



Breakaway divests further non-core WA assets

Sale of non-core tenements consistent with focus on North Queensland copper-gold assets

- Mithril Resources to purchase Spargos Reward tenements, part of Breakaway’s West Kambalda Project, for \$200,000 in cash.
- Breakaway retains all Nickel Rights on the Spargos Reward tenements.
- Dissolves mining rights arrangements in respect of the Vivien and Miranda tenements in Western Australia.
- Divestment and withdrawal from the joint venture consistent with Breakaway’s focus on its core copper-gold projects in North Queensland.
- Proceeds from Spargos Reward sale further strengthen the Company’s cash position following a recent strategic joint venture and investment by Sandfire Resources NL.

Breakaway Resources Limited (ASX: BRW – “Breakaway”) is pleased to advise that it has reached agreement to sell its non-core **Spargos Reward Project** in the Kambalda region of Western Australia to South Australian-based minerals explorer Mithril Resources Ltd (ASX: MTH – “Mithril”) for **\$200,000** in cash.

The Spargos Reward tenements form part of Breakaway’s Kambalda West Project, which is located 60km south of Coolgardie on the Coolgardie-Esperance Highway (Figure 1).

The sale, which encompasses Prospecting Licences 15/4876 - P15/4883 and 15/4866 (9 tenements), excludes the Nickel Rights over the tenements (which will be retained by Breakaway) and is conditional on completion of due diligence within 30 days and successful renewal of the tenements by Breakaway before their expiry on 22 September 2012.

Breakaway has also reached agreement with Agnew Gold Mining Company Pty Ltd (“AGMC”) to close out the mining rights arrangements in respect of the **Vivien and Miranda tenements** in Western Australia, located 6km south of Jubilee’s Cosmos-Prospero nickel complex and 40km north-west of Breakaway’s Wildara Project.

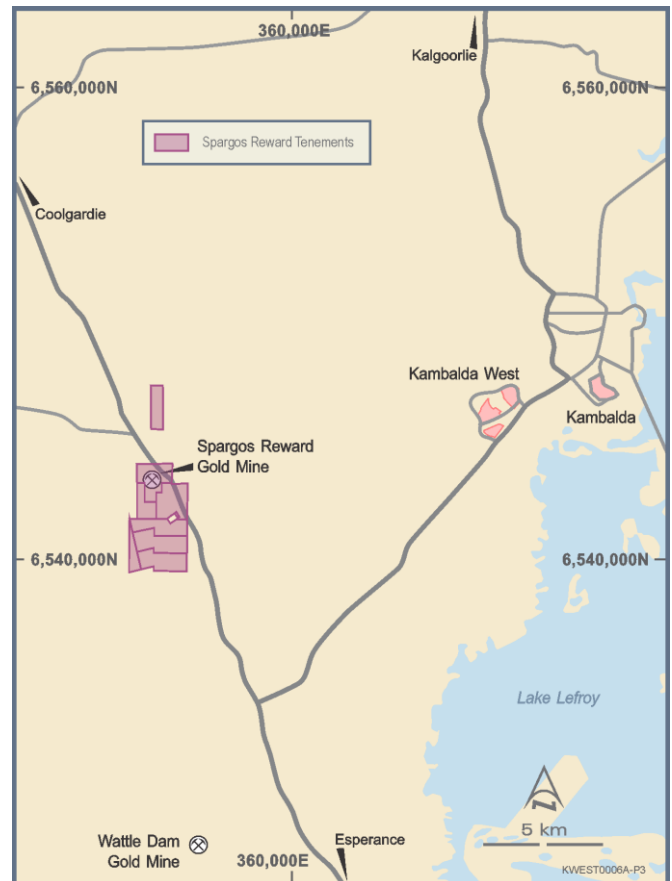


Figure 1: Spargos tenements locations

The settlement involves Breakaway transferring its mining tenements M36/166 – M36/168 and M36/123 (four tenements) to AGMC, in return for a reduced liability in Breakaway's share of rates and taxes associated with the cost of maintaining the Vivien and Miranda tenements in good standing.

The divestment of these tenements is consistent with Breakaway's focus on the continued exploration, evaluation and development of its 100%-owned **Eloise Copper-Gold Exploration Project** in the Cloncurry District of North Queensland, including its flagship Sandy Creek Project, where a maiden JORC resource estimate is imminent.

The proceeds from the sale of the Spargos Reward Project will further strengthen the Company's working capital position, which was boosted recently by the announcement of a strategic investment in Breakaway by leading Australian copper producer Sandfire Resources NL, as well as a farm-in joint venture for the Broader Altia Project in NW Queensland.

Breakaway has been in the process of reviewing and evaluating its Western Australian nickel and gold portfolio which resulted in the Company reaching agreement in February this year to divest 10 West Kambalda tenements to Ramelius Resources.

Breakaway's Managing Director, Mr Victor Rajasooriar, said the sale of the Spargos Reward tenements and the withdrawal from the Miranda joint venture announced today were both consistent with the Company's focus on its copper-gold assets in North Queensland.

"The sale proceeds, in conjunction with the cash injection from Sandfire's recent strategic investment, will strengthen our cash position, enabling us to continue to progress our North Queensland assets to the next level," he added.

ENDS

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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.

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