

21 July 2014

The Manager
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

RIGHTS ISSUE OFFER TO RAISE APPROXIMATELY \$0.24 MILLION

The directors of Outback Metals Limited (ASX:OUM) are pleased to announce a pro rata non-renounceable rights issue to Shareholders of 1 New Share with a First Option, and a free Second Option if the First Option is exercised, for every Existing Share held at the Record Date of 25 July 2014, at an issue price of \$0.001 per New Share, to raise up to approximately \$0.241 million. Each First Option will be exercisable at \$0.001 per share and will expire on 31 July 2015. If a First Option is exercised before it expires on 31 July 2015 the option holder will receive 1 New Share and 1 Second Option. The Second Option will be exercisable at \$0.0012 per share and will expire on 31 December 2017.

Shareholders who subscribe for their full Entitlement under the Rights Issue will have the opportunity to subscribe for up to an additional 250,000 Shares each on the same terms as the Shares subscribed under the Rights Issue. The total number of Shares subscribed for under the Rights Issue plus subscriptions accepted for any additional Shares cannot exceed 240,807,247 Shares.

South Cove Limited (SCL) has agreed, conditionally, to underwrite the Rights Issue if valid applications for not less than 50,000,000 Shares (Minimum Subscription) in the Rights Issue are received from Shareholders other than SCL or either of its associates, Territory Development Corporation Pty Limited (TDC) and Graham Maxwell Chrisp. SCL has also agreed, conditionally, that if the Minimum Subscription is not received, it will lend OUM the shortfall in the Rights Issue by way of a Convertible Note.

The Underwriting Agreement and Convertible Note are each conditional, by way of condition precedent, on OUM shareholders, other than SCL, TDC or any of their associates, passing a resolution at a General Meeting to be held on 1 September 2014 to approve the acquisition by SCL, TDC and Graham Maxwell Chrisp of a relevant interest in all Shares pursuant to the Underwriting Agreement, Convertible Note and exercise of both the First and Second Options. The Notice of Meeting and associated Explanatory Memorandum concerning the resolution will be separately despatched to Shareholders.

The net proceeds received from the Rights Issue will be principally used to provide funding for:

- progressing ongoing tungsten, tin, gold and copper projects in respect of newly-outlined potentially large targets on OUM's wholly owned Mt Wells, Mt Wells South, Maranboy, Mt Diamond and Yeuralba projects in the Northern Territory; and/or

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- continuing corporate discussions with parties interested in involvement in OUM's projects and/or the Company; and/or
- investigation and following up additional business opportunities for the Company, including further discussions and negotiations regarding investment with OUM and investigating additional business opportunities for OUM; and/or
- contributing to ongoing working capital requirements.

The anticipated timetable for the Rights Issue is as follows:

EVENT	DESCRIPTION	DATE
Announcement date and lodgment of Appendix 3B with ASX	The Offer is announced	Monday 21 July 2014
Ex date	Existing shares commence trading without the entitlement to participate in the Offer	Wednesday 23 July 2014
Record date	The date for determining entitlements to new shares under the Offer	Friday 25 July 2014
Offer document despatch date	Offer documents lodged with ASX and despatched to Eligible Shareholders. Rights Issue opens for acceptances	Wednesday 30 July 2014
Closing date	The last day for receipt of acceptance forms	Monday 1 September 2014
Deferred settlement	Shares quoted on a deferred settlement basis	Tuesday 2 September 2014
Shortfall Notification Date	ASX is notified of any shortfall	Thursday 4 September 2014
Issue date	Allotment of New Shares and deferred settlement ends	Monday 8 September 2014
Holding statement despatch date	Holding statements despatched to participating shareholders	Monday 8 September 2014
Normal trading start date	Normal trading of new shares issued under the Offer commences on ASX	Tuesday 9 September 2014

This timetable is indicative only and is subject to change at the discretion of the directors. The directors also reserve the right not to proceed with the whole or part of the Offer at any time prior to allotment. In that event, application monies will be returned without interest.

Full details of the terms and condition of the Rights Issue will be contained in the Offer Document and Prospectus to be lodged with the ASX and to be despatched to Eligible Shareholders in accordance with the timetable set out above.

An Appendix 3B statement in respect of the Rights Issue is attached to this announcement.

Regards



Graham Chrisp
Executive Chairman