



OUTBACK METALS LTD
(ASX:OUM)

QUARTERLY ACTIVITIES REPORT – PERIOD ENDING 30 SEPTEMBER 2011

HIGHLIGHTS

MT WELLS

- IDENTIFICATION OF A FURTHER 1KM OF EXTENSIONAL POTENTIAL IN ADDITION TO THE 1KM OF KNOWN TIN/COPPER MINERALISATION.
- PRELIMINARY COPPER, TIN AND ARSENIC GEOCHEMICAL ANOMALIES HAVE BEEN IDENTIFIED AND REMAIN OPEN TO THE NORTH AND SOUTH.
- POSSIBLE ADDITIONAL LODS ON THE EASTERN FLANK OF THE DEPOSIT MAY CORRELATE WITH THE AT DEPTH NARROW COPPER AND TIN INTERCEPTS OF THE EARLY DIAMOND DRILL HOLES (DDH 1-12).

MT DIAMOND

- COPPER/SILVER MINERALISED VEIN EXTENSIONAL POTENTIAL HAS BEEN RECOGNISED IN THE PRELIMINARY SOIL GEOCHEMISTRY RESULTS AND ROCK CHIP SAMPLES.
- MT DIAMOND DRILL HOLE PLANNING COMMENCED.

WINGATE MOUNTAINS

- A LOCAL ARSENIC ASSOCIATION EXISTS IN THE PRIMARY GOLD MINERALISED ZONE AT THE TERRY'S A PROJECT.
- GEOPHYSICS REVIEW OF WINGATE MOUNTAINS UNDERWAY. INTERESTING EM DATA, HIGHLIGHTING SOME PROSPECTIVE AT DEPTH HOST STRUCTURES.

MARANBOY

- REVISION AND RECTIFICATION OF THE HISTORIC DATA IS NEARING COMPLETION. 3D IMAGING TO BEGIN.
- RECONNAISSANCE FIELDWORK COMPLETE. SUB-PARALLEL TIN VEINS BETWEEN THE MAIN NORTH AND SOUTH MINING LEASES 2KM APART TO BE FOLLOWED UP.





1. MT WELLS EXPLORATION ACTIVITIES

- **395 Niton FPXRF geochemical analyses both near mine and regionally.**
- **31 Rock Chip samples collected, 22 from the newly mapped vein extensions and 9 from the near mine dumps.**

Field crews have worked on the Mt Wells Mining Leases and EL 22301 extensively, initiating a reconnaissance on preliminary geochemical assaying utilising a Niton Field Portable X-ray Fluorescence Analyser (FPXRF)*. Regional mapping and rock chip sampling were carried out to compliment the preliminary anomalies identified by the FPXRF (Fig 1, 2). This is the first time that this technology has been used at Mount Wells. The objective was to indicate a geochemical signature over the existing known (uncontaminated) mineralised areas and further investigate possible extensions and additional lodes.

Niton FPXRF Results

The layout of the traverses is shown in Fig. 1. The preliminary Niton geochemical analysis has identified Tin, Copper and Arsenic anomalism at Mt Wells.

The Niton XRF traverses have proved to be very useful in the outlining of possible extensions and additional parallel lodes to the known mineralised systems at Mt Wells. Once the gaps in the data are in-filled it will be timely to review the sub-surface 3D deposit model and to refine drilling proposals.

The additional structures and preliminary Copper and Tin anomalies on the eastern flank of the deposit may correlate with the at-depth narrow Copper and Tin intercepts of the early diamond drill holes (DDH 1-12).

The Niton analytical results of the Mt Wells area are significant and the extent of Copper and Arsenic elevation has not been exhausted either to the north or the south. This provides no narrowing of anomalism in these signatures and suggests the region is very prospective.

