



BREAKAWAY
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OPTION TO PURCHASE MINERAL TENEMENTS – YILIMA AREA

The Company is pleased to announce the execution of an agreement securing an option to purchase a number of tenements in the Yilima area from Royce William Allen (“the Vendor”). The tenements are located to the immediate west of the Company’s Kambalda West project area incorporating the Spargoville and Spargos Reward areas.

The Allen option secures approximately 9 strike kilometres of Archaean greenstone 3 kilometres west of the Company’s existing Spargoville tenements. The tenements cover a sequence of sediments and ultramafic rocks that have not been subjected to modern exploration. Breakaway believes the ultramafic sequences to be prospective for nickel sulphide mineralisation.

Previous exploration work by Selcast Exploration Limited in the 1970’s identified the 4A nickel sulphide prospect within the tenement package. Work completed by Selcast included mapping, rock chip sampling that returned anomalous nickel and copper geochemistry and limited drilling. No results from the drilling are available.

Breakaway intends to commence detailed exploration of the area in conjunction with the program commenced at the Kambalda West area.

Breakaway will acquire a 100% interest in Exploration Licenses 15/642–643, Prospecting Licenses 15/4248-4249 and Prospecting Licenses 15/4299-4300 on the following terms:

1. The Vendor grants the Company an option to acquire the tenements for a period of two (2) years from 22 April 2003.
2. Breakaway can exercise the Option at any time during the Option Period subject to having completed a minimum expenditure of \$60,000.
3. Breakaway may withdraw from the agreement at any time by written notice to the Vendor after completing a minimum expenditure on the tenements of \$30,000.

4. Upon meeting the minimum expenditure referred to in clause 2, Breakaway can exercise the Option to purchase by the payment of \$35,000 by way of cash or fully paid shares in Breakaway. If the Vendor elects not to receive cash, Breakaway shall issue to the Vendor fully paid ordinary shares in Breakaway to the value of \$35,000 (based on the weighted average market price on the five (5) previous trading days prior to the date of the notice by Breakaway to the Vendor). The issued shares will rank equally with the existing ordinary shares in Breakaway and be tradable on the Australian Stock Exchange subject to the Listing Rules of the Australian Stock Exchange.
5. In addition, from the commencement of mining under a Notice of Intent lodged in accordance with the Mining Act with respect to the tenements, the Vendor will be entitled paid a royalty equal to the aggregate of:
 - (a) 1.5% of the Net Smelter Return of any nickel metal produced, and
 - (b) 1.5% of the Net Smelter Return of any cobalt metal produced; and
 - (c) 2.0% of the monetary value of any recovered gold, payable in Australian dollars quarterly.

Yours faithfully



MICHAEL MULRONEY
Managing Director