ANNUAL REPORT 2010

Corporate Directory

Outback Metals Limited
ACN 126 797 573
ABN 74 126 797 573

Directors

Graham Chrisp	Executive Chairman
Jason Chrisp	Non-Executive Director
Benjamin Chrisp	Non-Executive Director
Geoffrey Hill	Non-Executive Director

Company Secretary

Nick Harding

Registered and Principal Address

3 Keys Court
Hove, South Australia, 5048

Telephone +61 8 8296 0707
Facsimile +61 8 8296 0266

Solicitor

Aleco Vrisakis
1359 Glen Alice Road
Rylstone, NSW, 2849

Telephone +61 2 6379 0750
Facsimile +61 2 6379 0751

Share Registry

Registries Limited
Level 7, 207 Kent Street
Sydney, NSW, 2000

Telephone +61 2 9290 9600
Facsimile +61 2 9279 0664

Auditor

Grant Thornton NSW Partnership
Level 17, 383 Kent Street
Sydney, NSW, 2000

Telephone +61 2 8297 2570
Facsimile +61 2 9299 4445

Website

www.outbackmetals.com.au

Chairman's Letter to Shareholders

I believe your company is on the cusp of achieving substantial progress in the exploration of its mineral projects. After a period of some corporate unrest in recent times, the company is moving forward with a strong technical focus supported by our technical advisors & its directors.

Outback's main projects are the Wingate's Gold Project, the advanced Mt Wells tin / copper project, the Maranboy tin project but OUM also has a number of exploration targets that have been generated in recent times that are worthy of investigation.

Both the gold price (currently around US$1,350/ounce) and the tin price (around US$26,500/tonne) are at record highs, the copper price is near historic highs and London Metal Exchange stocks are relatively low.

Outback is well positioned to take advantage of these commodity prices with its focus on its 100% owned gold, tin and copper projects.

The Board of Directors of Outback Metals aim to capitalise on your Company's projects by prioritising the exploration of the Wingate's Gold Projects and the Mt Wells tin copper projects; numerous other projects of possible technical merit are now being followed up.

Rare earth elements are also being investigated in the Wingate's project area. While the economics of the rare earth components has presently not been fully established, further work may be warranted.

Outback intends raising further funds in the coming year to build on the exploration results of the programmes conducted over the last year.

The Board thanks shareholders and our dedicated team of professionals for their support for the company, and aims to achieve substantial progress and successes in the coming year.

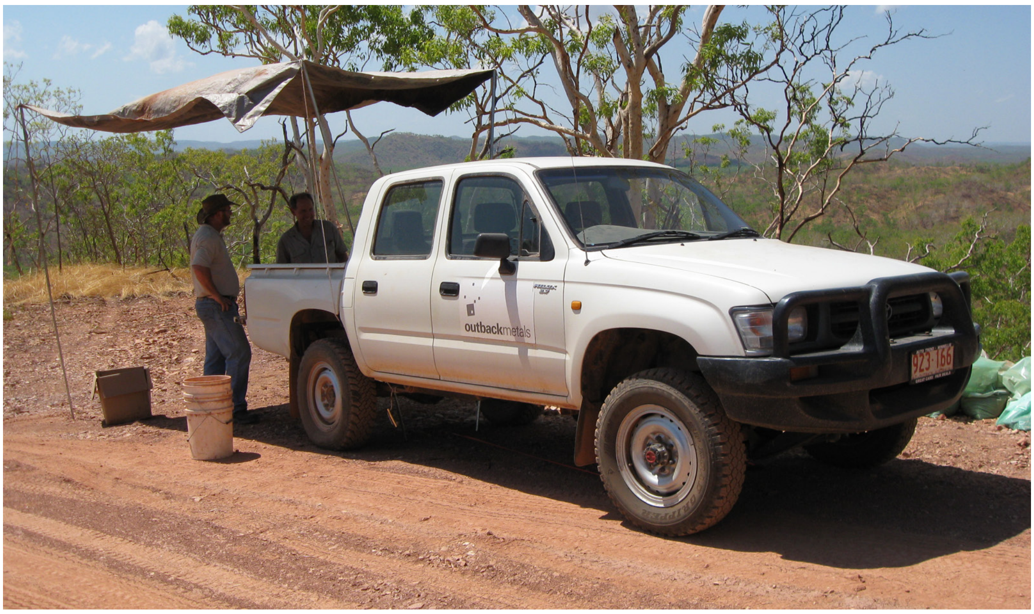
Graham Chrisp
Executive Chairman

Wingate Mountains EL 10140

As follow-up to the June 2009 field appraisal of the Terry's group of prospects (now called the Wingates Gold Project), a large area to the north west of Terry's "A" Prospect was tested by the collection of about 340 near surface geochemical soil samples on a 25m x 25m grid. The assay results which ranged up to more than 1.1g/t Au suggested possible NNW trends or lineaments controlling the gold mineralisation. These moderately to highly anomalous zones had not been drill tested by CEC the former operators. However the results did also suggest the presence of a very large mineralised stockwork probably hosted by granophyre-porphyry rock with some acid volcanics. Due to the early commencement and late closure of the 2009-2010 west season it was not possible to carry out any field work extensions or check sampling until after 30 June 2010.

In October 2009 with helicopter assistance a silver bearing quartz reef found 40 years ago by Planet Gold was re-discovered. This was re-named "Silver Strike" by OUM staff and is located in a window of Paleoproterozoic acid volcanics (Berinka Volcanics) immediately to the south of ridges of the Chilling Sandstone which are shattered by SW trending splinter faults of the Giants Reef system. There are two main exposures of mineralised quartz reef each about 60m to 75m long and striking east to west which appear to be offset by a NNW trending fault zone. The eastern part is silver rich with assays up to 175g/t silver with minor lead to trace lead, copper, antimony and bismuth. The western part is copper and gold rich with assays up to 3.65% Cu and 0.75g/t Au. Possible extensions to the eastern and western ends of the reef are concealed by talus slides. It is proposed to carry out further prospecting and sampling for extensions and parallel lodes during the first quarter of 2010-2011.

In May-June 2010 airborne geophysical contractors Thomson Aviation carried out a detailed survey at 50m flight line spacing over the north western part of EL 10140 and the window of Paleoproterozoic rocks hosting Silver Strike. The final grids were expected after 30 June 2010 but preliminary images, particularly of the 1VD filter, showed surprising structural clarity and apparent layering in the Wangi Basics and suggested some structural control to the Terry's group of prospects.



Mount Wells Tin Project

XRF tin assay results were received from ALS for selected RC drill samples from the 2008 drill programme. A preliminary statistical analysis and comparison was made with the assay results previously reported by AMDEL and a number of discrepancies were noted. Therefore the remaining bulk samples were retrieved from Mount Wells with the objective to re-sample with a larger size fraction all apparent mineralised intervals and also foot and hanging wall zones in more detail. It was noted that:

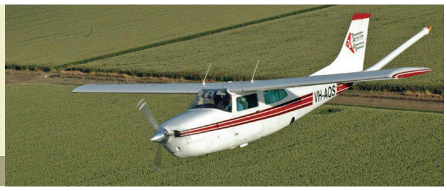
- Some drill samples assayed by AMDEL reporting in the low range were re-assayed by ALS and these reported in the range of economic significance. These samples were located in the foot and hanging wall zones of the known lodes
- Until further splits and assays are obtained, at this stage it is suspected that there is coarse cassiterite present in many samples which gives a "nugget effect" and indicates that a larger sample size is needed for the initial sample preparation and pulverising
- It is possible that the results of further assaying may improve the widths and grades of some lode intersections

Work has also continued estimating the final resource at Mt Wells using Vulcan modelling software. While this modelling has not yet been completed, indications so far are there could be an increase in tonnage with a decrease in grade.

The assessment of Mt Wills is now also to be considered as a polymetallic deposit (tin, copper, tungsten), with an expectation of increased tonnage in the deposit.

Maranboy Tin Project

Although the Jawoyn people have agreed to negotiate a Native Title agreement no progress was made in the drafting. During the year all of the historical exploration and drilling data was compiled to MapInfo and Vulcan GIS databases mainly by digitising the historic drill plans and sections. However it became evident that there were errors in the location of drill holes and the positions of the MLN boundaries. So in the first instance following the completion of entry negotiations with the NLC a contract surveyor will be engaged to accurately position these locations and then the work programme probably involving further drilling can be properly assessed.



GA AEM Data Processing And Interpretation

The 2009 Geoscience Australia airborne EM (Tempest and Geotem) surveys of the Rum Jungle, Woolner and Arnhem Land areas provided moderate to good flight line coverage of most of OUM's exploration and mining tenements.

