Conditions of the pre-Bid Acceptance Deed

Norilsk Nickel Australia Pty Ltd (Norilsk) holds approximately 24.8% of the issued BRW shares. Norilsk has entered into an agreement with Minotaur in respect of that number of its BRW shares (Sale Shares) which constitute approximately 19.9% of the issued BRW shares, pursuant to which it agrees that it will accept Minotaur's takeover offer in respect of the Sale Shares by no later than the fifth business day after commencement of the offer period.

However, Norilsk may terminate its obligation to accept Minotaur's offer if, prior to such acceptance, a third party makes a superior offer and Minotaur does not within five business days thereafter, make or announce a revised offer pursuant to which the consideration offered equals or exceeds the third-party offer. The full terms and conditions of the agreement are disclosed in the copy of the Pre-Bid Acceptance Deed which has previously been lodged on the Australian Securities Exchange Company Announcements Platform.

Selected Conditions of the Bid Implementation Agreement

The offer is subject to a number of conditions which are disclosed in full in the Bid Implementation Agreement (BIA) which has previously been lodged on the ASX Company Announcements Platform.

Conditions include but are not limited to:

- minimum acceptance condition of 90% relevant interest in BRW shares;
- no material acquisitions or disposals by BRW; and
- no material change to BRW.

A break fee of \$60,000 (based on 1% of the equity value of Breakaway over the previous six months) is payable by Breakaway in cash in the event (among other events) that the Offer is beaten by a countering offer and payable by Minotaur in the event (among other events) that Minotaur fails to proceed with the bid, except in certain circumstances.

A Bidder's Statement and Target's Statement will be sent to Breakaway shareholders in due course.

BASE METAL EXPLORATION – QUEENSLAND

Eloise Exploration Project – BRW 100%

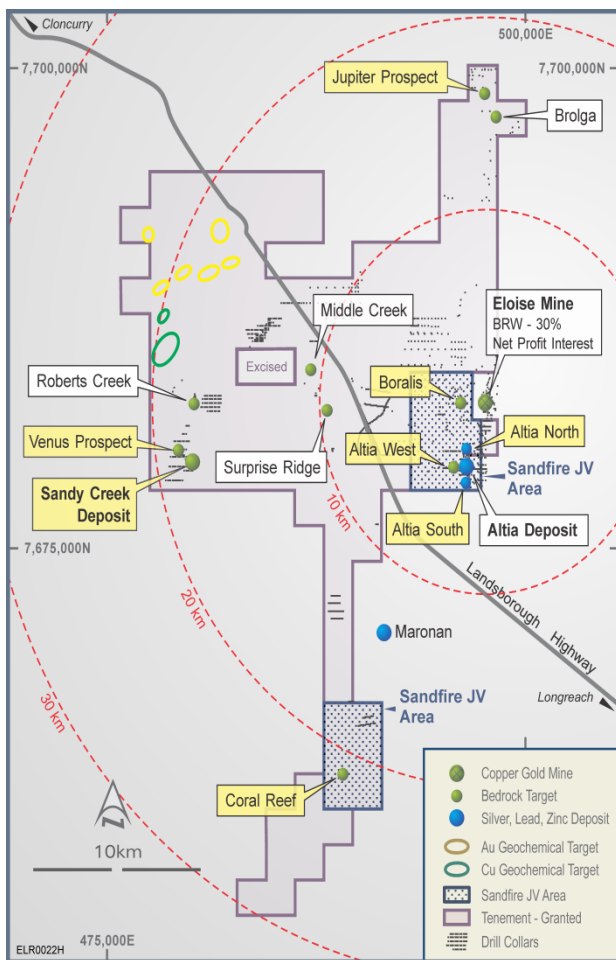


Figure 2: Eloise Exploration Project

The Eloise Project is located 70km south-east of Cloncurry, immediately adjacent to FMR Investments Pty Ltd's Eloise Copper Mine, where mining recommenced in January 2011 (Figure 2). The Project encompasses several prospect areas at different stages of evaluation, including the advanced Sandy Creek deposit and the Altia base metals deposit.

As outlined in the March 2013 Quarterly Report, following the diamond drilling program completed at Sandy Creek in November 2012, Breakaway engaged leading geophysical consultants, Newexco Services Pty Ltd, to carry out detailed ground electromagnetic surveys (moving loop). These surveys commenced at the end of March and were completed by the end of April 2013.

The moving loops are capable of detecting the presence of Eloise-style mineralisation and analogues to around 300m depth, depending on the cover. This was the first time the Eloise Project has been systematically covered by the latest ground-based EM survey technology. The final results were received from Newexco during the Quarter, together with a detailed interpretation and recommendations for further work. This has resulted in the identification of at least two significant new conductors representing potential accumulations of sulphide mineralisation.

The MLEM survey comprised 432 stations along 21 profiles, encompassing a total of 41.1km. The strongest of a number of anomalies were identified at the Jupiter and Venus prospects, as well as at the Sandy Creek deposit itself.

Jupiter Prospect

The Jupiter Prospect, which is located in the far north-east of the Eloise tenements, was selected on the basis of the structural complexity of the magnetic signatures in this area, which indicate the presence of multiple fault intersections within the Levuka Shear Zone. Jupiter is an undrilled blind target covered by approximately 100m of younger sedimentary sequences. The target has the potential to host bulk tonnage-style copper-gold mineralisation.

The first survey line, 7698200N, identified four conductors (JPC1-4), of which two are considered to be Category 1 (strong) targets (JPC2, 3), returning decay time constants of 130msecs and 220msecs respectively.

