



Drilling Commences at Eloise, North Queensland

New phase of exploration underway in world-class Cloncurry Mineral District

- 5,000m RC drilling programme commences at the 100%-owned Eloise Exploration Project, surrounding the Eloise Copper Mine and Altia Silver-Lead-Zinc Deposit.
- Testing three high-grade copper-gold targets within 20km of the Eloise Copper Mine, where mining resumed earlier this year.
- Targets include Roberts Creek, Sandy Creek and Surprise Ridge (with historic intercepts up to 4.72%Cu, and 11.56g/t Au).
- Concurrent target generation and ranking exercise to build a pipeline of additional drilling targets.

Breakaway Resources Limited (**ASX: BRW**) is pleased to advise that a 5,000m Reverse Circulation (RC) drilling programme has commenced to test **three advanced high-grade copper-gold prospects** at its 100%-owned **Eloise Exploration Project** in North Queensland.

Drilling has commenced at the **Surprise Ridge** prospect, marking the commencement of a significant new phase of exploration activity for Breakaway in North Queensland. The new copper exploration campaign follows the completion of the Company's 2011 nickel exploration programme in the Leinster Nickel District of Western Australia earlier this year.

The Eloise Exploration Project ("Eloise") is located 70km south-east of Cloncurry, in the heart of the world-class Cloncurry Mineral District of North West Queensland. The tenements lie immediately adjacent to FMR Investments Pty Ltd's Eloise Copper Mine, where production is continuing to ramp-up after mining recommenced in January this year (see *Figure 1*). Breakaway holds a 30% Net Profit Interest (adjusted for prior year losses) in the mine and FMR Investments is Breakaway's second-largest shareholder.

The resumption of mining combined with the strong outlook for the copper market, provides a strong strategic imperative for the new copper exploration programme at Eloise. Copper exploration activity in North Queensland is currently running at record levels, buoyed by recent discoveries and the strong demand outlook for the metal.

The priority targets to be tested in the current round of drilling represent the most advanced exploration opportunities, with known bedrock copper-gold mineralisation and provide opportunities for the potential delineation of resources in the near-term. Due to the close proximity of Breakaway's tenements, any new copper discovery would lie within an economic trucking distance to the Eloise Copper Mine, thereby opening up the potential for regional development and processing opportunities (see *Figure 2*).

