



breakaway

BREAKAWAY RESOURCES LIMITED

ABN 16 061 595 051

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

FRIDAY, 18 NOVEMBER 2011

2.00PM

AT

**SECOND FLOOR
CWA HOUSE (COUNTRY WOMEN'S ASSOCIATION)
1176 HAY STREET
WEST PERTH
WESTERN AUSTRALIA 6005**

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at the Second Floor, CWA House (Country Women's Association), 1176 Hay Street, West Perth, Western Australia (WST) on Friday 18 November 2011 at 2pm.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return to the Company's share registry, Computershare Investor Services Pty Limited, by:

- (a) **Post: GPO Box 242, Melbourne, Victoria, 3001**
- (b) **Facsimile: (within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555**

so that it is received not later than **2.00 pm (WST) on Wednesday 16 November 2011.**

Proxy Forms received later than this time will be invalid.

ENTITLEMENT TO ATTEND AND VOTE

The Company may specify a time, not more than 48 hours before the meeting, at which a "snap-shot" of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the meeting.

The Company's Directors have determined that all shares of the Company that are quoted on ASX at 5pm (WST) on 16 November 2011 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the shares at that time.

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.

Notice is hereby given that the Annual General Meeting of Breakaway Resources Limited ("the Company") will be held at the Second Floor, CWA House (Country Women's Association), 1176 Hay Street, West Perth, Western Australia 6005 on Friday, 18 November 2011 at 2.00pm.

AGENDA

FINANCIAL REPORT

To table the Annual Financial Report of the Company for the year ended 30 June 2011 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 (NON-BINDING RESOLUTION)

To consider and, if thought fit to pass, with or without amendment, the following resolution as a non-binding resolution:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report as set out in the Directors' Report in the Annual Report for the year ended 30 June 2011".

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any of the key management personnel listed in the Remuneration Report and any of their closely related parties. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form) or the person chairing the meeting as 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 2 – RE-ELECTION OF MR JON YOUNG AS A DIRECTOR

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

"That Mr Young, 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 – ISSUE OF OPTIONS UNDER THE EMPLOYEE OPTION SCHEME

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

"That, for the purpose of Listing Rule 7.2 exception 9 and for all other purposes, Shareholders approve the issue of Options under the Breakaway Resources Employee Option Scheme within the period of 3 years from the date of the meeting (at which this resolution is proposed) under the terms and conditions specified in the Option Plan Rules which are included in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and an associate of a Director. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form) or the person chairing the meeting as 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 – RATIFICATION OF PREVIOUS SHARE ISSUE – DECEMBER 2010

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

"That for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders of the Company approve and ratify the prior issue of 6,756,757 fully paid ordinary shares at 7.4 cents per share on 20 December 2010 to sophisticated and professional investors, to fund ongoing working capital requirements of the Company."

Voting Exclusion: For the purposes of ASX Listing Rule 7.5.6 in relation to Resolution 4, the Company will disregard any votes cast by or on behalf of a person who participated in the placement or any of their respective associates. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form) or the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote as the proxy decides).

EXPLANATORY STATEMENT

The Explanatory Statement accompanying this Notice of Meeting is incorporated in and comprises part of this Notice of Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice of Meeting and the Explanatory Statement.

PROXIES

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the meeting or handed in at the meeting when registering as a corporate representative. An appointment of corporate representative form is enclosed if required.

BY ORDER OF THE BOARD OF DIRECTORS



Simon Storm

Company Secretary

12 October 2011

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 Second Floor, CWA House (Country Women's Association), 1176 Hay Street, West Perth, Western Australia on Friday, 18 November 2011, 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 (NON-BINDING RESOLUTION)

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to a non-binding vote of Shareholders. The Annual Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Managing Director and non-executive Directors.

The Annual Report is available on the Company's website at www.breakawayresources.com.au

The provisions of the Corporations Act dealing with the non-binding vote on the remuneration report have recently been amended. The Corporations Act still provides that Resolution 1 need only be an advisory vote of Shareholders and does not bind the directors. However, in addition, the Corporations Act now provides that if the Company's Remuneration Report resolution receives a "no" vote of 25% or more of votes cast at the Meeting, the Company's subsequent remuneration report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

In addition, the Corporations Act now sets out a 'two strikes' re-election process. Under the 'two strikes' re-election process, if the Company's remuneration report receives a 'no' vote of 25% or more of all votes cast at two consecutive annual general meetings (that is, 'two strikes'), a resolution (the 'spill resolution') must be put to the second annual general meeting, requiring Shareholders to vote on whether the Company must hold another general meeting (known as the 'spill meeting') to consider the appointment of all of the Directors who stand for re-appointment (other than the Managing Director). If the spill resolution is approved by a simple majority of 50% or more of the eligible votes cast, the 'spill meeting' must be held within 90 days of that second annual general meeting (unless none of the Directors, other than the Managing Director, stand for re-appointment).

