

## Deeper Historic EM Conductor Identified at Sandy Creek

*3,700m follow-up drilling program set to commence next week*

- An EM conductor extending down-dip and along strike from known mineralisation identified at Sandy Creek from a reinterpretation of historic geophysical data.
- Newly identified EM conductor to be drill tested during upcoming program.
- 3,700 metre RC and diamond drilling program to in-fill existing copper–gold mineralisation and test for depth and strike extensions commencing next week.

Breakaway Resources Limited (ASX: **BRW**) is pleased to advise that it has identified a strong EM (electromagnetic) conductor located within the central portion of the **Sandy Creek** prospect at its Eloise Exploration Project in North Queensland, following a reinterpretation of historic Fixed Loop EM (FLTEM) data completed ahead of a fresh round of drilling due to start next week.

Breakaway has been reviewing all available data for the **Sandy Creek** prospect, where it has approved a follow-up work program comprising 3,700 metres of RC and diamond drilling and geophysical surveying to further test the significant new copper system identified from recent drilling (see ASX Announcement – 26 August 2011).

**Sandy Creek** lies within the 100%-owned Eloise Exploration Project, which is located 70km south-east of Cloncurry in the heart of the world-class Cloncurry Mineral District of North West Queensland (see Figure 1).

The historic EM conductor extends below and along strike from the previously drilled mineralisation at Sandy Creek (see Figure 2); the upper edge of the EM conductor corresponds to high grade copper-gold mineralisation in drill hole SCD003 (**8m @ 1.67% copper, 0.44g/t gold from 113 metres including 1m @ 4.62% copper, 0.98g/t gold from 113 metres**) and drill hole 11BERC0071 (**13m @ 1.1% copper, 0.18 g/t gold from 140 metres in 11BERC0071 including 1m @ 3.51% copper, 0.14g/t gold from 152 metres**).

The interpreted lower edge of the EM conductor lies 125 metres down dip of the 11BERC0071 intercept and the conductor remains largely untested by drilling.

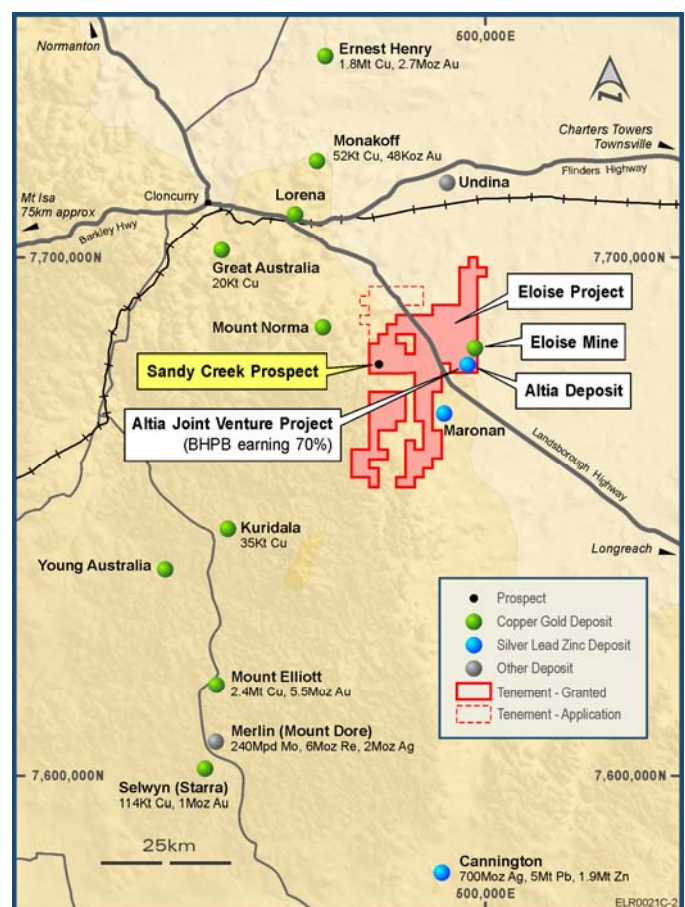


Figure 1: Eloise Exploration Project Location Plan

The presence of the EM conductor is significant as it reinforces the extensional potential of Sandy Creek, given that the conductor has geophysical characteristics potentially indicative of massive copper sulphide mineralisation and that it extends down-dip from known copper mineralisation.

The upcoming drill program will further test the EM conductor as well as in-filling existing mineralisation on nominal 50m centres to 120 metres depth.

Drilling will also determine internal continuity and test for potential extensions to the mineralisation along strike while deeper diamond drilling will test the down-dip potential of the prospect and establish “platforms” for follow-up DHTEM surveying.

