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**BREAKAWAY RESOURCES LIMITED**

**ABN 16 061 595 051**

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**NOTICE OF ANNUAL GENERAL MEETING  
OF SHAREHOLDERS**

**FRIDAY, 26 NOVEMBER 2010**

**2.00PM**

**AT**

**THE CELTIC CLUB  
48 ORD STREET  
WEST PERTH  
WESTERN AUSTRALIA**

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Notice is hereby given that the Annual General Meeting of Breakaway Resources Limited ("the Company") will be held at The Celtic Club, 48 Ord Street West Perth, Western Australia on Friday, 26 November 2010 at 2.00pm.

## **AGENDA**

### **FINANCIAL REPORT**

To table the Annual Financial Report of the Company for the year ended 30 June 2010 and the related Directors' Report, Directors' Declaration and Audit Report thereon.

The Explanatory Memorandum that accompanies and forms part of this Notice of Meeting describes the various matters to be considered at the Annual General Meeting. Shareholders should read the Explanatory Memorandum before deciding how to vote.

### **RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

To consider and if thought fit to pass the following as an **ordinary** resolution:

*"That for the purposes of section 250R(2) of the Corporations Act, the Remuneration Report as contained in the Directors' Report for the year ended 30 June 2010 be adopted."*

Note – section 250R(3) of the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors of the Company.

### **RESOLUTION 2 – RE-ELECTION OF MR JOHN ATKINS AS A DIRECTOR**

To consider and if thought fit, to pass the following as an **ordinary** resolution:

*"That Mr Atkins, having retired from the office of Director by rotation in accordance with Listing Rule 14.4 and paragraph 9.1 of the Constitution of the Company and who, being eligible, offers himself for re-election as a Director, is hereby re-elected as a Director of the Company with immediate effect."*

### **RESOLUTION 3 – GRANT OF OPTIONS TO A DIRECTOR, MR DAVID HUTTON**

To consider and, if thought fit, to pass the following as an **ordinary** resolution:

*"That for the purposes of section 195 and Chapter 2E of the Corporations Act and for Listing Rule 10.14 and for all other purposes, the Company approves and authorises the grant to Mr David Hutton (or his nominee) a total of 1,500,000 Options on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

The Company will disregard any votes cast on this resolution by or on behalf of a director of the entity or any of their associates (except one who is ineligible to participate in any employee incentive scheme in relation to the entity). However, the Company need not disregard a vote if it is cast by a director as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **RESOLUTION 4 – APPOINTMENT OF AUDITOR**

To consider and, if thought fit, to pass the following as an **ordinary** resolution:

*"That, for the purposes of section 327D of the Corporations Act and for all other purposes, approval is given for the Directors to appoint MGI Perth Pty Ltd of Level 7, The Quadrant, 1 William Street, Perth WA, as auditor of the Company, having been nominated by a shareholder and consented in writing to act in the capacity of auditor."*

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## OTHER BUSINESS

To transact any other business which may be properly brought before the meeting in accordance with the Constitution of the Company and the Corporations Act.

## REQUIRED MAJORITIES

Resolutions 1 to 4 are ordinary resolutions and will be passed only if supported by a majority of the votes cast by Shareholders entitled to vote on the Resolutions.

By order of the Board



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**Simon Storm**

Company Secretary

14 October 2010

## PROXIES

In accordance with Section 249L(d) of the Corporations Act, members are advised:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified then in accordance with section 249X(3) of the Corporations Act each proxy may exercise one half of the votes.

In accordance with Section 250BA of the Corporations Act the Company specifies the following for the purposes of receipt of proxy appointments:

Registered Office: Level 2, 23 Ventnor Avenue, West Perth WA 6005  
Facsimile Number: (08) 9278 6449

The instrument appointing the proxy must be received by the Company as provided in its Constitution no later than 48 hours prior to the time of the commencement of the Annual General Meeting. This proxy form may be sent by facsimile transmission to the number identified on the proxy form.

