

11 November 2009

BREAKAWAY SECURES A\$10M ALTIA JOINT VENTURE

HIGHLIGHTS

- **BHP Billiton to spend A\$10M over 5 years to earn 70% of silver-lead-zinc rights in Breakaway's Altia Joint Venture Project, Cloncurry District, Queensland.**
- **Minimum A\$1M expenditure in first year with up to 5,000 metres diamond drilling to commence at the end of the wet season in early 2010.**
- **BHP Billiton targeting potential for a world-class, Cannington-style base metals system.**
- **Altia Joint Venture Project hosts the Altia Silver-Lead-Zinc Deposit with Inferred Resources of 5.78Mt @ 40.3g/t silver, 3.96% lead and 0.49% zinc (7.5Moz of contained silver and 229Kt contained lead) which remains open both down dip and along strike.**
- **BHP Billiton to apply for Mineral Development Licences over the Altia Deposit.**
- **Potential for large-scale silver deposit highlighted by strengthening silver grades at depth and to the south west (downhole intersections include 19m @ 286g/t silver).**
- **Breakaway retains 100% of copper-gold rights within the Altia Joint Venture Project.**
- **Breakaway retains 100% of all mineral rights in the surrounding 430km² Eloise Exploration Project – outstanding pipeline of exploration opportunities in copper-gold, uranium and gold.**

Breakaway Resources Limited (ASX: BRW – “Breakaway”) is pleased to announce that it has entered into a Farmin and Joint Venture, termed the **Altia Joint Venture Project (“Altia”)**, with BHP Billiton Minerals Pty Ltd (ASX: BHP – “BHP Billiton”), on Breakaway's 100%-owned Eloise Regional Exploration Project, located 4km south west of the Eloise Copper Mine in the Cloncurry district of Queensland (Figures 1-3). The joint venture project covers an area of approximately 8km² and hosts the Altia Silver-Lead-Zinc Deposit where Breakaway has previously announced a JORC Code compliant Inferred Resource of 5.78Mt @ 40.3g/t silver, 3.96% lead and 0.49% zinc (7.5Moz of contained silver and 229Kt of contained lead).

Under the 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.

The value of Breakaway's 30% interest for sale purposes following completion of a Bankable Feasibility Study is to be determined by negotiation with BHP Billiton at the time, or failing that, by an Independent Expert engaged by both companies.

Breakaway retains 100% of copper-gold rights within the Altia Joint Venture Project and the rights to 100% of all minerals within the broader Eloise Exploration Project. Breakaway can explore for copper-gold on the Altia ground under a mutually convenient cooperative arrangement with BHP Billiton.

Under the agreement BHP Billiton on behalf of Breakaway, will apply for Mineral Development Licences over the project area. Upon BHP Billiton completing the A\$10M earn in, the Mineral Development Licences will be held 70% / 30% by the joint venture partners.



Figure 1: Project Location Plan

The Joint Venture agreement is consistent with Breakaway's previously announced strategy of rationalising its extensive Australian minerals portfolio to enable it to focus on its core nickel sulphide exploration projects in Western Australia, while at the same time ensuring that expenditure is secured to progress high-potential assets such as Altia. BHP Billiton is expected to commence a programme of deep drilling in early 2010, following the wet season, targeting the potential for a world-scale Cannington-style silver-lead-zinc deposit at Altia.



