

Breakaway to sell Scotia Project to Minotaur Exploration

Agrees to divest non-core WA exploration project for \$600,000 in cash

Breakaway Resources Limited (ASX: BRW –“Breakaway”) is pleased to announce that it has reached agreement to sell its Scotia Project, located 65km north of Kalgoorlie in Western Australia, to Minotaur Exploration Limited (ASX: MEP) (Figure 1) for a total consideration of \$600,000 in cash.

The Scotia Project, comprising a portfolio of 14 tenements, is prospective for both gold and nickel. The 160km² package of tenements covers approximately 40 strike kilometres of the nickel sulphide-bearing Scotia Ultramafic, which hosts the historic Scotia Nickel Mine and the Saints Nickel prospect, as well as numerous nickel exploration targets.

It also lies within the Bardoc Shear Zone, a significant regional structure which hosts numerous gold deposits including Aphrodite Gold's +1Moz Aphrodite deposit (5km to the west) and the +5Moz Paddington deposits (30km to the south).

In 2011, Breakaway signed a Farm-in and Joint Venture Agreement with Aphrodite Gold Limited (ASX: AQQ), under which Aphrodite is earning up to an 80% interest in the Scotia Project Gold Rights by spending \$1.5 million over 4 years. Aphrodite Gold has focused its exploration efforts at the Chameleon prospect, where it has reported some encouraging results.

Under the Sale & Purchase Agreement, between Minotaur's wholly-owned subsidiary Minotaur Gold Solutions Ltd and Breakaway's wholly-owned subsidiary Scotia Nickel Pty Ltd, Minotaur will acquire 100% of the rights to all minerals other than gold and the right to no less than 20% of the gold deposits discovered on the tenements for total consideration of \$600,000 cash (plus GST).

The agreement is conditional on completion of detailed due diligence and receipt of Ministerial approval for the transfer of the tenements to Minotaur.

It is also conditional on Breakaway entering into a deed with Norilsk Nickel releasing it from all of its obligations under a Clawback Agreement and converting its rights into a 2.5% NSR on Nickel, Copper and Platinum Group Elements (PGE), and Aphrodite Gold Limited also not exercising its pre-emptive rights to purchase the

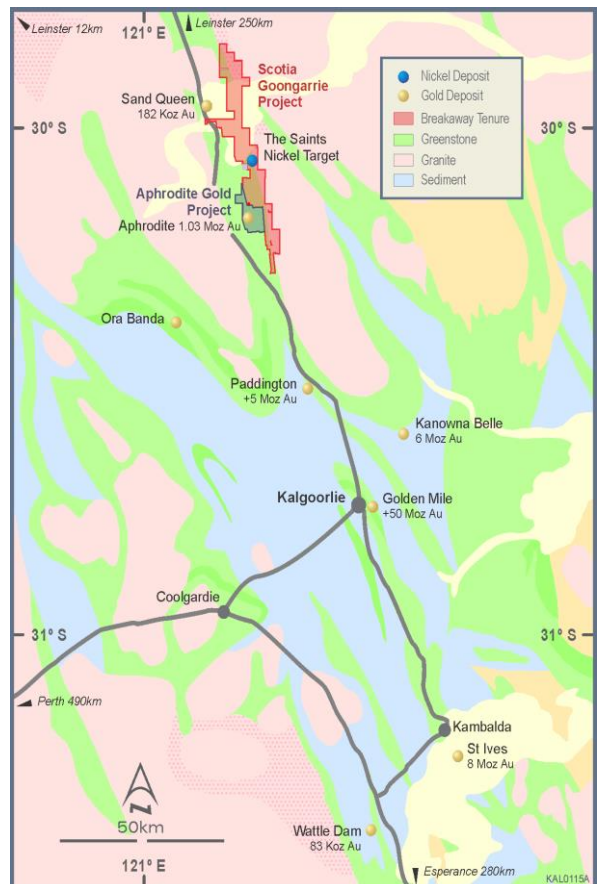


Figure 1: Scotia Project

remaining 20% of the Gold Rights on the same terms offered by Minotaur Exploration.

Breakaway's Managing Director, Mr Victor Rajasooriar, said the proposed sale of Scotia Project was consistent with its focus on the flagship Eloise Copper-Gold Project in North Queensland and Leinster Gold Project in Western Australia.

"This sale follows an ongoing review of our non-core tenement holdings in WA, including our extensive nickel portfolio, and represents a sensible rationalisation of our asset base," he said.

"The proceeds from this transaction will boost our working capital position in what is clearly a very challenging market environment for junior explorers," he said.

"This will enable us to continue to progress upcoming exploration activities including further drilling at Eloise and planned drilling to test some of the exciting new gold targets identified recently at Leinster," Mr Rajasooriar 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, and the Leinster tenements in Western Australia (Gold and base metals), areas that we believe offer the most attractive opportunities for future success.