

# Press Release



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**1 AUGUST 2013**

## **BIDDER'S STATEMENT ISSUED – TAKEOVER OFFER FOR BREAKAWAY RESOURCES**

Minotaur Exploration Limited (Minotaur) has lodged its Bidder's Statement with ASX and ASIC in relation to its Offer to acquire no less than 90% of the shares in Breakaway Resources Limited (ASX: BRW, Breakaway).

Minotaur offers to exchange one (1) Minotaur share for every ten (10) Breakaway shares.

The offer to acquire no less than 90% of the Breakaway Shares on issue will, if successful, enable Minotaur to move to compulsory acquisition of any outstanding shares not held as at that time.

Minotaur's Chairman, Mr Derek Carter, said the Breakaway Board has publicly endorsed Minotaur's Offer and unanimously recommends all Breakaway shareholders accept, in the absence of a superior proposal being received.

"It is worthwhile noting that Breakaway's largest shareholder, Norilsk Nickel Australia Pty Ltd with 24.8% of Breakaway, has committed to accept within 5 business days after the commencement of the Offer Period, for 19.9% of its shareholding, in the absence of a superior proposal emerging," Mr Carter said.

"We believe Norilsk's early acceptance provides a strong indication that our Offer is compelling and attractive to all Breakaway Shareholders."

Mr Carter said Minotaur's Offer:

- represents a premium of 33% to Breakaway's weighted average 30 day share price as at 8 July (being the last trading day for Breakaway prior to Minotaur's proposed Offer being made public);

- will see Breakaway Shareholders represent approximately 29% of Minotaur;
- enables all Breakaway Shareholders to participate in Minotaur's growth plans and gain exposure to potential value creation through exploration discovery; and
- provides Breakaway Shareholders with direct exposure to Minotaur's exploration assets and expertise.

"The directors of both companies agree that consolidating Breakaway's exploration assets within the Minotaur Group will provide a wider pathway for value creation through systematic and well-funded exploration," he said.

Mr Carter noted certain funding arrangements that Minotaur has engineered to ensure that Breakaway's key projects continue to receive the attention and investment they deserve.

"Following the proposed acquisition of Breakaway, Minotaur intends to immediately roll-out an initial 12-month exploration campaign on Breakaway's Leinster and Eloise tenements," he said.

"Minotaur has put in place an innovative investment plan with a third party that will result in significant exploration expenditure into those projects without Minotaur Shareholders being diluted through equity financing. The investment plan is subject to Minotaur's Offer to acquire Breakaway being successful.

"The proposed first-year work programme has been determined and agreed with our private exploration Alliance partner, 'GFR'. GFR is committed to an initial investment, subject to Minotaur's Offer to acquire Breakaway being successful, of \$2.6 million into two new joint ventures that Minotaur and GFR have agreed to implement.



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"Minotaur will be manager and operator of each joint venture. In return for that initial investment GFR will earn a beneficial interest in each tenement package, as follows: Leinster 15% and Eloise 14%.

"GFR will then have the option of increasing its joint venture investment into each project to earn up to 50% beneficial interest in Leinster for a total \$3m over three years and in Eloise for a total \$6 million over four years. Thus, over a timeline of 4 years GFR may invest a total of \$9 million into exploration activity on these two Breakaway projects."

"As a new Minotaur Shareholder, accepting Breakaway shareholders will be in a position to participate on the same basis as Minotaur Shareholders in the benefits

and value arising from the combination of Minotaur and Breakaway.

"As with any investment there are numerous risks and these are described in section 9 of the Bidder's Statement," he said. Minotaur's Bidder's Statement can be viewed online at:

**[www.minotaurexploration.com.au](http://www.minotaurexploration.com.au)**.

Any questions about Minotaur's Offer can be directed to the Minotaur Offer Information Line on 1300 309 589 (from within Australia) or +61 2 8022 7902 (from outside Australia), for which normal charges apply).

For further information contact:

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*Minotaur's and Breakaway's Project Locations*