Figure 2: Eloise Regional Exploration Project Location Plan

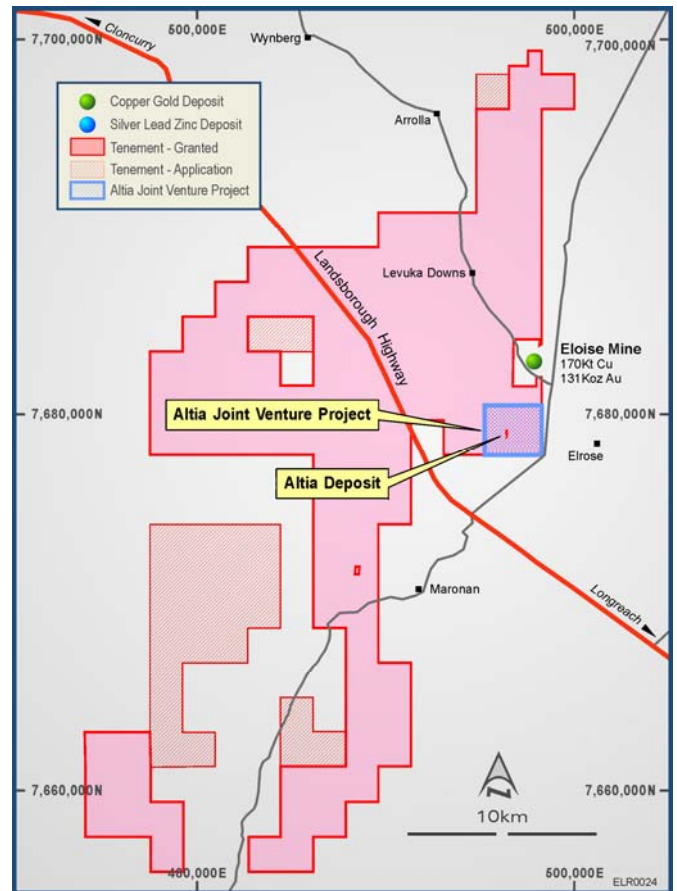


Figure 3: Altia Joint Venture Project Location Plan



Altia Background and Exploration Focus

The Altia Deposit is located within the highly prospective Soldiers Cap Formation, which also hosts BHP Billiton's world-scale Cannington silver-lead-zinc mine, some 100km to the south, and the Eloise copper-gold mine, 4km to the north, in which Breakaway has a 30% net profit interest. Cannington is the world's largest and richest silver mine with total JORC resources as of 30 June 2009 of **80 million tonnes @ 244 g/t silver, 6.3% lead and 3.5% zinc** (BHP Billiton 2009 Annual Report).

Following discovery by BHP Billiton during the late 1980's, the Altia Deposit has been intermittently explored with previous exploration limited to wide-spaced RAB drilling, reverse circulation and diamond drilling and early generation TEM geophysics to detect electrical responses indicative of base metals at depth.

Breakaway initiated a new programme of exploration at Altia in 2007, representing the first comprehensive exploration programme in the area using modern geophysical and exploration techniques. As a result of this work, 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** for 7.5Moz of contained silver and 229Kt of contained lead. The deposit has been drilled over 500 metres strike length to a nominal depth of 200 metres and remains open primarily down dip and to the south.

The Altia Deposit and its associated host rocks are completely concealed at the surface by about 50 metres of younger, flat-lying cover rocks and are associated with coincident, linear magnetic and gravity anomalies occurring over a 2 kilometre strike extent. The current understanding of the geology of the deposit and the surrounding area is entirely reliant on drilling information which outside the immediate deposit area has a limited distribution.

The Altia mineralisation, which shares similarities to the Cannington deposit, occurs within several parallel banded iron formations (BIF's) with lenses 1 (upper) and 2 (lower) representing the main zones (Figure 4). The lenses dip at about 60° to the east and show evidence of local folding with the higher grades possibly controlled in part by fold closures.

The mineralised zone has been evaluated by drilling to a maximum depth of 400 vertical metres (one hole), with the majority of holes intersecting the zone at less than 200 vertical metres. The mineralisation has been delineated over a 500 metre strike extent (Figure 5).

Of particular note is a number of drill intercepts at the southern end of the current resource which returned outstanding silver grades, including holes BERD0003 (**19m** (downhole width) **@ 286g/t silver, 1.8% lead and 0.2% zinc**) and BERD00016 (**6m** (downhole width) **@ 83g/t silver, 4.7% lead and 0.2% zinc**). These mineralised intersections remain open down dip and along strike to the south. Altia therefore offers a number of very attractive exploration opportunities with a key focus on a series of interpreted fold or hinge positions below a vertical depth of 300 metres and the high grade intersections at the deposit's southern end (Figure 6).

BHP Billiton is expected to commence up to 5,000 metres of diamond drilling to test for down-dip/down-plunge extensions of the southern high-grade silver intersections at Altia, upon the completion of the wet season in early 2010.