Most of the relevant data has now been processed and interpreted at least to preliminary standards and this has resulted in the recognition of possibly significant exploration target features in the following areas:

- Mount Wells-McKinlay River ELs and MLNs/MCNs 22301, 23834 & 27062. At the Mount Wells Tin Mine area the tin bearing lodes in both the granite and the Burrell Creek Formation correspond to zones of low to very low conductivity. There are some very similar low conductivity zones to the west of Mount Wells and these may correspond to untested concealed tin mineralisation. Further to the west and east there are some moderate to strong folded conductors in the Koolpin Formation and Wildman Siltstone which may be caused by iron rich beds or by graphite rich beds hosting gold and base metal sulphides
- Wingate Mountains EL 10140. Weak to moderate flat lying conductors are located over the known gold prospects, and are possibly caused by iron and base metal sulphides
- Wingates South EL 25713. Strong to moderate conducting horizons located at the base of the Cretaceous cover profile and below. The top conductors were found to be caused by the groundwater aquifer.
- Yeuralba ELs 25904, 25979, 26017 & 26924. In the north where the Kombolgie Formation unconformably overlies the Late Paleoproterozoic Tollis Formation there are a few moderate to strong conductors which may correspond to uranium hosting graphite rich horizons; In the south there are some folded moderate strength conductors in the Tollis and Burrell Creek Formations. These may be graphite or sulphide rich horizons possibly hosting gold and some base metal mineralisation
- Darwin River ELs 25898, 25934, & 26935 and Acacia ELs 25909, 26989 & 27002. Some moderate conductors are present in the Koolpin Formation and Wildman Siltstone which may be caused by iron rich beds or by graphite rich beds hosting gold and base metal sulphides
- Douglas Hot Springs ELs 25907, 26035, 27092 & 27903. Moderate to strong conducting horizons are indicated as being present at depth in the Palaeozoic Daly-Wiso Basin sediments. These probably correspond to sandstone aquifers of the Daly River Basin
- Ranger East EL(A) 25908. Depth definition and soundings of the Mesoproterozoic (Kombolgie Formation)/Paleoproterozoic unconformity (about 450m to 500m); some moderate to strong conductors appear to be at the unconformity which may be caused by graphite rich horizons with associated uranium mineralisation; there also appears to be some indications of possible mineralised dyke features in overlying volcanics which could be similar to Westmoreland style sandstone hosted uranium mineralisation
- Daly River EL 25416 and Mount Tolmer West EL 25893. Some moderate conducting horizons on the black soil plains country on the western side of the Tolmer Plateau. These may be caused by aquifer zones in a thin cover of Palaeozoic sediments but may also be caused by Tertiary ferricrete profiles

Field ground truthing of some these targets is planned for the July-September 2010 Quarter.

Tenement schedule

Tenements held during the reporting year

Title	Situation	Owner	Ownership interest
EL27002	Acacia	Corporate Developments Pty Ltd	100%
EL26989	Acacia	Corporate Developments Pty Ltd	100%
EL25909	Acacia	Corporate Developments Pty Ltd	100%
MCN5093	Bynoe	Corporate Developments Pty Ltd	100%
MCN5092	Bynoe	Corporate Developments Pty Ltd	100%
MCN1052	Bynoe	Corporate Developments Pty Ltd	100%
EL25416	Daly River	Corporate Developments Pty Ltd	100%
EL26935	Darwin River	Corporate Developments Pty Ltd	100%
EL26934	Darwin River	Corporate Developments Pty Ltd	100%
EL25934	Darwin River	Corporate Developments Pty Ltd	100%
EL25898	Darwin River	Corporate Developments Pty Ltd	100%
EL27093	Douglas	Corporate Developments Pty Ltd	100%
EL27092	Douglas	Corporate Developments Pty Ltd	100%
EL26035	Douglas Hot Springs	Corporate Developments Pty Ltd	100%
EL25907	Douglas Hot Springs	Corporate Developments Pty Ltd	100%
MCN1369	Emerald Hill	Corporate Developments Pty Ltd	100%
MCN1366	Emerald Hill	Corporate Developments Pty Ltd	100%
EL25733	Fitzmaurice	Corporate Developments Pty Ltd	100%
MLN66	Mt Diamond	Corporate Developments Pty Ltd	100%
MLN65	Mt Diamond	Corporate Developments Pty Ltd	100%
MLN64	Mt Diamond	Corporate Developments Pty Ltd	100%
MLN63	Mt Diamond	Corporate Developments Pty Ltd	100%
MLN60	Mt Diamond	Corporate Developments Pty Ltd	100%
MLN59	Mt Diamond	Corporate Developments Pty Ltd	100%
MLN21	Mt Diamond	Corporate Developments Pty Ltd	100%
EL25893	Mt Tolmer	Corporate Developments Pty Ltd	100%
EL25889	Mt Tolmer	Corporate Developments Pty Ltd	100%
EL25908	Ranger East	Corporate Developments Pty Ltd	100%
EL27043	Wingate	Corporate Developments Pty Ltd	100%
EL27042	Wingate	Corporate Developments Pty Ltd	100%
EL27041	Wingate	Corporate Developments Pty Ltd	100%
EL27040	Wingate	Corporate Developments Pty Ltd	100%
EL26963	Wingate	Corporate Developments Pty Ltd	100%
EL26962	Wingate	Corporate Developments Pty Ltd	100%
EL26961	Wingate	Corporate Developments Pty Ltd	100%
EL25713	Wingate	Corporate Developments Pty Ltd	100%
EL25258	Wingate	Corporate Developments Pty Ltd	100%

Tenement schedule

Tenements held during the reporting year

Title	Situation	Owner	Ownership interest
EL10140	Wingate	Corporate Developments Pty Ltd	100%
EL26017	Yeuralba	Farmtel Management Pty Ltd	100%
EL25979	Yeuralba	Farmtel Management Pty Ltd	100%
MLN680	Maranboy	Softwood Plantations Pty Ltd	100%
MLN679	Maranboy	Softwood Plantations Pty Ltd	100%
MLN672	Maranboy	Softwood Plantations Pty Ltd	100%
MLN671	Maranboy	Softwood Plantations Pty Ltd	100%
MLN670	Maranboy	Softwood Plantations Pty Ltd	100%
MLN669	Maranboy	Softwood Plantations Pty Ltd	100%
MLN668	Maranboy	Softwood Plantations Pty Ltd	100%
MLN667	Maranboy	Softwood Plantations Pty Ltd	100%
MLN666	Maranboy	Softwood Plantations Pty Ltd	100%
MLN665	Maranboy	Softwood Plantations Pty Ltd	100%
MLN664	Maranboy	Softwood Plantations Pty Ltd	100%
MLN663	Maranboy	Softwood Plantations Pty Ltd	100%
MLN662	Maranboy	Softwood Plantations Pty Ltd	100%
MLN661	Maranboy	Softwood Plantations Pty Ltd	100%
MLN658	Maranboy	Softwood Plantations Pty Ltd	100%
MLN1137	Maranboy	Softwood Plantations Pty Ltd	100%
MLN 1138	Maranboy	Softwood Plantations Pty Ltd	100%
EL10423	Maranboy	Softwood Plantations Pty Ltd	100%
MLN467	Mt Wells	Softwood Plantations Pty Ltd	100%
MLN466	Mt Wells	Softwood Plantations Pty Ltd	100%
MLN465	Mt Wells	Softwood Plantations Pty Ltd	100%
MLN463	Mt Wells	Softwood Plantations Pty Ltd	100%
MLN200	Mt Wells	Softwood Plantations Pty Ltd	100%
MLN199	Mt Wells	Softwood Plantations Pty Ltd	100%
MLN198	Mt Wells	Softwood Plantations Pty Ltd	100%
MLN197	Mt Wells	Softwood Plantations Pty Ltd	100%
MLN196	Mt Wells	Softwood Plantations Pty Ltd	100%
MLN165	Mt Wells	Softwood Plantations Pty Ltd	100%
MLN164	Mt Wells	Softwood Plantations Pty Ltd	100%
MCN723	Mt Wells	Softwood Plantations Pty Ltd	100%
MCN2631	Mt Wells	Softwood Plantations Pty Ltd	100%
EL27062	Mt Wells	Softwood Plantations Pty Ltd	100%
EL22301	Mt Wells	Softwood Plantations Pty Ltd	100%
EL26924	Yeuralba	Softwood Plantations Pty Ltd	100%
EL25904	Yeuralba	Softwood Plantations Pty Ltd	100%

Unless disclosed below, all principles and recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2010.

Board Composition

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the directors' report.

The present composition of the Board of Directors of the Company does not accord with the recommendation set by the ASX Corporate Governance Council in that Graham Chrisp, Jason Chrisp and Benjamin Chrisp are not regarded as independent directors because Graham Chrisp is a substantial shareholder and Jason Chrisp and Benjamin Chrisp are directors of Territory Development Corporation Pty Ltd, which is also a substantial shareholder.

In March this year, the directors of the Company were Leonard Dean, Tony McGill and Chee Kok Teo. Graham Chrisp, who with his associated companies, Territory Development Corporation Pty Ltd and Bynoe Investments Limited held (and still hold) over 60% of the shares in the Company, formed the view that it was in the best interests of the Company to convene a general meeting to appoint four additional directors. Accordingly, a general meeting was held on 6 April 2010 and Graham Chrisp, Geoffrey Hill, Jason Chrisp and Benjamin Chrisp were appointed as additional directors by shareholder resolution. Messrs Dean, McGill and Teo resigned on 15 April 2010. Mr Nick Harding was appointed Company Secretary to replace Ms Sophie Karzis and Corporate Consulting Partners Pty Ltd.

Following the new appointments, significant time and effort was required to re-organise the Company's affairs, including its books and records, and to complete its financial accounts. Now that the Company's affairs are in good order, it is the intention of the Board to recruit new directors.

When determining whether a non-executive director is independent the director must not fail any of the following materiality thresholds:

- less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director;
- no sales are made to or purchases made from any entity or individual directly or indirectly associated with the director; and
- none of the directors' income or the income of an individual or entity directly or indirectly associated with the director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

Independent directors have the right to seek independent professional advice in the furtherance of their duties as directors at the company's expense. Written approval must be obtained from the chair prior to incurring any expense on behalf of the company.

The names of the members of the nomination committee and their attendance at meetings of the committee are detailed in the directors' report.

The Directors may at any time and from time to time appoint any other person as a Director, either to fill a casual vacancy or as an addition to the Board but only if the total number of Directors do not at any time exceed the maximum number for the time being allowed under the Company's constitution. Any Director appointed in this fashion shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotations at that meeting.

Subject to the provisions of the Corporations Act, the Company at a Meeting may by resolution: (a) remove any Director before the expiration of her/his term of officer; (b) appoint another qualified person as a Director; or (c) remove any Director before the expiration of her/his office and appoint another qualified person in her/his stead. Any appointment of a Director proposed pursuant to (b) or (c) shall be subject to prior notice having been given under Rule 38:13 of the Constitution of the Company. A person appointed pursuant to (b) shall hold office subject to Rule 38 of the Constitution of the Company. Any person appointed or re-elected pursuant to (c) shall hold office only during such time as the Director in whose place she/he is appointed or, in the case of re-election the re-elected Director her/himself would have continued to hold office had she/he not been removed pursuant to (c).