Further information will be provided on the 'spill resolution' and 'spill meeting' for any annual general meeting at which the Company may face a 'second strike'.

The remuneration levels for directors, officers and senior managers are competitively set to attract and retain appropriate directors and key management personnel. The chairman of the Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report. The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

RESOLUTION 2 – RE-ELECTION OF MR JON YOUNG 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 Jon Young is due to retire as a Director of the Company at the Annual General Meeting.

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

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

A biography of Mr Young is included in the 2011 Annual Report.

RESOLUTION 3 – ISSUE OF OPTIONS UNDER THE EMPLOYEE OPTION SCHEME

Resolution 3 seeks Shareholder approval to issue Options under the Employee Option Scheme.

Listing Rule 7.1 allows the Company to issue a maximum of 15% (15% Limit) of the number of Equity Securities on issue in any 12 month period without requiring Shareholder approval. Listing Rule 7.1 does not apply in certain circumstances (set out in Listing Rule 7.2) allowing certain issues of securities to be excluded from the calculation of the 15% Limit. An exception to Listing Rule 7.1 is set out in Exception 9(b) of Listing Rule 7.2 – an issue under an employee incentive plan if, within 3 years before the date of issue, Shareholders approve the issue of securities under the employee incentive plan as an exception to Listing Rule 7.1.

This resolution proposes that Shareholders approve the issue of any Options to be made under the Employee Option Scheme within 3 years of the date of the meeting (at which this resolution is proposed), so that such issue will be excluded from the application of Listing Rule 7.1. Shareholder approval will be pursuant to Listing Rule 10.14, which is required before any future Options can be issued under the Employee Option Scheme to a director or associate.

In accordance with the requirements of Exception 9(b) of Listing Rule 7.2, the Company provides the following information:

- The Company's Employee Option Scheme is contained in Annexure A to this Explanatory Memorandum.
- The Employee Option Scheme was approved by Shareholders on 28 November 2008. The number of Options issued under the Employee Option Scheme since the last approval is 2,500,000 Options.
- A voting exclusion statement for Resolution 3 is included in the Notice of Annual General Meeting.

RESOLUTION 4 – RATIFICATION OF PREVIOUS SHARE ISSUE – DECEMBER 2010

On 20 December 2010, the Company issued 6,756,757 fully paid ordinary shares at a price of 7.4 cents per Share. Whilst the issue made on 20 December 2010 did not require the prior approval of Shareholders as it was within the Company's existing 15% placement capacity, the purpose of this resolution is to give approval to the allotment of these Shares in accordance with the requirements of Listing Rule 7.4 to provide the Company with the flexibility to issue further securities in accordance with the limits under the Listing Rules should the need arise in the future.

The following information is provided to Shareholders in accordance with the requirements of Listing Rule 7.5:

- (a) the number of Shares allotted and issued was 6,756,757;
 - (b) the Shares were issued at an issue price of 7.4 cents per Share;
 - (c) the Shares were fully paid ordinary shares in the capital of the Company;
 - (d) the allottees of the Shares were sophisticated and professional investors introduced by Patersons Securities Limited;
- and
- (e) the funds raised from the issue of the Shares were used to fund working capital requirements of the Company.

A voting exclusion statement for Resolution 4 is included in the Notice of Annual General Meeting.

The approval given under this resolution is not given for any other purpose other than to provide the Company with the flexibility to issue further securities.

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
EMPLOYEE OPTION SCHEME**

BREAKAWAY RESOURCES LIMITED
ABN 16 061 595 051

Employee Option Scheme

TERMS AND CONDITIONS

1. DEFINITIONS AND INTERPRETATIONS

1.1 In these Terms and Conditions:

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

“**Associate**” of an Employee means:

a spouse, parent, brother, sister or child of the Employee (“**Relative**”);

a body corporate that is effectively controlled by one or more of the Employee and any relatives of the Employee; or

the trustee of a trust that is effectively controlled by one or more of the Employee and any relatives of the Employee.

“**ASX**” means Australian Stock Exchange Limited.

“**Board**” means the board of directors of the Company.

