



Drilling Update – Sandy Creek, North Queensland

- 10 Reverse Circulation drillholes completed to test an EM conductor within the prospect’s Main zone and extensional potential of newly discovered Western zone.
- Shear – hosted quartz carbonate veining and visible copper sulphide (chalcopyrite – pyrite) mineralisation intersected in 7 of the 10 holes drilled.
- DHTEM surveying identifies new EM conductor beneath main zone of mineralisation.
- Drilling confirms that a significant copper – gold system exists at Sandy Creek
- First assay results expected mid June.

Further to its release of 30 April 2012, Breakaway Resources Limited (ASX: **BRW**) is pleased to provide an update on exploration activities currently underway on the **Sandy Creek** prospect which is located on its 100%-owned **Eloise Exploration Project**, 70km south-east of Cloncurry, in the heart of the world-class Cloncurry Mineral District of North West Queensland (see *Figure 1*).

At **Sandy Creek**, copper-gold mineralisation occurs within two well defined parallel zones, 100 metres apart of sheared sulphidic quartz veining within a broader zone of mafic / garnet alteration on the western margin of a gabbroic intrusive body.

10 Reverse Circulation holes (12BERC0107 to 12BERC0116 – *Table 1*) totalling 2,128 metres have now been drilled to test a strong down-hole EM (DHTEM) conductor, obtained in late 2011, which potentially represents a high-grade shoot or core within the prospect’s Main zone of copper-gold mineralisation, and to test the extensional potential of the newly discovered Western zone.

Seven of the ten holes drilled (12BERC0107 – 12BERC0110 and 12BERC0112 – 12BERC0114) have intersected zones of shear – hosted quartz carbonate veining and **visible copper sulphide (chalcopyrite – pyrite) mineralisation** ranging in downhole width from **3 to 27 metres**. The new intersections lie down plunge and along strike from existing mineralised intercepts in both the Main and Western zones (*Figures 2 and 3*).



Figure 1. Project Location Plan

Significantly, drilling has intersected mineralisation coincident with the modelled position of the DHEM conductor at the southern end of the Main zone, while drilling of the Western zone also intersected additional copper sulphide mineralisation surrounding a single drill intercept obtained last year (i.e. **4.38m @ 0.72% copper, 0.37g/t gold from 85.42m** including **3.53m @ 1.64% copper, 0.21g/t gold** from 96.27m in 11BERD0104) thereby extending the distribution of known mineralisation within this zone.

Downhole EM (DHEM) surveying of 12BERC0108 at the southern end of the Main zone has also identified a new offhole EM conductor which is interpreted to lie beneath and slightly south of the hole (*Figure 2*). While the conductor is yet to be fully assessed, it may represent a down dip extension to the existing mineralisation in the vicinity of the surveyed drill hole.

The newly completed drilling confirms that a **significant copper – gold system exists at Sandy Creek** with mineralisation extending over a currently identified strike length of 700 metres to a vertical depth of 150 metres (Main zone) and 190 metres to a vertical depth of 150 metres on the Western zone.

First **assay results are expected by mid June 2012**, and the Company looks forward to providing further updates as they come to hand.