Ethical Standards

The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct and corporate ethics policy has been established requiring directors and employees to:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with the law;
- encourage the reporting and investigating of unlawful and unethical behaviour; and
- comply with the share trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

Performance Evaluation

The Board of Directors assesses the appropriateness of the nature and amount of remuneration of directors and senior managers on a periodical basis by reference to relevant employment market conditions and the principles of the Corporate Governance Charter and Company Constitution of the Company with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Board Roles and Responsibilities

The Board is first and foremost accountable to provide value to its shareholders through delivery of timely and balanced disclosures.

The Board sought external guidance to assist the drafting of its 'Corporate Governance Charter' which has been made publicly available on the company's website. This document details the adopted practices and processes in relation to matters reserved for the Board's consideration and decision-making and specifies the level of authorisation provided to other key management personnel. The Board is ultimately responsible for ensuring its actions are in accordance with key corporate governance principles.

Risk Management

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. Assessment of the business's risk profile is undertaken in Board meetings and reviewed by the Board, covering all aspects of the business from the operational level through to strategic level risks. The CEO has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly. The worsening economic environment has emphasised the importance of managing and reassessing its key business risks.

Trading Policy

The company's policy regarding directors and employees trading in its securities is set out in the corporate ethics policy section of the company's corporate governance charter. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

Audit & Risk Management Committee

The names and qualifications of those appointed to the audit & risk management committee and their attendance at meetings of the committee are included in the directors' report.

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual and interim financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Outback Metals Limited, to lodge questions to be responded by the Board and/or the CEO, and are able to appoint proxies.

Remuneration Policy

The Board has established a remuneration committee. The remuneration committee is responsible for designing the remuneration policy of the company in such a way that it motivates directors and management to pursue the long-term growth and success of the company within an appropriate control framework, and demonstrates a clear relationship between key executive performance and remuneration. The committee is responsible for reviewing the remuneration policy of the company and making recommendations to the Board in relation to executive remuneration and incentive plans, the remuneration packages of management, directors and the managing director (if any), non-executive remuneration, the company's recruitment, retention and termination policies and procedures for senior management, incentive plans and share allocation schemes, superannuation arrangements and remuneration of members of other committees of the Board.

Remuneration Committee

The names and qualifications of those appointed to the remuneration committee are included in the directors' report. The remuneration committee did not meet during the period.

Other Information

Further information relating to the company's corporate governance practices and policies please refer to the company's constitution and corporate governance charter made available on the company's website www.outbackmetals.com.

The directors present their report of Outback Metals Limited (the Company) and its controlled entities (“consolidated group” or “group”) for the financial year ended 30 June 2010.

Principal Activities

The principal continuing activity of the Group during the financial year was the exploration for gold and other economic mineral deposits.

Financial Results

The net result of operations for the Group for the year was a loss after income tax of $1,335,596 (2009: $7,592,354)

Review of Operations

Outback Metals Limited (OUM) continued its exploration activities over its key project areas during the financial year.

At the **Wingates Gold Project,** a large area to the north west of the Terry’s ‘A’ Prospect was tested with the collection of approximately 340 near surface geochemical soil samples. Assay results returned up to 1.1g/t Au. A preliminary interpretation suggests possible NNW trends or lineaments controlling the gold mineralization. These moderate to highly anomalous zones have not yet been drill tested.

In October 2009, with helicopter assistance a silver bearing quartz reef named ‘Silver Strike’ was found located in a window of Paleoproterozoic acid volcanics (Berinka Volcanics) immediately to the south of ridges of the Chilling Sandstone which are shattered by SW trending splinter faults of the Giants Reef system containing two main exposures of mineralized quartz reef each about 60m to 75m long and striking east to west. The eastern part is silver rich with assays up to 175g/t Ag while the western part is copper and gold rich with assays up to 3.65%Cu and 0.75g/t Au. It is proposed to carry out further prospecting and sampling for parallel lodes during the second quarter of 2010/11. Late in the financial year a detailed airborne geophysical survey was carried out over the northern part of EL 10140 which hosts the Silver Strike prospect with the data gained currently being assessed.

At the **Mount Wells Tin Project**, XRF tin assay results were received for selected RC drill samples from the 2008 drill program with a number of discrepancies noted from previous assay results. Remaining bulk samples were retrieved from Mt Wells with the objective to re-sample with a larger size fraction all apparent mineralized intervals. As a result some previous low range samples were now reported in the range of economic significance.

The **2009 Geoscience Australia airborne EM** (Tempest and Geotem) surveys of the Rum Jungle, Woolner and Arnhem Land areas has provided moderate to good flight line coverage over most of OUM’s exploration and mining tenements. All the relevant data has now been processed and interpreted to at least preliminary standards and this has resulted in the recognition of significant exploration targets over many of OUM’s tenements.

On the corporate side, the financial year was disrupted by two successive changes in the position of Chief Executive Officer and Executive Director and Chief Financial Officer and Company Secretary. Mr Chris Jordenson and Mr James Cooper-Jones (CEO and CFO/Company Secretary respectively) were replaced by Mr Tony McGill as CEO and Executive Director and Ms Sophie Karzis as Company Secretary. Corporate Consulting Partners Pty Ltd of which Ms Karzis is a director and, through a company owned by her, a shareholder, was engaged by OUM to carry out governance, compliance, secretarial and bookkeeping functions for the Company.

On 6 April 2010, a general meeting of shareholders convened by Mr Graham Chrisp was held and he, Jason Chrisp, Benjamin Chrisp and Geoffrey Hill were appointed as additional directors of the Company.

On 9 April 2010, Ms Karzis' position as Company Secretary was terminated and on the 15 April 2010 Tony McGill, Len Dean and Chee Kok Teo resigned as directors of the Company.

The present directors of the Company have held office only since 6 April 2010, when they were appointed by shareholder resolution at a general meeting of the Company. The previous directors resigned on 15 April 2010. The Company Secretary was replaced and the present Company Secretary was appointed on 28 April 2010

During the financial year the Company successfully raised approximately $1.38M under an initial and then revised rights issue to fund ongoing exploration and administrative support activities.

Significant Change in State of Affairs

During the financial year there was no significant change in the state of affairs of the Group other than that referred to in the financial statements or notes thereto.

Dividends Paid or Recommended

There were no dividends paid or declared for payment during the financial year.

After Reporting Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

Environmental Issues

The conditions attached to the Outback Metals Exploration Licences and any Exploration Licences granted pursuant to the Outback Metals Exploration Licence Applications relate or will relate to the conduct of exploration, environmental management of exploration, reporting requirements, expenditure commitments, rehabilitation of disturbed land and the requirement to obtain Authorisations under the Mining Management Act 2001 (NT) before carrying out exploration or works involving substantial disturbance.

The conditions attached to the Outback Metals Mineral Claims relate to the rehabilitation of land, the protection of public and private interests, the protection of the environment and, furthermore, a report must be provided to the Secretary within 28 days of a mineral discovery (Section 89 MA).

The conditions attached to the Outback Metals Mineral Leases relate to the rehabilitation of land, the protection of public and private interests, the proper disposal of waste, the protection of the environment and the requirement to obtain Authorisations under the Mining Management Act 2001 (NT).

Native Title Issues

A number of tenements held by the company are held on Aboriginal land and will be negotiated in accordance with the Native Title Act 1993 (Cth). For specific information related to native title claims please refer to Section 9 – Independent Tenement Report found in the Prospectus of the company dated 4 June, 2008.

Information on the Directors

Graham Maxwell Chrisp - Executive Chairman ***(appointed 6 April 2010)***
B Tech (CE)

Mr Graham Chrisp was the founder of Outback Metals and is an experienced civil engineer, minerals explorer and successful businessman with numerous corporate skills. He has an intimate knowledge of the Company's projects, having acquired them over many years and carried out extensive exploration on a number of them. He is also a director of Centrex Metals Limited and several private companies.

Graham Chrisp currently has 156,369,025 ordinary shares in Outback Metals Limited.

Special Responsibilities
Audit and Risk Committee member
Remuneration Committee member
Nominations Committee member

Jason James Chrisp – Non-Executive Director ***(appointed 6 April 2010)***
DBAC

Mr Jason Chrisp has extensive experience based on a background in accountancy and numerous aspects of business and finance. He is also highly proficient in computing and analysis, possessing strong computer skills. Mr Chrisp is also a private company director.

Jason Chrisp currently has 25,000 ordinary shares in Outback Metals Limited.

Special Responsibilities
Audit and Risk Committee member
Remuneration Committee member
Nominations Committee member

Benjamin Bruce Chrisp – Non-Executive Director ***(appointed 6 April 2010)***

Mr Benjamin Chrisp possesses strong experiences in administration and project management. He is trained in IT, including CAD modeling and earthworks design, and has mineral exploration experience. Mr Chrisp is also a private company director.

Benjamin Chrisp currently has 34,000 ordinary shares in Outback Metals Limited.

Special Responsibilities
Audit and Risk Committee member
Remuneration Committee member
Nominations Committee member

Geoffrey Guild Hill – Non-Executive Director ***(appointed 6 April 2010)***
FCPA, FCDA, FSIA

Mr Geoffrey Hill is a merchant banker and successful businessman with over 30 years experience, including substantial experience in resource companies. A resident of Hong Kong, he has strong Australian and Asian business connections. A director of Centrex Metals Limited, he is also a director of numerous other public and private companies.

Geoff Hill currently holds no ordinary shares in Outback Metals Limited.