Similar highly anomalous readings were recorded over three additional lines to the north, covering a strike extension of 800m and trending towards the north-east, sub-parallel to the regional magnetic trend. The most anomalous EM conductor coincides with the intersection point of multiple linear magnetic highs (Figures 4 & 5)

Given the strength of these anomalies, the next step is to conduct fixed loop EM (FLEM) surveys to refine the plate orientations defined by the MLEM surveys before defining drilling targets. These surveys will be undertaken during the second half of 2013 to enable drilling programs to be planned.

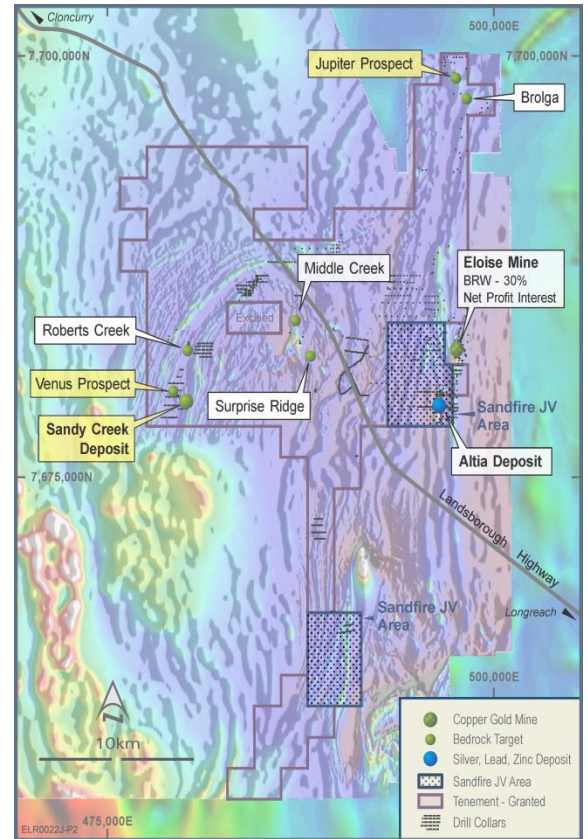


Figure 3: Eloise Exploration Project

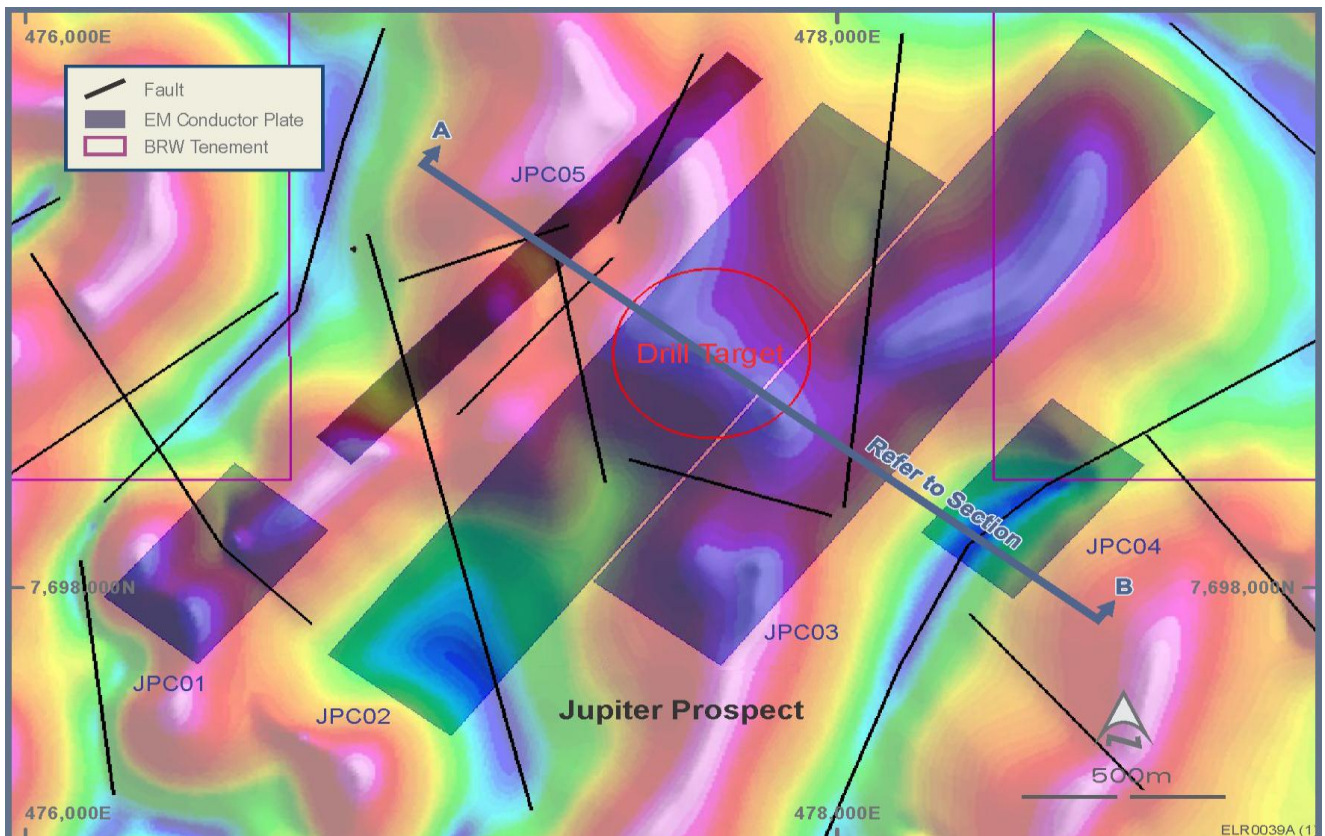


Figure 4: Plan view of Jupiter Prospect on a regional magnetic image

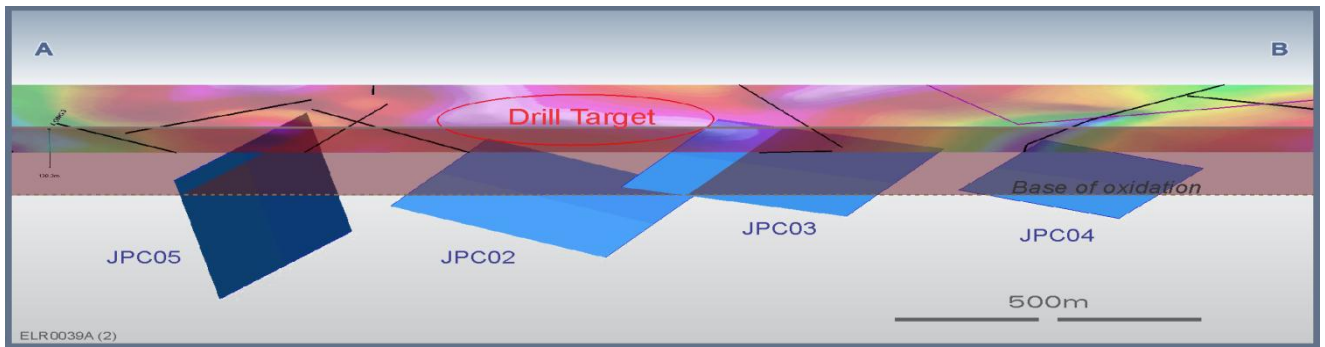


Figure 5: Isometric view of the Jupiter Prospect

Venus Prospect

