Drilling Update - Altia Joint Venture, North Queensland

- **4 holes (3914.8 metres) completed to date as part of the initial deep diamond drilling programme at the Altia Joint Venture Project, North West Queensland**
- **Drilling intersects positive geological features reinforcing the potential for a broader polymetallic mineralised system surrounding the Altia Silver-Lead-Zinc deposit**
- **Known southern limits to the banded iron formation (BIF) host stratigraphy of the Altia deposit extended by 480 metres**
- **New zinc mineralised zone intersected immediately east of the Altia Deposit on the parallel Dingo Trend**
- **Drilling continuing**

Breakaway Resources Limited (ASX: **BRW**) is pleased to provide an update on the progress of BHP Billiton Minerals Pty Ltd (ASX: **BHP** – "BHP Billiton") deep diamond drilling programme at its **Altia Silver-Lead-Zinc Deposit** in North West Queensland's Cloncurry District (*see Figures 1 and 2*).

At the time of writing, four diamond drill holes (for 3,914.8 metres) have been completed as part of an initial programme of 5,000 metres of diamond drilling. This work forms a key component of BHP Billiton's first year minimum expenditure commitment of $1 million under the terms of the $10 million **Altia Farm-in and Joint Venture** concluded with Breakaway last year.

The focus of the joint venture programme is based on the strong geological similarities between the Altia mineralisation and the world-class Cannington silver-lead-zinc mine, located 100 kilometres to the south along the same geological corridor. The drilling programme is targeting potential extensions to the Altia Deposit within favourable quartz-garnet-magnetite (BIF) units along strike from Altia, mineralisation on the parallel Dingo Trend (*see Figure 3*), and within zones of structural complication such as a synformal fold hinge interpreted to lie between the Altia Deposit and parallel Dingo Trend.

Drilling to date has highlighted a number of positive geological features that reinforces the Altia Deposit as potentially occurring within a broader poly-metallic mineralised system.

Intersections of the Altia BIF units within drill holes ADD10_09 and ADD10_01 have successfully extended the known distribution of favourable host rocks by approximately 280 and 480 metres respectively, south of the Altia Deposit's southern boundary.

