



Significant new EM conductors identified at the Eloise Project

Successful program of ground-based geophysics enhances project's prospectivity

- **Extensive Moving Loop Electromagnetic (MLEM) survey, designed and supervised by Newexco Services Pty Ltd, completed at Eloise, North Queensland.**
- **Two significant new MLEM conductors identified – Jupiter and Venus – requiring follow-up and refining with fixed loop EM or down-hole EM prior to drilling.**
- **Two MLEM anomalies identified at Sandy Creek, confirming the configuration of the known mineralisation. Planning underway for a drill program initially targeting the Western Zone.**

Breakaway Resources Limited (ASX: BRW – “Breakaway”) is pleased to advise that it has identified at least two significant new conductors representing potential accumulations of sulphide mineralisation from recent ground-based geophysics at its 100%-owned **Eloise Exploration Project**, located 70km south-east of Cloncurry in North Queensland (Figure 1).

The Company has received the results of an extensive Moving Loop Electromagnetic (MLEM) survey, undertaken over a portion of the Eloise tenements by independent consultants Newexco Services Pty Ltd, together with a detailed interpretation and recommendations for further work.

The MLEM survey, which was undertaken in March/April, 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.

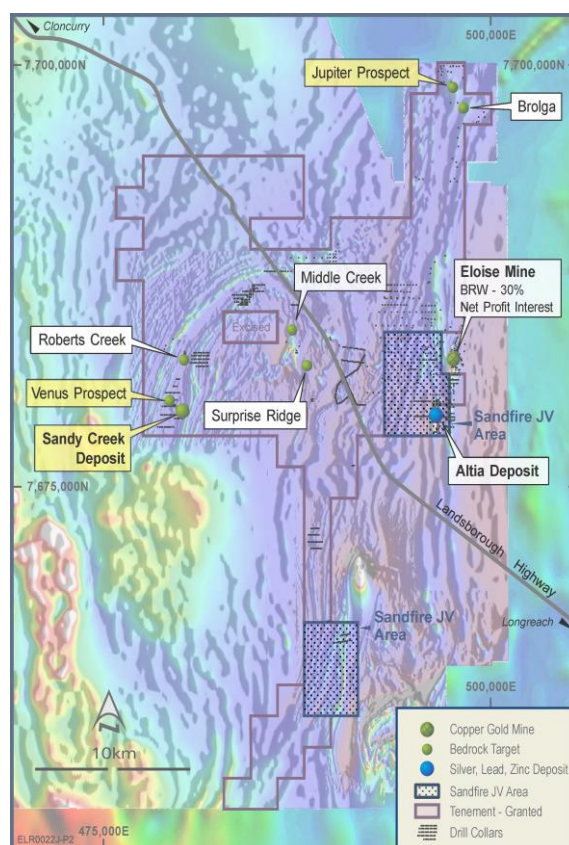


Figure 1: Eloise Exploration Project

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 2 & 3).

Given the strength of these anomalies, Breakaway plans 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.