Special Responsibilities
Audit and Risk Committee member
Remuneration Committee member
Nominations Committee member

Leonard Anthony Dean - Non-Executive Director ***(resigned 15 April 2010)***
Bachelor of Science (Metallurgy), University of Newcastle

Mr Dean is a Metallurgist who presently consults to Australian and International mining companies. He is currently a Director of Western Plains Resources Limited. Recently, Mr Dean was Managing Director of Sesa Goa Pty Limited, India's largest listed iron ore company. He has also been Chairman of Sesa Kembla Coke Company Limited and Managing Director of Sesa Industries Limited. Previously, Mr Dean was employed by BHP Billition Ltd for more than 35 years, where he started with a BHP scholarship in 1964 and completed his BHP career as the Vice President of Coal and Iron Ore Marketing, based in Melbourne in 2000. The majority of his time with BHP was spent in iron ore operational and marketing positions. He established BHP Mineral's Office in Hong Kong and he played a significant role in developing BHP's business in China.

At his date of resignation Mr Dean held 200,000 shares and 1,100,000 options to acquire further shares in Outback Metals Limited.

Special Responsibilities
Audit and Risk Committee member
Remuneration Committee member
Nominations Committee member

Richard Anthony McGill - Non-Executive Director ***(resigned 15 April 2010)***
Bachelor of Engineering, Victoria Institute of Colleges
Diploma of Civil Engineering, Footscray Institute of Technology

Mr McGill currently acts as an Engineering Consultant for various Australian and International mining companies. From 1995 to November 2004 he was the Director of Mines for the Northern Territory Department of Mines and Energy. Mr McGill was employed with the Northern Territory Department of Mines and Energy for more than 25 years and in 2003 achieved the joint role of Director of Mines and the Director of Energy – Northern Territory Department of Business , Industry and Resources Development.

At his date of resignation Mr McGill held no shares and 750,000 options to acquire shares in Outback Metals Limited.

Special Responsibilities
Audit and Risk Committee member
Remuneration Committee member
Nominations Committee member

Chee Kok Teo - Non-Executive Director ***(resigned 15 April 2010)***
Chartered accountant, Malaysian Institute of Accountants
Fellow of the Association of Chartered Certified Accountants of United Kingdom

Mr Teo is a Fellow of the Association of Chartered Certified Accountants of United Kingdom and a Chartered Accountant of the Malaysian Institute of Accountants since 1994. He has 19 years of in-depth experience in the field of auditing, accounting, corporate finance, debt restructurings, mergers and acquisitions in the capital markets in Singapore and Malaysia. During that period, he served in an international public accounting firm and several public companies listed in Singapore and Malaysia. He also holds directorships in many other private companies in Singapore and Malaysia.

At his date of resignation Mr Teo held no shares or options to acquire shares in Outback Metals Limited.

Special Responsibilities
Audit and Risk Committee member
Remuneration Committee member
Nominations Committee member

Christopher Terence Jordinson – Chief Executive Officer ***(resigned 30 October 2009)***
Bachelor of Commerce, University of South Africa

Mr Jordinson, before joining Outback Metals Limited, was the Chief Executive Officer of Copper Resources Corporation Limited, a company listed on the London Stock Exchange – AIM Market. Before joining Copper Resources Corporation Mr Jordinson was Company Secretary of Queensland Ores Limited (ASX: QOL), during which time he assisted in Queensland Ores Limited to list on the ASX in May 2005. Mr Jordinson has more than 12 years experience as a Company Secretary and Financial Controller for various Australian public companies in the mining industry, and has advised public companies such as Copper Mines and Metals Limited, Danae Resources Limited and Hargraves Resources NL.

Special Responsibilities – N/A

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Nicholas John Harding
B A (Acc), Grad Dip (Acc), Grad Dip (Applied Finance), Grad Dip (Corp Governance), FCPA, F Fin, ACIS

Mr Harding is an accountant with over 25 years experience in the resources industry. He has held senior financial roles at various times with WMC Resources Limited, Normandy Mining Limited and Newmont Australia Limited and currently consults to a number of exploration companies in providing financial and company secretarial services.

Meetings of Directors

During the financial year, 14 Board meetings and two Audit Committee Meetings were held. No Remuneration or Nomination Committee meetings were held during the period. Attendances by each director during the year were as follows:

			Committee Meetings	
	Directors' Meetings		Audit & Risk Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
G M Chrisp	2	2	-	-
J J Chrisp	2	2	-	-
B B Chrisp	2	2	-	-
G G Hill	2	2	-	-
L A Dean	12	12	2	2
R A McGill	12	12	2	2
C K Teo	12	12	2	2
C T Jordinson	6	6	-	-

Indemnifying Officers or Auditor

During or since the end of the financial year, the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

Description: Directors & Officers Liability Insurance
Insurer: Axis Speciality Australia Pty Ltd

The company has paid premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium is $26,079 with an aggregate of $10,000,000 for all claims.

Options

At the date of this report, the unissued ordinary shares of Outback Metals Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under option
14 August 2008	17 December 2010	$0.30	11,146,750
14 August 2008	2 September 2011	$0.30	7,000,000
			18,146,750

Option holders do not have any rights to participate in any issues of shares or other interests in the company or any other entity.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since reporting date.

For details of options held by directors and executives, refer to the Remuneration Report.

During the year ended 30 June 2010, no ordinary shares of Outback Metals Limited were issued on the exercise of options granted. No further shares have been issued since year end. No amounts are unpaid on any of the shares.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 11 of the Annual Report.

Non-audit Services

The Board of Directors, in accordance with advice from the Audit and Risk Management Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk Management Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to Grant Thornton for non-audit services provided during the year ended 30 June 2010:

	2010	2009
	$	$
Taxation services	-	2,525
	-	**2,525**

REMUNERATION REPORT

Remuneration Policy (audited)

The Board has established a Remuneration Committee. The Remuneration Committee is responsible for designing the remuneration policy of the company in such a way that it motivates directors and management to pursue the long-term growth and success of the company within an appropriate control framework, and demonstrates a clear relationship between key executive performance and remuneration. The committee is responsible for reviewing the remuneration policy of the company and making recommendations to the Board in relation to executive remuneration and incentive plans, the remuneration packages of management, directors and the managing director (if any), non-executive remuneration, the company's recruitment, retention and termination policies and procedures for senior management, incentive plans and share allocation schemes, superannuation arrangements and remuneration of members of other committees of the Board.

Performance-based Remuneration (audited)

The Remuneration Committee has not set any component of any company employee's remuneration as performance-based remuneration.

Employment Details of Members of Key Management Personnel and Other Executives (audited)

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the consolidated group:

2010 Key Management Personnel	Fees and/or salary	Cash profit sharing/ other bonuses	Post employment benefits superannuation	Share based options*	Total
	$	$	$	$	$
G M Chrisp [1]	60,227	-	-	-	60,227
J J Chrisp [1]	7,500	-	675	-	8,175
B B Chrisp [1]	7,500	-	675	-	8,175
G G Hill [1]	7,500	-	675	-	8,175
L A Dean [2]	40,500	-	2,835	-	43,335
R A McGill [2]	53,667	-	3,705	-	57,372
C K Teo [2]	28,620	-	-	-	28,620
C T Jordinson [3]	134,079	-	10,500	-	144,579
J Cooper-Jones [4]	64,816	-	4,875	-	69,691
S Karzis [5]	-	-	-	-	-
N J Harding [6]	-	-	-	-	-
Total	404,409	-	23,940	-	428,349

[1] G M Chrisp, J J Chrisp, B B Chrisp and G G Hill commenced 6 April 2010
[2] L A Dean, R A McGill and C K Teo resigned 15 April 2010
[3] C T Jordinson resigned 30 October 2009
[4] J Cooper-Jones resigned 14 October 2009
[5] S Karzis was appointed Company Secretary on 7 October 2009 until 8 April 2010. Ms Karzis was not employed by the Company but provided her services as a consultant through Corporate Consulting Partners Pty Ltd. Ms Karzis was paid $115,380 (2009: Nil)

[6] N J Harding was appointed Company Secretary on 22 April 2010. Mr Harding is not employed by the Company but provides his services as a consultant. Mr Harding was paid $22,710 (2009: Nil)

2009 Key Management Personnel	Fees and/or salary	Cash profit sharing/ other bonuses	Post employment benefits superannuation	Share based options*	Total
	$	$	$	$	$
L A Dean	48,333	-	4,350	19,620	72,303
R A McGill	33,333	-	3,000	14,715	51,048
C K Teo	34,329	-	-	-	34,329
C T Jordinson	200,000	-	18,000	39,240	257,240
H Lucas [1]	133,500	-	12,015	-	145,515
J Cooper-Jones	100,000	-	9,000	9,810	118,810
Totals	549,495	-	46,365	83,385	679,245

[1] H Lucas resigned 19 April 2009

*These options were issued under the Initial Public Offering of the Company and relate to future services to be provided by Key Management Personnel. These options or any remuneration to key management personnel were not related to any performance conditions.

The employment terms and conditions of key management personnel and Group executives are formalised in contracts of employment.

The company had employment agreements with the former Chief Executive Officer and the Chief Financial Officer and Company Secretary. Under these agreements the company was entitled to terminate the agreement upon the Board giving six (6) months written notice. Prior to giving notice, the Board a) was required to outline key performance indicators and objectives expected of the executive (KPIs); b) afford the executive three (3) months to achieve the KPI's (Set Period); c) find and be satisfied that, at the end of that Set Period, the KPI's have not been met. Further, the company was entitled to terminate the agreement upon the happening of various events in respect of the executive's solvency or other conduct. These contracts have now been terminated.

