



## Breakaway executes sale agreement with Mithril for WA tenements

*Spargos Reward Project and surrounding tenements sold for \$200,000 in cash*

- Mithril Resources acquires 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.
- Divestment consistent with Breakaway’s focus on its core copper-gold projects in North Queensland.
- Proceeds from Spargos Reward sale strengthens the Company’s cash position following a recent strategic joint venture and investment by Sandfire Resources NL.

Further to its announcement of 7 September, Breakaway Resources Limited (ASX: BRW – “Breakaway”) is pleased to announce that it has executed a Tenement Sale 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 execution of the Tenement Sale Agreement follows the successful completion of due diligence and the renewal of tenements as agreed by both parties in September. The sale encompasses Prospecting Licences PL15/4876 – PL15/4883 and PL15/4866 (nine tenements) but excludes the Project’s Nickel Rights, which will be retained by Breakaway.

Completion of the sale is subject to the satisfaction of a number of conditions which is expected to occur in the next few weeks. On completion, Breakaway will receive a 3% royalty on tenement P15/4886.

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 Project comprises the high grade Spargos Reward Gold Mine and lies 16km north along strike from Ramelius Resources’ operating Wattle Dam Gold Mine.

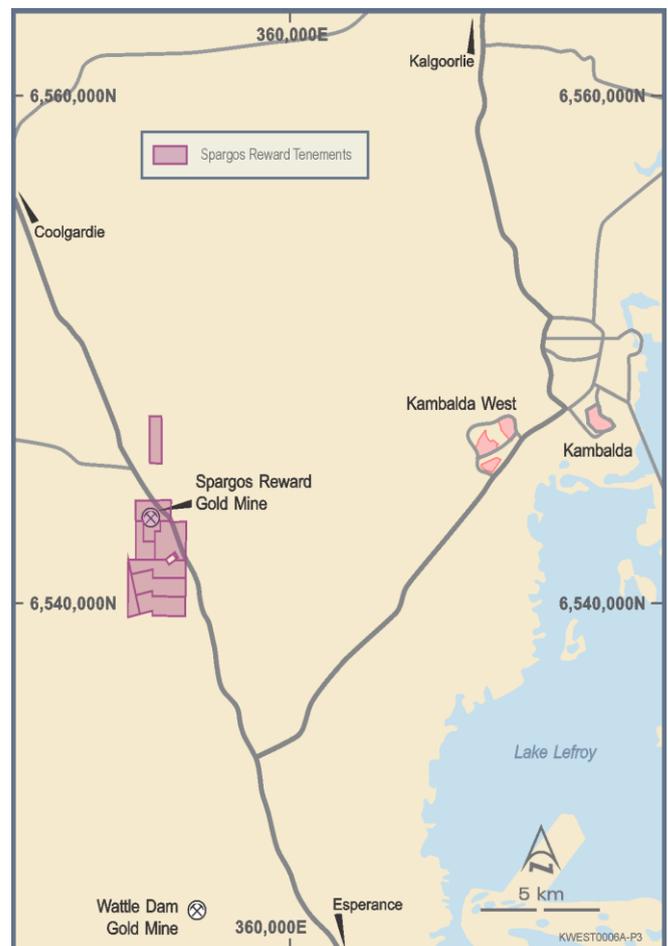


Figure 1: Location of Spargos tenements

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, where Sandfire commenced drilling last week.

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 an initial Inferred Resource of 2.06Mt grading 1.42% Cu and 0.33g/t Au containing 29,400t of copper and 21,900oz of gold was recently announced.

Breakaway's Managing Director, Mr Victor Rajasooriar, said the completion of the transaction was consistent with the Company's focus as a copper-gold explorer and developer in North Queensland.

## ENDS

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### Competent Persons Statement:

The information in this report that relates to Exploration Results is based on information compiled by Mr Michael Robinson (Project Geologist), a full time employee of the Company. Mr Robinson 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.

Mr Robinson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the estimation of the Sandy Creek Mineral Resource was compiled by Mr Michael Andrew. Mr Andrew is a full time employee of Optiro mining consultants. Mr Andrew is a Member of the Australasian Institute of Mining and Metallurgy 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 Andrew consents to the inclusion of this information in the form and context in which it appears in this announcement.

### 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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