



1 July 2009

BREAKAWAY COMMENCES GOLD EXPLORATION DRILLING

KEY POINTS

- **2,200 metres Reverse Circulation drill programme underway**
- **Targeting near surface strike extensions to the historic Spargos Reward Gold Mine**
- **Testing two priority areas along strike from +5.0Moz Paddington Gold Mine**

Breakaway Resources Limited (ASX: BRW) is pleased to announce the commencement of a 2,200 metre Reverse Circulation drilling programme on its high quality Spargos Reward and Scotia Gold targets, which lie within the Company's 100% owned West Kambalda and Scotia projects located 25 kilometres south west of Kambalda and 70 kilometres northwest of Kalgoorlie respectively (Figure1).

As previously announced on 11 June 2009, the Spargos Reward Gold Target comprises the historic Spargos Reward Gold Mine (previous production of 29,257ozs). Geological modelling indicates that there is excellent potential to extend the deposit both at depth and along strike with only broad spaced drilling completed by previous explorers.

The drill program will test near surface positions over a total strike length of 500 metres, centred on the existing open pit and to a vertical depth of 50 metres

The Scotia Gold Target comprises two discrete surface geochemical anomalies that lie within the Bardoc Shear Zone, approximately 20 kilometres north along strike from the major +5Moz Paddington Gold. The anomalies are considered to be in-situ and, where previously drilled on 100 metre sections, have been shown to directly overlie bedrock gold mineralisation.

The drill programme will further test the anomalies by infilling and extending existing drilling both down dip (to a vertical depth of 120 metres) and along strike.

Breakaway sees this drilling programme as a first pass test of the two gold targets and looks forward to carrying out additional drilling based on success in the initial programme.

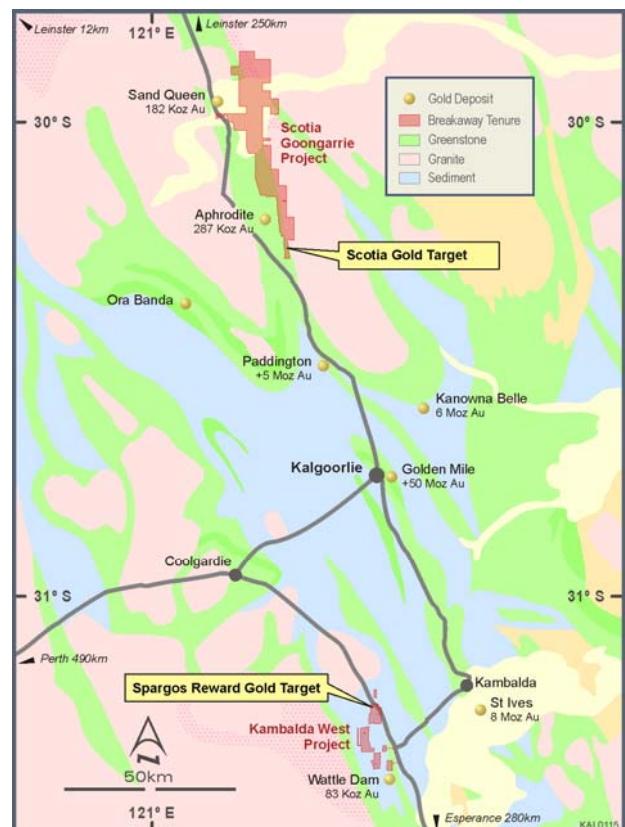


Figure 1: Eastern Goldfields Location Plan showing Breakaway's Scotia and Kambalda West Projects



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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 (Chief Executive Officer and Exploration Manager), a full time employees of the Company. Mr Hutton is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and 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.