Options Granted (audited)

	Grant details			For the financial year ended 30 June 2010					Overall		
	Date	No.	Value $	Exercised no.	Exercised $	Lapsed no.	Lapsed $	Vested no.	Vested %	Unvested %	Lapsed %
Group Key Management Personnel											
L A Dean	14 Aug2008	1,000,000	$19,620	-	-	-	-	1,000,000	100%	0%	0%
R A McGill	14 Aug 2008	750,000	$14,715	-	-	-	-	750,000	100%	0%	0%
C T Jordinson	14 Aug 2008	2,000,000	$39,240	-	-	-	-	2,000,000	100%	0%	0%
J Cooper-Jones	14 Aug 2008	500,000	$9,810	-	-	-	-	500,000	100%	0%	0%
				-	-	-	-	4,250,000			

Options are exercisable on or before the 27 August 2011, and were escrowed until the 2 August 2010. The exercise price for the option is $0.30. The Company has not applied for listing of the options on the Australian Securities Exchange. Options had a value of $0.0196 per option at grant date.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Graham Chrisp, Executive Chairman

Dated: 7th October 2010

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Auditor's Independence Declaration
To the Directors of Outback Metals Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Outback Metals Limited for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton NSW

GRANT THORNTON NSW
Chartered Accountants

G Layland

Grant Layland
Partner

Sydney, 7 October 2010

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Consolidated Statement of Comprehensive Income
For the Year ended 30 June 2010

	Note	2010 $	2009 $
Revenue			
Share sale profit		70,066	-
Interest income		18,044	126,220
Other income		2,296	-
	2	**90,406**	**126,220**
Expense			
Audit Fees		48,061	45,575
Impairment of exploration costs		157,832	-
Finance costs		1,388	1,169
Loss on business combination	19	-	5,779,022
Depreciation expense		38,734	35,735
Employee benefits expense	3	438,520	722,676
Capital raising & listing expense		-	368,378
Administrative expense	3	735,609	758,480
Exploration and evaluation expenditure		-	7,539
		1,420,144	**7,718,574**
Loss before Income tax expense		**(1,329,738)**	**(7,592,354)**
Income tax expense	4	5,858	-
Loss attributable to members of the parent entity		**(1,335,596)**	**(7,592,354)**
Other comprehensive income		-	-
Total comprehensive expense for the year		**(1,335,596)**	**(7,592,354)**
Basic and Diluted loss per share (cents per share)	7	(0.79)	(5.53)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 30 June 2010

	Note	2010 $	2009 $
Assets			
Current Assets			
Cash and cash equivalents	8	1,418,872	1,138,425
Trade and other receivables	9	139,400	98,011
Financial assets	10	-	687,466
Other current assets	11	61,298	112,028
Total Current Assets		**1,619,570**	**2,035,930**
Non-Current Assets			
Exploration and evaluation asset	12	1,748,649	1,500,732
Property, plant and equipment	13	72,609	115,085
Total Non-Current Assets		**1,821,258**	**1,615,817**
Total Assets		**3,440,828**	**3,651,747**
Current Liabilities			
Trade and other payables	14	297,191	172,100
Provisions	15	-	55,267
Total Current Liabilities		**297,191**	**227,367**
Total Liabilities		**297,191**	**227,367**
Net Assets		**3,143,637**	**3,424,379**
Equity			
Contributed Equity	16	18,979,124	17,702,261
Reserves	17	124,859	346,868
Accumulated Losses		(15,960,346)	(14,624,750)
Total Equity		**3,143,637**	**3,424,379**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Issued Capital Ordinary $	Accumulated Losses $	Reserves – Marketable Securities $	Reserves – Shared Based Payments $	Total $
Balance at 1 July 2008	**1**	**(7,032,396)**	**-**	**-**	**(7,032,395)**
Total comprehensive income	-	(7,592,354)	-	-	(7,592,354)
Shares issued	18,132,501	-	-	-	18,132,501
Options issued to management and directors	-	-	-	124,859	124,859
Revaluation of marketable security	-	-	222,009	-	222,009
Share issue costs	(430,241)	-	-	-	(430,241)
Balance at 30 June 2009	**17,702,261**	**(14,624,750)**	**222,009**	**124,859**	**3,424,379**
Total comprehensive income	-	(1,335,596)	-	-	(1,335,596)
Shares issued	1,380,074	-	-	-	1,380,074
Options issued to management and directors	-	-	-	-	-
Sale of marketable security	-	-	(222,009)	-	(222,009)
Share issue costs	(103,211)	-	-	-	(103,211)
Balance at 30 June 2010	**18,979,124**	**(15,960,346)**	**-**	**124,859**	**3,143,637**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

		2010 $	2009 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		18,044	126,220
Payments to suppliers and employees		(1,179,794)	(1,931,042)
Net cash (used in) provided by operating activities	18 (b)	**(1,161,750)**	**(1,804,822)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash flows from acquisition of subsidiary		-	184,883
Exploration and evaluation expenditure		(367,682)	(1,390,266)
Purchase of property plant and equipment		-	(66,951)
Proceeds from sale of fixed assets		3,742	-
Proceeds from sale of investments		529,273	-
Equity investment expenditure		-	(6,319)
Net cash provided by/(used in) investing activities		**165,333**	**(1,278,653)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		1,380,075	2,224,700
Payments for share issue costs		(103,211)	-
Proceeds from borrowings		-	200,000
Repayment of borrowings		-	(440,000)
Loans provided		-	(600,000)
Repaid loan		-	600,000
Net cash provided by financing activities		**1,276,864**	**1,984,700**
Net increase/(decrease) in cash and cash equivalents held		280,447	(1,098,775)
Cash and cash equivalents at beginning of period		1,138,425	2,237,200
Cash and cash equivalents at end of period	18 (a)	**1,418,872**	**1,138,425**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

This financial report includes the consolidated financial statements and notes of Outback Metals Limited and its controlled entities (“consolidated group” or “Group”).

1. Statement of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs convention where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The accounting policies set out below have been consistently applied to all years presented.

Third Statement of financial position

Two comparative periods are presented for the statement of financial position when the Group:

i. Applies an accounting policy retrospectively,

ii. Makes a retrospective restatement of items in its financial statements, or

iii. Reclassifies items in the financial statements

The Group has determined that only one comparative period for the statement of financial position was required for the current reporting period as the application of the new accounting standards have had no material impact on the previously presented primary financial statements that were presented in the prior year financial statements.

Adoption of new and revised accounting standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. The 2009 comparatives contained in these financial statements therefore differ from those published in the financial statements for the year ended 30 June 2009 as described below.

Significant effects on current, prior or future periods arising from the first-time application of the standards discussed above in respect of presentation, recognition and measurement of accounts are described in the following notes.

Adoption of AASB 8 Operating Segments

From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports provided to or received by the chief operating decision maker which for the group is the Board of Directors.

Adoption of AASB 101 Presentation of Financial Statements (revisions), AASB 2007-8 and 2007-10 Amendments arising from the revisions to AASB 101

The Group has adopted the revisions to AASB 101 Presentation of Financial Statements in these financial statements which have resulted in the introduction of the statement of comprehensive income, changes to the statement of changes in equity, and other terminology changes.

a. **Principles of Consolidation**

   A controlled entity is any entity over which Outback Metals Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

   A list of controlled entities is contained in Note 19 to the financial statements.

   The consolidation has been prepared using a pooling of interest method as it was determined that the business combination involved entities under common control and hence it is considered to be outside the scope of AASB 3. Common control is established when the combining entities are ultimately controlled by the same party both before and after consolidation.

   Pooling of interest method allows assets and liabilities of the acquiree to be recorded and consolidated at book value and no goodwill is recognized. The difference between the cost of acquisition and the acquiree's equity has been recorded as an expense and forms part of the 'Loss of business combination' in 2009.

   All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

b. **Income Tax**

   Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

   Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

   Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

Outback Metals Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the ‘stand-alone taxpayer’ approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Tax Office that it had formed an income tax consolidated group to apply from 1 August 2007. The tax consolidated group has entered a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group’s taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

c. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset’s useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	20%
Plant and equipment	20%
Motor vehicles	20%

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d. **Exploration and Development Expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

e. **Financial Instruments**

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified ‘at fair value through profit or loss’, in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at fair value. Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties. Where available, quoted prices, in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

a. The amount at which the financial asset or financial liability is measured at the initial recognition;
b. less principal repayments;
c. plus or minus the cumulative amortization of the difference, if any, between the amount initially recognized and the maturity amount calculated using the effective interest method; and
d. less any reduction for impairment.

The effective interest methods is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instruments to the net carrying amount of the financial asset or financial liability. Revisions to expect future net cash flows will necessitate and adjustments to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. **Loan and receivables**
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

ii. **Held-to-maturity investment**
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity and is stated at amortised cost using the effective interest rate method.

iii. **Financial liabilities**
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

iv. **Available-for-sale financial assets**
Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where these is neither a fixed maturity nor fixed or determinable payments.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

f. **Critical Accounting Estimates and Judgments**

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates

Key Judgments – Impairment of Exploration and Evaluation Assets

The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may lead to impairment of exploration and evaluation assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

g. **Impairment of Non-Financial Assets**

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h. **Intangibles**

Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

i. **Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

j. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

k. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

l. **Revenue**

Interest revenue is recognized on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of service is recognized upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and service tax (GST).

m. **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the consolidated entity to an employee superannuation fund and are charged as expenses when incurred.

n. **Comparative Figures**

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

o. **New Accounting Statements for Application in the Future Periods**

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Group.

AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

This standard details numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 *and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013)*

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Company has not yet determined the potential impact on the financial statements.

The changes made to accounting requirements include:

—simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;

—simplifying the requirements for embedded derivatives;

—removing the tainting rules associated with held-to-maturity assets;

—removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;

—allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and

—reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:

a. the objective of the entity's business model for managing the financial assets; and

b. the characteristics of the contractual cash flows.

AASB 2009–8: Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010)

These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Group.

AASB 2009–9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010)

These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Group.

AASB 2009–10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010)

These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Group.

AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011)

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Group.

AASB 2009–13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010)

This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Group.

AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011)

This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010)

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Group.

AASB 2010-01 - Limited exemption from comparative AASB 7 disclosures for first time adopters (Amendments to AASB 1 and AASB 7)

These amendments principally give effect to extending the transition provisions of AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments to first-time adopters of Australian Accounting Standards.

As the entity is not a first-time adopter of IFRS, this standard will not have any impact.

AASB 2010-3 - Amendments to Australian Accounting Standards arising from the Annual Improvements Project

[AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139]

Limits the scope of the measurement choices of non-controlling interest at proportionate share of net assets in the event of liquidation. Other components of NCI are measured at fair value.

Requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e. split between consideration and post combination expenses.

Clarifies that contingent consideration from a business combination that occurred before the effective date of AASB 3 Revised is not restated.

Eliminates the requirement to restate financial statements for a reporting period when significant influence or joint control is lost and the reporting entity accounts for the remaining investment under AASB 139. This includes the effect on accumulated foreign exchange differences on such investments.

The directors do not believe this release will have a material impact on the financial statements.

AASB 2010-4 - Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]

Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments.

Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions.

Clarify that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken in account.

The directors do not believe this release will have a material impact on the financial statements.

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards.

p. Going Concern

The financial report has been prepared on the basis of going concern.

The Consolidated Entity incurred a net loss before tax of $1,329,738 during the year ended 30 June 2010 and its planned expenditure exceeds its current cash held. These conditions indicate that the group is reliant on the completion of a capital raising for continued operations and the provision of working capital. The directors believe sufficient working capital will be raised through capital raisings

If the additional capital is not obtained, the going concern basis may not be appropriate, with the result that the company and consolidated entity may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and in amounts different from those stated in the financial report.

No allowance for such circumstances has been made in the financial report.

The financial report was authorised for issue on 7 October 2010 by the Board of Directors.

2. Revenue and Other Income

	2010 $	2009 $
Revenue		
Share sale profit	70,066	-
Interest received	18,044	126,220
Other income	2,296	-
Total Revenue	**90,406**	**126,220**

3. Loss for the Year

Significant Expenses

The following significant expense items are relevant in explaining the financial performance:

	2010 $	2009 $
Employee Benefits expense		
Benefits provided to employees	227,900	482,517
Share based payments	-	124,859
Payments to Directors	210,620	115,300
Total employee benefit expense	**438,520**	**722,676**
Administrative expenses		
Office Expense	76,622	180,294
Insurance	31,671	37,989
Professional and Gov. Charges	333,596	156,861
Public Relations	20,822	80,729
Travel	44,623	160,451
Market Research	-	13,042
Consultants	223,442	124,781
Loss on sale of vehicle	4,833	4,333
Total administrative expenses	**735,609**	**758,480**

4. Income Tax Expense

		2010	2009
		$	$
a.	The components of tax expense comprise		
	Current tax	5,858	-
	Deferred tax	-	-
b.	The prima facie tax on loss from ordinary activities before income tax at 30%.		
	consolidated group	(398,921)	(2,277,707)
Add:			
(Under)/over provision in the prior year		5,858	-
Income tax benefit not brought to account		398,921	2,277,707
Income tax expense		5,858	-
The applicable weighted average effective tax rates are as follows:		30%	30%
Deferred tax asset in relation to tax losses not brought to account		2,676,628	2,277,707

Net deferred tax asset not taken to account

The potential future income tax benefit arising from tax losses has not been taken to account because of the absence of convincing evidence of the realization of the benefit.

The deferred tax asset will only be released if:

i) the group derives future assessable income of nature and an amount sufficient to enable the benefit to be released.

ii) the group continues to comply with the conditions for deductibility imposed by the law; and

iii) no changes in tax legislation adversely affect the group in releasing the benefit.

5. Interests of Key Management Personnel (KMP)

Refer to the Remuneration Report contained in the Report of the Directors for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2010.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2010	2009
	$	$
Short-term employee benefits	404,409	549,495
Post-employment benefits	23,940	46,365
Share-based payments	-	83,385
	428,349	**679,245**

KMP Options Holdings

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

2010	Balance at beginning of year	Granted during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested during the year	Vested and exercisable	Vested and unexercisable
G M Chrisp [1]	-	-	-	-	-	-	-	-
J J Chrisp [1]	-	-	-	-	-	-	-	-
B B Chrisp [1]	-	-	-	-	-	-	-	-
G G Hill [1]	-	-	-	-	-	-	-	-
L A Dean [2]	1,100,000	-	-	-	1,100,000	-	1,100,000	-
R A McGill [2]	750,000	-	-	-	750,000	-	750,000	-
C T Jordinson [3]	2,010,000	-	-	-	2,010,000	-	2,010,000	-
J Cooper-Jones [4]	500,000	-	-	-	500,000	-	500,000	-
	4,360,000	-	-	-	4,360,000	-	4,360,000	-

[1] G M Chrisp, J J Chrisp, B B Chrisp and G G Hill commenced 6 April 2010
[2] L A Dean and R A McGill resigned 15 April 2010
[3] C T Jordinson resigned 30 October 2009
[4] J Cooper-Jones resigned 14 October 2009

2009	Balance at beginning of year	Granted during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested during the year	Vested and exercisable	Vested and unexercisable
L A Dean	-	1,100,000	-	-	1,100,000	1,100,000	-	-
R A McGill	-	750,000	-	-	750,000	750,000	-	-
C T Jordinson	-	2,010,000	-	-	2,010,000	2,010,000	-	-
J Cooper-Jones	-	500,000	-	-	500,000	500,000	-	-
	-	4,360,000	-	-	4,360,000	4,360,000	-	-

KMP Shareholdings

The number of ordinary shares in Outback Metals Limited held by each KMP of the Group during the financial year is as follows:

2010	Balance at beginning of year	Granted during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
G M Chrisp [1]	103,650,000	-	-	52,719,025	156,369,025
J J Chrisp [1]	25,000	-	-	-	25,000
B B Chrisp [1]	34,000	-	-	-	34,000
G G Hill [1]	-	-	-	-	-
L A Dean [2]	200,000	-	-	-	200,000
R A McGill [2]	-	-	-	-	-
C T Jordinson [3]	2,794,167	-	-	-	2,794,167
J Cooper-Jones [4]	666,666	-	-	-	666,666
	107,369,833	-	-	52,719,025	160,088,858

[1] G M Chrisp, J J Chrisp, B B Chrisp and G G Hill commenced 6 April 2010
[2] L A Dean and R A McGill resigned 15 April 2010
[3] C T Jordinson resigned 30 October 2009
[4] J Cooper-Jones resigned 14 October 2009

2009	Balance at beginning of year	Granted during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
L A Dean	-	200,000	-	-	200,000
R A McGill	-	-	-	-	-
C T Jordinson	-	2,794,167	-	-	2,794,167
J Cooper-Jones	-	666,666	-	-	666,666
	-	3,660,833	-	-	3,660,833

Other KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above.

6. Auditor Remuneration

	2010	2009
	$	$
Remuneration of the auditor of the parent entity for:		
Auditing or reviewing the financial report	48,061	40,500
Corporate finance	-	2,525
	48,061	43,025

7. Loss Per Share

		2010	2009
		$	$
a.	Reconciliation of earnings to profit or loss		
	Earnings used to calculate basic EPS	(1,335,596)	(7,592,354)
	Earnings used in the calculation of dilutive EPS	(1,335,596)	(7,592,354)
		No.	No.
b.	Number of ordinary shares outstanding during the year used in calculating basic EPS	170,103,820	137,226,435
	Number of ordinary shares outstanding during the year used in calculating dilutive EPS	170,103,820	137,226,435

8. Cash and Cash Equivalents

	2010	2009
	$	$
Cash at bank and on hand	1,418,872	1,138,425

9. Trade and Other Receivables

	2010	2009
	$	$
Current		
Trade receivables	-	67,933
GST receivables	75,765	30,078
Other receivables	63,635	-
	139,400	98,011

Trade and other receivables are not considered past due and/or impaired

10. Financial Assets

	Note	2010 $	2009 $
Current			
Available-for-sale financial assets	10a	-	687,466
Total Current Assets			687,466
Listed investments, at fair value			
- share in listed corporations		-	687,466
		-	687,466

11. Other Current Assets

	2010 $	2009 $
Prepayments	2,605	58,012
Deposits paid	33,000	30,523
Bank guarantees	25,693	23,493
	61,298	112,028

12. Exploration and evaluation asset

	2010 $	2009 $
Balance at the beginning of the year	1,500,732	-
Expenditure incurred during the year	405,749	1,500,732
Expenditure impaired	(157,832)	-
Total exploration and evaluation assets at cost	1,748,649	1,500,732

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and development of projects or alternatively through the sale of the areas of interest.

Notes on accounting policies related to the recording of exploration and evaluation assets are recorded in note 1.d and 1.f.

13. Property, Plant & Equipment

	Leasehold Improvements $	Plant and Equipment $	Motor Vehicles $	Total $
2010				
At cost	-	115,063	43,081	158,144
Accumulated depreciation	-	(69,865)	(15,670)	(85,535)
Closing net book amount	-	45,198	27,411	72,609
Opening net book amount	1,629	79,631	33,825	115,085
Additions	-	-	1,818	1,818
Disposals and write offs	(1,296)	(3,930)	(334)	(5,560)
Depreciation charge	(333)	(30,503)	(7,898)	(38,734)
Closing net book amount	-	45,198	27,411	72,609
2009				
At cost	2,221	122,854	41,263	166,338
Accumulated depreciation	(592)	(43,223)	(7,438)	(51,253)
Closing net book amount	1,629	79,631	33,825	115,085
Opening net book amount	-	-	-	-
Additions	-	5,664	61,287	66,951
Additions through acquisitions	2,073	98,128	-	100,201
Disposals and write offs	-	-	(16,333)	(16,333)
Depreciation charge	(444)	(24,161)	(11,129)	(35,734)
Closing net book amount	1,629	79,631	33,825	115,085

14. Trade and Other Payables

	2010 $	2009 $
Current		
Trade creditors	73,065	129,988
Sundry payables and accruals	224,126	42,112
	297,191	172,100

15. Provisions

	Annual Leave provisions $	Superannuation $	Director's Fees $	Total $
Opening balance as 1 July 2009	27,106	3,637	24,525	55,267
Additional Provisions	-	-	-	-
Amount Used	(27,106)	(3,637)	(24,525)	(55,267)
Balance at 30 June 2010	-	-	-	-