For the purposes of Regulation 7.11.37 of the Corporations Regulations, the Company determines that ordinary shares held at 5.00pm, 24 November 2010 will be taken, for the purposes of the Annual General Meeting, to be held by the person who held them at that time.

### Notes

1. If a proxy form is signed or authenticated by an appointer's power of attorney, the power of attorney or a certified copy thereof (if any) under which it is signed must accompany the proxy form and be received by Breakaway Resources Limited, Level 2, 23 Ventnor Avenue, West Perth WA 6005, not later than 48 hours before the appointed time of the Annual General Meeting.
2. Proxy forms executed by a corporation must be in accordance with the requirements of the Corporations Act or under the hand of its attorney. In the case of a sole director/secretary company, please indicate "sole director" in the space provided.
3. Should you desire to direct your proxy on how to vote, place a cross in the appropriate box for each item, otherwise your proxy may vote as your proxy thinks fit or abstain from voting.
4. If two proxies are appointed, you may delete "all" and insert the relevant number or proportion of shares in respect of which each such appointment is made. A separate proxy must be completed for each proxy.
5. If you need any further information about this form or attendance at the Annual General Meeting, please contact the Company Secretary on (08) 9278 6444.

## EXPLANATORY MEMORANDUM

The Notice of Meeting and Explanatory Memorandum should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

### INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders of Breakaway Resources Limited ("**Breakaway**" or "**the Company**") in connection with the business to be conducted at the Annual General Meeting to be held at the Celtic Club, 48 Ord Street West Perth, Western Australia on Friday, 26 November 2010, at 2.00 pm.

The purpose of this Explanatory Memorandum is to provide information that the Board believes to be material to Shareholders in deciding whether or not to pass these resolutions. It explains the resolutions and identifies the Board's reasons for putting them to Shareholders. This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting.

Defined terms in this Explanatory Memorandum and accompanying Notice of Annual General Meeting have, unless provided otherwise, the meaning given by the Glossary.

### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Section 298 of the Corporations Act requires the annual Directors' Report to contain a Remuneration Report prepared in accordance with section 300A of the Corporations Act. The Remuneration Report details the Company's policy on the remuneration of non-executive Directors and Executive Directors and is set out within the Directors' Report of the Company's 2010 Annual Report. A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

Section 250R of the Corporations Act requires that the Remuneration Report be put to the vote at the Company's Annual General Meeting. The vote on the resolution is advisory only and does not bind the Directors of the Company.

### RESOLUTION 2 – RE-ELECTION OF MR JOHN ATKINS AS A DIRECTOR

ASX Listing Rule 14.4 provides that a Director must not hold office (without re-election) past the third Annual General Meeting following the Director's appointment or 3 years, whichever is longer. Rule 9.1 of the Company's Constitution requires that at an Annual General Meeting one-third of Directors for the time being shall retire from office. A retiring Director is eligible for re-election.

In accordance with the ASX Listing Rules and Company's Constitution, Mr John Atkins is due to retire as a Director of the Company at the Annual General Meeting.

Mr John Atkins, being eligible, has offered himself for re-election as a Director of the Company.

All Directors, with the exception of Mr Atkins, recommend Shareholders approve this Resolution concerning his re-appointment.

A biography of Mr Atkins is included in the 2010 Annual Report.

## **RESOLUTION 3 – GRANT OF OPTIONS TO A DIRECTOR, MR DAVID HUTTON**

### **1.1 DIRECTOR OPTIONS**

Resolution 3 deals with the grant of Options to Mr David Hutton, the Managing Director of the Company, under the terms and conditions of the Breakaway Resources Employee Option Scheme (summarised in Annexure A). The Company proposes to offer to grant Options to Mr David Hutton (or his nominee).

The proposed grant of Options to Mr David Hutton is intended to:

- (a) provide an appropriate and adequate incentive for him;
- (b) ensure that the Company may retain his services; and
- (c) reinforce his commitment as Managing Director of the Company.