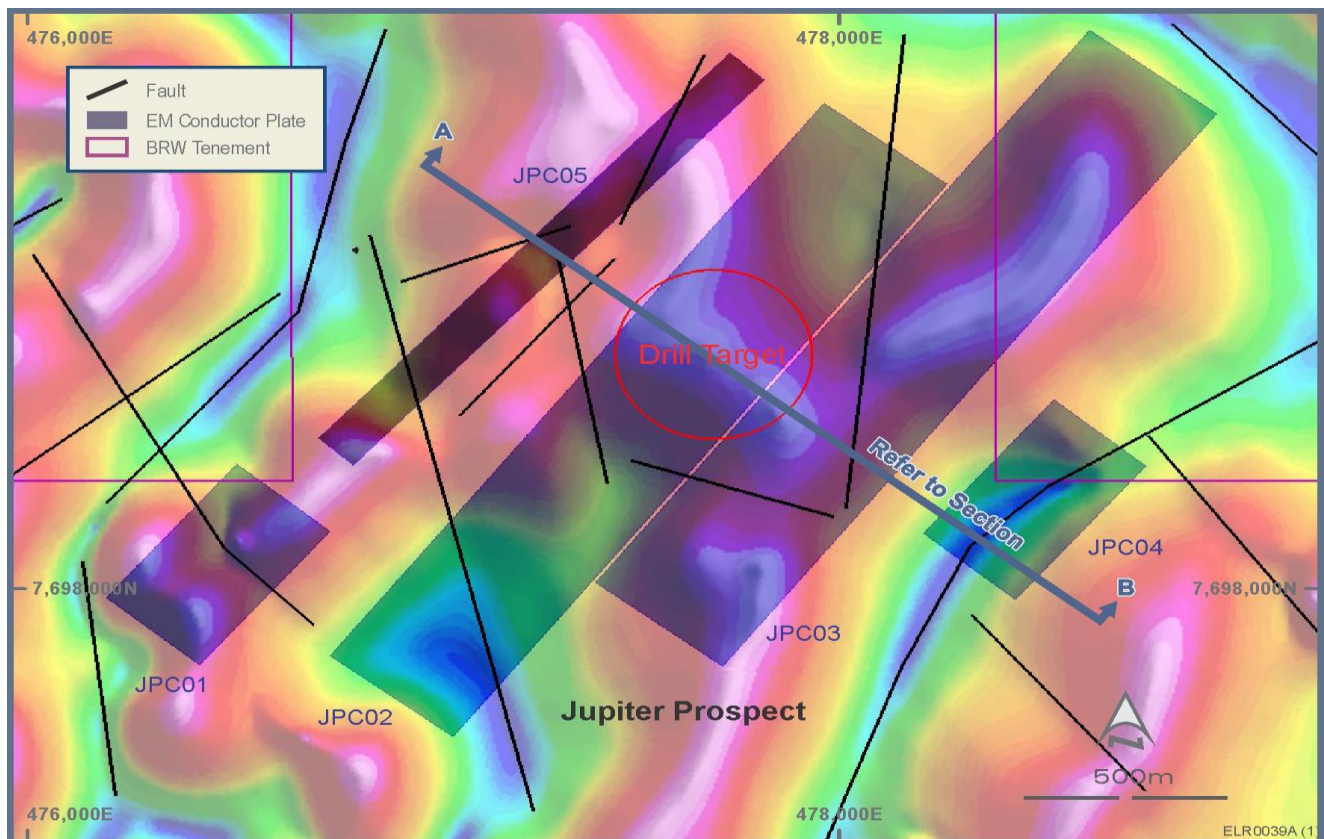


Figure 2: Plan view of Jupiter Prospect on a regional magnetic image

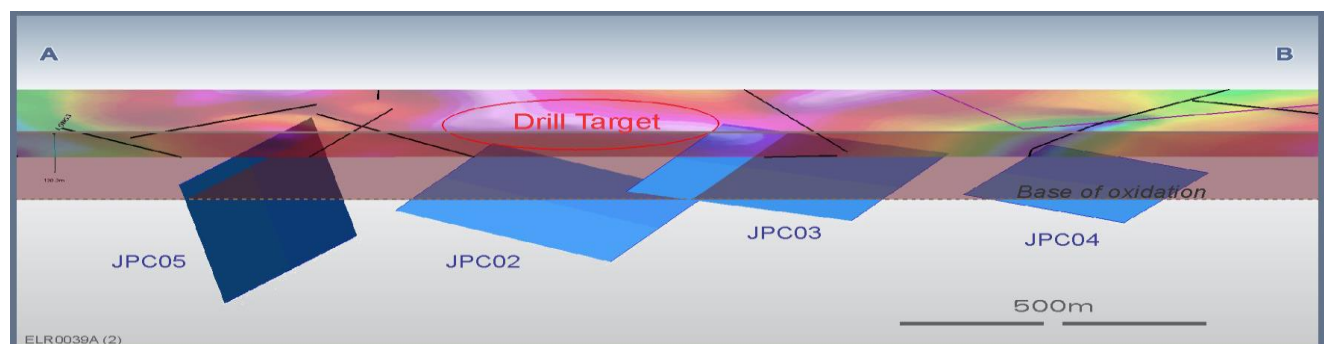


Figure 3: Isometric view of the Jupiter Prospect

Venus Prospect

The Venus Prospect is located 250m west of the Sandy Creek Mineral Resource (see Appendix 1 and 2) 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.

