



Bannockburn Nickel Joint Venture Restructured

6 May 2005

Breakaway Resources Limited (ASX: BRW) ("Breakaway") has continued its business strategy to streamline its precious and base metals activities by executing a Heads of Agreement with Jubilee Mines NL ("Jubilee") to restructure the Bannockburn Nickel and Base Metal Joint Venture ("BNJV") some 70 kilometres north west of Leonora in Western Australia.

Following settlement, the BNJV will be dissolved and the BNJV's 350 square kilometres of tenements will be split into two separately owned packages (see Figure 1):

- the Gold Tenements (130 square kilometres)
- the Nickel Tenements (220 square kilometres)

Breakaway will have 100% ownership of the Gold Tenements which include the existing 489,000 ounce gold resource at Bannockburn, the plant and infrastructure together with 18 strike kilometres of the major Bannockburn Shear Zone. Breakaway will also receive \$305,317.11 in cash.

This Agreement builds on the Company's recent securing of the 100% ownership of the Miranda Nickel Project and means Breakaway can now control its own destiny.

Breakaway's simplified asset structure now comprises:

- 100% ownership of Kambalda West Nickel tenements
- 100% of the Eloise Regional exploration tenements
- 100% of the Miranda Nickel Project
- 100% of the enlarged Bannockburn Gold Project
- A contingent 30% net profit interest in the Eloise Copper Mine

Breakaway and its advisers continue to evaluate further opportunities to meet the Company's stated objective of unlocking the inherent potential of the Company's asset base.

Yours faithfully

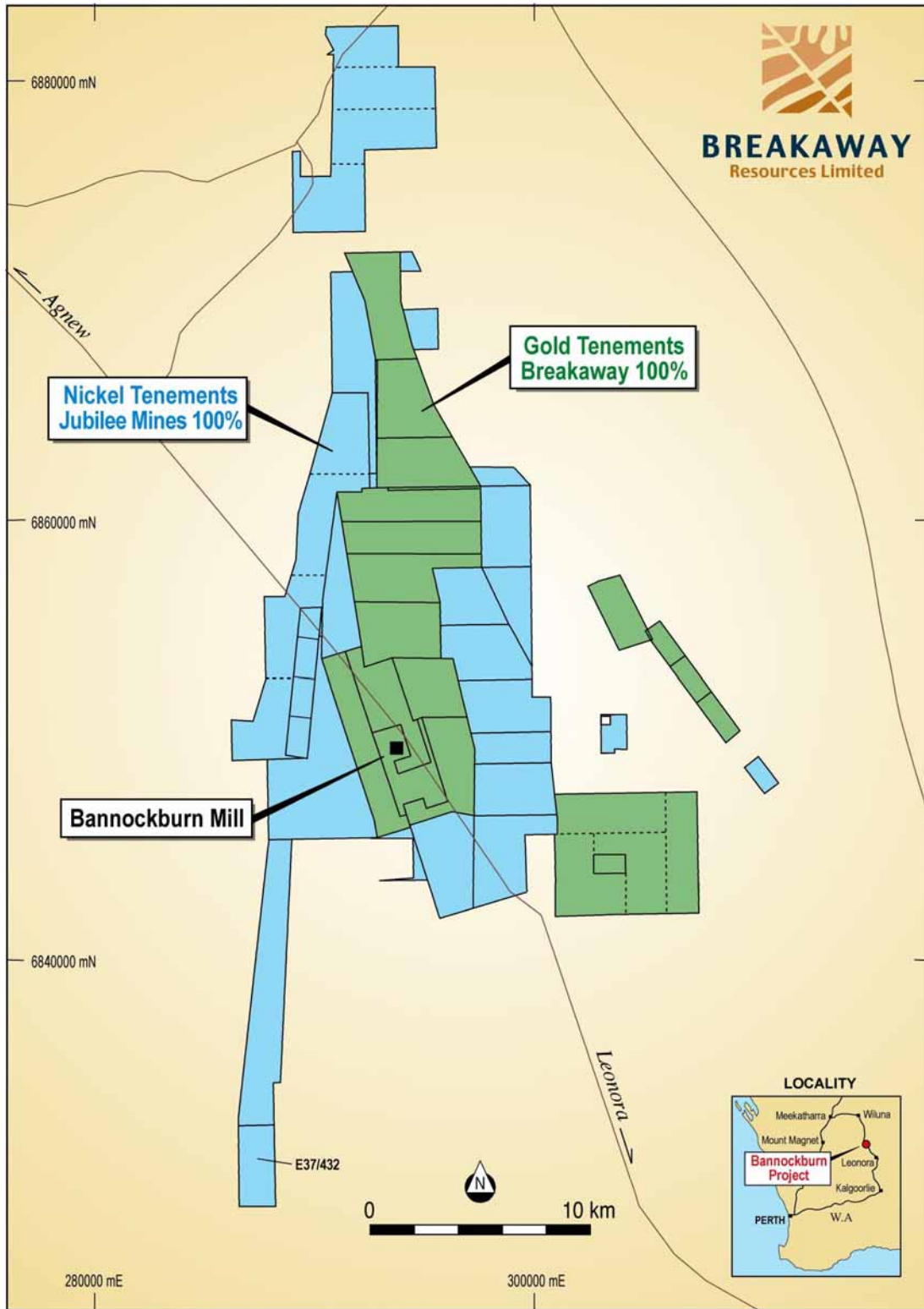
A handwritten signature in black ink, appearing to read 'Michael Mulroney', with a horizontal line underneath.

MICHAEL MULRONEY
Managing Director

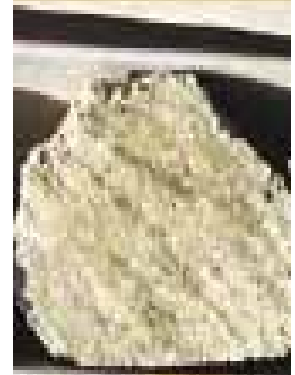
For further information regarding the Company or this announcement please contact Michael Mulroney on +61 (08) 9278 6444.



Figure 1



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