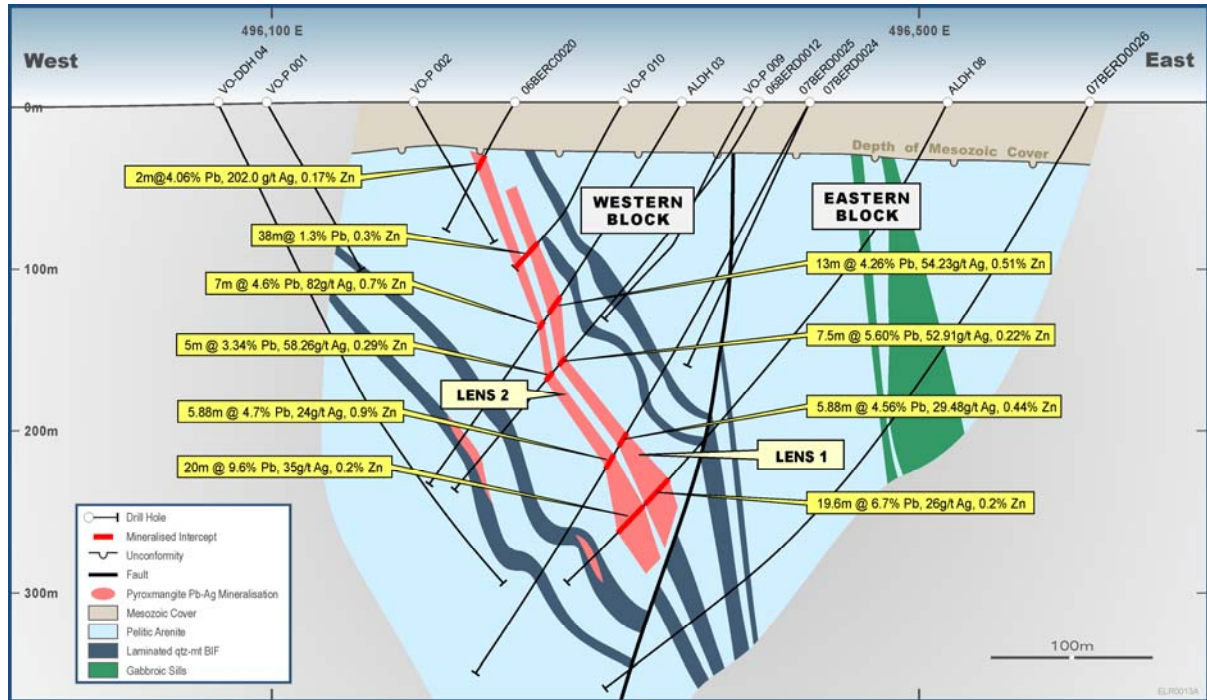


Figure 4: Altia Silver-Lead-Zinc Section 7,679,000M

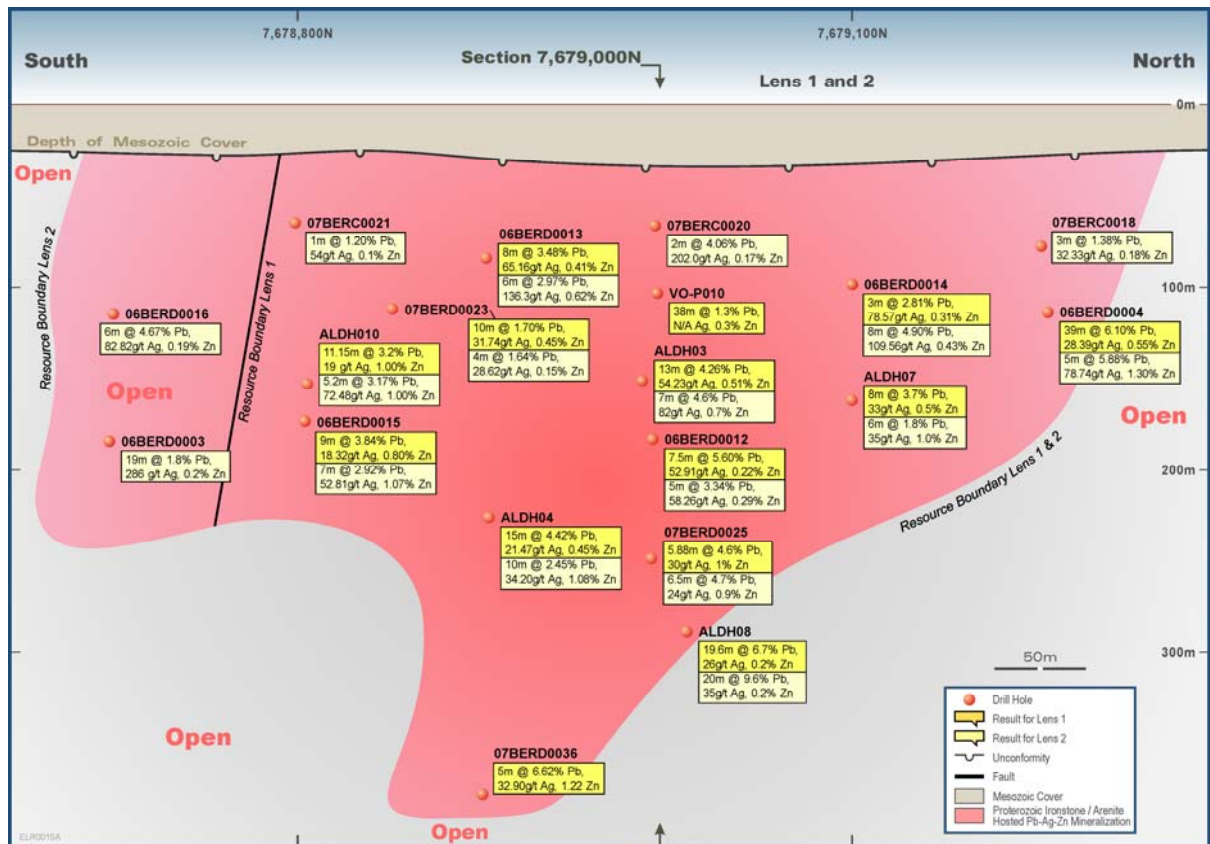


Figure 5: Altia Silver-Lead-Zinc Deposit Long Section

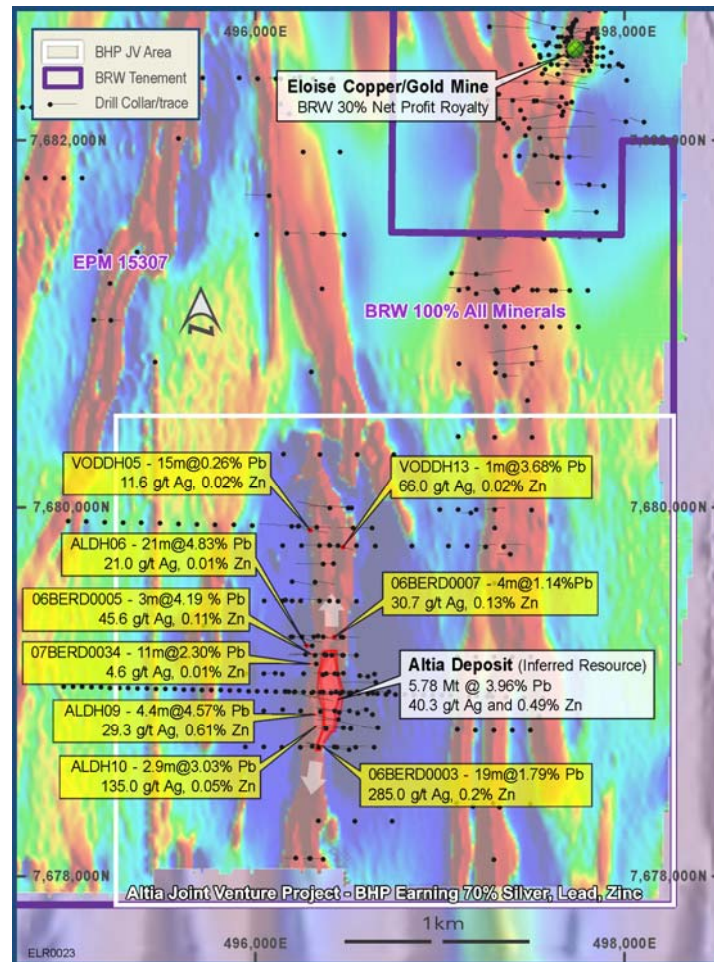


Figure 6: Altia Joint Venture Project Area showing Altia Deposit and Exploration Potential

Eloise Regional Exploration

Breakaway's 100%-owned Eloise Regional Exploration Project surrounds the Eloise Copper Mine (Total Mineral Resource (mining depleted) – 3.2Mt @ 3.1% copper, 0.8ppm gold and 10ppm silver), and is regionally located approximately 75km north-east of the recent major copper and molybdenum discoveries recently announced by Ivanhoe Australia, including Merlin - 13Mt @ 0.8% molybdenum and 14g/t rhenium (Identified Mineral Resource announced 21 April 2009) and Mt Elliott - 475Mt @ 0.5% copper, 0.38g/t gold (Measured, Indicated and Inferred Mineral Resources announced 9 September 2008).

The Company has recently expanded its tenement position through the acquisition of EPMA 17838, increasing its total ground position from 350km² to 430km². An application to amalgamate the Project tenements into a single tenement is expected to be approved in the first Quarter of 2010, which will facilitate a number of strategies, including joint venture opportunities, potential spin-off, or partial divestment, to progress exploration for copper, copper-gold, uranium and gold at Eloise. Breakaway is considering a range of possibilities in this regard.



