

6 November 2014

The Manager
Companies Announcements Office
Australian Stock Exchange
20 Bridge Street
Sydney, New South Wales 2000

Dear Sir

Outback Metals Re-arranges its Financial Obligations

1. New Financing Agreement and New Convertible Note

Outback Metals Ltd (OUM, the Company) is pleased to advise it has re-arranged its financial obligations to OUM's major shareholder South Cove limited (SCL) by entering into a Financing Agreement (FA) and associated Convertible Note. This Convertible Note (CN#3) has a face value of \$1,183,195. (In addition to this, an amount of \$222,269 is owing to SCL by OUM under a separate convertible note (CN#2) entered into in September 2014).

Under the terms of CN#3, (which is subject to conditions, and to OUM shareholder approval at the Company's upcoming Annual General Meeting), SCL will extend the term for repayment of its loans (including loans from the previous Convertible Note subscribed for by SCL in December 2013 (CN#1) and other amounts owing) until 30 April 2015 – an extension of four months from the original terms of CN#1. (CN#1 was terminated as a result of the suspension of the Company from the ASX).

CN#3 has similar subscription terms (including the same conversion conditions) as the shares offered to all shareholders in the last Rights Issue in July 2014 and the Convertible Note that was entered into by the Company and SCL on completion of the 2014 Rights Issue (CN#2).

Both CN#3 and CN#2 have an exercise price of \$0.001/share and include free First and Second Options. The interest rate on CN#3 varies between 5% and 9% (whereas the interest rate on CN#2 is 9%).

2. Offer by SCL to buy OUM's assets

At the request of the Company, SCL has made an offer (subject to conditions, and to shareholder approval at OUM's coming Annual General Meeting) to the Company to purchase all of the assets of OUM (excluding cash-like assets up to a total of \$100,000) in exchange for all of the SCL loans due by the Company.

The offer can only be accepted if SCL demands repayment of any of its loans. The offer does not prevent SCL from exercising its rights under CN#2 and CN#3 before the offer is accepted by OUM directors.

There is no obligation for the directors of the Company to accept the offer. The offer expires on 30 April 2015.

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3. Finalisation of OUM's annual accounts and relisting on ASX

Copies of the above documents have been forwarded to OUM's auditors in anticipation of the finalisation of the Company's accounts for the year ending 30 June 2014 and relisting of the Company on the ASX as soon as possible.

4. Annual General Meeting

Documents are now being prepared for the Company's Annual General Meeting (AGM), including an Independent Expert's Report on the above transactions, with a target date to hold the AGM before the end of 2014.

Yours faithfully



Nick Harding
Company Secretary