



BREAKAWAY
Resources Limited

Sale of Eloise Copper Mine Completed

1 July 2004

The Company wishes to advise that the settlement of sale of the Eloise Copper Mine to Barmenco was successfully completed on 30 June 2004. Since the announcement of the sale on 27 January 2004, the Eloise Copper Mine has continued to operate under a management agreement with the purchaser whilst the conditions precedent to the settlement were finalised.

Completion of the sale process and the recently announced strategic alliance with LionOre Mining International Limited leaves the Company in a much stronger position to advance its extensive portfolio of projects in Western Australia and Queensland.

The growing significance of the Company's nickel exploration activities in the Kambalda West area is complimented by the continuing joint venture nickel exploration program at Bannockburn.

The Company's gold exploration activities at Bannockburn and joint venture activities at Miranda and Vivien are expected to achieve several significant milestones in the coming months.

Following the sale of the Eloise Copper Mine, the Company expects to progress several copper-gold and lead-silver exploration projects in the surrounding 245 square kilometres of exploration tenements retained by the Company. These tenements cover several major structural corridors along the eastern margin of the Mt Isa Block which is one of the world's most prolific base metal provinces.

Yours faithfully

MICHAEL MULRONEY
Managing Director