

Media Release

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**MINOTAUR ANNOUNCES TWO NEW JVs TO SPEND \$9 MILLION IN
WAKE OF TODAY'S TAKEOVER OFFER FOR BREAKWAY**

Minotaur Exploration Limited (ASX: MEP, Minotaur) has backed up its proposed takeover of Breakaway Resources Limited (ASX: BRW, Breakaway), announced today, with a separate round of deals likely to see \$9 million injected into immediate copper and gold exploration work on Breakaway-owned assets in both Western Australia and Queensland.

The two proposals –Minotaur led joint ventures under the Company's recently announced alliance with a new private equity cornerstone investor – could see major work commence on the ground at Leinster in WA and Eloise in Queensland, as early as October.

The joint venture cash injection will be triggered immediately shareholders of Perth-based Breakaway approve the separate takeover of the company by Adelaide-based Minotaur.

Minotaur's Managing Director, Mr Andrew Woskett, said in announcing the two JV deals today, that it "delivers a triple whammy" of growth for Minotaur in line with its strategy to emerge as a fully fledged pure copper-gold and gold play focused on high potential copper and gold fields in renowned mineralised provinces.

"Minotaur's exploration team has identified and prioritised drill targets at both the Eloise (copper-gold) and Leinster (gold) projects. We have backed this up with a funding commitment, subject to the Breakaway takeover completing, from our Alliance partner that will deliver the exploration intensity best able to elevate both projects to realisation" Mr Woskett said.

Under an agreement executed today between Minotaur and its Alliance investor, a new exploration joint venture over BRW's Eloise regional tenements will see the investor earn up to 50% interest in the Eloise tenure through spending \$6 million on exploration over the next four years.

A second new Minotaur-Alliance joint venture will see the investor earn up to 50% interest in BRW's Leinster regional tenements through spending \$3 million on exploration over 3 years.

The move is the first significant deal between the two since Minotaur and the investor formed their Alliance in June to seek joint venture exploration and acquisition opportunities in gold and copper-gold provinces around Australia.

The Alliance last month executed a smaller deal to acquire Breakaway's 14-tenement 160km² Scotia project, 65km north of Kalgoorlie in Western Australia, for \$600,000. That deal is going through final settlement.

The proposed Eloise JV covers Queensland tenements EPM17838, EPM18442, MDL431 and MDL432 (515 km²), but excludes those areas subject to a joint venture between Breakaway and Sandfire Resources NL (the Altia Joint Venture).

Mr Woskett said the Alliance parties consider the Eloise tenements to be prospective for iron oxide copper-gold (IOCG) mineralisation.

The first year work program requires minimum expenditure by the Alliance partner of \$1.7 million for their initial 14% stake.

The Alliance's proposed Leinster JV is over tenements in the goldfields of Western Australia, comprising 3 Exploration Licences, 9 Mining Licences and 5 Prospecting Licences, covering 270 km².

Norilsk Nickel Australia Pty Ltd retains a 2.5% Net Smelter Return royalty on Ni, Cu or PGE elements in ore processed.

Mr Woskett said the tenements are evidently gold prospective and the Alliance partner will spend a minimum \$900,000 on exploration in the first 12 months to earn their initial 15% interest.

Minotaur will operate and manage both Alliance joint ventures.

"These new JVs confirm the commercial benefit of the recently formed Alliance and, importantly, also reassure Breakaway shareholders that should Minotaur's takeover bid for their company be accepted, immediate 'in-the-ground' activity will start on drill targets on Breakaway's tenements.

"Subject to exploration success, that should result in discovery upside for Breakaway shareholders making the transition into Minotaur through their acceptance of our offer.

"It also provides a mechanism for Minotaur to unlock value through shared risk and reward and substantiates the value proposition for the proposed change of control transaction."

Mr Woskett said Minotaur firmly believed the nature of the exploration funding model was entirely suited to the current equity climate.

"We believe that consolidating Breakaway's assets into the Minotaur group and then funding activity on Breakaway ground through the strategic participation of our Alliance investor represents a good tri-partite win for all parties involved," he said.

Minotaur announced earlier today that it will offer one Minotaur share for every 10 Breakaway shares for a minimum of 90% of Breakaway's scrip – an offer representing a 33.4% premium to the target company's volume weighted average share price over the past month.

At full acceptance, Breakaway shareholders will hold 28.7% of the enlarged Minotaur group. On a 30 June 2013 pro-forma basis Minotaur will have a market capitalisation of around \$19 million, cash and listed investments of about \$10 million and consolidated ground holdings in Australia totalling 18,347km².

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