The Venus Prospect is located 250m west of the Sandy Creek resource Resource and comprises a Category 1 (strong) conductor of 60msecs (SC03) coincident with a stratabound IOCG-type hematite-manganese, intensely folded structure containing gossanous material (Figure 4).

This occurrence is associated with a coincident aeromagnetic anomaly suggesting a 400m strike length related to the Venus structure.

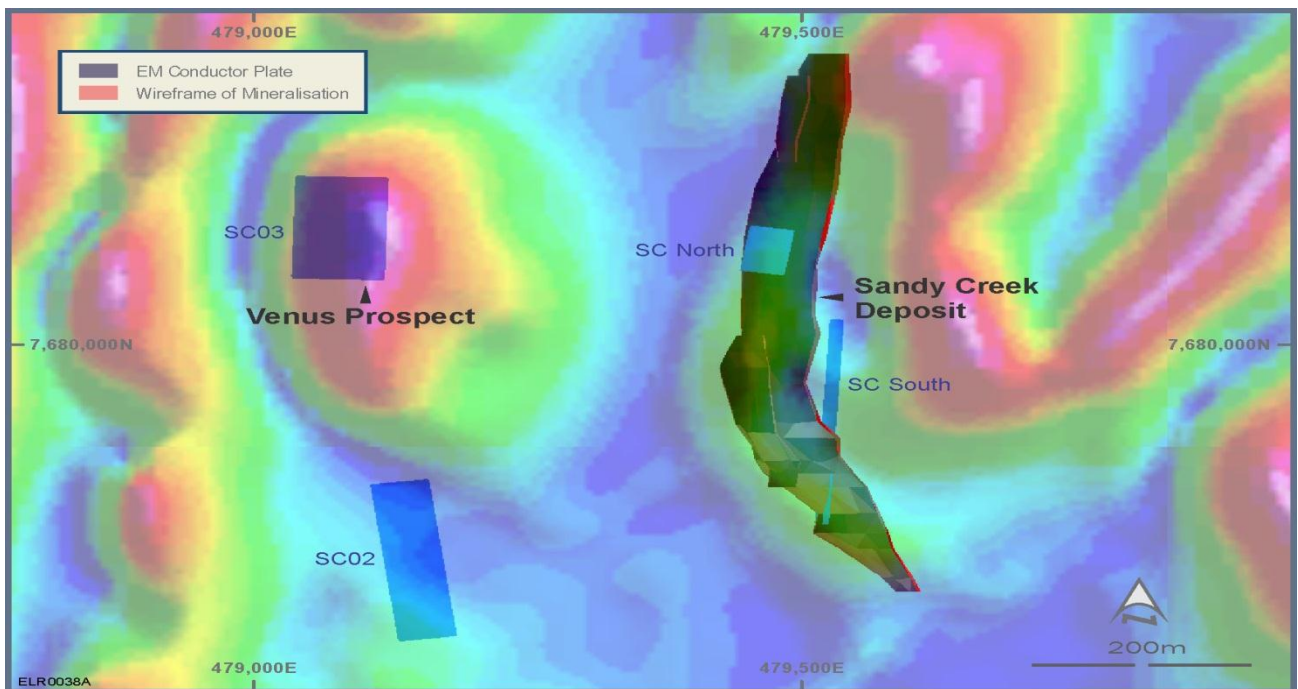


Figure 6: Plan view of Sandy Creek Deposit and the Venus Prospect on a regional magnetic image

Part of this gossan has been previously tested by BHP Billiton and Breakaway with a total of eight drill holes completed to a maximum vertical depth of 150m. Only three holes intersected the conductor. The most significant results included a hole drilled by BHP in 1990, SCD006, which returned a **3m true width of 0.7% Cu** located 134m vertically beneath the 60msec conductor.

A review of the BHP drill logs by Newexco suggests that the Venus Prospect has been inadequately drilled, in that the lithologies and mineralisation intersected do not support the strength of the conductive response returned by the current survey.