Management Comment

Breakaway's Chief Executive Officer, Mr David Hutton, said the joint venture agreement with BHP Billiton represented the first major deal to be concluded by the Company following the strategic review of its asset base earlier this year.

"Breakaway is very pleased to have concluded this arrangement with BHP Billiton, which ensures that the Altia Joint Venture Project will receive the attention and the expenditure it deserves given the scale and potential of the base metal mineralisation discovered there," he said. "We believe there is an outstanding opportunity to discover a major silver-rich base metals system at Altia, however this will require a substantial amount of deep drilling which would be beyond Breakaway's current financial capabilities."

"If exploration is successful, subject to BRW not disposing of its interest under the terms of the Joint Venture, we will retain a 30% interest of what could emerge as a world-class asset, while preserving our existing cash resources to focus on our ongoing nickel sulphide exploration programmes in Western Australia," Mr Hutton continued. "We believe that this is a great outcome, and we are looking forward to working with BHP Billiton on the implementation of exploration programmes at Altia."

"It is also important to note that we retain 100% of the surrounding Eloise Regional Exploration Project, which is located in one of the hot spots for copper, gold and uranium exploration in Australia currently – as evidenced by the recent success of companies such as Ivanhoe Australia."

"With the BHP Billiton joint venture now completed, a key focus for Breakaway will be to implement a suitable strategy to accelerate exploration at Eloise and unlock the value of our high quality assets in this region for the benefit of shareholders," Mr Hutton added.

ENDS

For further information contact:

Mr David Hutton
Chief Executive Officer
Breakaway Resources Limited
Mobile: 0417 974 843
Business: (08) 9278-6444

Mr John Atkins
Chairman
Breakaway Resources Limited
Mobile: 0419 767 573
Business: (08) 9211-7777

Competent Persons Statement:

The information in this report that relates to **Exploration Results** was prepared and compiled by Mr David Hutton, who is a full time employee of the Company. Mr Hutton is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and has the necessary experience to be classed 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 of the matters based on information in the form and context in which it appears in this announcement.

The information in this report that relates to the estimation of the **Altia Mineral Resource** was compiled by Mr Justin Watson. At the time of preparation of this report Mr Watson was a full time employee of Snowden Mining Industry Consultants. Mr Watson is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) 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.

The information in this report that relates to the estimation of the **Eloise Deeps Mineral Resource** was prepared by FMR mine staff and verified on behalf of Breakaway Resources Limited by Mr Peter Buck, former Managing Director of Breakaway Resources Limited. Mr Buck is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Buck consents to the inclusion of the matters based on information provided and in the form and context in which it appears in this announcement.

Notes Specific to the Exploration Results pertaining to Altia Silver-Lead Deposit, Eloise Project

Drill hole intersection grades are length weighted averaged grades and do not take account of material density for each sample.

Notes Specific to the Resource Estimation of the Altia Silver-Lead Deposit, Eloise Project

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 2.0m 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 10mE x 50mN x 25m 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.



Notes Specific to the Resource Estimation of the Eloise Deeps, Eloise Project

The Mineral Resource is based on estimates completed by FMR mine staff. The estimate was reviewed by Mr Peter Buck on behalf of Breakaway Resources Limited, who concluded that it satisfies the 2004 Guidelines of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Due to changes in economic conditions, the previously published Reserve requires a substantial review to be undertaken and for that reason it is not published within this announcement.

Confidence Category	Tonnes ('000's)	Copper (%)	Gold (ppm)	Silver (ppm)	Contained Copper (tonnes)
Mineral Resource (announced 31 July 2008)					
Indicated	3,100	3.1	0.8	9.8	96,100
Inferred	400	3.0	1.0	10.9	12,000
Total	3,500	3.1	0.8	10.0	108,100
Mined 08_09FY	284	3.1	0.8	9.8	
Confidence Category	Tonnes ('000's)	Copper (%)	Gold (ppm)	Silver (ppm)	Contained Copper (tonnes)
Mineral Resource (mining depleted)					
Indicated	2,816	3.1	0.8	9.8	87,296
Inferred	400	3.0	1.0	10.9	12,000
Total	3,216	3.1	0.8	10.0	99,296

The Mineral Resource reported for the Eloise Copper Mine is mining depleted and has been calculated by subtracting the production tonnage figure provided by FMR for the 12 months ending 30 June 2009 from the Indicated component of the Mineral Resource of 3.5Mt @ 3.1% Cu, 0.8ppm Au, and 10ppm Ag (108Kt contained Cu metal) originally reported by Breakaway on 31 July 2008. The production tonnage has been depleted at an averaged Resource grade.