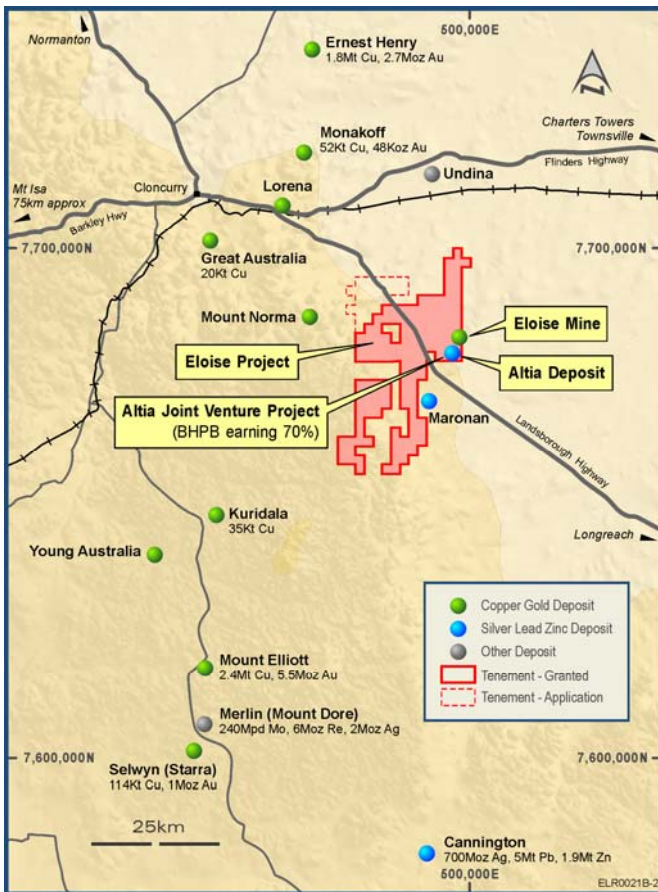


Figure 1: Eloise Exploration Project Location Plan

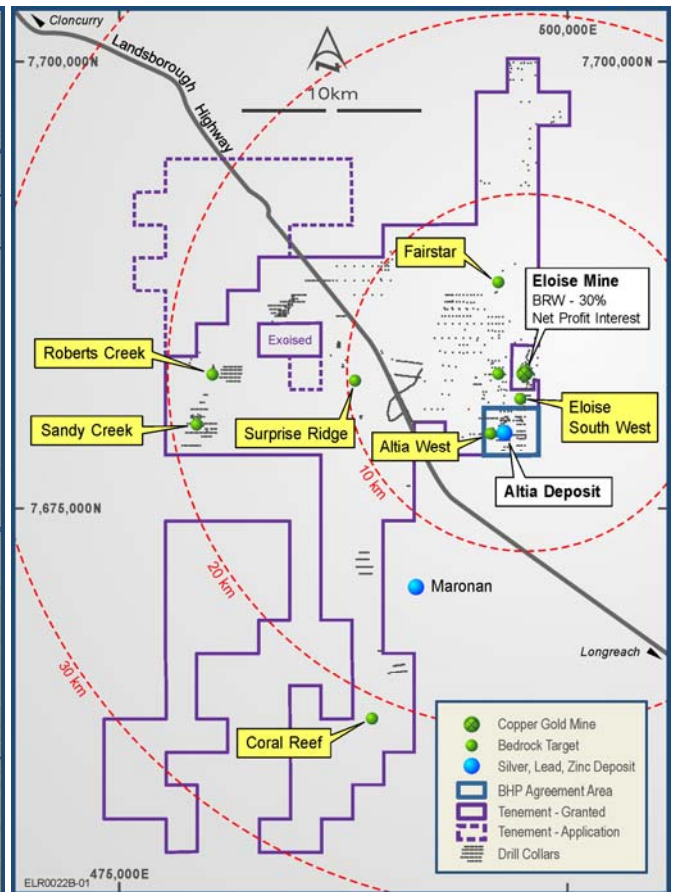


Figure 2: Eloise Copper Targets Location Plan

The targets are typically characterised by +1% copper intercepts (up to 4% copper), highly anomalous gold results and limited deep drilling with excellent potential to extend known mineralisation along strike and down dip. In addition, there are several significant surface geophysical and geochemical anomalies in close proximity to the bedrock targets which also represent attractive targets for follow up.

While a number of these copper-gold targets have been known for some time, they have received minimal exploration over the past 10-15 years due to the Company previously focusing on its Western Australian nickel assets and the Altia Silver-Lead-Zinc Deposit at Eloise. Previous owners of Eloise were focused on development of the Eloise Copper Mine.

Priority Drilling Targets (Note – quoted intersections are down hole widths only)

- **Surprise Ridge** – where copper and zinc mineralisation occurs within an altered and brecciated banded iron (BIF) unit coincident with a combined aeromagnetic and IP chargeability geophysical anomaly. The bulk of the 300 metre long geophysical feature remains largely untested with only one of two holes drilled at the northern end of the feature actually intersecting the prospective BIF host rock (i.e. VOP013 - **8m @ 1.27%Cu**, 0.07g/t Au from 34 metres including **2m @ 2.96%Cu**, 0.12g/t Au from 34 metres and **6m @ 1.54%Zn** from 52 metres.

Mineralisation remains open in all directions and significantly the peak of the IP chargeability anomaly (a potential indicator of additional copper and zinc sulphide mineralisation) has not been drill tested.