The MLEM array used by Newexco is more suited to the style of mineralisation being targeted and capable of detecting conductors to around 300m below surface depending on the cover. Accordingly, a down-hole EM survey is required in hole SCD06 to determine if the MLEM conductor has actually been intersected or if it lies off-hole and remains to be tested by new drilling.

Sandy Creek

Two MLEM anomalies were identified at Sandy Creek, confirming the existing configuration of the mineralisation (SC South and SC North).

Breakaway is planning to undertake a follow-up drilling program at the Sandy Creek deposit, initially targeting the under-drilled Western Zone in the second half of 2013. A heritage clearance survey was carried out in April 2013, which successfully cleared the drilling locations for the upcoming drill program.

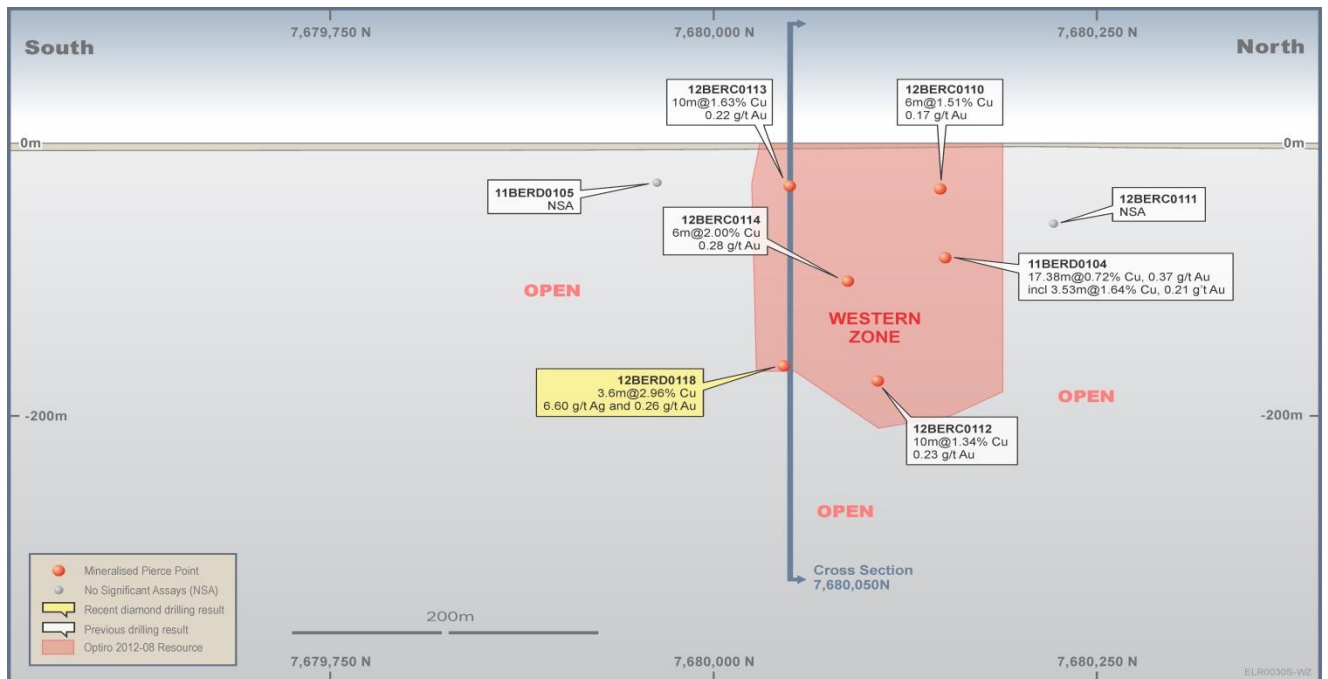


Figure 5: Sandy Creek Project Long Section showing the Western Zone resource

Diamond drilling completed last year at the Western Zone demonstrated the consistency of grades and thickness within the ore zone with the last hole drilled (12BERD0118) highlighting a potential down-plunge extension of the Western Zone, together with increasing copper grades at depth.

The Western Zone remains open in all directions, requiring a significant amount of further drilling, with geological logging of the diamond drill core indicating that the style of mineralisation at Sandy Creek is similar to the mineralisation seen at the nearby Eloise Copper Mine.

The results of the MLEM survey are encouraging, opening up significant new exploration opportunities across the broader Eloise Project.

The Company has successfully generated a number of high-priority targets at Jupiter and Venus and successfully correlated the EM signatures with the known mineralisation at Sandy Creek.

The new targets will be further assessed, including through fixed loop electromagnetic surveys (FLEM), in order to refine the EM anomalies ahead of potential drilling later this year

[Broader Altia Project JV \(Sandfire Resources earning 80%\)](#)

Subsequent to Quarter-end, the Company's joint venture partner, Sandfire Resources NL (ASX: SFR), advised that it had commenced a new drilling program at the Broader Altia Project, which is located 70km south-east of Cloncurry in north-west Queensland.

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. 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.

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.

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.

Eloise Copper Mine – Queensland (BRW 30% Net Profit Interest)

The Company holds a 30% net profit royalty interest (after adjusting for prior accumulated losses) in the Eloise Copper Mine and surrounding Mining Leases, which cover a total area of 5km². The Eloise Mine recommenced mining operations in January 2011 after the mine had been placed on care and maintenance in December 2008, and the mill was successfully re-commissioned in May 2011.

