

Breakaway secures 100% of WA nickel project in Gold Fields asset agreement

31 March 2005

- ❖ Breakaway takes 100% control of **Miranda** nickel project - one of the most prospective, untested nickel plays in Australia.
- ❖ Miranda is on strike and immediately abuts Jubilee Mines NL's Cosmos, Anomaly 4 and Prospero nickel holdings.
- ❖ Cosmos ultramafic sequences extend southwards into Breakaway's Miranda project – confirmed by high resolution, low level airborne magnetic data.
- ❖ Breakaway will now commence the first focussed nickel exploration program on the Miranda Project.
- ❖ Miranda agreement represents the first step of Breakaway's strategic plan to unlock the inherent potential in its asset portfolio – and emerge with a major growth platform built principally around nickel and base metals.

Breakaway Resources Limited (ASX: BRW) ("Breakaway") has executed a Heads of Agreement with gold group, Gold Fields Limited ("Gold Fields") to restructure the Miranda and Vivien Joint Ventures in the Leinster area of Western Australia.

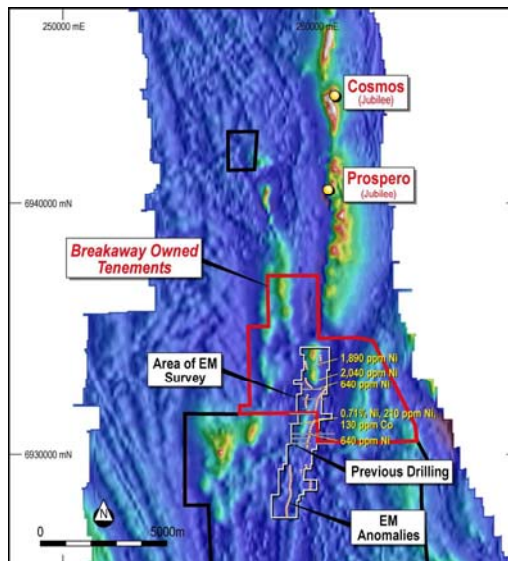
The restructure will result in Breakaway securing a 100% interest (from 40% previously) in the base metal rights over all Miranda and Vivien Joint Venture tenements, including 100% title to four highly prospective nickel tenements at Miranda North ("the Miranda Project").

Miranda North - which covers an area of approximately 27 square kilometres – is located just three kilometres south of Jubilee Mines NL's (ASX:JBM) emerging Prospero and Anomaly 4 nickel prospects.

As consideration, Gold Fields will receive a 100% interest in the precious metal rights over the Miranda Project area.

The restructure allows Breakaway and Gold Fields to focus on their strengths, being base metals and gold respectively.

Miranda North Project Area



Exploration History

Gold Fields' active strategic gold focus (as Operator of the Miranda Joint Venture) has resulted in no new base metal exploration being conducted on the tenements since 1998.

The Miranda area has long been recognised as being highly prospective for nickel. Further evidence that an extensive nickel sulphide system exists in this region includes:

- ❖ The emergence of the Cosmos nickel sulphide system.
 - In late 2004, Jubilee discovered massive nickel sulphides at its Anomaly 4 and Prospero prospects.
 - Jubilee has since had significant follow-up drilling success.
- ❖ The presence of other highly prospective nickel sulphide exploration targets in the Pinnacles, Summit, Leinster Downs and Agnew areas.
- ❖ The re-assessment of previous reconnaissance exploration data indicating the presence of anomalous nickel (to 0.7%) and copper values in the vertical RAB drill holes. The locations of these anomalous zones are consistent with the position of the Cosmos ultramafic horizon.
- ❖ A follow-up reconnaissance ground MLEM survey from the 1998 airborne magnetic data, identified 10 conductors with at least two anomalies positioned on the ultramafic sequences.

Breakaway believes these ultramafic sequences strike south into the four retained tenements in the Miranda North area.

The restructure agreement will now allow Breakaway to commence the first focussed nickel exploration program on the Miranda Project.

Future Direction

As foreshadowed in the December 2004 quarterly report, Breakaway and its advisers continue to evaluate opportunities to unlock the inherent potential of the Company's asset base. This Agreement is the first step of a strategic plan to achieve this objective.

Yours faithfully



MICHAEL MULRONEY
Managing Director

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



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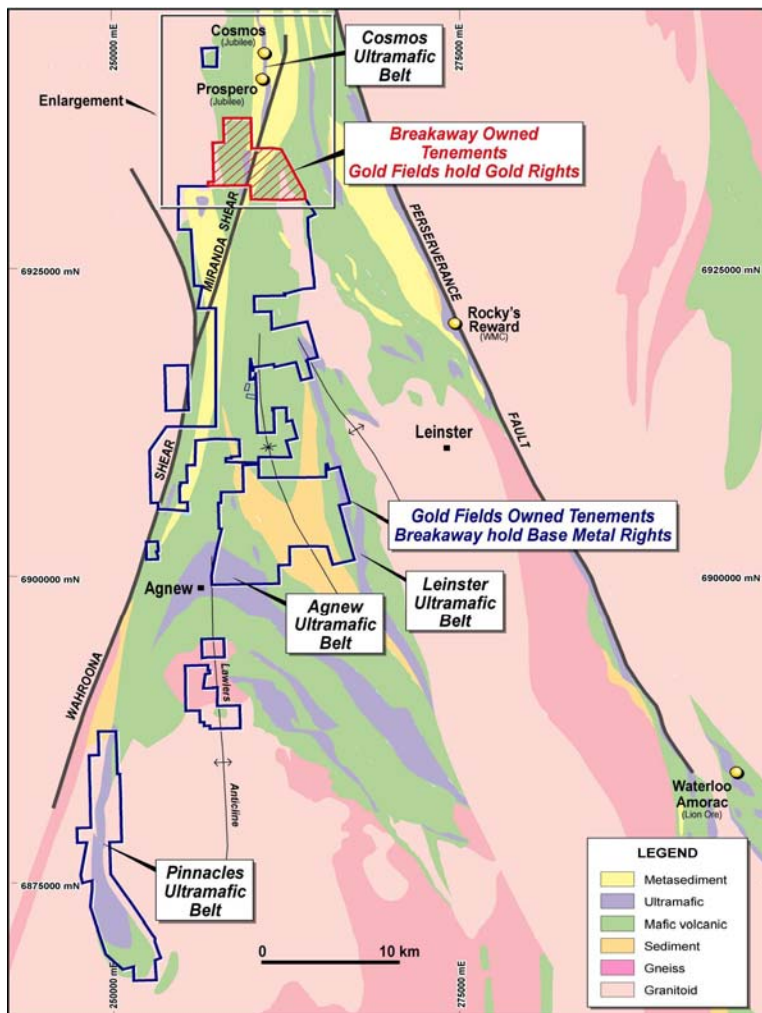
Appendix A: Restructure Details and Regional Map

Under the agreed restructure:

1. Gold Fields will assume 100% ownership of the Miranda and Vivien Joint Venture tenements with Breakaway retaining a 100% interest in the base metal rights on these tenements.
2. However, the M36/123, M36/166, M36/167 and M36/168 blocks ("the Excluded Tenements") within the Miranda North area, will be retained 100% by Breakaway.
3. Gold Fields retains a 100% interest in the precious metal rights in the four Excluded Tenements;
4. Gold Fields will be entitled to a 2% Net Smelter Return royalty on any base metal production from all tenements; and
5. Each party is obliged to contribute 20% of the statutory rents and rates on their non-owned tenements.

The restructure is subject to the completion of final documentation, and any required statutory approvals.

Regional Map



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