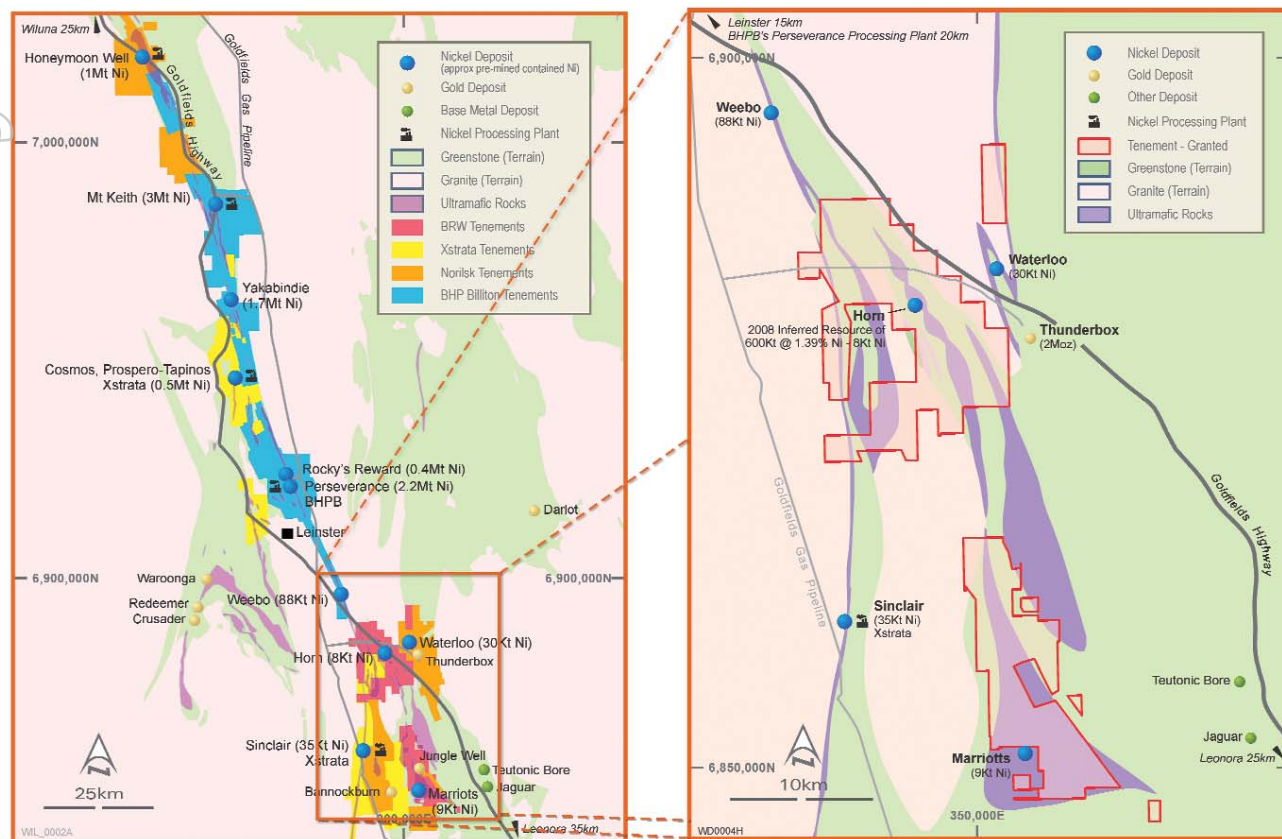




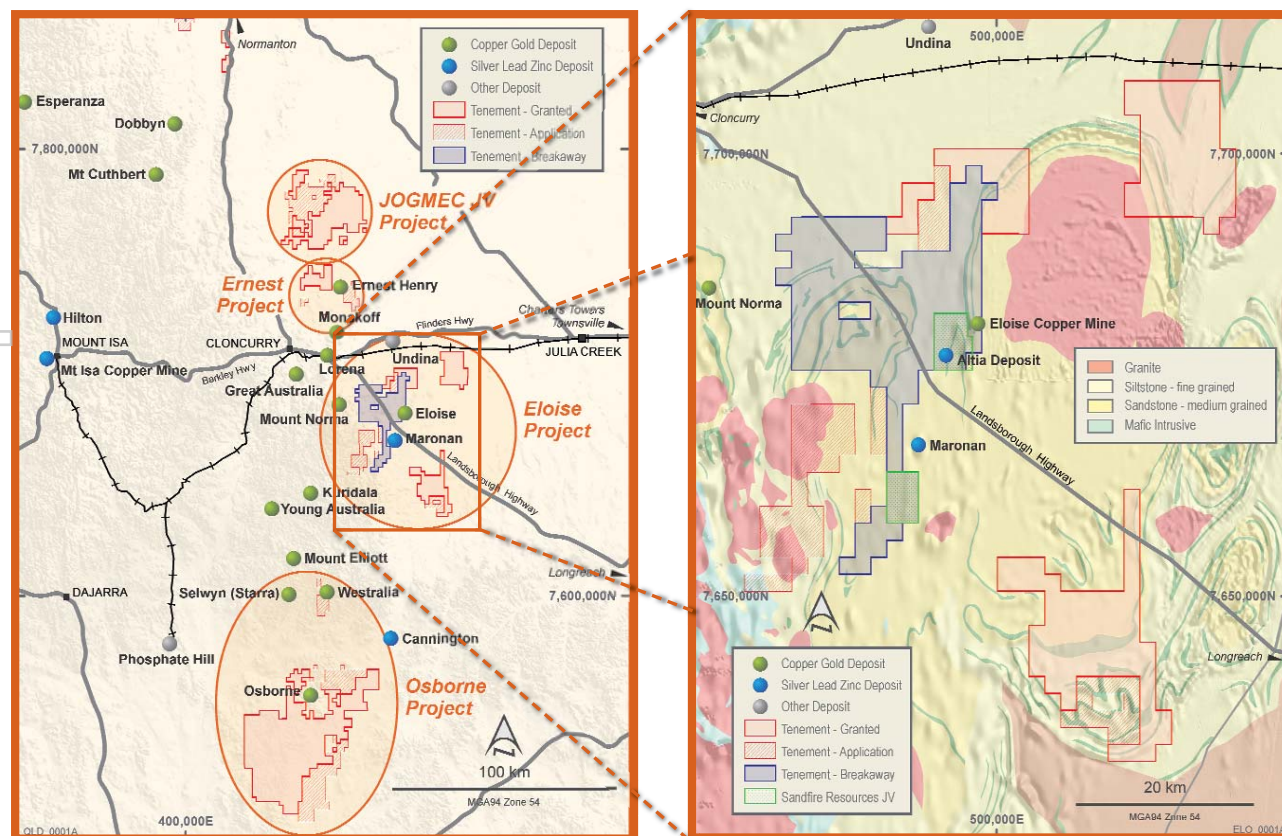
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## BIDDER'S STATEMENT ISSUED – TAKEOVER OFFER FOR BREAKAWAY RESOURCES continued



Breakaway's Leinster Area tenements



Minotaur's and Breakaway's Eloise Area tenements