The owners of the Eloise Copper Mine, FMR Investments Pty Ltd, advised that operations at the mine continued to perform satisfactorily during the June Quarter. The Company has previously advised that it does not factor any royalty receipts from Eloise going forward (due to the adjustment of prior accumulated losses) but will continue to monitor the progress of the Eloise operation and will keep the market informed accordingly. The Eloise Mine remains of strategic significance to the Company given the extensive exploration activities being undertaken in the area and the potential to unlock the value of any new copper-gold resource discovered in the region.

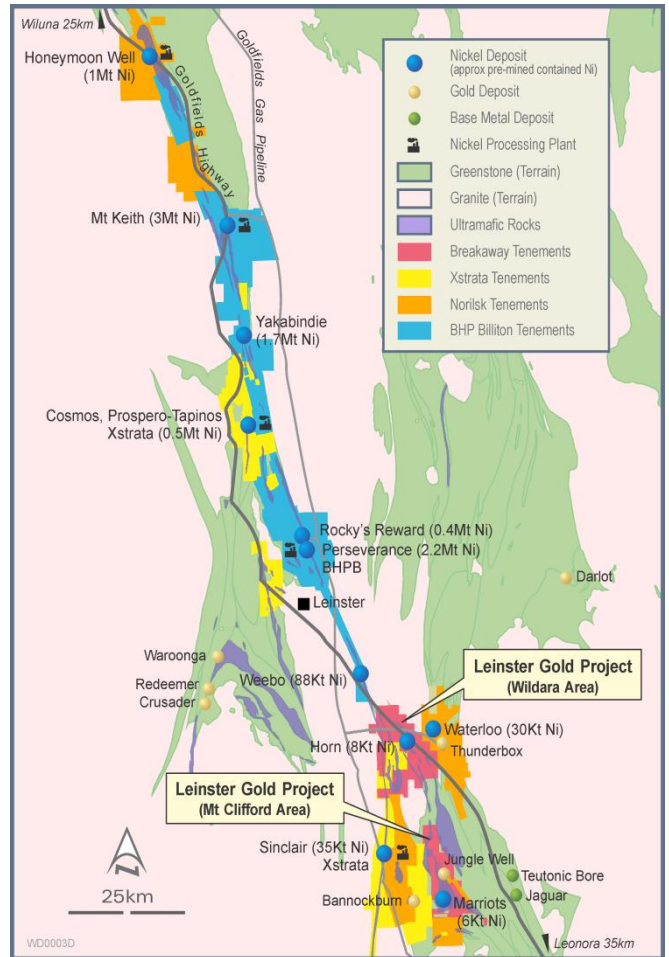


Figure 6: Leinster Gold Project location

GOLD EXPLORATION – WA

Leinster Gold Project

The Leinster Gold Project (LGP) comprises a northern block (Wildara) and southern block (Mount Clifford) (Figure 6). Previous exploration of the Leinster tenements for gold has been limited, with the major focus of exploration activity having been the search for nickel.

The Company completed a reconnaissance geochemical lag sampling program and soil sampling program earlier this year, which has significantly elevated the exploration potential of the LGP.

The geochemical program identified various prospects including two drill ready targets, Salute and Pond Well, which the Company plans to test this financial year.

SCOTIA TENEMENT SALE – WA

During the Quarter, Breakaway reached agreement to sell its Scotia Project, located 65km north of Kalgoorlie in Western Australia, to Minotaur Exploration Limited (ASX: MEP) (Figure 7) for a total consideration of \$600,000 in cash.



Figure 7: Scotia Project

The Scotia Project, comprising a portfolio of 14 tenements, is prospective for both gold and nickel. The 160km² package of tenements covers approximately 40 strike kilometres of the nickel sulphide-bearing Scotia Ultramafic, which hosts the historic Scotia Nickel Mine and the Saints Nickel prospect, as well as numerous nickel exploration targets.

It also lies within the Bardoc Shear Zone, a significant regional structure which hosts numerous gold deposits including Aphrodite Gold's +1Moz Aphrodite deposit (5km to the west) and the +5Moz Paddington deposits (30km to the south).

The sale is consistent with the Company's focus on the flagship Eloise Copper-Gold Project in North Queensland and Leinster Gold Project in Western Australia. The sale transaction was completed on the 26th of July following completion of detailed due diligence and all conditions precedents being successfully met.

CORPORATE

During the Quarter, Breakaway reached agreement with Norilsk Nickel Australia Pty Ltd ("Norilsk Nickel Australia") and Norilsk Nickel Avalon Pty Ltd ("Norilsk Avalon") releasing it from a clawback and pre-emptive rights arrangement over Western Australian tenements held by Breakaway and converting the Norilsk parties' rights into a Net Smelter Royalty ("NSR") over future production of nickel, copper and platinum group elements.

The Claw-Back Agreement dates from August 2006 when Breakaway first acquired the Scotia and Leinster Nickel Projects from Norilsk Nickel Australia (then Lionore Australia Pty Limited ("Lionore")) as part of its acquisition of Lionore's Australian nickel exploration portfolio.

The Pre-Emptive Right to Treat Nickel Ore Agreement also dates from August 2006 and included a pre-emptive right held by Norilsk Avalon to treat nickel ore mined at the Scotia Project, located 65km north of Kalgoorlie, and the Leinster Project located 35km south of the mining centre of Leinster in Western Australia.

Under the new agreement with Norilsk, Norilsk has released Breakaway and its subsidiaries, Altia Resources Pty Ltd and Scotia Nickel Pty Ltd, from their obligations under the Claw-Back Agreement and the Pre-Emptive Right to Treat Nickel Ore Agreement.

In consideration for cancelling these arrangements, Norilsk has agreed to convert all of its rights over the Western Australian tenements into a 2.5% NSR on future production of nickel, copper and platinum group elements from the tenements.