Breakaway’s recent drilling at Sandy Creek identified significant copper – gold mineralisation over a strike length of 600 metres to a depth of 120 metres with numerous intercepts including:

- **10m @ 2.0% copper, 0.47g/t gold** from 121 metres in 11BERC0073 including **3m @ 3.0% copper, 0.92g/t gold** from 128 metres;
- **3m @ 2.2% copper, 0.47g/t gold** from 146 metres in 11BERC0076;
- **9m @ 1.75% copper, 0.15g/t gold** from 139 metres in 11BERC0075; and

The mineralisation occurs in a well defined zone of sheared sulphidic quartz-carbonate veining within a broader zone of mafic / garnet alteration on the western margin of a gabbroic intrusive body and remains open in all directions with most drill sections only containing one drill hole.

Breakaway looks forward to reporting on the results of the upcoming drilling and exploration programs at the Eloise Project.

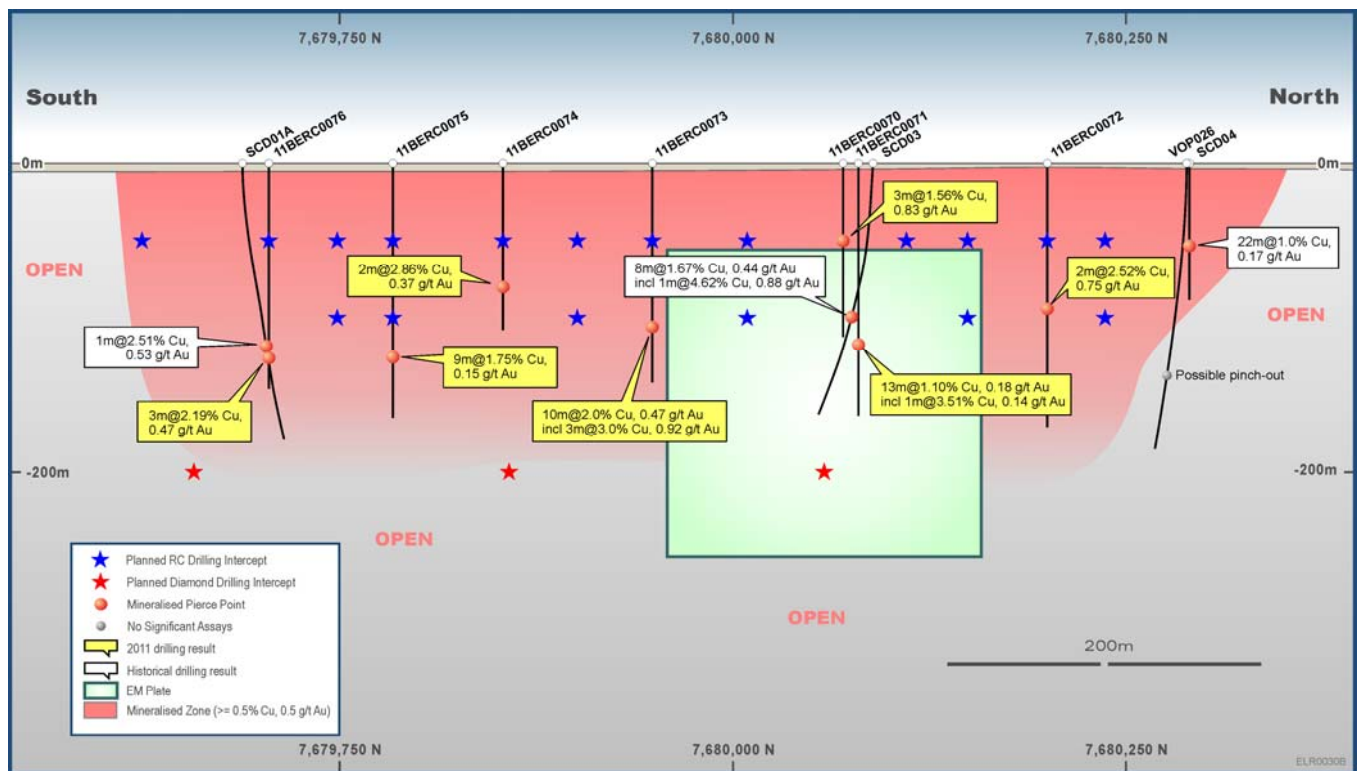


Figure 2: Sandy Creek Long Section - EM Plate and Planned Drilling

ENDS

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**Competent Persons Statement:**

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr David Hutton (Managing Director), a full time employee of the Company. Mr Hutton is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). He has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Hutton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**About Breakaway Resources Limited:**

Breakaway Resources aims to generate shareholder wealth through the discovery and development of a high-quality standalone mineral deposit. The Company's exploration activities are focussed on our priority Eloise Exploration Project (copper – gold) located within the Cloncurry District of North West Queensland and the Wildara and Miranda Projects (nickel) located within the Leinster District of Western Australia's North Eastern Goldfields; two areas that we believe offers the most attractive opportunities for future success.

