

15 September 2014

General Manager
ASX Company Announcements Office
Australian Securities Exchange

CONVERTIBLE NOTE

Following completion of the Rights Issue announced to the market on 8 September 2014, the directors of Outback Metals Limited (**OUM** or the **Company**) are pleased to advise that the Company has entered into an unsecured loan arrangement with South Cove Limited (**SCL**) in the form of a Convertible Note to provide funds to the value of \$219,491 (**Principal**), representing the shortfall under the Rights Issue, to be used in funding the Company's continuing exploration activities in addition to meeting ongoing working capital requirements.

Details of the Convertible Note were contained in the Underwriting Agreement to the Rights Issue signed on 21 July 2014 between OUM and SCL and included in the Notice of Meeting to a General Meeting of Shareholders held on 1 September 2014 provided to shareholders and approved at that meeting. In summary, the Principal amount is provided by SCL at an interest rate of 9% per annum accruing daily with a maturity date of 31 July 2015 and with a conversion option of the loan and accrued interest into OUM shares at an issue price of \$0.001 per share with a free First Option to subscribe for shares each with a free Second Option, being the same terms as those offered to shareholders under the recently completed Rights Issue.

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