Mr Hutton will benefit from the grant of Options when there is an improvement in the Company's share price subsequent to the date from when he was offered the Options.

The number of Options proposed to be granted to Mr Hutton reflects the level of commitment provided or to be provided by him to the Company, taking into account his responsibilities as the Managing Director and the time commitments required from him. The number of Options proposed to be granted to Mr Hutton also reflects the value the Board feels that he brings to the enhancement of the Company and the level of commitment required by the Company from him.

As announced to the market on 6 May 2010, Mr Hutton will be offered 1,500,000 options vesting in 3 tranches of 500,000, 12, 24 and 36 months respectively after the issue date at an exercise price for each respective tranches of 15 cents, 20 cents and 25 cents.

It is intended to grant the Options to Mr Hutton within 1 month of the approval of Resolution 3.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period. Options issued under Resolution 3 would at this time fall within one of those exceptions. If approval is given under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

One of the effects of Resolution 3 in its current form will be to allow Mr Hutton to be granted the proposed Options without using the Company's 15% annual placement capacity.

Pursuant to and in accordance with Listing Rule 10.14, the following information is provided in respect of the Options to which Resolution 3 relates:

- (a) the maximum number of Options to be granted is 1,500,000;
- (b) the Options will be granted no later than 1 month after the date of the Annual General Meeting and shall vest as follows:
  - (i) 500,000 Options after the expiration of 12 months (Tranche 1) following the issue date;
  - (ii) 500,000 Options after the expiration of 24 months (Tranche 2) following the issue date; and
  - (iii) 500,000 Options on the expiration of 36 months (Tranche 3) following the issue date.
- (c) the Options will, if not exercised beforehand, expire three years from the date of issue;
- (d) the exercise price of each Option in Tranche 1 is \$0.15, the exercise price of each Option in Tranche 2 is \$0.20 and the exercise price of each Option in Tranche 3 is \$0.25. The Options may be exercised after the vesting date (Tranche 3 on the vesting date) determined in (b) above, until their expiry date of 3 years after the date of issue;

- (e) no Options have been granted to Directors under the Scheme since its approval on 28 November 2008;
- (f) the grantee will be Mr Hutton (or his nominee);
- (g) shares issued pursuant to the exercise of the Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (h) rights to be granted Options under the Scheme are available to Directors and employees of the Company only; and
- (i) no funds will be raised from the grant of the Options.

## **1.2 CHAPTER 2E OF THE CORPORATIONS ACT**

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) shareholder approval is obtained prior to the giving of the financial benefit.

For the purposes of Chapter 2E, Mr Hutton is a related party and the grant of Options to him constitutes the giving of a financial benefit. Accordingly, Shareholder approval is required.

In accordance with the requirements of Chapter 2E, and in particular, section 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed grant of Options to Mr Hutton:

### **(a) The related party to whom the proposed resolutions would permit the financial benefit to be given**

Mr Hutton is a director of the Company, to whom Resolution 3 would permit the financial benefit to be given.

### **(b) The nature of the financial benefit**

The nature of the financial benefit to be given to Mr Hutton is the grant to him of the Options. Initially, no funds will be raised by the grant of Options to Mr Hutton. However, if those Options are exercised, the funds raised thereby will be used for working capital purposes, as the Board thinks fit.

### **(c) Directors' recommendation and basis of financial benefit**

The Board currently consists of Messrs John Atkins, David Hutton, Jon Young and Jeff Gresham.

Mr Hutton has a material personal interest in the outcome of Resolution 3 as the recipient of the Securities proposed to be granted and does not wish to make a recommendation to Shareholders about Resolution 3 because he has an interest in the outcome of that Resolution.