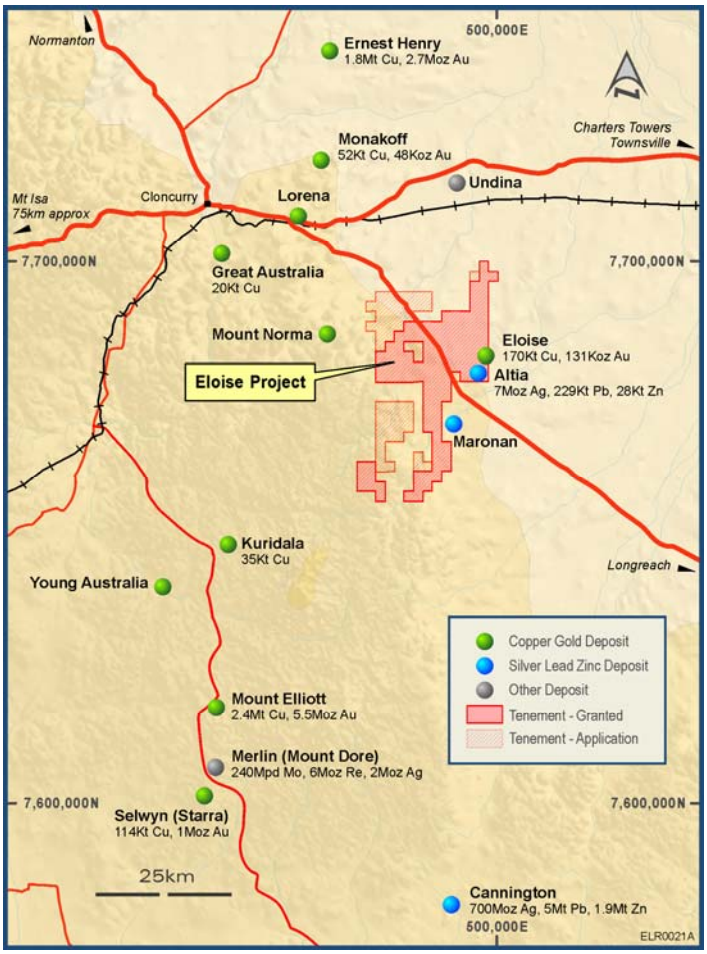

Figure 1: Eloise Regional Project Location Plan

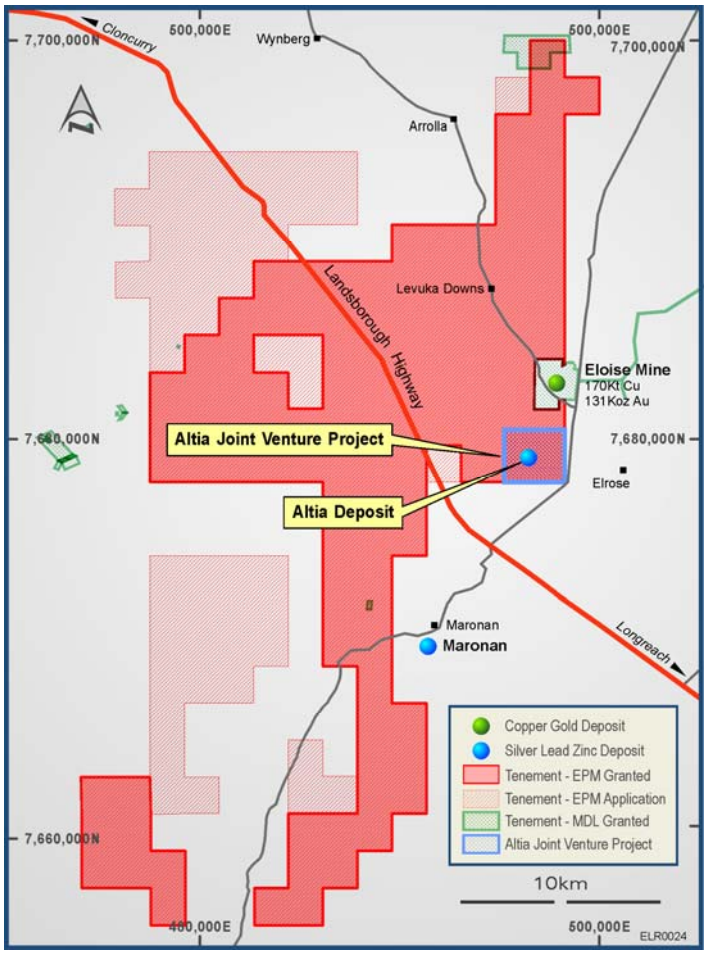

Figure 2: Altia Joint Venture Project Location Plan

Within ADD10_09, multiple BIF units up to 15 metres thick (down hole widths) were intersected between 1,091.20 and 1,222.85 metres. Minor amounts of galena (lead sulphide) and sphalerite (zinc sulphide) mineralisation were present within the BIF units and the following anomalous result was returned:

- **2m @ 2.86g/t Ag, 0.49% Pb, and 0.42% Zn from 1,144 metres, including 0.2m @ 4.9g/t Ag, 3.12% Pb and 0.42% Zn from 1,144.40 metres.**

While assays results for the BIF units within ADD10_01 are awaited, the increased distribution of favourable host units is significant as the area has only been previously tested by wide spaced shallow drilling. Sufficient space exists for the development of additional silver-lead-zinc mineralisation at the southern end of the Altia deposit.

A new and potentially significant zone of zinc mineralisation within the parallel Dingo Trend, approximately 800 metres east of Altia has also been identified from the drilling to date. Drill hole ADD10_06 intersected a 7.45 metre (downhole width) zone of weak sphalerite (zinc sulphide) mineralisation within a broader 35 metre zone of shale/silica alteration from 663.35 metres. Sphalerite occurs as thin wispy lamellae throughout the internal zone (*see Figure 4*).

The new intersection lies approximately 700 to 750 metres south of the historic drill hole VOP-006 which intersected 44 metres @ 0.20% Zn from 94 metres (including 24 metres @ 0.27% Zn from 106 metres) within a silica-altered arenaceous sequence. Interpretation of high resolution ground magnetic data suggests that the two intersections may lie within the same stratigraphic horizon.

Assays results for the mineralised zone within ADD10_06 are awaited.