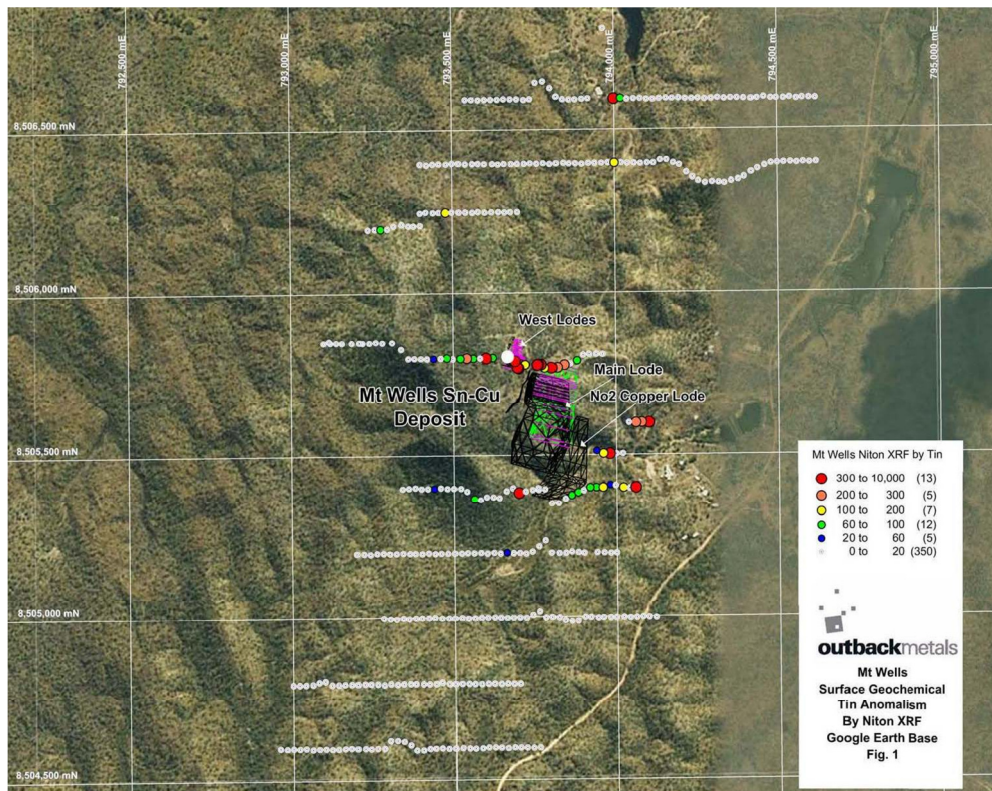


Figure 1: Surface Geochemical Tin Anomalism and traverse layout using the Niton FPXRF.

