



breakaway

23 September 2008

## **BREAKAWAY ANNOUNCES A\$2M SHARE PLACEMENT TO CORNERSTONE INVESTOR**

**MELBOURNE-BASED INVESTOR SUPPORTS NICKEL & BASE METAL DEVELOPMENT STRATEGY**

### **KEY POINTS**

- **Share placement comprising 10M shares to be undertaken to Abbotsleigh Pty Ltd.**
- **Share placement to be completed by 29 September 2008.**
- **Abbotsleigh to hold fully diluted stake of 5.6%.**
- **Funds raised to be used to progress ongoing nickel and base metal exploration programmes in Western Australia and Queensland.**

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Breakaway Resources Limited (ASX: **BRW** – “Breakaway”) is pleased to announce that it has reached agreement to undertake a strategic share placement to raise a minimum of **A\$2 million to Abbotsleigh Pty Ltd (Abbotsleigh)**, a mining investment company associated with Melbourne-based businessman, Mr Ian Gandel.

The placement, which comprises **10 million shares at a price of 20 cents**, is being undertaken pursuant to the “excluded offer” provisions (section 708) of the Corporations Act.

Following completion of the share placement, Abbotsleigh will have a fully diluted stake of 5.6%. Mr Gandel has a record of investing in the mid-tier and junior resource sector with significant holdings in a number of emerging resource companies including Alliance Resources Limited and Alkane Resources Limited. Mr Gandel commented that he based his investment decision on his confidence in Breakaway’s quality nickel and base metal assets and its experienced and successful management team. He has also expressed an interest in considering an increase to his shareholding in the future.

The share placement represents a notable achievement in the current market environment, providing a significant capital injection and bringing another strategic industry player onto Breakaway’s register.

The proceeds from the placement will boost Breakaway’s existing cash reserves which will be used to further progress Breakaway’s nickel and base metal exploration programmes in Western Australia Queensland, including:



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- West Kambalda – further evaluate the historical 1A and Andrews mines where recent drilling has successfully defined down-plunge extensions to both deposits.
- Wildara Project – further evaluate the recently discovered Horn nickel deposits, as well as a series of new targets in close proximity and along strike of the deposit and;
- Eloise Regional – base metal exploration on Breakaway’s 100% owned tenements, adjoining the Eloise Copper Mine in which Breakaway owns a 30% Net Profit Royalty interest.

Commenting on the announcement, Breakaway’s Managing Director, Mr Peter Buck, said: “This capital raising represents another important milestone in our development and a significant achievement considering the current market circumstances. We welcome Abbotsleigh as a strategic investor, which represents a strong endorsement of the quality of Breakaway’s assets and of our strategic vision to develop a significant resource company”.

“The funds raised will assist the progression of our exploration programmes,” Mr Buck said. “We have had several recent exploration successes which require evaluation in the short term, to formulate the future strategy and build on those successes”.

“The agreement with Abbotsleigh secures an immediate cash injection. This will dovetail well with the expected re-commencement of royalty earnings – in mid-calendar 2009 – from our 30% net profit interest in the Eloise Copper Mine in Queensland, ensuring ongoing funding for the Company over the next 12 months”.

**ENDS**

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