



Breakaway Launches \$3.5M Share Purchase Plan

Proceeds to underpin nickel and copper exploration in WA and Queensland

- Share Purchase Plan (“SPP”) to provide eligible shareholders with the opportunity to subscribe for up to \$15,000 worth of new shares at 7.4 cents
- SPP underwritten to \$2.5M by Patersons Securities Ltd, with major strategic shareholder FMR Investments Pty Ltd sub-underwriting to the extent of \$1.5M
- Proceeds to underpin Phase II drilling across multiple priority targets at Wildara and Miranda Nickel Projects in the Leinster District of Western Australia – to commence as soon as possible
- Funds will also support a new copper exploration initiative within the 100% owned Eloise Exploration Project, Queensland, following the re-opening of the Eloise Copper Mine

Breakaway Resources Limited (**ASX: BRW**) is pleased to announce the launch of a Share Purchase Plan (“SPP”) to raise **up to \$3.5 million** by issuing up to 47,297,297 fully paid ordinary shares in Breakaway to underpin major new drilling and exploration programmes at its flagship nickel sulphide projects in Western Australia and copper projects in Queensland.

The SPP, which is underwritten to \$2.5 million by leading Australian broking firm Patersons Securities Ltd with one of the Company’s major strategic shareholders, FMR Investments Pty Ltd, sub-underwriting the SPP to the extent of \$1.5 million, will allow eligible shareholders on the register on Thursday 18th November 2010 to subscribe for up to \$15,000 worth of fully-paid ordinary Breakaway shares without incurring any brokerage costs or commissions. The sub-underwriter, FMR Investments Pty Ltd, currently has a 7.73% share holding in Breakaway and in addition, Mr Jonathan Young, a Non-Executive Director of Breakaway, is also Non-Executive Chairman of FMR Investments Pty Ltd.

The offer price of shares under the SPP will be **7.4 cents** per share, which represents a 19.5% discount to the volume weighted average price (VWAP) of Breakaway shares traded on the ASX during the period of five trading days up to and including the trading day prior to this announcement. The SPP allows all shareholders the chance to participate at a share price the Directors believe does not reflect the unlocked value of the Company’s outstanding asset base. All of the Directors intend to take up their maximum entitlement under the SPP.

The Record Date for participation in the SPP is 5.00pm (WST) on Thursday 18th November 2010. It is anticipated that offer documents will be dispatched to eligible shareholders on or around Wednesday 24th November 2010. Participation in the SPP is optional and shares issued under the SPP will rank equally in all respects with existing ordinary shares. The key dates for the SPP are as follows:

Event	Date
SPP Record Date	Thursday 18 th November 2010
Dispatch of SPP Offers	Wednesday 24 th November 2010
SPP Opening Date for acceptances	Thursday 25 th November 2010
SPP Closing Date for acceptances	Thursday 9 th December 2010
Issue of Shares under the SPP	Thursday 23 rd December 2010
Dispatch Date for Holding Statements	Wednesday 29 th December 2010

Use of Funds

If fully subscribed, the proceeds of the SPP will increase Breakaway's cash reserves to approximately \$4.9 million before costs (*based on cash position at 31 October 2010*), providing a strong platform for the Company's planned exploration activities over the next 12-18 months. Specifically, the proceeds of the SPP will be used to fund:

- **Nickel Exploration** – Phase II Reverse Circulation (RC) and Diamond Drilling as well as additional geophysics within the Company's **Leinster District Nickel Portfolio** in Western Australia. This follows the 7,500 metres Phase I drilling programme completed at the Wildara Project earlier this year and a successful ground-based electro-magnetic (EM) survey completed recently at the Miranda Project, which lies directly south along strike of Xstrata's Cosmos nickel deposits. This work, together with sophisticated exploration techniques including inversion modelling and three-dimensional integration of geological datasets, has enabled Breakaway to narrow its search radius for nickel sulphides and generate several priority target areas at Wildara and Miranda. The Company will provide further information on these targets and the planned Phase II drilling programme, in the near future; and
- **Copper Exploration** – a **new exploration initiative** within the Company's 100%-owned **Eloise Exploration Project** in the Cloncurry District of North Queensland. This extensive project surrounds the Eloise Copper Mine, which is currently being re-commissioned by FMR Investments Pty Ltd, and the Altia Joint Venture between Breakaway and BHP Billiton Minerals. The re-opening of the Eloise Mine and the significantly improved copper price provide strong strategic imperatives to restart copper exploration, as there are numerous significant historic bedrock copper intercepts within economic trucking distance of the Eloise mill which warrant follow-up work. The Company is currently determining the best option to advance these targets and will provide further information on its planned exploration initiatives at Eloise in due course.

Breakaway's Managing Director, Mr David Hutton, said the SPP would provide all shareholders with the opportunity to participate in a pivotal capital raising which was designed to set the Company up for the most important phase of exploration activity in its recent history.

"Our exploration team under Mark Fletcher has made excellent progress over the past six months in working up and refining our key nickel targets in Western Australia," Mr Hutton said. "I believe we are now at a stage with both the Wildara and Miranda Projects where we have the opportunity to test some of the best nickel sulphide opportunities seen in the North-eastern Goldfields in recent years."

"We are very excited about this next phase of exploration within our nickel portfolio, which we aim to kick off as soon as possible, with initial site preparation work commencing this week," he added.

"The other element to this capital raising is that it will give us the ability to renew copper exploration activities within our Eloise Exploration Project in Queensland, where we believe there are strong strategic imperatives to revisit some of the outstanding copper exploration targets located in close proximity to the Eloise Mine. These include some historic drill intersections which represent excellent walk-up drill targets," Mr Hutton said.

ENDS

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Competent Persons Statement:

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Charles (Mark) Fletcher (Exploration Manager) and Mr David Hutton (Managing Director), both full time employees of the Company. Mr Fletcher is a Member of the Australian Institute of Geoscientists (AIG) and Mr Hutton is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Both have sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

About Breakaway Resources Limited:

Breakaway Resources aims to become one of Australia's leading mining and exploration companies with exploration focussed at our priority Wildara and Miranda Projects within the Leinster district of the North Eastern Goldfields of Western Australia; an area we believe offers the most attractive opportunities for future success.

Our objectives are the discovery and development of a high-quality stand alone nickel sulphide deposit and maximisation of shareholder wealth for non-priority assets.
