



breakaway

24 November 2010

Dear Shareholder,

### Share Purchase Plan

On behalf of Breakaway Resources Limited (“Breakaway” or “the Company”), I am pleased to invite you to participate in a Share Purchase Plan (“SPP”) which gives you the opportunity to subscribe for up to **\$15,000** worth of new Breakaway shares at an issue price of **7.4 cents**.

The SPP – which is underwritten to \$2.5 million by the leading Australian broking firm Patersons Securities Ltd – gives all shareholders the opportunity to participate in this share issue without incurring any brokerage costs or commissions, and at an attractive price which represents a 19.5% discount to the volume weighted average price (VWAP) of Breakaway shares over the five trading days leading up to the announcement of the SPP.

All of Breakaway’s Directors intend to take up their maximum entitlement under the SPP, which is being sub-underwritten by FMR Investments Pty Ltd, one of the Company’s major strategic shareholders.

As set out in the enclosed SPP documentation, the record date for participation in the SPP is 5.00pm (WST) on Thursday 18 November 2010. Participation is optional and shares issued under the SPP will rank equally in all respects with the Company’s existing ordinary shares. The **closing date** for acceptances is **9 December 2010**, with the new shares expected to be issued by Thursday, 23 December 2010.

***If the SPP is oversubscribed early, the Company reserves the right to bring forward the closing date, so if you are considering participation, I would encourage you to give this matter your urgent attention.***

The SPP represents one of the most important capital raisings undertaken in the Company’s history, as the funds raised will be used to underpin exciting and significant new exploration programmes – both at our **flagship nickel sulphide projects** in the Leinster District of Western Australia, and at our Eloise Exploration Project in North West Queensland.

Breakaway is now one of the few junior exploration companies with an active and focused exploration programme currently underway in the nickel sector, and I am pleased to report to you that we have been making excellent progress this year at both of our key projects, Wildara, located 30 kilometres south east of the world-class Leinster Nickel Camp, and Miranda, located 15 kilometres to the south of Xstrata’s world-class Cosmos group of deposits.

Building on the results of the 7,500 metre Phase I drilling programme completed at Wildara earlier this year, we have been utilising some of the most sophisticated exploration techniques available today to review and prioritise our key targets. This has enabled us to narrow our search radius for nickel sulphides at both Wildara and Miranda.

The funds raised through the SPP will enable us to undertake a Phase II **Reverse Circulation and Diamond Drilling programme**, as well as additional geophysics at both projects to refine our drill targeting.

Our exploration team is highly motivated about this exploration programme, which is scheduled to commence in the near future, subject to finalising heritage clearances and drill rig availability. The results from this programme should ensure a strong news flow for shareholders commencing early in the New Year.

The SPP funds will also be applied to an exciting **new copper exploration initiative** which we plan to launch next year at our 100%-owned Eloise Exploration Project in the world-class Cloncurry District of North Queensland. This large tenement position surrounds the Eloise Copper Mine, which is currently being re-commissioned by FMR Investments Pty Ltd, and our Altia Joint Venture with 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.

We are currently determining the best option to advance these targets and will provide further information on its planned exploration initiatives at Eloise in due course.

With intensive work programmes planned on two fronts and in two commodities next year, Breakaway is set to enter a particularly exciting phase in its history, and I look forward to keeping you updated on our progress over the coming months.

If you wish to purchase shares under the SPP, you must complete and return your personalised application form, together with payment, as soon as possible. A reply paid envelope is enclosed with the SPP documentation for your convenience. If you have any questions in relation to this letter or the offer detailed in the enclosed documentation, please contact the Breakaway office on (08) 9278 6444.

Thank you for your ongoing support.

Yours faithfully,

A handwritten signature in black ink that reads "John Atkins". The signature is written in a cursive style with a large, looping initial "J".

**John Atkins**  
Chairman