16. Issued Capital

	2010 $	2009 $
Ordinary Shares		
Issued share capital:	18,979,124	17,702,261
231,687,609 fully paid ordinary shares (2009: 166,377,883)		

	2010 No.	2010 $	2009 No.	2009 $
Balance at the beginning of financial year	166,377,883	17,702,261	1	1
Shares issued under rights issue at $0.03	7,387,824	221,635	-	-
Shares issued under rights issue at $0.02	57,921,902	1,158,439	-	-
Issued at $0.20 per share pursuant to Share Sale Agreement	-	-	26,747,750	5,349,550
Issued at $0.02 per share pursuant to Share Sale Agreement	-	-	73,252,250	1,465,045
Issued at $0.20 per share pursuant to the Share Exchange Agreement	-	-	31,000,000	6,200,000
Issued at $0.20 per share pursuant to the Share Sale Agreement	-	-	1,000,000	200,000
Issued at $0.20 per share pursuant to the Company’s Initial Public Offering	-	-	22,293,500	4,458,700
Issued at $0.038 per share pursuant to the Company’s Takeover Offer for Queensland Ores Limited	-	-	12,084,382	459,206
Net costs associated with the issue of shares	-	(103,211)	-	(430,241)
Balance at the end of financial year	**231,687,609**	**18,979,124**	**166,377,883**	**17,702,261**

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

Options on Issue

Grant Date	Date of expiry	Exercise price	Number under option
14.08.2008	17.12.2010	0.30	11,146,750
25.08.2008	2.09.2011	0.30	7,000,000
			18,146,750

For information relating to the issue of options under the Outback Metals share option plan refer to Note 20.

a. Capital Management

Management controls the capital of the Group in order to ensure that the group can fund its operations and continue as a going concern. The Group's capital comprises ordinary share capital. The company has no debt.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

There have been no changes in the strategy to control the capital of the group since the prior year.

17. Reserves

Options issued to Management and Directors

The option reserve records items recognised as expenses on valuation of management and directors share options.

18. Cash flow Information

	2010	2009
	$	$
(a) Reconciliation of cash		
Cash at bank and on hand	1,418,872	1,138,425
(b) Reconciliation of loss from ordinary activities after income tax net cash from inflow from operating activities	(1,335,596)	(7,592,354)
Loss from ordinary activities after income tax		
Non-cash flows in profit from ordinary activities:		
Loss on business combination	-	5,779,022
Depreciation	38,734	35,735
Profit on sale of investments	(70,066)	-
Options Issued	-	124,859
Exploration costs expensed in period	157,832	-
Loss on sale of vehicle	-	4,333
Changes in operations assets and liabilities:		
(Increase)/Decrease in Prepayments	50,730	112,028
Increase/(Decrease) in Provisions	(55,268)	55,267
Increase/(Decrease) in payables	111,317	(225,701)
(Increase)/Decrease in receivables	(59,433)	(98,011)
(Increase)/Decrease in fixed assets	-	-
Cash flows from operations	**(1,161,750)**	**(1,804,822)**

19. Controlled Entities

Interest are held in the following controlled entities

	Country of Incorporation	Shares	Ownership Interest	
			2010	2009
			%	%
Parent Company				
Outback Metals Limited	Australia	Ord	100	100
Subsidiaries of Outback Metals Limited				
Corporate Developments Pty Ltd	Australia	Ord	100	100
Softwood Plantations Pty Ltd	Australia	Ord	100	100
Victory Polymetallic Pty Ltd	Australia	Ord	100	100
Outback Uranium Metals Pty Ltd	Australia	Ord	100	100
Subsidiaries of Corporate Developments Pty Ltd				
Farmtell Management Services Pty Ltd	Australia	Ord	100	100

Acquisition of Controlled Entities

On 14 August 2008 Outback Metals Limited acquired 100% of Victory Polymetallic Pty Ltd, Outback Metals Limited entitled to all profits earned from 14 August 2008 for a purchase consideration of $6,200,000.

Loss on Business Combination

Total losses attributable to the Company through the acquiring of 100% of Victory Polymetallic Pty Ltd by Outback Metals Limited total $5,779,022.

20. Share Based Payments

There were no share based payments made during the 2009/10 financial year.

On 2 September 2008 the Company issued 7,000,000 unlisted options to certain employees, consultants and directors of the Company. The terms of the options issued were as follows:

- Number of options 7,000,000
- Grant date 2.09.2008
- Exercise price $0.30
- Expiry date 2.09.2011
- Total fair value $124,859

The inputs utilized in determining the fair value were:

- Share price $0.05
- Exercise price $0.30
- Risk free rate 4.25%
- Volatility 116%
- Fair value per option $0.0178

21. Financial Risk Management

The Group's risk management policy sets out the company's overall risk management framework and policies, including monthly review by the Board of the company's financial position and financial forecasts, and maintaining adequate insurances.

a. Principle financial instruments

The principle financial instruments are as follows:

- Cash
- Trade and other receivables
- Trade and other payables

The group does not use the derivative financial instruments, and has no off-balance sheet financial assets and liabilities at year-end.

b. Financial instruments risk exposure and management

In common with all other businesses, the group is exposed to risks that arise from its use of financial instruments. These main risks, arising from the group's financial instruments are interest rate risk, liquidity risk, foreign exchange currency risk, market risk and credit risk. This note describes the group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect to these risks is presented throughout these financial measures.

There have been no substantive changes in the group's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

c. General objectives, policies and processes

The Board has overall responsibility for the determination of the group's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the group's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes ,put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the board is set policies that seek to reduce risk as far as possible without unduly affecting the group's competiveness and flexibility. Further details regarding these policies are set out below:

i. Liquidity risk

Liquidity risk arises from the group's management of working capital. It is the risk that the group will encounter difficulty in meeting its financial obligations as they fall due.

The group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain enough cash balances (or agreed facilities) to meet expected requirements for a period of at least 90 days.

The group's exposure to liquidity risk has been assessed as minimal. There are past due payables at reporting date.

The Board receives cash flow projections on a monthly basis as well as information regarding cash balances. At the reporting sheet date, these projections indicated that the group expected to have sufficient liquid resources to meet its obligations under all reasonable expected circumstances.

Financial Liability and Financial Maturity analysis

	Within 1 Year		1 to 5 Years	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
Financial liabilities due for payment				
Trade and other payables	297,191	172,100	-	-
Total expected outflows	297,191	172,100	-	-
Financial assets - cash flows realizable				
Trade and other receivables	139,400	98,011	-	-
Financial assets	-	687,466		
Deposits paid	33,000	30,523		
Bank guarantees	25,693	23,493		
Total expected inflows	198,093	839,493	-	-

ii. Interest Rate Risk

The group's exposure to interest rate risk arises when the value of financial instruments fluctuates as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities.

The group's exposure to interest rate risk only extends to cash or cash equivalents at reporting date.

The group's exposure to interest rate risk at 30 June 2010 is set out in the following tables:

Year ended 30 June 2010		Fixed interest maturing in:					
	Weighted Average Interest Rate %	Floating Interest Rate	1 year or less	Over 1 to 5 years	More than 5 years	Non - interest bearing	Total
	%	$	$	$	$	$	$
Financial assets	-	-	-	-	-	-	-
Cash and cash equivalents	2.93%	1,418,872	-	-	-	-	1,418,872
Trade and other receivables	-	-	-	-	-	139,400	139,400
		1,418,872	-	-	-	139,400	1,558,272
Trade and other payables	-	-	-	-	-	297,191	297,191
	-	-	-	-	-	297,191	297,191
Net financial assets		1,418,872	-	-	-	(157,791)	1,261,081

Year ended 30 June 2009		Fixed interest maturing in:					
	Weighted Average Interest Rate %	Floating Interest Rate	1 year or less	Over 1 to 5 years	More than 5 years	Non - interest bearing	Total
	%	$	$	$	$	$	$
Financial assets	-	-	-	-	-	687,466	687,466
Cash and cash equivalents	2.78%	1,138,425	-	-	-	-	1,138,425
Trade and other receivables	-	-	-	-	-	98,011	98,011
		1,138,425	-	-	-	785,477	1,923,902
Trade and other payables	-	-	-	-	-	172,100	172,100
		-	-	-	-	172,100	172,100
Net financial assets		1,138,425	-	-	-	613,377	1,751,802

iii. Foreign currency risk

The group does is not exposed to foreign currency risk arising from the sale and purchase of goods and services other than the group's measurement currency. The group does not hold any receivables and does not have any outstanding liabilities in foreign currency. Therefore the group is not exposed to foreign currency cash at 30 June 2010.

iv. Market risk

The company relies greatly on equity markets to raise capital for its exploration and developments projects, and is thus exposed to equity market volatility.

When market conditions require prudent capital management, in consultation with its professional advisors the group looks to alternative sources of funding, including the sale of assets and joint venture participation.

As future possible economic benefit from the Company's assets may depend on demand for certain commodities the Company is exposed to commodity risk. Commodity price risk arises when the fair value of future cashflows of a financial instrument will fluctuate because of changes in commodity market prices.

The group had no exposure to commodity price risk at reporting date. The group's potential exposure to commodity price risk would materialise in the event that development of the group's projects proceeded.

The Company relies on its listed securities to raise capital and is therefore exposed to equity price risk. Equity price risk arises from investments in equity securities and Outback Metals Limited issued capital.

The capacity of the company to raise capital from time to time may be influenced by either or both market conditions and the price of the company's listed securities at that time.

v. Credit risk

Credit risk arises principally when the other party to a financial instrument fails to discharge its obligations in respect of that instrument.

The group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments.

Trade and receivable balances are monitored on an ongoing basis with the group's exposure to bad debts minimal. There was no exposure to trade receivable credit risk at reporting date.

The group does not have any material credit risk exposure to any single receivable or group or receivables under financial instruments entered into by the consolidated receivables group.