- **Roberts Creek** – where quartz vein hosted copper - gold mineralisation has been continuously intersected within 25 - 50 metre spaced historic drillholes over a **500 metre strike length** and to **50 metres vertical depth**. The mineralisation remains **open in all directions** with anomalous surface geochemistry suggesting strong potential for a northern strike extension (see Figure 3). Better intercepts include:

- **5m @ 3.42% Cu, 3.05g/t Au** from 39 metres in RAM01 including **2m @ 4.72%Cu, 4.13g/t Au** from 39 metres
 - 11m @ 1.36% Cu, 1.51g/t Au from 37 metres in RAM08
 - **6m @ 3.22% Cu, 2.22g/t Au** from 28 metres in RCP01
 - **6m @ 1.02% Cu, 4.18g/t Au** from 53 metres in VOP028
- **Sandy Creek** – where copper-gold mineralisation occurs within two parallel zones of quartz-carbonate veining and mafic alteration. Mineralisation remains open down plunge and south along strike. Limited drilling on 100 to 200 metre sections over 600 metre strike length and to 150 metres vertical has returned broad zones of strong copper-gold mineralisation including:
 - **8m @ 1.67% Cu, 0.44g/t Au** from 113 metres in SCD03
 - **5m @ 0.51% Cu, 11.56g/t Au** from 149 metres in SCD06
 - **4.11m @ 0.57% Cu, 5.70g/t Au** from 186.55 metres in SCD07
 - 22m @ 1.0%Cu, 0.17g/t Au from 50 metres in VOP026

In addition to the above priority exploration targets, numerous additional geophysical anomalies and mineralised occurrences have been identified across Breakaway's tenements. The Company is conducting a comprehensive target generation and ranking exercise in parallel with the current drilling, to develop and prioritise targets for future exploration programmes.

