



20 February 2009

COMPANY UPDATE – MANAGEMENT RESTRUCTURE

Further to recent announcements, the Board of Breakaway Resources Limited (ASX: **BRW** – “Breakaway”) advises that it has decided to restructure the Company’s senior executive management in response to the prevailing difficult economic circumstances and consistent with the re-focused exploration strategy foreshadowed in the December Quarterly Report.

Mr Peter Buck will step down as the Company’s Managing Director and CEO effective from 20 February. **Mr David Hutton**, who currently holds the position of Exploration Manager, has accepted the position of CEO to lead the implementation of targeted exploration programmes at Breakaway’s higher priority nickel projects in the Northeastern Goldfields and pursue other opportunities for the Company.

Mr Buck will maintain an ongoing involvement with the Company as an independent specialist advisor, providing strategic and technical advice to assist in the implementation of the exploration strategy and to ensure a smooth transition for Mr Hutton, with whom he has worked closely for the past 15 years. All parties are looking forward to a continuing association.

“As outlined to the market in recent months, Breakaway is very focused on managing and reducing its costs during this difficult period in the commodities cycle,” said Breakaway’s Chairman, Mr John Atkins.

“After taking into consideration the Company’s requirements in terms of implementing the focused exploration strategy which has been developed for our core nickel assets over the next 12 months, the Board has decided to tailor key management roles accordingly.

“In light of this, we are pleased to announce David Hutton’s new appointment, after serving as Breakaway’s Exploration Manager over the past three years. Peter Buck will continue to provide his invaluable experience to the Company in an ongoing capacity as independent specialist advisor – an arrangement which the Board believes to be in the best interests of shareholders.”

Mr Hutton has spent 18 years working in exploration and mining throughout Australia. Before taking up the position of Exploration Manager with Breakaway, he held a number of senior exploration roles with Forrestania Gold, Western Metals and LionOre Australia where he was mainly involved in gold and base metal exploration throughout the WA Goldfields and Kimberley regions. Prior to that, he spent seven years with the MIM Group both in underground mining and exploration roles.

In thanking Mr Buck for his significant contribution to Breakaway, initially as a non-executive Director and, since 2006, as Managing Director, Mr Atkins said: “Since the acquisition of LionOre’s nickel exploration portfolio in 2006, Peter has worked tirelessly to build a high quality team and to significantly enhance the value and growth potential of our 100%-owned nickel and base metal projects. In this period, the Company has enjoyed considerable exploration success, with the delineation of new JORC-based mineral resources at Altia in Queensland and at the Horn, Western Australia. “Also new extensions of nickel mineralisation were discovered at the 1A and Andrews Deposits and at the Saints prospect area in Western Australia.”



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“More recently, Peter has shown strong leadership in responding swiftly and effectively to the global financial crisis, ensuring that the Company is well placed to survive the current difficult environment,” he added. “We look forward to his ongoing contribution to the Company’s strategic development as an independent advisor and we wish him well for the future in his other endeavours.”

Breakaway has recently completed a review of its assets and opportunities, resulting in the development of cost effective exploration, corporate and asset rationalisation strategies. This approach is based on the Company’s core strengths in nickel exploration and high quality exploration portfolio in the Leinster-Mt Keith region of Western Australia – one of the world’s premier nickel belts.

“Breakaway’s exploration portfolio has outstanding potential and all the ingredients required to underpin the Company’s future growth and development, subject to exploration success,” Mr Atkins said. “The Board is confident that, under David Hutton’s leadership, our team is well placed to move forward with focused and diligent exploration programmes to add value to the Company.

“David has a strong and successful track record as an explorer, having been involved with near-surface gold discoveries in the Northeastern Goldfields which led directly to the discovery of the world-class 2 million ounce Thunderbox deposit, which remains one of the last major gold discoveries in Western Australia in the past decade.”

A further announcement will be made in the near future regarding the 2009 exploration programme and forward strategy.

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