

OUTBACK METALS LIMITED

ACN 126 797 573

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NON-RENOUNCEABLE RIGHTS ISSUE CLEANSING NOTICE

Section 708AA(2)(f) of the Corporations Act 2001 (Cth)

31 July 2014

OUTBACK METALS LIMITED ACN 74 126 797 573 (**Company**) has announced that it proposes to make a non-renounceable rights issue (including applications for oversubscriptions) to Shareholders who are registered at 7:00 pm Sydney local time on 25 July 2014 (**Record Date**) of 240,807,247 fully paid ordinary shares in the capital of the Company (**New Shares**) at an issue price of \$0.001 each to raise approximately \$0.241 million (before expenses of the issue) (**Rights Issue**). The New Shares will be offered on the basis of 1 New Share (with one free option for each New Share taken up) for every existing share held.

An Offer Document will be dispatched to all Eligible Shareholders together with an Entitlement and Acceptance Form on 1 August 2014.

Pursuant to section 708AA (2)(f) of the *Corporations Act 2001* (Cth)(**Act**), the Company hereby states:

1. The Company will offer the New Shares for the issue without disclosure to investors under Part 6D.2 of the Act.
2. The Company is providing this notice under section 708AA(2)(f) of the Act.
3. As at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (b) section 674 of the Act.
4. As at the date of this notice there is no information:
 - (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (b) that investors and their professional advisers would reasonable require for the purpose of making an informed assessment of:

- (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
- (ii) the rights and liabilities attaching to the Shares.

5. The potential effect the Rights Issue will have on the control of the Company is:

- (a) as the Rights Issue is a pro-rata issue, if all Shareholders take up their entitlement, there will be no change in control; and
- (b) as the Rights Issue is conditionally underwritten by South Cove Limited ('SCL') a company associated with OUM's Chairman Mr Graham Chrisp and also associated with OUM major shareholder Territory Development Corporation Pty Ltd ('TDC'), with the issue of a Convertible Note being probable if the underwriting does not proceed, if Shareholders do not take up their full entitlement and either, the impact on control is potentially represented in the table below:

Acceptance by Other Shareholders	Interests of Other Shareholders	Shareholding of SCL and TDC (%)*
100%	35.1	64.9
80%	31.6	68.4
60%	28.1	71.9
40%	24.5	75.5
20%	21.0	79.0
0%	17.5	82.5

(*Does not include shareholdings as a result of conversion of options, oversubscriptions, underwriting fees or interest or the Convertible Note currently held by SCL and assumes the shortfall is fully underwritten by SCL. 'Other Shareholders' means OUM shareholders other than SCL and TDC. Figures are approximate).

Yours faithfully



Nick Harding
Company Secretary