The completion of the agreement with Norilsk satisfied one of the key conditions precedent to the completion of the recently announced sale agreement for the Scotia Project with Minotaur Exploration Limited (ASX: MEP).

OUTLOOK

Breakaway's key aims for the September 2013 Quarter will be to plan for the next stage of work required on the Leinster and Eloise tenements, to monitor the progress of the recently commenced drilling program at the Altia JV with Sandfire Resources (ASX:SFR) and to successfully complete the recommended takeover offer from Minotaur (ASX:MEP).



VICTOR RAJASOORIAR
Managing Director

ENDS

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Competent Persons Statement:

The information in this report that relates to Exploration Results is based on information compiled under the Supervision of Mr Victor Rajasooriar (Managing Director), a full time employee of the Company. Mr Rajasooriar 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 Rajasooriar 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.

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, and the Leinster tenements in Western Australia (Gold and base metals), areas that we believe offer the most attractive opportunities for future success.

Appendix 1 – Broader Altia Project JV, Phase 1 diamond drilling program

Hole_ID	Prospect	AGD84_E	AGD84_N	RL	AGD_azi	Dip	Precollar	Depth
12ALDD01	Altia South	496480	7678479	200	270	-65.0	174	552.4
12ALDD02	Altia North	496533	7679798	200	270	-70.0	125.8	846.2
12ALDD03	Altia North	496541	7679597	200	270	-65.0	53.7	469
12ALDD04	Boralis	496462	7681383	200	270	-60.0	131.7	601.3
12ALDD05	Boralis	496210	7682320	200	270	-65.0	71.7	543.8
Total								3013

Hole_ID	From (m)	To (m)	Thick (m)	Ag av (ppm)	Pb av (ppm)	Zn av (ppm)
12ALDD01	271	277	6	3.3	2425	1705
12ALDD01	304.25	305.25	1	22.6	40900	24100
12ALDD01	307.8	308.4	0.6	5.3	11650	5090
12ALDD01	316	322	6	5.2	538	460
12ALDD02	680	693	13	2.7	1508	93
12ALDD02	700.4	706.8	6.4	3.0	1404	115
12ALDD02	incl. 700.4	700.85	0.45	31.7	15500	42
12ALDD02	incl. 706.65	706.8	0.15	2.8	1100	3640
12ALDD03	103	105	2	5.9	2215	4838
12ALDD03	240	247	7	3.0	871	858
12ALDD04	219	220	1	3.6	2060	2080
12ALDD05	144	146	2	8.5	175	1855
12ALDD05	317	321	4	1.35	435	1139

Table 2 – 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, 40 g/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 2.0 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.

Appendix 2:

Table 3 – Sandy Creek Mineral Resource at a 0.3 % Cu cut-off

Sandy Creek Mineral Resource						
January 2013						
Classification	Zone	Tonnes (Mt)	Cu (%)	Au (g/t)	Contained Cu (t)	Contained Au (oz)
Inferred	Main Zone	1.4	1.29	0.35	17,800	15,700
	Hangingwall North	0.1	1.14	0.34	600	600
	Hangingwall South	0.1	1.83	0.17	2,000	600
	Footwall	0.0	0.98	0.89	400	1,100
	West Zone	0.41	1.36	0.26	5,500	3,300
TOTAL		2.0	1.32	0.30	26,400	21,400

Table 4 - JORC criteria for the Sandy Creek Mineral Resource Estimate Jan 2013

The table below is a description of the assessment and reporting criteria used in the Sandy Creek Project Mineral estimation that reflects those presented in Table 1 of *The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (The JORC Code, 2012).

Criteria	Explanation
Sampling techniques and Data	
Sampling techniques	<ul style="list-style-type: none"> The primary method of grade determination for copper was through ICP AES, and for gold by Au-AA21 (0.001 ppm detection). If copper grades exceeded 10,000 ppm samples were analysed using techniques more suitable for higher grade samples (ME-OG62). Percussion (Air Core) chips were collected at a nominal 3 m interval (1 – 6 m). All percussion samples were analysed using a 50 g aqua regia digest for copper and gold. Reverse circulation (RC) chips were collected at 1m intervals. The chips were collected into plastic sample bags from a cyclone to ensure maximum recovery. Splits were taken using either a riffle or cone splitter down to a 1-3kg sub-sample. Composite samples were taken over 4 m intervals in waste areas using a spear. Samples were sent to an accredited laboratory (ALS Geochemistry) for multi-element analysis, including Cu and Au. Diamond core was split using a rock saw and half-core samples were taken at intervals of between 0.27 and 1.05 m. A total of 9 samples were quarter-core.
Drilling techniques	<ul style="list-style-type: none"> Percussion (11 holes – 18%) Reverse Circulation (38 holes – 62%) Diamond coring – HQ (pre-collar)/NQ diameter (12 holes – 20%)
Drill sample recovery	<ul style="list-style-type: none"> Core recoveries for diamond drill core is only recorded for holes drilled after 2007 and is above 95%. RC recoveries are only qualitatively recorded by Breakaway.
Logging	<ul style="list-style-type: none"> No geological logging is available for percussion holes. All RC and Diamond holes are logged by qualified geologists. All drillhole data is stored in a SQL Server database and managed using an external database company. Historical data has been merged into the electronic database. RC holes are logged as they are drilled to maximise information obtained from the spoil including contamination, recovery and wetness. A representative sample from each metre is sieved, washed and collected in a chip tray. For all intervals the compulsory fields requiring population include Wetness, Contamination, Colour Intensity, Colour, Sulphide Abundance, ROCK1 (to describe dominant feature of the rock as it exists now, ie regolith and weathering, hydrothermal alteration, sulphide mineralogy, metamorphic alteration, structure), PROTOLITH (an interpretation of the protolith. In some cases this will be the same as ROCK1 but for example with disseminated sulphides the sulphides will be described in ROCK1, the ultramafic host will be described in PROTOLITH code). If additional minerals are present that are not covered by the ROCK1 or PROTOLITH codes then they can be recorded in the minerals field. Comments fields are available if required. Following core orientation and mark up all diamond drill core is geologically logged. Holes are logged to geological boundaries. For all intervals the compulsory fields requiring population include: core recovery, sulphide abundance (only required where sulphides are logged in the rock codes), ROCK1 (to describe dominant feature of the rock as it exists now, ie regolith and weathering, hydrothermal alteration, sulphide mineralogy, metamorphic alteration, structure) and PROTOLITH. If additional minerals are present they are recorded in the minerals field along with the dominant minerals within the rock. A comments field is available if required. All drill holes are logged for structural data including contacts, faults, veins and structural fabrics.
Subsampling techniques and sample preparation	<ul style="list-style-type: none"> Samples from diamond drilling were collected as sawn half-core or in some cases quarter-core. A combination of cyclone and riffle splitter to produce 1-3 kg subsamples of RC chips was used. Composite samples have been taken by spear over the successive intervals. Information regarding wet samples were in some cases recorded at the rig. No specific method of handling wet samples has been used. Samples were oven-dried at the laboratory if necessary.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> Breakaway Resources have implemented a quality control programme which includes certified reference standards (1:50) for copper only, field duplicates (1:50) and blank samples (1:100) to monitor the accuracy and precision of laboratory data collected past 2007. No gold certified reference standards have been used.