“**Class Orders**” means ASIC Class Orders 00/220, 00/221, 00/223 and 03/184 as amended, varied, supplemented and replaced from time to time.

“**Company**” means Breakaway Resources Limited.

“**Employee**” means:

(a) a full-time or part-time employee (as that term is defined in section 221A of the Tax Act) of the Company; or

(b) a director of the Company.

“**Exercise Period**” for Options issued under these Terms and Conditions shall be at the discretion of the Board but may not exceed the earlier of:

(a) 3 years from the date of issue of the Options; and

(b) such period (if any) from the date of issue of the Options as is specified by the Corporations Act, the Class Orders or the Listing Rules.

“**Exercise Price**” per Share in respect of each Option is the greater of:

(a) 120% of the Market Value of Shares on the day the Option is issued; and

(b) 20 cents,

(c) or a price determined by the Directors in their discretion and specified in the Offer Notice.

“**Listing Rules**” means the Official Listing Rules of ASX.

“**Market Value**” of a Share means:

(a) the weighted average price of all on market share sales over the 30 days preceding the date the offer of Options is made to the Participant; or

(b) if the Board adopts another method for determining the market value – the value determined under that method.

“**Option**” means an option to subscribe for Shares issued under the Scheme.

“**Option Acceptance Form**” means a form substantially in accordance with the form set out in Annexure A to these Terms and Conditions by which an Employee accept an offer of Options made by the Company under the Scheme.

“**Participant**” means:

- (a) an Employee who personally holds an Option; or
- (b) a nominated Associate of an Employee;

“**record date**” has the same meaning as in the Listing Rules.

“**Redundancy**” means any situation where the requirements of the Company for an Employee to carry out a particular kind of work (given his or her particular skills) or to carry out certain work in a particular place, have ceased or diminished (or are likely to do so), but does not extend to the dismissal of an Employee for personal or disciplinary reasons, including for reasons of misconduct or unsatisfactory performance, or where an Employee leaves of his or her own accord.

“**Retirement**” in relation to an Employee, means retirement by that Employee from employment with the Company at age 55 or over.

“**Scheme**” means the Breakaway Resources Limited Employee Option Scheme constituted by these Terms and Conditions.

“**Share**” means a fully paid ordinary share in the capital of the Company.

“**Tax Act**” means the Income Tax Assessment Act 1936 (Cth).

“**Terms and Conditions**” means these terms and conditions as amended from time to time.

“**Total and Permanent Disablement**” means that the participant has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Participant unlikely ever to engage in any occupation for which he or she is reasonably qualified by education, training or experience.

1.2 Words imparting the singular include the plural and vice versa and words denoting a gender include all other genders.

2. ISSUE OF OPTIONS

Eligibility

2.1 The Board may offer Options to an Employee having regard to:

- (a) the potential contribution of the Employee to the Company; and
- (b) any other matters the Board considers relevant,
- (c) provided that the issue of Options:
- (d) is in accordance with these Terms and Conditions as amended from time to time; and
- (e) complies with the requirements of the Corporations Act, the Class Orders and the Listing Rule.

Offer of Options

2.2 An offer of Options under clause 2.1 shall be made by the Board to the Employee by way of notice in writing (“**Offer Notice**”).

2.3 The Offer Notice shall specify:

- (a) the name and address of the Employee to whom the offer is made;

- (b) the number of Options being offered to the Employee;
- (c) the Exercise Price per Share;
- (d) the Exercise Period;
- (e) the time period for acceptance of the offer; and
- (f) any other terms and conditions applicable to the offer.

2.4 An Option Acceptance Form and a copy of these Terms and Conditions shall be delivered with the Offer Notice.

Nomination of Associate

2.5 Upon receipt of an Offer Notice an Employee may nominate an Associate to be the person issued with those Options. The Board may, in its absolute discretion, resolve not to issue Options to a nominated Associate without giving any reason.

Acceptance of offers

2.6 An Employee or nominated Associate may accept an offer of Options within the time specified in the Offer Notice. No payment is required to accept the offer.

Issue of Options

2.7 Options must be issued in accordance with these Terms and Conditions and each Participant will be taken to have agreed to be bound by these Terms and Conditions on the issue of any Options.

2.8 The Company must issue each Participant or nominated Associate with an Option certificate indicating the number of Options issued and the exercise price of the Options.

