

16 July 2009

SALE OF BREAKAWAY'S MT FINNERTY JOINT VENTURE EARN-IN RIGHTS TO REED RESOURCES LTD

KEY POINTS

- **Sale of non-core nickel asset for 500,000 Reed Resources Ltd shares**
- **Reinforces Breakaway's strategy of focussing future exploration efforts on priority North Eastern Goldfields projects**

Breakaway Resources Limited (ASX:BRW) wishes to advise that it has sold its Earn-In Rights for the Mt Finnerty Joint Venture to Reed Resources Ltd (ASX:RDR) for a total consideration of 500,000 fully paid ordinary shares in RDR (12 month trading range of \$0.165 - \$0.905 per share). The shares are not escrowed.

In 2006, Breakaway entered into the Mt Finnerty Joint Venture with privately listed Barranco Resources NL to earn a 60% interest in the project by spending \$2 million over 4 years. Located 400 kilometres east-northeast of Perth, between the towns of Coolgardie and Southern Cross, the project, while possessing nickel prospectivity, is considered to be of a greenfields nature.

Given Breakaway's previously announced strategy of focussing its future exploration activities on its priority projects, and maximising shareholder value for non – core assets, the decision was made to dispose of BRW's interest in the project, whilst retaining exposure to any future upside through a shareholding in RDR.

ENDS

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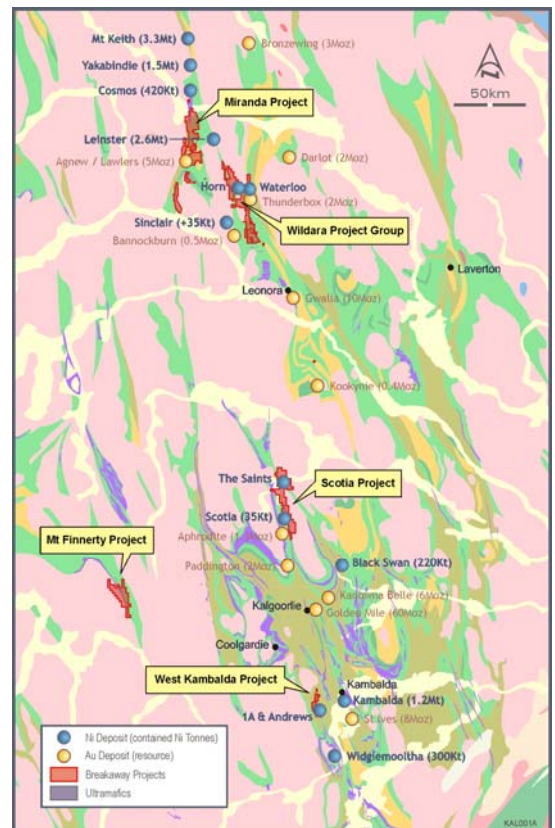


Figure 1: Mt Finnerty Project Location Plan