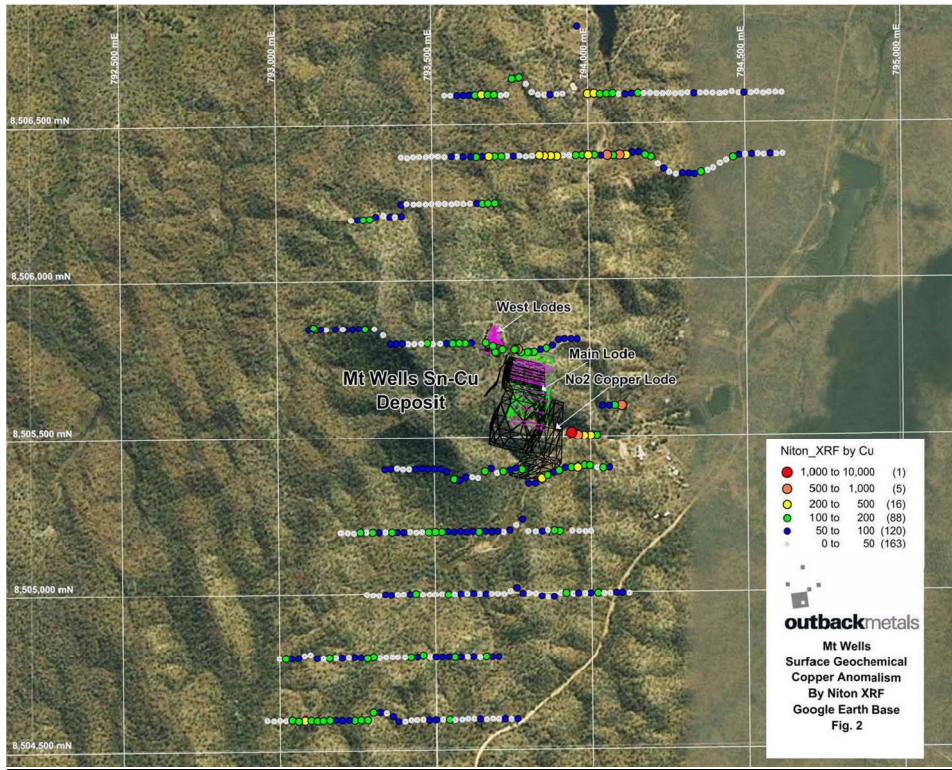
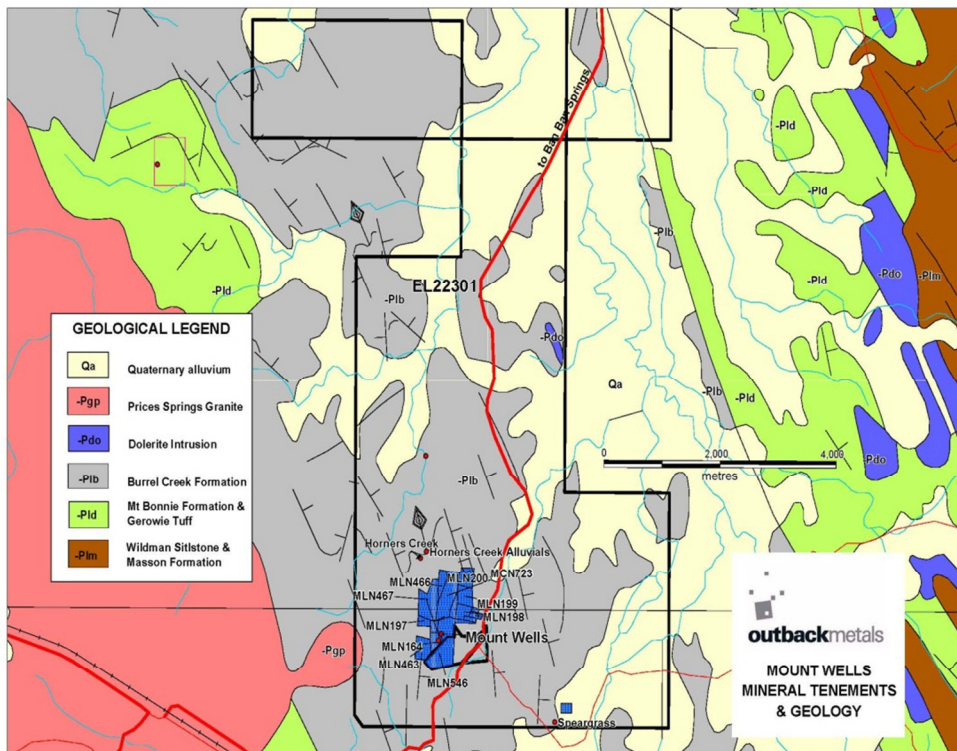


Figure 2: Surface Geochemical Copper Anomalism and traverse layout using the Niton FPXRF.



Map 1: Mt Wells Tenements with underlying geology.

- Please note the Niton FPXRF is a device only used as an indicator for near surface geochemical elevations to assist with drill targets and further exploration work. None of the Niton output data can be used on a resource definition basis.



2. MT DIAMOND EXPLORATION ACTIVITIES

- 164 Niton FPXRF geochemical analyses both near mine and regionally.
- 13 Rock Chip samples collected.
- The Copper and associated Silver mineralised vein has a recognisable extensional potential identified from the preliminary soil geochemistry results, mapping and rock chip samples.
- Mt Diamond drill hole planning commenced.

The structural continuation of the 2.6 km mineralised vein has both an associated preliminary soil geochemical Copper anomaly and visible Malachite and Chalcocite up to 1.6km in strike length. The existing workings and historic known mineralisation only extend over 600m.

The next stage for this project is a drilling program to increase the historic estimations and determine the JORC compliant resource. It is proposed that a yet to be designed 3000m RC/ diamond drill program will assist in producing such results.

