



breakaway
Breakaway Resources Limited
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15 January 2010

Dear Shareholder

REMINDER - NON-RENOUNCEABLE RIGHTS ISSUE

You would have recently received a Prospectus from Breakaway Resources Limited for an underwritten non-renounceable rights issue (**Rights Issue**) in which shareholders registered in Australia and New Zealand (**Eligible Shareholders**) have been offered 1 (one) fully paid ordinary share in the Company (**New Shares**) for every 3 (three) existing shares held as at 29 December 2009 (**Record Date**), at an issue price of 6 (six) cents for every New Share (the **Offer**). The Offer closes on Friday 22 January 2010 (**Closing Date**).

The issue price of 6 cents represents a highly attractive discount of 33% to the last sale price of 9 cents immediately before the announcement of the Rights Issue on 15 December 2009. The funds raised will increase Breakaway's cash resources to \$5.1 million (net of costs) and will be applied to:

- Immediate and ongoing drill testing of a number of exciting priority nickel targets on the Wildara Project Group including the Revolution - Horn Trend, Fly Bore - Hill Top Trend, Firefly, Sinclair Trend, and Yillaree North;
- Further drilling and exploration activities at the Saints Nickel Target (Scotia Project), where drilling recently tested down - plunge extensions to mineralisation previously identified on the Western Contact; and
- Pursuing other opportunities to realise full value from Breakaway's extensive portfolio of nickel and base metal assets in Western Australia and Queensland.

The full terms and conditions of the Rights Issue were included in the Offer document (Prospectus and Entitlements and Acceptance Form) dispatched to Eligible Shareholders on 5 January 2010. If you have misplaced the Offer document please contact the share registry - Computershare Investor Services Pty Ltd on 1300 557 010 (enquiries within Australia) or +61 3 9415 4000 (enquiries outside Australia), or your stockbroker for a replacement copy.

In addition to taking up your entitlement in full, Eligible Shareholders can also apply for **Additional Shares**, by completing the Entitlements and Acceptance Form indicating how many Additional Shares you wish to apply for and return it, together with payment, so that it is received by no later than the Closing Date. The Directors and the Underwriter reserve the right to allot and issue the Additional Shares at the discretion of the Underwriter in consultation with the Directors.

On behalf of the Board of Directors, I would like to thank you for your support and interest to date, and I look forward to an exciting 2010 for Breakaway and its shareholders. With increased cash resources, quality targets and ongoing work programmes planned for immediate commencement following the completion of the Rights Issue, Breakaway is highly leveraged to future success and well positioned to strongly participate in the recovery underway in the global commodities sector.

Yours sincerely,

David Hutton
Chief Executive Officer