



12 JULY 2006

ELOISE ROYALTY HELPS REDUCE FUNDRAISING

The Company is pleased to advise that with the receipt of the March 2006 quarter's Net Profit Royalty payment (\$5.06m) from the Eloise Copper Mine and combined with continued positive performance at Eloise, the Company has been able to reduce the size of the raising proposed as part of the LionOre asset transaction.

In addition, the Company shall seek to raise the minimum amount to ensure that LionOre's equity in Breakaway is below 20% (*a condition of the LionOre Transaction is that LionOre's equity post transaction is below 20%*) and to reduce the dilutionary impact of the raising on existing shareholders at a time when the Directors believe that the Company's shares are trading at well below their true value.

This view has been reflected by a recent independent valuation prepared for shareholders for the purposes of today's shareholders meeting to approve the LionOre transaction whereby an Enterprise Value (mid-point) for Breakaway post transaction has been estimated at more than \$100 million, representing a pre-consolidation value of over 11 cents per share (>55 cents post consolidation).

Previously, the Company had indicated a proposed raising in the order of \$15-20 million. With LionOre's approval, the Company has agreed to lower the minimum threshold of a capital raising from \$15 to \$10 million.

This reduction enables Breakaway to consider a lower raising in the order of \$10-15 million which, when combined with Breakaway's current cash reserves of approximately \$8.8 million, will provide a strong base to mount its forthcoming exploration programs.

Royal Bank of Canada ("RBC") has been appointed to manage the fundraising which is expected to be completed within several days of today's Shareholder Meeting.

GRANT J. MOONEY
Company Secretary