Other receivables comprise GST. Credit worthiness of debtors is undertaken when appropriate.

vi. Sensitivity Analysis

The following table illustrates sensitivities to the group's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit $	Equity $
Interest Rate Sensitivity Analysis		
Year Ended 30 June 2010		
Increase in interest rates by 2%	28,377	28,377
Decrease in interest rates by 2%	(28,377)	(28,377)
Year Ended 30 June 2009		
Increase in interest rates by 2%	22,769	22,769
Decrease in interest rates by 2%	(22,769)	(22,769)

Financial Assets Sensitivity Analysis		
Year Ended 30 June 2010		
Increase in listed investments by 10%	-	-
Decrease in listed investments by 10%	-	-
Year Ended 30 June 2009		
Increase in listed investments by 10%	68,747	68,747
Decrease in listed investments by 10%	(68,747)	(68,747)

22. Events After Reporting Date

No other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations or the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

23. Related Party Transactions

The terms and conditions of the transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

a. Equity interests in related parties

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 19 to the financial statements.

b. Transactions within wholly owned group

The wholly owned group includes:

- The ultimate parent entity in the wholly-owned group and:
- The wholly-owned controlled entities

The ultimate parent entity in the wholly-owned group is Outback Metals Limited.
During the financial year Outback Metals Limited provided accounting and administrative services at no cost to the controlled entities and the advancement of interest free loans.

c. Transactions with directors and key management personnel

The following comprises payments made or payable to directors and key management personnel

Director and Key Management Personnel	Related Party Transaction	2010 $	2009 $
G Chrisp	Amount payable to director for fees for services provided to the company	60,227	-
J Chrisp	Amount payable to director for fees for services provided to the company	8,175	-
B Chrisp	Amount payable to director for fees for services provided to the company	8,175	-
G Hill	Amount payable to director for fees for services provided to the company	8,175	-
G Chrisp	Amount payable to Territory Development Corporation Pty Ltd, an entity of which Mr Chrisp is a directory, for settlement of costs in accordance with a court order	65,472	-
R McGill	Rental fees paid to R McGill for provision of rental property in Darwin, Northern Territory	-	19,500
		150,224	**19,500**

24. Commitments

a. Rental Leases

The consolidated group currently has no rental lease obligations at reporting date.

	2010 $	2009 $
Rental Lease Commitments		
Within one year	-	51,430
later that on year but not more than five years	-	3,675
After more than five years	-	-
	-	**55,105**

b. Tenement Rents & expenditure commitments

The consolidated group has commitments imposed by the Northern Territory Department of Regional Development, Primary Industry, Fisheries and Resources to perform minimum exploration work on tenements. These obligations, which may vary from time to time, are subject to approval and are expected to be fulfilled in the normal course of operations of the Company.

Tenement Rents & expenditure commitments		
Within one year	555,730	292,037
Later than one year but not later than two years	555,730	31,460
Later than two years but not later than five years	1,667,190	15,241
	2,778,650	**338,738**

c. **Territory Revenue Office**

The Company is currently corresponding with the Territory Revenue Office ('TRO') of the Northern Territory Treasury about the question of liability for land rich stamp duty under division 8A of the Stamp Duties Act (NT). Considerable correspondence has been exchanged with the TRO and so far no assessment has been issued. It is possible that no assessment will be forth coming.

25. Contingent Assets and Liabilities

The Company is considering making a claim against the former company secretary, Sophie Karzis and Corporate Consulting Partners Pty Ltd, of which Ms Karzis is a director and, through a company of hers, a shareholder. The Company's solicitor has briefed counsel in Melbourne (Victoria is the jurisdiction in which action would be taken) and a decision as to taking action will be made after receiving counsel's advice. On present indications, the claim against Ms Karzis and Corporate Consulting Partners Pty Ltd would be for the return of the $136,543 that Ms Karzis caused to be paid by the Company to Corporate Consulting Partners and, in addition, damages.

A previous director has lodged accounts with Outback Metals Limited for unpaid rent on premises and for termination payments, and the company has challenged these claims. No response has been received from the director following the Company's challenge.

The Company has entered into two bank guarantees in relation to office premises in Darwin and Sydney. The amounts recognized in Note 11 reflect the maximum exposure to potential liability.

26. Operating Segments

The Group has adopted AASB 8 Operating Segments with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, currently the Board, in order to allocate resources to the segment and to assess its performance.

The Group has a number of exploration licenses in the Northern Territory which are managed on a portfolio basis. The decision to allocate resources to individual projects in the portfolio is predominantly based on available cash reserves, technical data and the expectations of future metal prices. Accordingly, the Group effectively operates as one segment, being exploration in the Northern Territory of Australia. This is the basis on which internal reports are provided to the directors for assessing performance and determining the allocation of resources within the Group.

As a result, following the adoption of AASB 8, there has been no change in the Group's reportable segments.

27. Parent Entity Disclosure

	2010	2009
	$	$
Financial Position		
Assets		
Current assets	1,466,432	1,893,717
Non-current assets	1,581,557	1,382,367
Total assets	3,047,989	3,276,084
Liabilities		
Current Liabilities	221,884	215,822
Non-current liabilities	-	-
Total liabilities	221,884	215,822
Net assets	2,826,105	3,060,262
Equity		
Issued capital	18,979,124	17,702,261
Retained earnings	(16,277,878)	(14,988,867)
Reserves		
Share based payments reserve	124,859	124,859
Marketable securities reserve	-	222,009
Total equity	2,826,105	3,060,262
Financial Performance		
Loss for the year	1,289,011	14,971,062
Other comprehensive income	-	-
Total comprehensive loss	1,289,011	14,971,062

28. Company Details

The registered office and principle place of business of the company is:

Outback Metals Limited
3 Keys Court
Hove
South Australia, 5048

The company contact details are as follows:

Telephone: (08) 8296 0707 **Fax: (08) 8296 0266**

Email: info@outbackmetals.com **Website: www.outbackmetals.com**

Mailing address: Outback Metals Limited
3 Keys Court
Hove
South Australia, 5048

DIRECTORS' DECLARATION

The directors of Outback Metals Limited declare that:

1. the financial statements and notes, as set out on pages 12 to 44 are in accordance with the *Corporations Act 2001* and:
    a. give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the Consolidated Group; and
    b. comply with Accounting Standards; and
    c. Outback Metals Limited complies with International Financial Reporting Standards as described in Note1; and

2. the Chief Executive Officer and Chief Finance Officer have declared that:
    a. the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;
    b. the financial statements and notes for the financial year comply with the Accounting Standards; and
    c. the financial statements and notes for the financial year give a true and fair view;

3. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated this 7th day of October 2010

Graham Chrisp

Executive Chairman

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Independent Auditor's Report
To the Members of Outback Metals Limited

Report on the financial report

We have audited the accompanying financial report of Outback Metals Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes to the financial report and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

Grant Thornton

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

a the financial report of Outback Metals Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Material uncertainty regarding continuation as a going concern

Without qualifying our opinion we draw attention to Note 1p in the financial report which indicates that the Consolidated Entity incurred a net loss before tax of $1,329,738 during the year ended 30 June 2010 and its planned expenditure exceeds its current cash held. These conditions as set out in Note 1p indicate the existence of a material uncertainty which may cast significant doubt about the Consolidated Entity's ability to continue as a going concern and therefore the Consolidated Entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the Remuneration Report included in pages x to y of the directors' report for the year ended 30 June 2010. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the Remuneration Report of Outback Metals Limited for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.

Grant Thornton NSW

GRANT THORNTON NSW
Chartered Accountants

Grant Layland
Partner

Sydney, 7 October 2010

The shareholder information set out below was applicable as at 7 October 2010.

1. Substantial Equity Holders

Name	Fully Paid Shares Number	Fully Paid Shares Percentage
Territory Development Corporation Pty Ltd (as trustee of the Graham Chrisp Superannuation Fund)	73,252,250	31.62
Bynoe Investments Ltd	56,369,025	24.33
Graham Chrisp	26,747,751	11.55

2 Number of Shareholders

Number of Shareholders	Class of Shares	Voting Rights
660	ORD	Full

3. Distribution of Equity Securities

Distribution of holdings:			Number of Holders	Ordinary Shares	% of Issued Capital
1	-	1,000	42	19,971	0.01
1,001	-	5,000	91	251,311	0.11
5,001	-	10,000	148	1,367,686	0.59
10,001	-	100,000	300	10,468,512	4.52
100,001	-	and over	79	219,580,129	94.77
			660	231,687,609	100.00
Holding less than a marketable parcel			339	2,378,318	

4. Twenty Largest Shareholders

The names of the twenty largest holders of fully paid ordinary shares comprise:

	Name	Number Held	Percentage of Issued Shares
1	Territory Development Corporation Pty Ltd (as trustee of the Graham Chrisp Superannuation Fund)	73,252,250	31.62
2	Bynoe Investments Ltd	56,369,025	24.33
3	Graham Chrisp	26,747,751	11.55
4	Keng Chuen Tham	7,999,999	3.45
5	Brispot Nominees Pty Ltd	5,000,000	2.16
6	Sakura Capital Limited	4,000,001	1.73
7	Twynam Agricultural Group Pty Ltd	3,861,773	1.66
8	Sik Ern Wong	3,800,000	1.64
9	Prado Sixty Four Pty Ltd	3,000,805	1.30
10	National Nominees Ltd	2,500,000	1.08
11	Rigi Investments Pty Ltd	2,373,760	1.03
12	Arinya Investments Pty Ltd	2,000,000	0.86
13	Felix Bat Capital Trust	2,000,000	0.86
14	Chin Huan Ng	2,000,000	0.86
15	Susan Lesley Rudenno	1,990,000	0.86
16	Donwillow Pty Ltd	1,889,546	0.81
17	Peter Eric Cox	1,500,000	0.64
18	Cimb Securities (Singapore) Pte Ltd	1,333,333	0.58
19	Ron Medich Properties Pty Ltd	1,010,000	0.44
20	HSBC Custody Nominees (Australia) Ltd	1,000,000	0.43
		203,628,243	87.89