2.9 The Board retains the right to withdraw an offer of Options at any time prior to issuing the Options.

3. MAXIMUM NUMBER OF OPTIONS

The Board may not offer Options under this Scheme if the total number of Shares the subject of the Options, when aggregated with:

(a) the number of Shares in the same class which would be issued if each outstanding offer or invitation or option to acquire unissued shares in the Company, being an offer or invitation made or option acquired pursuant to this Scheme or any other employee or executive share scheme, was accepted or exercised; and

(b) the number of Shares in the same class issued during the previous five years pursuant to this or any other employer or executive share scheme, (disregarding any offer or invitation made, or option acquired or share issued following the making of an offer or invitation, to a person situated at the time of receipt of the offer or invitation outside Australia or by way of excluded offer or invitation within the meaning of the Corporations Act), would exceed 5% of the total number of issued Shares of the Company as at the time of the proposed offer.

4 ENTITLEMENT

4.1 Subject to clauses 8 and 9, each Option entitles the holder to subscribe for and be allotted, credited as fully paid, one Share at the Exercise Price.

4.2 Subject to these Terms and Conditions, the Company must allot Shares on exercise of an Option, in accordance with the Listing Rules.

4.3 Shares issued on the exercise of Options will rank equally with all existing Shares in the capital of the Company from the date of issue.

5 EXERCISE OF OPTIONS

5.1 An Option is exercisable by the holder lodging with the Company a notice to exercise the Option and application for Shares in a form approved by the Company, together with payment of the applicable Exercise Price and the relevant Option certificate at any time during the applicable Exercise Period.

5.2 Options must be exercised in multiples of 100, unless the holder exercises all Options able to be exercised at that time. The exercise of some Options only does not affect the holder's right to exercise other Options at a later time. If the holder exercises less than all Options represented by a certificate then the Company will cancel the certificate and issue a new certificate for the balance.

5.3 Subject to clauses 5.4 to 5.7 inclusive, an Option that has not lapsed may be exercised at any time during the applicable Exercise Period.

5.4 If the employment of an Employee for whom Options have been issued under these Terms and Conditions ceases because of Retirement, Total and Permanent Disablement, Redundancy, death or any other circumstances approved by the Board, the Options issued in relation to the employment of that Employee may be exercised within 30 days (or 3 months, in the case of death) or any longer period permitted by the Board after cessation of that employment. If not exercised within that period, the Options lapse.

5.5 If the employment of an Employee for whom Options have been issued under these Terms and Conditions ceases and clause 5.4 does not apply, those Options lapse.

5.6 If the Board determines that:

(a) a Participant or the Employee for whom Options have been issued to a Participant has acted fraudulently, dishonestly or in breach of the Participant's obligations to the Company; and

(b) Options issued in relation to the Participant are to be forfeited,

(c) the Options will immediately lapse.

6. TRANSFER

Options may only be transferred with the approval of the Board. Options will not be quoted on ASX.

7. QUOTATION OF SHARES

The Company will make application to ASX for official quotation of Shares issued on the exercise of Options, if other Shares of the Company are listed at that time.

8. PARTICIPATION IN FUTURE ISSUES

8.1 If the Options are exercised before the record date of an entitlement, a Participant can participate in a pro rata issue to the holders of the underlying securities in the Company. The Company must notify each Participant of the proposed issue at least nine (9) business days before the record date. Participants do not have a right to participate in new issues without exercising their options in accordance with Listing Rule 6.19.

8.2 In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the option holder (including the number of Options, the exercise price of Options or both) will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

8.3 The Options will not give any right to participate in dividends until shares are allotted pursuant to the exercise of the relevant Options.

8.4 In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reconstructed in accordance with the Listing Rules.

8.5 The number of Shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to exercise of the Options. The effect will be that upon exercise of the Options the number of Shares received by the Participant will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The

exercise price of the Options shall not change as result of any such bonus issue.

8.6 The Company shall notify each Participant and ASX within one (1) month after the record date for a pro-rata bonus or cash issue of the adjustment to the number of Shares over which the Option exists and/or the adjustment to the exercise price.

9. ADVICE

The Company must give notice to each Participant of any adjustment to the number of Shares which the holder is entitled to subscribe for or be issued on exercise of an Option, or any adjustment to the exercise price per Share, in accordance with the Listing Rules.

10. NOTICES

Notices may be given by the Company to the Participant in the manner prescribed by the constitution of the Company for the giving of notices to members of the Company and the relevant provisions of the constitution of the Company apply with all necessary modification to notices to Participants.