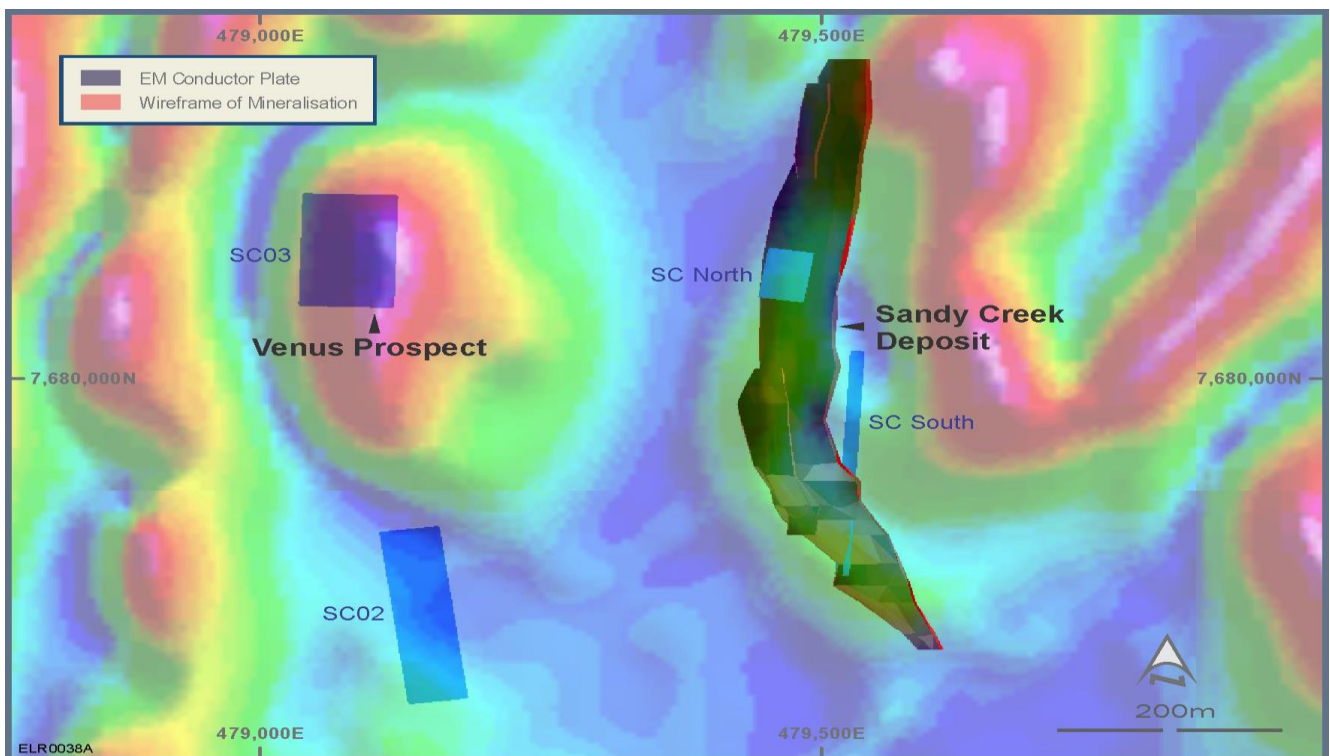


Figure 4: Plan view of Sandy Creek Deposit and the Venus Prospect on a regional magnetic image

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

Following the diamond drilling program completed at Sandy Creek in November 2012, Breakaway reported an updated Mineral Resource estimate for the Sandy Creek deposit on 26 February 2013. This updated Inferred Resource comprises 2 million tonnes grading 1.32% copper and 0.30g/t gold for 26,400 tonnes of contained copper and 21,400oz of contained gold (see Appendices 1 and 2 attached).

The MLEM survey coverage was extended over the existing Sandy Creek Mineral Resource in order to verify the EM profiles and signatures against known sulphide mineralisation.

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.

