

4 September 2014

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

Dear Sir

NON-RENOUNCEABLE RIGHTS ISSUE SHORTFALL

On 21 July 2014, Outback Metals Limited (**OUM** or the **Company**) announced a pro rata non-renounceable rights issue (**Rights Issue**) of 1 New Share with a free First Option, and a free Second Option if the First Option is exercised, for every Existing Share held on the Record Date of 25 July 2014 at an issue price of \$0.001 per new share.

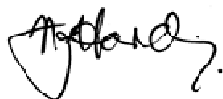
This notice is given in accordance with Appendix 7A of the ASX Listing Rules.

OUM advises that the Rights Issue of 240,807,247 shares was undersubscribed by 219,491,748 shares (**Shortfall Shares**).

South Cove Limited (SCL) agreed to underwrite the Rights Issue if valid applications for not less than 50,000,000 shares were received from shareholders other than SCL or Territory Development Corporation Pty Limited (TDC) or any of their Associates (the minimum subscription). SCL also agreed that if the minimum subscription was not received then SCL would lend OUM the shortfall in the Rights Issue by way of a Convertible Note.

As the minimum subscription has not been received, the Company will now enter into the convertible note agreement with SCL, a copy of which was sent to shareholders with the notice of the General Meeting held on 1 September 2014.

Yours faithfully



Nick Harding
Company Secretary

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