Criteria	Explanation
	<ul style="list-style-type: none"> No QAQC data is available for pre-2007 data. The overall quality of QAQC is considered adequate to support an Inferred classification of the Mineral Resource.
Verification of sampling and assaying	<ul style="list-style-type: none"> No umpire check laboratory has been used
Location of data points	<ul style="list-style-type: none"> Topography has been measured using a DGPS ground survey. All holes were adjusted to match the elevation of this survey. Easting and Northing co-ordinates were as recorded in the database. 44% of holes used in the estimate have been surveyed at the collar by hand held GPS. The remaining 56% have been located by unknown methods. The majority of holes have been surveyed downhole with multi-shot or reflex instruments to determine the hole orientation. Three holes have downhole survey data of unknown quality.
Data spacing and distribution	<ul style="list-style-type: none"> Drilling has been completed at 50 m spaced sections oriented 090° (MGA). On section spacing varies from 25 m to 100m. 28% of the drilling is sub-vertical or vertical. 72% of the drilling is drilled between 55° and 70°
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Nominal east-west drill sections intersect the strike of the mineralisation at a 90° angle. The dip of the mineralisation is moderately consistent along strike for all three lodes. Local grade continuity follows the dip of the mineralisation for the entire deposit. The bulk of drilling is drilled to intersect the main zone mineralisation within 60-90° angles, and the western zone within 20-50° angles. Some bias may be expected from the drilling direction of holes intersecting the west lode.
Sample security	<ul style="list-style-type: none"> Optiro is unaware of any issues relating to sample security.
Audits and reviews of sampling and assaying	<ul style="list-style-type: none"> Optiro completed a review of the QAQC data (post-2007). Several erroneous or misallocated standards for copper were identified but Optiro were unable to identify which holes were effected therefore no effort was made to remove these assays from the resource estimation. No other audit/reviews have been completed.
Estimation and reporting of Sandy Creek Mineral Resources	
Database integrity	<ul style="list-style-type: none"> All drillhole data is stored in a SQL Server database and managed using an external database company. Historical data has been merged into the electronic database. Data was validated on entry into the database, or on upload from the earlier MS Access databases, by a variety of means including the enforcement of coding standards, constraints and triggers. These are features built into the data model that ensure data meets essential standards of validity and consistency. Laboratory data has been received in digital format and uploaded directly to the database. Optiro performed a visual validation by reviewing drillholes on section and by subjecting drillhole data to data auditing processes in Datamine (e.g. checks for sample overlaps etc.).
Site visits	<ul style="list-style-type: none"> No site visit has been undertaken by Optiro.
Geological interpretation	<ul style="list-style-type: none"> The Sandy Creek prospect comprises of a large area of combined soil and bedrock geochemical anomalies, EM and IP anomalies, and some sub-economic drill intersections. Sandy Creek East hosts a few small prospecting pits and shallow shafts. BHP conducted rock chip sampling, mapping, airborne EM, IP, and ground EM surveys, discovering the Sandy Creek prospects. Several percussion and diamond holes have been drilled into both areas. RGC conducted soil geochemical surveys, rock chip sampling, bedrock geochemical drilling, and drilled two RC holes into targets generated away from the known mineralisation. Sandy Creek is a shear-hosted, quartz-infilled (with sulphides) series of structures, typically at or near the contact between the regional meta-sediments and a localised gabbroic package. It has many geological similarities to the nearby Eloise Cu-Au Deposit. Mineralisation is predominately chalcopyrite within shearing and quartz. There is a shallow weathering zone, typically to a depth of around 30m or less. The mineralised zone sub-crops as a line of quartz and ironstones with occasional malachite. Mineralisation within the oxidised profile has not been included in the Mineral Resource estimation. Three-dimensional geological interpretation has been informed by a series of exploration RC drill holes at nominally 50m spacing. Three diamond holes were also drilled to greater depth to serve as platforms for down-hole EM. An EM conductor indicated a shallow southerly plunge to the best portion of mineralisation; however, the entire shear structure contained mineralisation of interest. Interpretations were triangulated to form 3D solids (mineralisation domains) using a nominal cut-off grade of 0.3% Cu. The down-dip terminations of the sectional interpretations were extended halfway to the next drillhole or projected to maintain consistency with adjacent sections along strike. When closing off along strike, the interpretation was extrapolated by half the section spacing. Mineralisation is comprised of 2 dominant zones; Western and Main zones. Three smaller zones, two within the hanging wall and one within the footwall to the Main zone, have also been defined within the deposit.
Dimensions	<ul style="list-style-type: none"> Mineralisation strikes north-south and the dip varies between 50° to 85° to the west for the Main and hanging wall zones and between 75° to the east and sub-vertical for the West zone. The Main zone has a strike length of 690 m and the width varies from 2 to 10 m. The West zone has a strike length of 160 m and the width varies from 2 to 7 m. The smaller hanging wall and footwall zone vary in strike of between 50 to 200 m and the width varies from 2 to 5 m. Mineralisation has been intersected between the elevations of 217 mRL and 5 mRL.
Estimation and modelling techniques	<ul style="list-style-type: none"> Drillhole sample data was coded by wireframes using numerous codes derived from mineralisation and geology wireframes. Sample data within the mineralisation envelope was composited to one meter lengths using a best fit

