



## Successful Capital Raising Strengthens Breakaway's Cash Position

- **Share Purchase Plan and subsequent Placement raises \$3.8M - increases cash reserves to \$5.0 million (before costs)**

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Breakaway Resources Limited (ASX:BRW) is pleased to advise that it has successfully completed a **\$3.8M Capital Raising**, with \$3.3M (before costs) raised through a **Share Purchase Plan** ("SPP"), and subsequent **Placement** raising \$0.5M (before costs). Upon completion, an additional 51.83 million shares will be issued, bringing Breakaway's total issued capital to 291.1 million shares.

Breakaway was seeking to raise up to \$3.5 million (before costs) through a SPP, underwritten to \$2.5 million by Patersons Securities Ltd with one of the Company's major strategic shareholders, FMR Investments Pty Ltd, sub-underwriting the SPP to the extent of \$1.5 million (see *ASX Announcement - 19 November 2010*).

The SPP raised \$3.3M and given its strong support, the Board of Directors elected to make a subsequent Placement to a number of existing major shareholders and sophisticated investors eligible under s.708 of the Corporations Act (2001) at the same SPP issue price of **7.4 cents** per share.

The newly issued shares are expected to be allotted on Monday 20 December 2010 under Breakaway's existing code – "BRW". Holding statements in respect of the new shares will be dispatched to shareholders on Tuesday 21 December 2010.

This fundraising increases Breakaway's cash position to approximately \$5.0 million before costs (*based on cash position at 30 November 2010*), which will be used to underpin:

- Geophysical surveying and RC / diamond drilling of Phase 2 nickel targets at its Wildara Project Group and Miranda Project, Leinster District Western Australia (see *ASX Announcement – 6 December 2010*); and
- Commencement of a new copper exploration initiative at its 100% – owned Eloise Exploration Project, Cloncurry District Queensland (see *ASX Announcement – 30 November 2010*).

Breakaway's Board would like to thank shareholders who participated in the Capital Raising for their ongoing support and the Company looks forward to a successful 2011.

**ENDS**

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**For Further Information Contact:****Mr David Hutton, Managing Director**

Mobile: 0417 974 843  
Business: (08) 9278 6444

**Mr John Atkins, Chairman**

Mobile: 0419 767 573  
Business: (08) 9323 8563

**Breakaway Resources Limited**

ABN 16 061 595 051  
Level 2, 23 Ventnor Avenue  
West Perth WA 6005

P/ (08) 9278 6444  
F/ (08) 9278 6449  
E/ [admin@breakawayresources.com.au](mailto:admin@breakawayresources.com.au)  
W/ [www.breakawayresources.com.au](http://www.breakawayresources.com.au)

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**About Breakaway Resources Limited:**

Breakaway Resources aims to become one of Australia's leading mining and exploration companies with exploration focussed at our priority Wildara and Miranda Projects within the Leinster district of the North Eastern Goldfields of Western Australia; an area we believe offers the most attractive opportunities for future success.

Our objectives are the discovery and development of a high-quality stand alone nickel sulphide deposit and maximisation of shareholder wealth for non-priority assets.