All of the Directors other than Mr Hutton recommend Shareholders vote in favour of the proposed Resolution. The Directors (other than Mr Hutton) consider that the proposed issue will assist the Company to properly reward Mr Hutton and adequately align the interests of Hutton with those of the Company. Given this purpose, the Directors do not consider that there is any opportunity cost or benefit foregone to the Company in issuing the Options proposed by Resolutions 3. The issue of Securities to Mr Hutton is a more cost effective incentive for the Company as opposed to the payment of additional cash compensation.

#### (d) Dilution

As at the date of this Notice, the capital structure of the Company is as follows:

Capital	Number
Ordinary Shares	239,273,318
Options	2,175,000

If Shareholders approve the Resolution contained in this Notice and all Securities are issued as contemplated by Resolution 3, the issued capital of the Company would be as follows:

Capital	Number	Issued per Resolution 4	Total
Ordinary Shares	239,273,318	-	239,273,318
Options	2,175,000	1,500,000	3,675,000

If Shareholders approve the issue of 1,500,000 Options to Mr Hutton and these Options were fully exercised, the effect will be to dilute the shareholding of existing members by approximately 0.62%, based on the existing number of Shares and Options as at the date of this Notice.

#### (e) Total remuneration package

Details of Mr Hutton's remuneration for the year ended 30 June 2010 is as follows:

Director	Cash, salary and fees	Superannuation	Total
David Hutton	227,064	20,435	247,499

Details of the remuneration paid to Mr Hutton for the period beginning 1 July 2010 to 30 September 2010 is as follows:

Director	Cash, salary and fees	Superannuation	Total
David Hutton	59,633	5,367	65,000

#### (f) Existing relevant interest

As at the date of this Notice, Mr Hutton holds the following securities in the Company representing 0.26% of the issued capital of the Company on a fully diluted basis:

Director	Number of Shares held directly	Number of Shares held indirectly	Number of Options held directly	Number of Options held indirectly
David Hutton	384,514	-	-	250,000

If Shareholders approve Resolution 3 and all Securities are issued or granted as contemplated by this Notice, Mr Hutton will hold the following Securities in the Company (representing 0.88% of the issued capital of the Company on a fully diluted basis based on the number of Shares and Options currently on issue):

Director	Number of Shares held directly	Number of Shares held indirectly	Number of Options held directly	Number of Options held indirectly
David Hutton	384,514	-	-	1,750,000

### (g) Trading history

During the last 12 months before the date of lodgement of this Notice with ASIC, the highest trading price of the Shares was 10.3 cents on 26 October 2009 and the lowest trading price of the Shares was 3.9 cents on 30 August 2010. The market price of the Company's Shares over the 5 days of trading on ASX up to and including 6 October 2010 has been between a minimum of 5.6 cents per Share to a maximum of 6.6 cents per Share. On 6 October 2010, the last trading day before this Notice was lodged with ASIC, the Shares closed at a price of 6.0 cents per Share and the Company had a market capitalisation of \$14.4 million.

### (h) Valuation of the options

A valuation of the Options proposed to be issued to Mr Hutton has been calculated using the Black Scholes Option Pricing Model and based upon the following assumptions:

- the underlying value of each Share in the Company is based on the closing Share price of 5.9 cents as at 30 September 2010;
- risk free rate or return – 4.75% (based on the 3 year bond indicator rate as at 30 September 2010)
- share price volatility of 70%, determined utilising the daily closing share prices of the Company for the preceding 12 months;
- Options to be granted pursuant to Resolution 3 will not be quoted on ASX and may not be transferred or otherwise dealt with without the approval of the Company
- The exercise price of each Option in Tranche 1 (500,000 Options) is \$0.15, the exercise price of each Option in Tranche 2 (500,000 Options) is \$0.20 and the exercise price of each Option in Tranche 3 (500,000 Options) is \$0.25. The Options may be exercised after the vesting date determined in (b) above, until their expiry date of 3 years after the date of issue)

The Black Scholes Option Pricing Model attributes a theoretical value to each Option to be issued to Mr Hutton as follows:-

