



\$2 MILLION CAPITAL RAISING

9 December 2004

The Board of Breakaway Resources Limited (ASX: BRW) is pleased to advise that it has undertaken a placement of 52,631,578 new shares at an issue price of \$0.038 each to raise \$2.0 million.

The placement has been made by way of a disclosure document (transaction specific prospectus) which was lodged with ASIC on 9 December 2004.

The funds raised will be used for:

- ❖ Continued nickel exploration at Kambalda West Project including resource extension drilling at Spargoville and first phase drilling at Kemble and Spargos Reward;
- ❖ Resource extension drilling as part of the Bannockburn Gold Project scoping study;
- ❖ Breakaway's 30% equity in the Bannockburn Nickel and Base Metal Joint Venture with Jubilee Mines NL;
- ❖ Ongoing participation in the Miranda Joint Venture with 60% Joint Venture partner Gold Fields subsidiary Agnew Gold Mining Company Pty Ltd;
- ❖ Planned geophysical programs on selected targets at Eloise in Queensland; and
- ❖ Additional working capital requirements.

The placement shares are expected to be issued on or around 21 December 2004 and will rank *pari passu* with all other ordinary shares on issue.

The placement has been managed by Siafu Securities Pty Ltd.

This announcement lifts the trading halt on the Company's securities.

Yours faithfully

MICHAEL MULRONEY

Managing Director

For further information regarding the Company or this announcement please contact Michael Mulroney on +61 (08) 9315 6444.