



**outback**metals

**OUTBACK METALS LIMITED**

(ASX: OUM)

1 March 2010

## **ASX Announcement**

### **NON-RENOUNCEABLE RIGHTS ISSUE**

#### **Notice under section 708AA(2)(f) of the *Corporations Act 2001 (Cth)***

Outback Metals Limited (OUM or the Company) has announced a non-renounceable rights issue of 1 new share for every 1 existing share held by shareholders with a registered address in Australia or New Zealand as at 7:00pm Melbourne time on 9 March 2010 (the **Offer**). OUM advises that:

- (a) the new shares will be offered for issue without disclosure to investors under Part 6D.2 of the *Corporations Act 2001 (Cth)* (the **Act**);
- (b) this notice is being given under section 708AA(2)(f) of the Act;
- (d) as at the date of this notice, OUM has complied with:
  - (i) the provisions of Chapter 2M of the Act as they apply to OUM; and
  - (ii) section 674 of the Act;
- (e) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act; and
- (f) the potential effect that the issue of the new shares will have on the control of OUM, and the consequences of that effect, will depend on a number of factors including:
  - (i) the level of shareholder participation (including both the taking up of entitlements and applications for additional shares); and
  - (ii) which shareholders participate.

If every shareholder was to take up their full entitlement, there would be no effect on the control of OUM, as the Offer is made pro-rata and in that case there would not be any scope for any shareholder to apply for additional new shares under the Offer.

If some eligible shareholders do not take up all of their entitlement under the Offer, then the shareholding interests of those eligible shareholders in the Company will be diluted.

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The proportional interests of overseas shareholders excluded from the Offer may be diluted because such shareholders are not entitled to participate in the Offer.

Although the issue of New Shares to the existing substantial shareholders (persons who have a relevant interest in 5% or more of the Company) may increase the shareholding interests of those persons in the Company, these arrangements are not expected to have any material effect on the control of the Company.

The current relevant interests of the substantial shareholders of the Company are as follows:

<b>SUBSTANTIAL SHAREHOLDERS</b>		
<b>Name</b>	<b>Current Holdings</b>	<b>%</b>
TERRITORY DEVELOPMENT CORPORATION PTY LTD	73,252,250	44
MR GRAHAM CHRISP	26,747,750	16

An analysis of the potential changes in control of the Company has been undertaken to indicate the effect on the total relevant interests of the substantial shareholders should they take up their entitlement in full under the Offer.

The table below shows the shareholder interests of the current substantial shareholders if the substantial shareholders take up all of their entitlements and other shareholders take up their entitlements in the manner set out below:

<b>Substantial Shareholder</b>	<b>% of total shares before Offer</b>	<b>% of total shares after Offer</b>			
		<b>Take up of entitlements by eligible shareholders (other than the substantial shareholder)</b>			
<b>Name</b>		<b>100%</b>	<b>75%</b>	<b>50%</b>	<b>0%</b>
TERRITORY DEVELOPMENT CORPORATION PTY LTD	44	44	47	51	61
MR GRAHAM CHRISP	16	16	18	20	28

Yours sincerely

**Sophie Karzis**

Company secretary