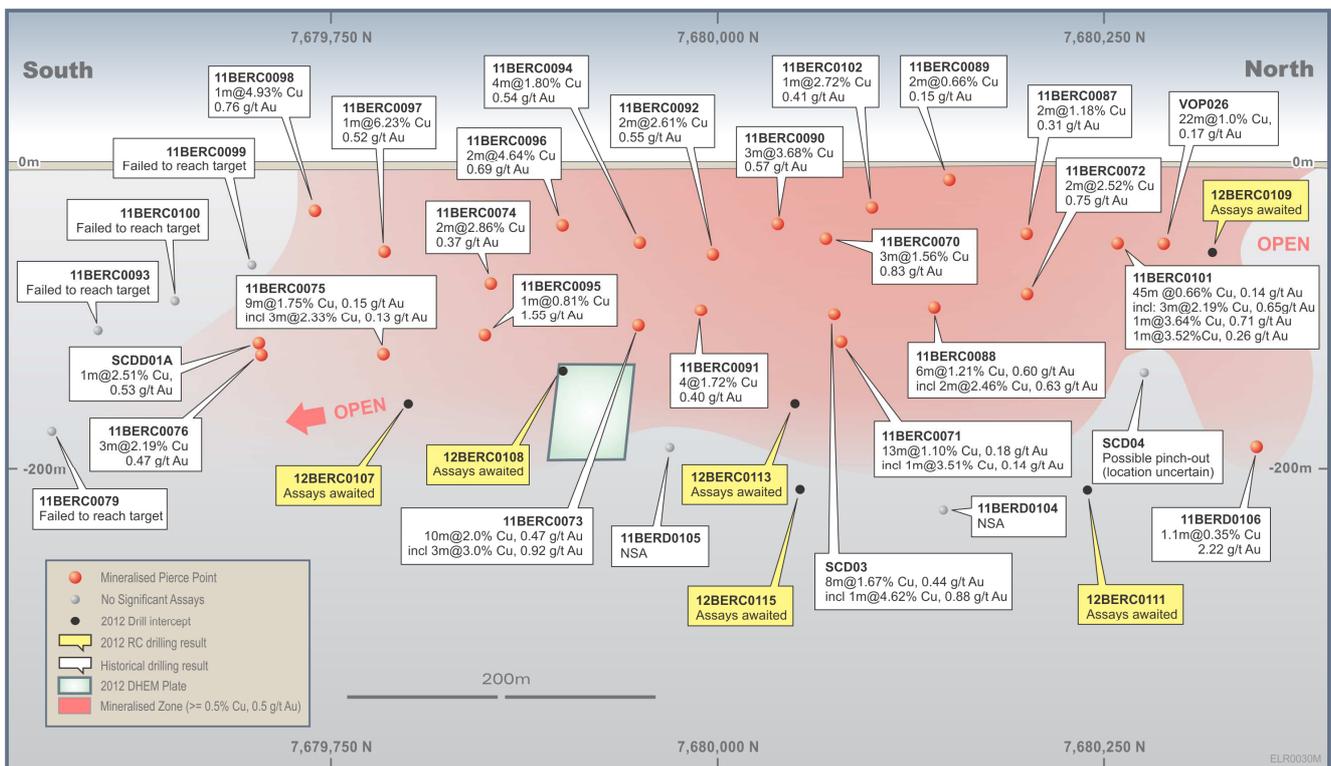


Figure 2. Sandy Creek Prospect Main Zone long-section showing new drilling and DHEM conductor

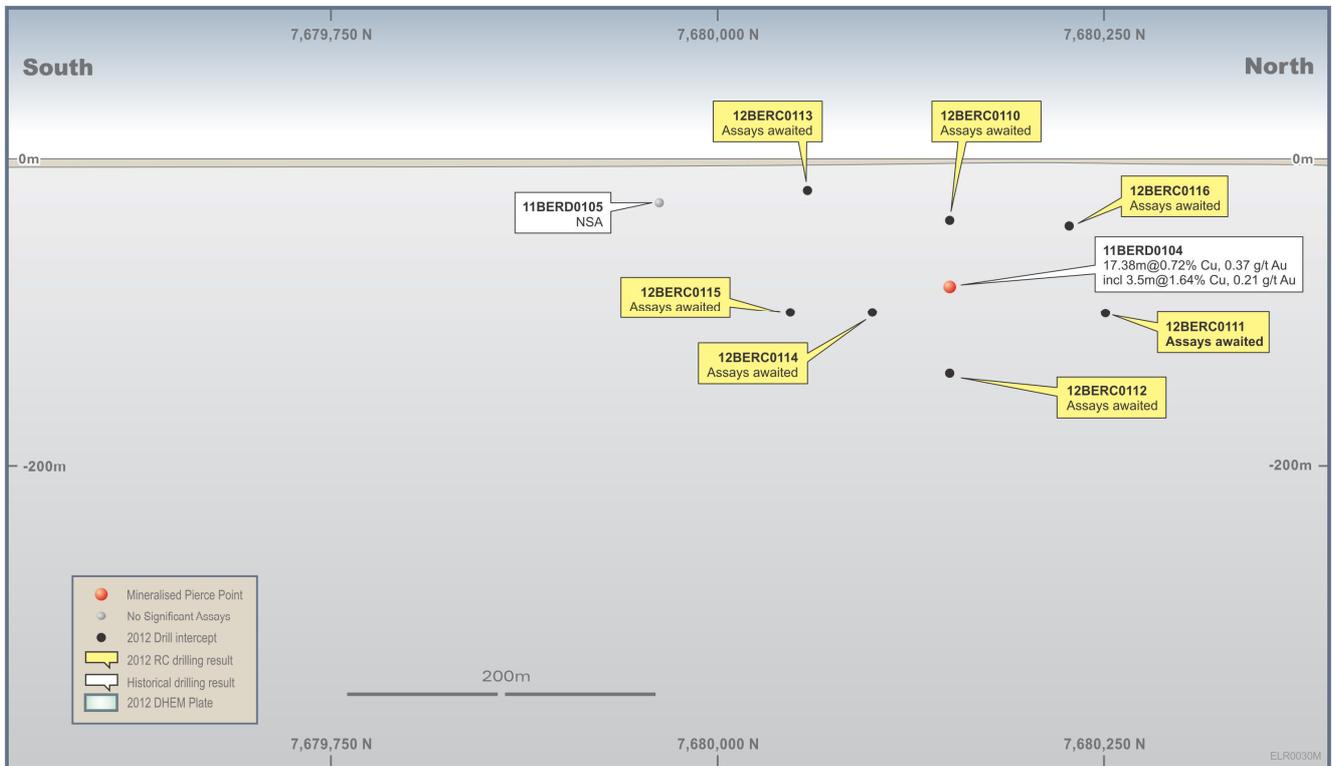


Figure 3. Sandy Creek Prospect Western Zone long-section showing new drilling.

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 an area that we believe offers the most attractive opportunities for future success.

Table 1 – Sandy Creek 2012 Drilling Intercepts and Collar Details

Hole ID	Northing	Easting	Dip°	AziMag°	From	Width	g/ tAu	%Cu	g/tAg	%Pb	%Zn
12BERC0107	7,679,800	479,390	-60	90							
12BERC0108	7,679,900	479,380	“	“							
12BERC0109	7,680,320	479,470	“	“							
12BERC0110	7,680,150	479,350	“	“							
12BERC0111	7,680,250	479,320	“	“							
12BERC0112	7,680,150	479,260	“	“							
12BERC0113	7,680,050	479,340	“	“							
12BERC0114	7,680,100	479,300	“	“							
12BERC0115	7,679,899	479,378	-70	“							
12BERC0116	7,680,220	479,340	-60	“							

Notes:

All Reverse Circulation drill hole results are obtained from analysis of 2 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 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.