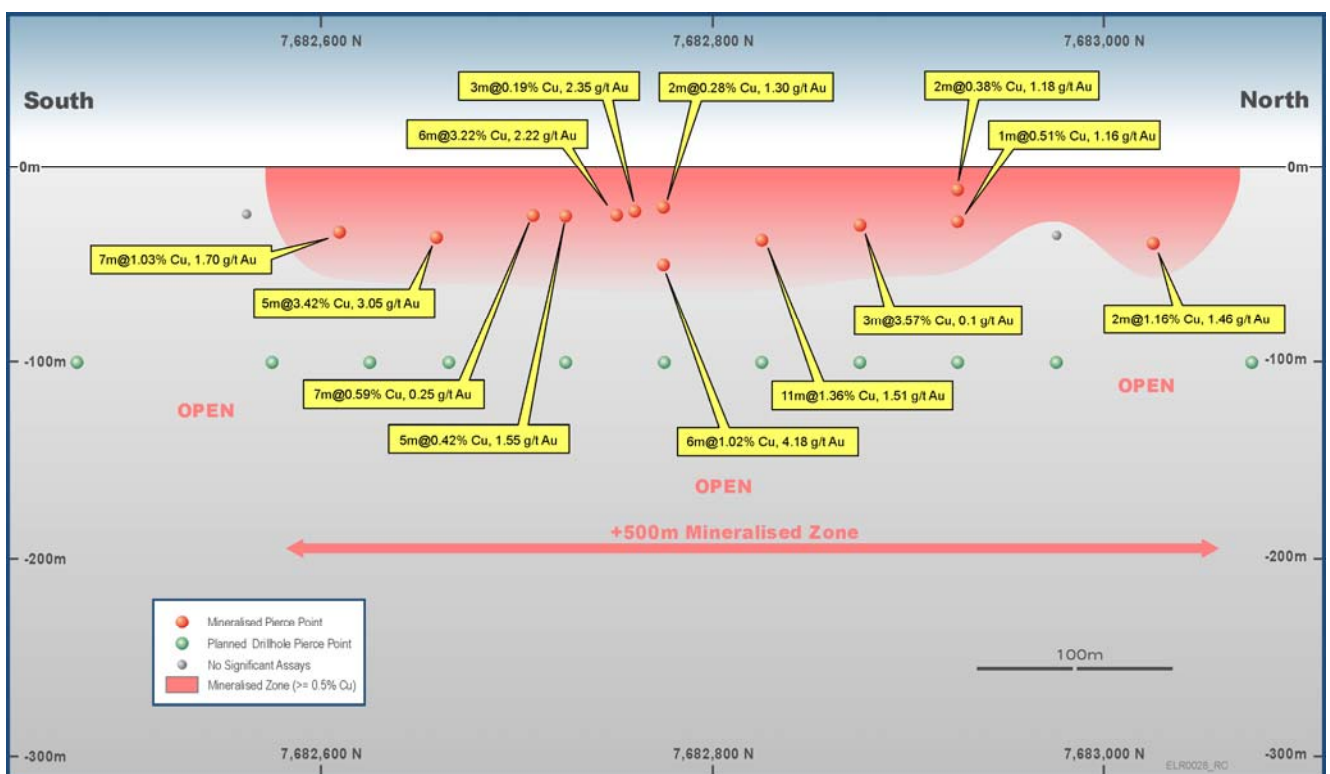


Figure 3: Roberts Creek Long Section

Summary

Commenting on the announcement, Breakaway's Managing Director, Mr David Hutton, said "This is an exciting new period of activity for Breakaway with the drill programme quickly determining whether the targets have the potential to generate significant copper – gold resources in the near-term".

"Given that they lie just 20km from a major operating mill at the Eloise Copper Mine, any resources defined here could be assessed for processing at Eloise – which is owned and operated by our second largest shareholder, FMR Investments and where we hold a beneficial interest," he continued. "We look forward to announcing results from the drilling as they're received."

“It’s also important to note that the Eloise tenement contains a multitude of other exploration opportunities outside of the current drilling programme. These are to be progressed by a target generation and ranking exercise that will run in parallel with the drilling to ensure that we have a pipeline of follow up drill targets for future testing,” Mr Hutton added. “We look forward to a steady flow of news and results between now and the end of the year.”

Table 1. Anomalous Historic Drilling Intercepts and Collar Details referred to in the announcement.

Hole ID	Prospect	Northing	Easting	Dip°	Azi Mag°	From	Width	% Cu	g/t Au
VOP013	Surprise Ridge	7682327	488225	-60	90	34	8.0	1.27	0.07
RAM01	Roberts Creek	7682658	480234	-60	270	39	5.0	3.42	3.05
“	“	“	“	“	“	39	2.0	4.72	4.13
RAM02	Roberts Creek	7682775	480247	-60	270	23	2.0	0.28	1.30
RAM03	Roberts Creek	7682609	480230	-60	270	33	7.0	1.03	1.70
“	“	“	“	“	“	38	2.0	1.50	4.12
RAM04	Roberts Creek	7682725	480257	-60	270	23	5.0	0.42	1.55
RAM07	Roberts Creek	7682708	480230	-60	270	25	7.0	0.59	0.25
RAM08	Roberts Creek	7682825	480277	-60	270	37	11.0	1.36	1.51
RAM09	Roberts Creek	7682875	480273	-60	270	32	3.0	3.57	0.1
RAM10	Roberts Creek	7682760	480231	-60	270	18	3.0	0.19	2.35
RAM11	Roberts Creek	7682925	480260	-60	270	30	1.0	0.51	1.16
RAM12	Roberts Creek	7682925	480246	-60	270	14	2.0	0.38	1.18
RCP01	Roberts Creek	7682760	480252	-56	235	28	6.0	3.22	2.22
RCP03	Roberts Creek	7683025	480262	-56	270	46	11.0	1.36	1.51
VOP028	Roberts Creek	7682775	480277	-60	270	53	6.0	1.02	4.18
SCD03	Sandy Creek	7680073	479421	-60	90	113	8.0	1.67	0.44
SCD06	Sandy Creek	7680193	479033	-60	90	149	5.0	0.51	11.56
SCD07	Sandy Creek	7680145	479041	-60	90	186.55	4.11	0.57	5.70
VOP026	Sandy Creek	7680268	479540	-60	270	50	22.0	1.0	0.17

Notes on Drill Hole Results:

1. The drillholes are historic and as such, details of the analytical methods used are unknown.
2. The location of drill holes were determined using a handheld GPS achieving +/- 4 metre accuracy and using the GDA 1994 datum (Zone 54).
3. Intersections are reported as **down hole widths**, not true widths.
4. Reported intersections are calculated as length weighted average grades using a 0.5% copper and 0.5% gold lower cut off.

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.

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 (nickel) within the Leinster district of the North Eastern Goldfields of Western Australia and the Cloncurry District (copper – gold) of North West Queensland; two areas that we believe offers the most attractive opportunities for future success.

Our objectives are the discovery and development of a high-quality stand alone mineral deposit and maximisation of shareholder wealth for non-priority assets.