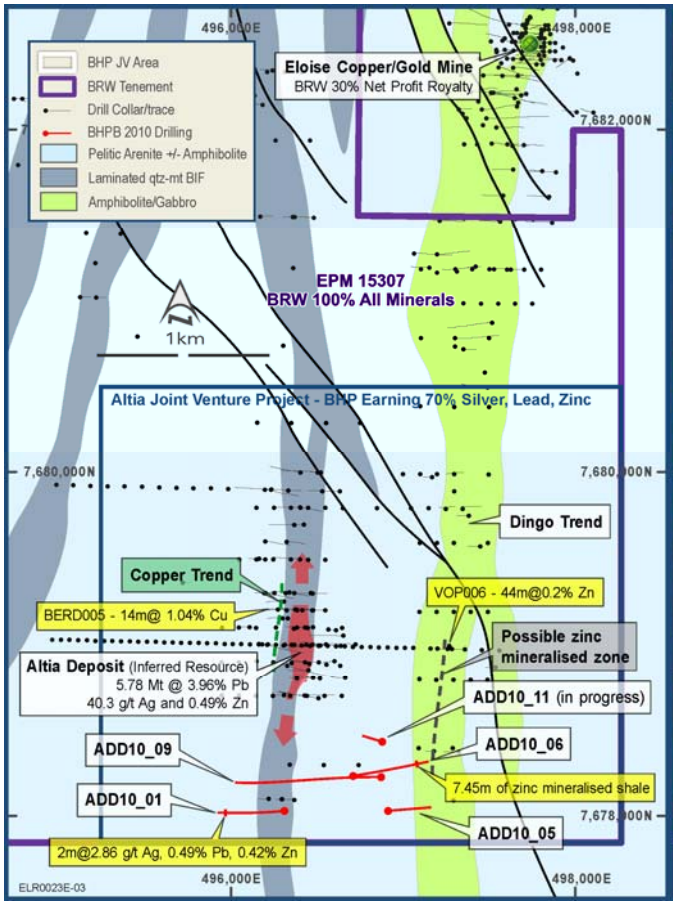

Figure 3a: Altia Deposit Drill Hole Location Plan (Schematic Geology)

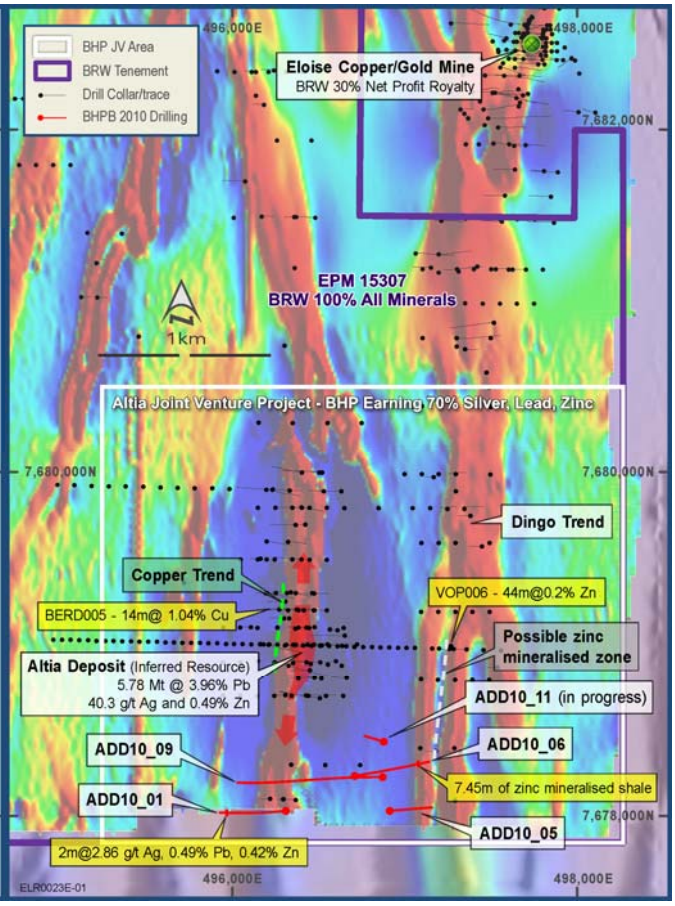

Figure 3b: Altia Deposit Drill Hole Location Plan (Magnetic Image)

