



breakaway

18 October 2012

Dear Shareholder

BREAKAWAY RESOURCES LIMITED SHARE PURCHASE PLAN OFFER

Breakaway Resources Limited (ASX: BRW) (“Breakaway” or “Company”) has recently announced the launch of a Share Purchase Plan (“SPP”) offer to eligible shareholders to raise additional funds to underpin the next exciting phase of exploration at our key copper-gold projects in North Queensland (see ASX Announcement – 25 September 2012).

This follows a number of important developments for the Company, including the announcement of an \$8 million joint venture with leading copper producer Sandfire Resources NL (ASX: SFR) at our Broader Altia Project, a strategic investment by Sandfire in Breakaway, and the completion of a maiden JORC resource for our Sandy Creek copper-gold deposit.

The SPP entitles eligible shareholders to purchase up to \$15,000 worth of fully-paid ordinary shares in the Company at a subscription price of 2.9 cents per share, free from all brokerage and commissions, to raise \$1.5 million¹ (“Offer”). As each eligible shareholder is able to apply for up to \$15,000 under the SPP, this represents an opportunity for eligible shareholders with small shareholdings in the Company to increase their percentage ownership in the Company.

As an eligible shareholder, you should have received details of the SPP in the form of an Offer Document which was mailed on 1 October 2012. Please contact the Company if you would like another copy of the document sent at no cost.

THE OFFER OPENED ON 1 OCTOBER 2012 AND REMAINS OPEN FOR ACCEPTANCES UNTIL 5.00PM (WST) ON 29 OCTOBER 2012.

If you wish to participate in the SPP, please send your completed application forms and payment to the Company Share Registry, Computershare Investor Services Pty Ltd, before the closing date of 29 October 2012.

The funds raised from the SPP will be used for further extensional drilling at Sandy Creek, the testing of numerous attractive regional targets such as Surprise Ridge, Middle Creek and Broлга, the generation of further targets within our extensive Eloise Exploration project in North Queensland and for working capital purposes.

¹ *The Company reserves the right to increase the Offer to a maximum of \$2 million, at its discretion, if oversubscribed.*

The Company is currently at an exciting stage, with a diamond drilling program underway at Sandy Creek on 14 October (see ASX Announcement – 16 October 2012). The recently announced Joint venture with Sandfire Resources for the Broader Altia Project is also gaining momentum with drilling expected to be carried out this Quarter.

If you have any questions, please call the Company's Share Registry, Computershare Investor Services Pty Limited, on 1300 361 260 or +61 3 9415 4843, Breakaway's Managing Director, Mr Victor Rajasooriar, or Company Secretary, Mr Simon Storm, on +61 8 9278 6444 or email admin@breakawayresources.com.au, or consult your financial or professional adviser.

We encourage you to participate in the SPP during this exciting period for the Company and, if you have already subscribed for shares under the SPP, we thank you for your continued support.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Atkins', written in a cursive style.

John Atkins
Chairman