



Exploration Update – Altia Joint Venture, North Queensland

- Results received from maiden 5-hole, 3,000m reconnaissance diamond drilling program completed by Sandfire Resources at the Broader Altia Project in NW Queensland.
- Prospective geological sequences intersected in 3 holes at Altia and 2 holes at Boralis containing narrow intervals of elevated lead-zinc-silver mineralisation.
- Down-hole EM surveys completed on all holes, with potential off-hole conductors identified.
- Further drilling program planned for the second quarter of 2013.

Breakaway Resources Limited (ASX: BRW – "Breakaway") is pleased to provide an update on recent and upcoming exploration activities at the **Broader Altia Project**, located 70km south-east of Cloncurry in north-west Queensland (Figure 1).

The Company's joint venture partner, Sandfire Resources NL (ASX: SFR – "Sandfire"), has received results from the maiden reconnaissance diamond drilling program completed before Christmas. The program, which was completed on 15 December 2012, comprised five diamond drill holes for 3,013m. Three holes were completed 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 within the joint venture area similar to the nearby Cannington deposit.

Under the Joint Venture agreement signed on 4 September 2012, Sandfire can earn an initial 60% interest in the Broader Altia Project by spending A\$4 million on exploration over a three-year period, and can then elect to increase its stake to 80% by spending a further A\$4 million over the subsequent three years. Sandfire can withdraw after spending a minimum of A\$1 million within the first year of the Joint Venture.

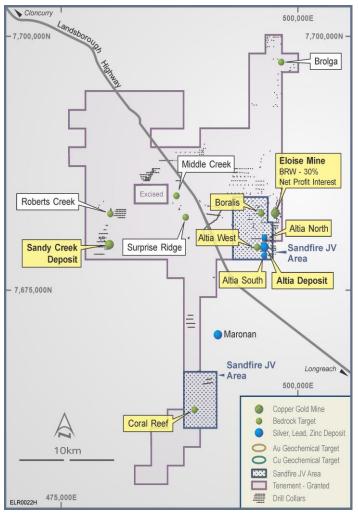


Figure 1: Sandfire JV area (in blue)

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Drilling conducted prior to the Sandfire JV by Breakaway during 2010 and 2011 has 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.

December 2012 Reconnaissance Drilling

The program, which was completed on 15 December 2012, comprised five diamond drill holes for 3,013m. Assay results have been received for all holes, with intersections of >1% Pb or Zn shown below:

 12ALDD01
 1m @ 4.1% Pb and 2.4% Zn from 304.3m and 0.6m @ 1.2% Pb and 0.5% Zn from 307.8m

 12ALDD02
 0.5m @ 1.6% Pb from 700.4m

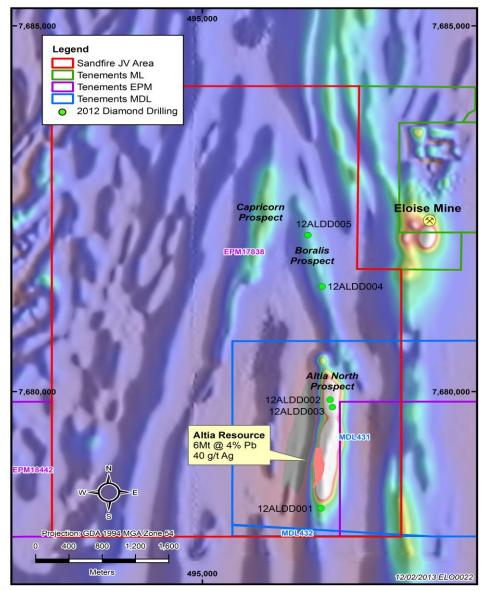


Figure 2: Drilling locations

Full analytical results, together with drill collar locations, are provided in Table 1 attached.

Unit 14, 531 Hay Street Subiaco WA 6008 W/ www.breakawayresources.com.au P/ (08) 9278 6444 F/ (08) 9278 6449 E/ admin@breakawayresources.com.au ASX Code: BRW Issued Shares: 434,8<u>54,266</u> Down-hole EM surveys were conducted on all holes drilled and full interpretation of the EM data has yet to be completed. The findings from the DHEM's will be used for the next drilling program, which is planned in the second Quarter of 2013.

Breakaway's Managing Director, Mr Victor Rajasooriar, said the reconnaissance drilling program had demonstrated that mineralisation extends both north and south of the existing Altia resource, with preliminary results of follow-up down-hole EM highlighting several potential off-hole conductors.

"We are pleased that Sandfire was able to carry out a maiden drilling program at Altia so guickly after executing the joint venture late last year," he said.

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Competent Persons Statement:

The information in this report that relates to the Broader Altia JV exploration results is based on information compiled by the Joint Venture Partner, the veracity of which has been confirmed by Phil Mattinson, as a contract geologist for Breakaway Resources. Mr Phil Mattinson is a Fellow of the Australian Institute of Geoscientists and has sufficient experience regarding the relevance of the attached information for 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 Mattinson consents to the inclusion of this information in the form and context in which it appears to 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 an area that we believe offers the most attractive opportunities for future success.

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Table 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	496480	7678479	200	270	-65.0	174	552.4
	South							
12ALDD02	Altia	496533	7679798	200	270	-70.0	125.8	846.2
	North							
12ALDD03	Altia	496541	7679597	200	270	-65.0	53.7	469
	North							
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.

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