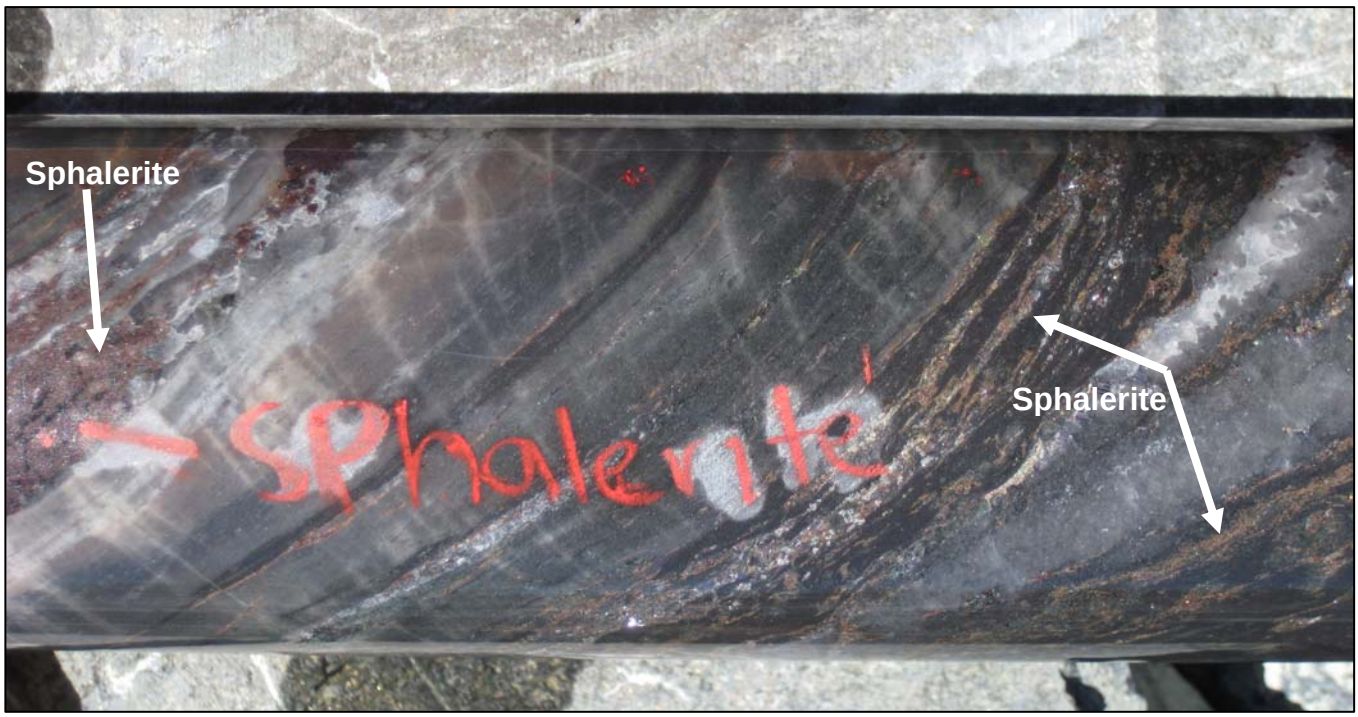

Figure 4: Core Photograph of Representative Zinc Mineralisation in ADD10-06 (length of core sample = 12cms)

The southern extension to the known limits of the Altia host stratigraphy and the identification of a new zinc mineralised zone east of Altia is highly encouraging. When viewed in conjunction with a previously announced copper intersection within the immediate footwall of the Altia Deposit (14 metres @ 1.04%Cu from 145 metres in BERD005 – previously announced in January 2007), evidence is emerging that the Altia Deposit may lie within a broader poly-metallic mineralised system.

The joint venture diamond drilling is continuing with drill hole ADD10_11 underway at the time of writing. Following completion of the current programme, it is anticipated that the existing geological model will be refined before future drilling priorities are determined.

Breakaway looks forward to providing the market with further updates on this project as information comes to hand.

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For Further Information Contact:

Mr David Hutton, Managing Director
Mobile: 0417 974 843
Business: (08) 9278 6444

Mr John Atkins, Chairman
Mobile: 0419 767 573
Business: (08) 9323 8563

Breakaway Resources Limited
ABN 16 061 595 051
Level 2, 23 Ventnor Avenue
West Perth WA 6005

P/ (08) 9278 6444
F/ (08) 9278 6449
E/ admin@breakawayresources.com.au
W/ www.breakawayresources.com.au

About Breakaway Resources Limited:

Breakaway Resources aims to become one of Australia's leading mining and exploration companies with exploration focussed at our priority Wildara and Miranda Projects within the Leinster district of the North Eastern Goldfields of Western Australia; an area we believe offers the most attractive opportunities for future success.

Our objectives are the discovery and development of a high-quality stand alone nickel sulphide deposit (+30kt Ni metal at 3% Ni) and maximisation of shareholder wealth for non-priority assets.

Competent Persons Statement:

The information in this report that relates to **Exploration Results and Mineral Resources** is based on information compiled by Mr Charles (Mark) Fletcher (Exploration Manager) and Mr David Hutton (Managing Director), both full time employees of the Company. Mr Fletcher is a Member of the Australian Institute of Geoscientists (AIG) and Mr Hutton is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Both have 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.

