



\$6 MILLION COPPER ROYALTY FOR JUNE QUARTER

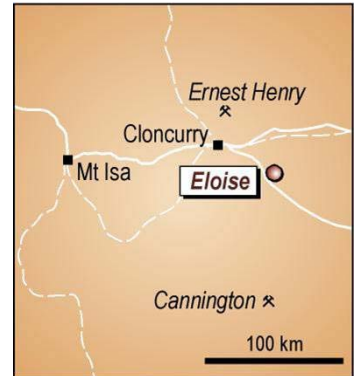
Monday, 31 July 2006

Base metals company Breakaway Resources Limited ("Breakaway") (ASX: BRW), is pleased to announce that it anticipates receipt of a further exceptional royalty payment for the June 2006 Quarter from its 30% net profit royalty in the Eloise Copper Mine in Queensland.

The operator and owner of the Eloise Mine, Barmenco, has advised Breakaway that the royalty payable for the June quarter is **\$6.07 million**, subject to standard year-end audit review, based on the production of 10,091 tonnes of concentrate.

With the June royalty payment, total payments for the 2005/2006 financial year are approximately \$14.15 million.

Breakaway's Managing Director, Mr Peter Buck, said: "The exceptional June Quarter royalty further reinforces the value of the royalty asset to the expanded Breakaway group following our recent acquisition of LionOre Mining International's premium Australian nickel exploration portfolio."



"With the completion of the recent oversubscribed \$13.5 million share placement and with current cash reserves of \$8.8 million, the June Quarter royalty will increase Breakaway's cash position to well in excess of \$25 million, providing a very strong foundation to pursue vigorous exploration and project development programs to unlock the value of our key projects," Mr Buck said.

"Drilling has recently commenced to test several priority targets at Eloise on our 100%-owned ground surrounding the Eloise Mine, including the Levuka North prospect on the Levuka Shear, some 15km north of the mine," he said. "This represents our first drilling program as an expanded group, and heralds the start of an exciting period for Breakaway. We are also well prepared to commence exploration, including drilling, on the nickel exploration programmes in the Eastern Goldfields soon after the completion of the LionOre transaction, scheduled for mid-August."

A handwritten signature in black ink, appearing to read 'Peter Buck'.

PETER BUCK
Managing Director