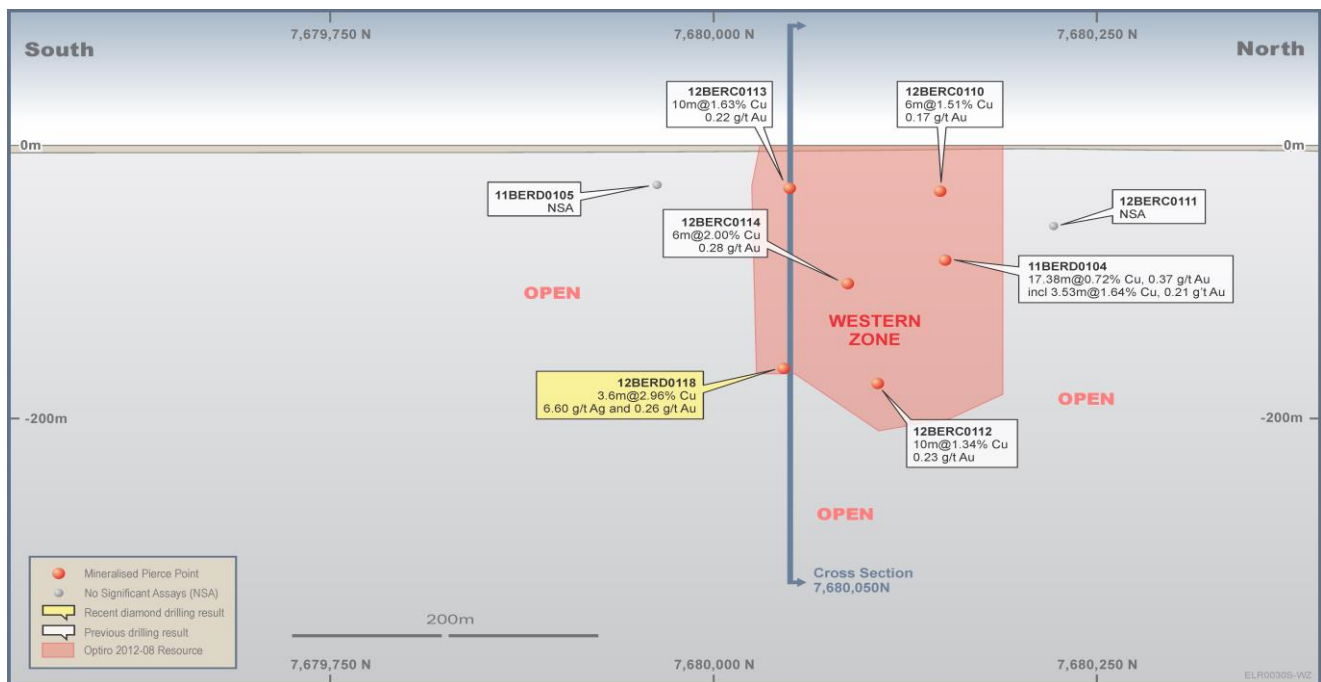


Figure 5: Sandy Creek Project Long Section showing the Western Zone resource

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 (Figure 5).

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.

Breakaway's Managing Director, Mr Victor Rajasooriar, said this was the first time the Eloise Project had been systematically covered by the latest ground-based EM survey technology.

"We decided to commission Newexco to apply the latest available technology to the Eloise Project given the substantial gap in geophysics coverage of the tenements," he said. "The only previous ground-based surveys were undertaken by BHP in the 1990s and, over very selective targets, by Breakaway in 2007.

"The results from the new survey have been very pleasing, opening up significant new exploration opportunities across the broader Eloise Project," he added. "We have 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."

ENDS

For Further Information Contact:**Mr. Victor Rajasooriar, Managing Director**

Mobile: 0488 068 739

Business: (08) 9278 6444

Mr. John Atkins, Chairman

Mobile: 0419 767 573

Breakaway Resources Limited

ABN 16 061 595 051

Unit 14, 531 Hay Street

Subiaco WA 6008

P/ (08) 9278 6444

F/ (08) 9278 6449

E/ admin@breakawayresources.com.au

W/ www.breakawayresources.com.au

For Media Inquiries Contact:**Nicholas Read – Read Corporate**

Mobile: 0419 929 046

Business: (08) 9388 1474

Competent Person's 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.

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.

Appendix 1:

Table 1 – 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 2 – 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	- 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	- Percussion (11 holes – 18%) - Reverse Circulation (38 holes – 62%) - Diamond coring – HQ (pre-collar)/NQ diameter (12 holes – 20%)
Drill sample recovery	- 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	- 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	- 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.

Criteria	Explanation
Quality of assay data and laboratory tests	- 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. - 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	No umpire check laboratory has been used
Location of data points	- 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	- 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	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	Optiro is unaware of any issues relating to sample security.
Audits and reviews of sampling and assaying	- 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	- 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	No site visit has been undertaken by Optiro.
Geological interpretation	- 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.

Criteria	Explanation
Dimensions	- 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	- 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 method. Unsourced intervals were excluded from the compositing routine. - 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	Tonnes have been estimated on a dry basis.
Cut-off parameters	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	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	No metallurgical assumptions have been built into the resource estimate.
Environmental factors or assumptions	No environmental assumptions have been built into the resource estimate.
Bulk density	- 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	- 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	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	- 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	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.