**Table 1 – Sandy Creek 2011 Drilling Intercepts and Collar Details**

| Hole ID    | Prospect | Northing | Easting | Dip° | AziMag° | From                        | Width | g/tAu | %Cu  | g/tAg | %Pb  | %Zn  |
|------------|----------|----------|---------|------|---------|-----------------------------|-------|-------|------|-------|------|------|
| 11BERC0070 | Sandy Ck | 7680070  | 479455  | -60  | 90      | 58                          | 3     | 0.83  | 1.56 | 8.0   | 0.02 | 1.60 |
| "          | "        | "        | "       | "    | "       | 104                         | 12    | 1.25  | 0.02 | -     | -    | 0.03 |
| 11BERC0071 | Sandy Ck | 7680080  | 479382  | -60  | 90      | 140                         | 13    | 0.18  | 1.10 | 5.1   | -    | -    |
| including  |          |          |         |      |         | 152                         | 1     | 0.14  | 3.51 | 21.2  | -    | 0.33 |
| 11BERC0072 | Sandy Ck | 7680200  | 479431  | -60  | 90      | 99                          | 2     | 0.75  | 2.52 | 8.7   | -    | 0.40 |
| "          | "        | "        | "       | "    | "       | 105                         | 6     | 0.16  | 0.59 | 2.1   | -    | 0.04 |
| "          | "        | "        | "       | "    | "       | 118                         | 1     | 0.16  | 1.46 | 5.4   | -    | 0.42 |
| 11BERC0073 | Sandy Ck | 7679949  | 479402  | -60  | 90      | 121                         | 10    | 0.47  | 2.00 | 7.8   | -    | 0.11 |
| including  |          |          |         |      |         | 128                         | 3     | 0.92  | 3.00 | 11.0  | -    | 0.11 |
| 11BERC0074 | Sandy Ck | 7679854  | 479438  | -60  | 90      | 93                          | 2     | 0.37  | 2.86 | 17.8  | 0.05 | 0.53 |
| 11BERC0075 | Sandy Ck | 7679784  | 479472  | -60  | 90      | 139                         | 9     | 0.15  | 1.75 | 28.9  | 0.36 | 0.31 |
| including  |          |          |         |      |         | 145                         | 2     | 0.31  | 1.34 | 70.2  | 1.19 | 0.41 |
| 11BERC0076 | Sandy Ck | 7679705  | 479515  | -60  | 90      | 146                         | 3     | 0.47  | 2.19 | 9.9   | -    | -    |
| 11BERC0079 | Sandy Ck | 7679570  | 479505  | -60  | 90      | No Significant Intersection |       |       |      |       |      |      |

All Reverse Circulation drill hole results are obtained from analysis of 1 metre samples (unless otherwise specified). Sampling is undertaken following logging of geological boundaries within the drill hole. All samples are prepared and analysed at ALSGlobal Pty Ltd's Townsville Minerals Laboratory. Sample preparation is by pulverisation of the entire sample to a nominal 85% passing 75 microns in size (method LOG-23 / PUL-23). Base metal analysis is carried out by subjecting a 25-gram portion of the sample to a multi acid digest and analysing the sample by Inductively Coupled Plasma Atomic Emission Spectrometry (method ME-ICP61). Gold and precious metal analysis is carried by 25g Fire Assay and an AAS finish (method Au-AA25)

- Intersections are reported as **down hole widths**, not true widths.
- Reported intersections are calculated as length weighted average grades typically using the following cut off grades - a 0.5% copper, lead and zinc, and 0.5g/t gold and silver.
- Au – gold, Ag – silver, Cu – copper, Pb – lead, and Zn – zinc.
- The intersection obtained from 104 metres in 11BERC0070 was obtained from analysis of 4 metre composite samples.
- The location of drill holes were determined using a handheld GPS achieving +/- 4 metre accuracy - MGA datum (Zone 54).
- End of hole surveys were obtained using either an Eastman single shot survey camera or Reflex downhole survey tool.

**Table 2. Eloise Exploration Project Anomalous Historic Drilling Intercepts and Collar Details**

| Hole ID   | Prospect | Northing | Easting | Dip° | AziMag° | From | Width | g/tAu | %Cu  | g/tAg | %Pb | %Zn  |
|-----------|----------|----------|---------|------|---------|------|-------|-------|------|-------|-----|------|
| SCD003    | Sandy Ck | 7680088  | 479409  | -60  | 90      | 113  | 8     | 0.44  | 1.67 | 5.6   | -   | 0.16 |
| including |          |          |         |      |         | 113  | 1     | 0.88  | 4.62 | 16.0  | -   | 0.08 |

The drillholes are historic and as such, details of the analytical methods used are unknown.

**Notes on historic Sandy Creek EM conductor:**

The Sandy Creek Fixed Loop TEM conductor was obtained in September 1989 by Solo Geophysics for BHP Minerals Limited using a SIROTEM Mk2 receiver and RVR-2 coil utilising 600 x 300 metre loops.