Criteria	Explanation
	<p>method. Unsourced intervals were excluded from the compositing routine.</p> <ul style="list-style-type: none"> • Extreme grade outliers within each domain grade population were cut based on a combination of histogram and log probability plot analysis. Copper samples were top cut to 6.5% in all domains. Gold samples were top cut to 2.5 ppm in the main domain, 1.5 ppm in the hanging wall and west domains and 3.7 ppm in the footwall domain. In total, few samples were cut. • Directional normal scores variograms were calculated and modelled for the main domain only due to the paucity of data. Variogram ranges show copper continuity of 250 m along strike, 65 m down dip and 9.5 m across strike and gold continuity of 230 m along strike, 110 m down dip and 4.5 m across strike. Copper and gold grade continuity analysis matched the interpreted trend of the domains and also showed a southerly plunge of approximately -20°. Nugget variances were 45% for copper and 34% for gold and are considered acceptable for this style of deposit. Variography from the main domain was applied to the remaining domains. Dynamic Anisotropy was used to control the orientation of the search ellipse on a local scale to account for small changes in the dip and strike of the mineralisation and align the search ellipses accordingly. • Cu (%) and Au (ppm) were estimated by Ordinary Kriging into parent cells of 10 mE by 25 mN by 10 mRL. Parent cells were subdivided to 0.5 mE by 0.5 mN by 0.5 mRL subcells as required for volume resolution. Due to the lack of data, the footwall domain was estimated using Nearest Neighbour methods. • During the estimation, search variograms for both copper and gold were set to the maximum ranges of the copper variogram to ensure identical sample neighbourhoods have been used. Three search passes, with increasing ranges and decreasing minimum samples numbers, have been used to ensure the maximum number of blocks have been estimated. A total of 76.3% of the blocks by volume were estimated in search pass 1, 18.3% in search pass 2 and 4.7% in search pass 3. A total of 0.7% of the blocks were un-estimated. Un-estimated blocks have been assigned the average grades for both copper and gold per domain. A hard estimation boundary was used between mineralisation domains. • Estimation was not completed on the oxide domains due to the lack of data support.
Moisture	<ul style="list-style-type: none"> • Tonnes have been estimated on a dry basis.
Cut-off parameters	<ul style="list-style-type: none"> • Mineralisation was interpreted above a nominal 0.3% Cu cut-off. Mineral Resources are reported above a 0.3% Cu cut-off.
Mining factors or assumptions	<ul style="list-style-type: none"> • No mining factors (i.e. dilution, ore loss, recoverable resources at selective mining block size) have been applied. Currently an open pit mining scenario is assumed.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> • No metallurgical assumptions have been built into the resource estimate.
Environmental factors or assumptions	<ul style="list-style-type: none"> • No environmental assumptions have been built into the resource estimate.
Bulk density	<ul style="list-style-type: none"> • Bulk density data was not available for the Sandy Creek deposit. • Density was assigned based on historical data supplied by Breakaway Resources, from the geologically similar Eloise mine. All primary mineralisation was assigned a density of 2.9 t/m³. Oxide mineralisation was assigned a density of 2.4 t/m³. Fresh waste material was assigned a density of 2.6 t/m³ and oxidised waste a density of 2.2 t/m³.
Classification criteria	<ul style="list-style-type: none"> • Mineral Resources have been classified on the basis of confidence in geological and grade continuity using the drilling density, geological model, modelled grade continuity and conditional bias measures (kriging efficiency). • The Sandy Creek Mineral resource has been classified as Inferred.
Block Model verification	<ul style="list-style-type: none"> • The OK model was validated against the input drillhole composites for each domain. Comparisons were also carried out against the declustered drillhole samples for each domain and by northing, easting and elevation slices against the drillhole data.
Audits or reviews	<ul style="list-style-type: none"> • No independent review or audit of the resource was completed. • The resource estimate was visually reviewed on section by Optiro. • The estimated grades were validated against declustered average Cu and Au grades for each domain. In addition, profile plots of estimated grade for northing, easting, and elevation were validated against composite grades for each domain.
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> • Optiro place a relative accuracy of greater than +/- 20% (and 90% confidence level) in the Mineral Resource estimate at the global level for the Inferred Resources based on the estimation technique and data quality and distribution. Optiro is confident that as Breakaway Resources increase their knowledge and understanding of the deposit geology and controls on mineralisation that the accuracy and confidence of the resource will increase.