	Theoretical Value per option (cents)	Discount (%) Note 1	Indicative value per option (cents)	Number of options issued to Allottee	Total value (\$)
Tranche 1	1.6	20%	1.3	500,000	6,500
Tranche 2	1.2	20%	1.0	500,000	5,000
Tranche 3	1.0	20%	0.8	500,000	4,000

**Note 1** - The Black Scholes Option Pricing Model assumes that the Options the subject of the valuation can be sold on a secondary market. The terms and conditions of the Scheme state that these Options will be unlisted and not transferable. Accordingly a discount for lack of marketability is required to determine an indicative fair value of the Options. For the purposes of arriving at an appropriate discount rate, the Company has considered:

- that discounts have traditionally been applied in the range of 10% to 30% to reflect the non-negotiability of unlisted equities; and
- the fact that the Securities will be unlisted.



## **(I) Other information**

Additional information in relation to Resolution 3 is set out throughout this Explanatory Memorandum. Shareholders should therefore read the Explanatory Memorandum in its entirety before making a decision on how to vote on Resolutions 3.

The Company will incur no liabilities or cash costs in respect of the proposed issue of Options to Mr Hutton other than:

- (i) the fees payable to ASX for quotation of Shares, should the Options be exercised. At the rates applying at the date of this Explanatory Memorandum, these fees would be approximately \$2,350. However, these fees will not be payable until after Options have been exercised;
- (ii) in relation to the Options, a value equal to the weighted average trading price of shares on ASX in the five days immediately before the date of valuation will be included as wages for the purposes of the Payroll Tax Act 2002 (WA), Pay-roll Tax Assessment Act 2002 (WA) and the Taxation Administration Act 2003(WA). If this value, in addition to other wages that are taxable in the jurisdiction, is in excess of the annual payroll tax threshold, the Company will have a liability in respect of payroll tax in that jurisdiction; and
- (iii) the fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense through the Company's Statement of Comprehensive Income over the vesting period, with a corresponding increase to an equity account in accordance with AASB2 Share Based Payments.

Neither the Board nor the Company is aware of any other information that would reasonably be required by Shareholders in order to decide whether it is in the best interests of the Company to pass Resolution 3, other than as stated in this Explanatory Memorandum.

## **RESOLUTION 4 – APPOINTMENT OF AUDITOR**

In accordance with section 327D(1) of the Corporations Act, the Company has sought and obtained a nomination from a shareholder to appoint MGI Perth Pty Ltd as the Company's auditor. A copy of this nomination is attached to this Explanatory Memorandum as Annexure B.

MGI Perth Pty Ltd has given written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act. Deloitte Touche Tohmatsu has applied to the ASIC for their consent to its resignation in accordance with Section 329(5) of the Corporations Act.

If Resolution 4 is passed and subject to the receipt of ASIC's consent to Deloitte Touche Tohmatsu's resignation prior to the meeting, the appointment of MGI Perth Pty Ltd as the Company's auditor will take effect at the close of this Annual General Meeting.

## GLOSSARY

**Annual General Meeting** means the meeting of Shareholders called by the notice of meeting which this Explanatory Memorandum forms part.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691).

**Board** means the board of Directors of the Company.

**Breakaway** means Breakaway Resources Limited (ABN 16 061 595 051).

**Breakaway Resources Employee Option Scheme or Option Scheme** means the terms and conditions of the Breakaway Resources Employee Option Scheme as approved by Shareholders.

**Company** means Breakaway Resources Limited (ABN 16 061 595 051).

**Constitution** means the Constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** mean the directors of the Company.