The information in this report that relates to the estimation of the **Altia Mineral Resource** was compiled by Mr Justin Watson. Mr Watson is a full time employee of Snowden Mining Industry Consultants. Mr Watson 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 Watson consents to the inclusion of this information in the form and context in which it appears in this announcement.

About the Altia Deposit and Altia Joint Venture:

Silver-Lead-Zinc mineralisation at Altia is hosted by a series of parallel, east-dipping pyroxmangite-altered Banded Iron Formation ("BIF") units which have been sparsely drilled over approximately 2,000 metre strike length. Within the Inferred Resource, mineralisation has been drilled on nominal 100 x 50 metre centres over 500 metres strike length to a vertical depth of 350 metres.

Breakaway delineated an initial JORC Code compliant Inferred Resource for the Altia Deposit in 2008 of 5.78 million tonnes grading 40.3g/t silver, 3.96% lead and 0.49% zinc. The deposit has currently been drilled over a 500 metre strike length and to a nominal depth of 300 metres, and remains open primarily down-dip and to the south.

Breakaway secured the landmark Farm-in and Joint Venture Agreement with BHP Billiton in November last year. The focus of planned exploration under the Joint Venture is based on the strong geological similarities between the Altia mineralisation and the world-scale Cannington silver-lead-zinc mine, located 100 kilometres to the south along the same geological corridor.

Under the Farm-in and Joint Venture Agreement, BHP Billiton can earn a 70% interest in the silver-lead-zinc rights at Altia by completing expenditure of A$10 million over five years. BHP Billiton must spend a minimum of A$1 million within the first year of the Joint Venture.

On BHP Billiton reaching its 70% interest, Breakaway's 30% interest may be sold to BHP Billiton. If Breakaway elects not to sell its interest, it must contribute on a pro rata basis to the cost of ongoing exploration and a Bankable Feasibility Study. BHP Billiton retains a right to purchase Breakaway's 30% interest following completion of a Bankable Feasibility Study and before a decision to mine is taken.

Table 1. Altia Joint Venture Project Drill Collar Details

Hole ID	Northing	Easting	Dip°	Azimuth Mag°	From	Downhole Width	Ag g/t	Pb %	Zn %
ADD10_09	7678400	497000	-60	263	1,144	2.0	2.86	0.49	0.42
				including	1,144.40	0.2	4.90	3.12	0.42
ADD10_06	7678400	496835	-60	83	Assay Awaited				
ADD10_06	7678200	497035	-80	83	Assay Awaited				
ADD10_01	7678200	496435	-60	263	Assay Awaited				
ADD10_05	7678600	497000	-85	280	Drilling underway				

Notes Specific to the Altia Drill Holes:

1. All diamond drill hole results were obtained from analysis of 1-metre samples (unless otherwise specified). Sampling was undertaken following logging of geological boundaries within the drill hole. All samples were prepared and analysed at SGS Australia Pty Ltd's Townsville laboratory facility using a single stage mix and grind technique. Base metal analyses were carried out by subjecting a 50-gram portion of the sample to a mixed acid digest and analysing the sample by Inductively Coupled Plasma Optical Emission Spectrometry (ICP).

2. Significant results shown in Table 1 of this report are calculated using a 0.1%Pb, 0.1%Zn, and 1.0g/t Ag lower cut off. Drill hole intersection grades are length weighted averaged grades and do not take account of material density for each sample.

3. Drill hole locations were determined using a handheld GPS achieving +/- 4 metre accuracy and using the AGD84 datum (Zone 54).

Notes Specific to the Resource Estimation of the Altia Silver-Lead-Zinc Deposit:

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 5.78Mt @ 40.3g/t Ag, 3.96% Pb and 0.49% Zn has been estimated for the Altia Deposit at a cut-off of 0% lead.

Lens	Tonnes (Mt)	Pb (%)	Contained Pb Metal * (kg)	Ag g/t	Contained Ag * (oz)	Zn (%)	Contained Zn Metal * (kg)
Lens 1 (Upper)	3.91	4.06	158,672	32.3	4,072,299	0.43	16,900
Lens 2 (Lower)	1.87	3.77	70,286	57.1	3,434,654	0.62	11,609
Total	**5.78**	**3.96**	**228,958**	**40.3**	**7,506,953**	**0.49**	**28,509**

* The contained metal and ounces lie wholly within the Resource boundaries and do not imply recoverable metal.

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.