



**BREAKAWAY**  
Resources Limited

# Share Placement and New Strategic Alliance

**23 June 2004**

The Directors are pleased to announce the execution of an agreement for a placement to a subsidiary of LionOre Mining International Limited ("LionOre") raising gross proceeds of \$3.0 million and the creation of strategic alliance to advance Breakaway's nickel production strategy.

Under the terms of the placement, LionOre will subscribe for 65,217,391 shares in the Company at 4.6 cents raising a total of \$3.0 million resulting in LionOre becoming a substantial shareholder in the Company with a 14% interest. The funding will be primarily applied toward ongoing exploration and development work at the Spargoville and Yilmia areas in the Company's Kambalda West Nickel Project.

Breakaway will also issue to LionOre under the agreement a total of 33,333,333 options to acquire the Breakaway shares at an exercise price of 6 cents per share at any time during the next twelve months. Upon exercise of these options, the Company will receive a further \$2.0 million in funding.

Breakaway and LionOre have entered into a strategic alliance through the granting of a pre-emptive right to LionOre to enter into an off-take agreement for the treatment of nickel ore and/or concentrates produced from Breakaway's interest in its existing tenement holdings.

The Directors are also pleased to advise that LionOre Australia's Director of Geology, Mr Peter Buck, will join the Board of Breakaway as a non-executive director of Breakaway.

The Board believes that the emergence of LionOre as a significant shareholder recognises the growing significance of Breakaway's exploration activities in the Kambalda West area and the potential for mutual development opportunities.

Yours faithfully

**MICHAEL MULRONEY**  
Managing Director

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