**Explanatory Memorandum** means this explanatory memorandum.

**Listing Rules** means the Listings Rules of the ASX.

**Notice of Meeting** means the notice of meeting which this Explanatory Memorandum forms part.

**Option** means an Option granted under the Option Scheme.

**Resolution** means a resolution to be considered by the Shareholders at the Annual General Meeting.

**Share** means an ordinary share in the capital of the Company.

**Shareholder** or member means a registered member of the Company.

# ANNEXURE A

## TERMS AND CONDITIONS OF OPTIONS

Terms and Conditions of Options to be issued to Mr David Hutton or his nominee pursuant to Resolution 3:

- (1) each Option entitles the holder to subscribe for and be allotted one fully paid ordinary Share upon payment of a price of:-
  - (i) 15 cents per Option for Tranche 1 Options
  - (ii) 20 cents per Option for Tranche 2 Options; and
  - (iii) 25 cents per Option for Tranche 3 Options (**Exercise Price**);
- (2) the Options shall lapse at 5.00pm Western Standard Time on the date being 3 years after the date of the issue of the Options (**Expiry Date**);
- (3) the Options are exercisable wholly or in part by notice in writing to the Directors of the Company as follows:
  - (i) 500,000 Options after the expiration of 12 months (**Tranche 1 Options**) following the issue date;
  - (ii) 500,000 Options after the expiration of 24 months (**Tranche 2 Options**) following the issue date; and
  - (iii) 500,000 Options on the expiration of 36 months (**Tranche 3 Options**) following the issue date;until the Expiry Date on payment of the Exercise Price per Option (**Option Notice**);
- (4) the Options are non-transferable without the prior written consent of the Company and no application will be made to the ASX for official quotation of the Options;
- (5) there are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Option however, vested Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 9 business days before the date for determining entitlements to exercise the Options;
- (6) within 10 business days of receipt of a properly executed Option Notice and the required application monies the number of Shares specified in the Option Notice will be allotted;
- (7) Shares issued on the exercise of the Options will rank equally with the then existing issued ordinary Shares. The Company will apply for official quotation by the ASX of all Shares issued upon exercise of the Options within three business days after the date of allotment of those Shares; and
- (8) in the event of any reorganisation (including reconstruction, consolidation, subdivision, reduction or return) of the issued capital of the Company, the Options will be reorganised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.

## ANNEXURE B



7 October 2010

The Directors  
Breakaway Resources Limited

Level 2  
23 Ventnor Avenue  
West Perth  
WA 6005

Dear Board,

We, FMR Investments Pty Ltd, hereby nominate MGI Perth Pty Ltd (trading as MGI Perth Audit Services) to be appointed as auditors of Breakaway Resources Limited at the forthcoming 2010 AGM of Breakaway Resources Limited.

Yours faithfully  
FMR Investments Pty Ltd

A handwritten signature in blue ink that reads 'Robin Anderson'.

Robin Anderson

Director

Suite 11, Level 2, 2 Hardy St, South Perth Western Australia 6151 / Locked Bag 6 South Perth Western Australia 6951  
T +61 8 6216 5400 F +61 8 6216 5499 E [info@fmrinvestments.com.au](mailto:info@fmrinvestments.com.au) W [fmrinvestments.com.au](http://fmrinvestments.com.au)

FMR Investments Pty Ltd A.C.N. 009 411 349 A.B.N 24 757 019 296 Trustee for FMR Unit Trust



**breakaway**

Breakaway Resources Limited  
ABN 16 061 595 051

**Lodge your vote:**



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000



000001 000 BRW  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

**For your vote to be effective it must be received by 2:00pm (WST) Wednesday 24 November 2010**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form →**



View the Annual Report:

[www.breakawayresources.com.au](http://www.breakawayresources.com.au)

Update your securityholding, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

Your secure access information is:

SRN/HIN: I9999999999



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Breakaway Resources Limited hereby appoint

the Chairman  
of the Meeting **OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Breakaway Resources Limited to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday, 26 November 2010 at 2:00pm and at any adjournment of that meeting.

**Important for Resolution 3:** If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Resolutions 3 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolution 3 and your votes will not be counted in computing the required majority if a poll is called on this Resolution. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 3 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

### STEP 2 Items of Business



**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr John Atkins as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Grant of Options to a Director, Mr David Hutton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name \_\_\_\_\_

Contact  
Daytime  
Telephone \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

BRW

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