11. RIGHT TO ACCOUNTS

Participants will be sent all reports and accounts required to be laid before members of the Company in general meeting and all notices of general meetings of members but will not have any right to attend or vote at those meetings.

12. OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE

Notwithstanding any Terms and Conditions or the terms of any Option, Options may only be issued or exercised within the limitations imposed by the Corporations Act and the Listing Rules.

13. ADMINISTRATION OF THE SCHEME

13.1 The Scheme will be administered by the Board in accordance with these Terms and Conditions. The Board may make regulations for the operation of the Scheme which are consistent with these Terms and Conditions.

13.2 Any power or discretion which is conferred on the Board by these Terms and Conditions may be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to any other person.

13.3 Any power or discretion which is conferred on the Board by these Terms and Conditions may be delegated by the Board to a committee consisting of such Directors as the Board thinks fit.

13.4 The decision of the Board as to the interpretation, effect or application of these Terms and Conditions will be final and conclusive.

14. AMENDMENTS AND TERMINATION OF SCHEME

(a) Subject to and in accordance with the Listing Rules (including the terms of any waiver granted under the Listing Rules), the Board may from time to time, with shareholder approval, amend (including the power to revoke, add to or vary) all or any of the provisions of the Rules in any respect whatsoever, by an instrument in writing and the shareholders may approve that any such amendment shall apply retrospectively.

(b) The Scheme may be terminated or suspended at any time by resolution of the Board but any termination or suspension shall not effect the rights of any Participant existing at the date of termination or suspension.

15. RIGHTS OF PARTICPANTS

Nothing in these Terms and Conditions:

(a) confers on any Employee, Consultant or Associate the right to receive any Options;

(b) confers on any Participant the right to continue as an Employee or a Consultant;

(c) affects any rights which the Company or a subsidiary may have to terminate the employment of any Employee or any contract with any Consultant; or

(d) may be used to increase damages in any action brought against the Company or a subsidiary in respect of any such termination.

16. QUOTATION OF OPTIONS

The Company will not seek quotation on ASX of Options issued pursuant to the Scheme.

17. TAX LIABILITY

The Company shall have no liability for any tax imposed on any Employee, Consultant or Associate as a result of any issue of Options pursuant to the Scheme.

18. GOVERNING LAW

The rights and obligations pursuant to this Scheme shall be construed in accordance with the laws of Western Australia.

19. GRIEVANCE PROCEDURES

19.1 If any grievance arises between the Company and any Participant, it must be dealt with in the following manner:

(a) The matter must first be discussed with the Managing Director and the Participant;

(b) If the matter is not resolved, the parties shall submit the matter to an agreed mediator for the purposes of conciliation and mediation in which case costs shall be borne equally between the Company and the Participant;

(c) If the matter is not resolved to the satisfaction of both parties in accordance with clause 19.1(b), the Company and the Participant shall submit the dispute to arbitration in accordance with clause 19.2.

(d) The Company and the Participant shall ensure that the procedures to be followed pursuant to this clause are carried out expeditiously and in any event within 30 days of any grievance arising.

19.2 If agreement cannot be reached in accordance with the procedures outlined in clause 19.1, then the dispute shall be determined by an arbitrator determined by agreement of the parties and if agreement cannot be reached, by an arbitrator appointed by the President of the Law Society of Western Australia. The arbitration shall be carried out in accordance with the provisions of the Commercial Arbitration Act 1985 (Western Australia) and the determination of the arbitrator shall be final and binding.



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

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 Wednesday 16 November 2011

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 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

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

www.investorcentre.com

Your secure access information is: SRN/HIN: 1999999999



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 Second Floor, CWA House (Country Woman's Association), 1176 Hay Street, West Perth, Western Australia 6005 on Friday, 18 November 2011 at 2:00pm and at any adjournment of that meeting.

Important for Resolutions 1 and 3 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default
Important for Resolution 1 - If you do not mark any of the boxes in step 2 below on Resolution 1 you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions as set out below and in the Notice of Meeting even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel. Please note you can direct the Chairman of the Meeting to vote for, against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.
Important for Resolution 3 - You authorise the Chairman of the Meeting to exercise your proxy on Resolution 3 even though the Resolution is connected directly or indirectly with the remuneration of a member of key management personnel. For Resolution 3, this authority is also subject to you marking the box in the section below.

Important for Resolution 3: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Resolution 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.

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.

ORDINARY BUSINESS

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report (Non-binding Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Jon Young as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Issue of Options under the Employee Option Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of Previous Share Issue - December 2010	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available 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 ____ / ____ / ____