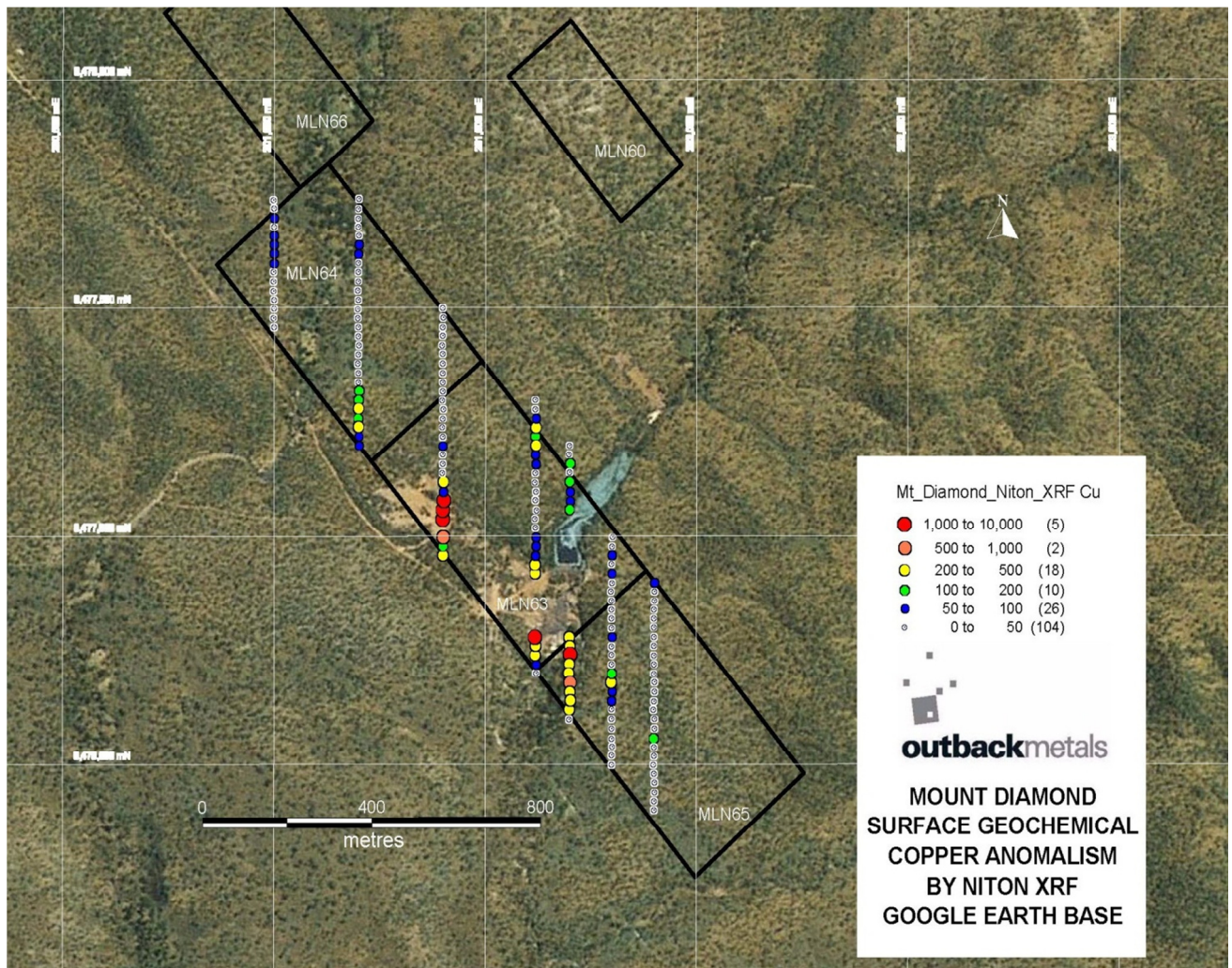


Figure 3: Mt Diamond Surface Geochemical Copper Anomalism using the Niton FPXRF.



3. WINGATE MOUNTAINS EXPLORATION ACTIVITIES

- Proposed preliminary work on high resolution geophysical data has begun on the Terry's Prospects and the regional EL10140.

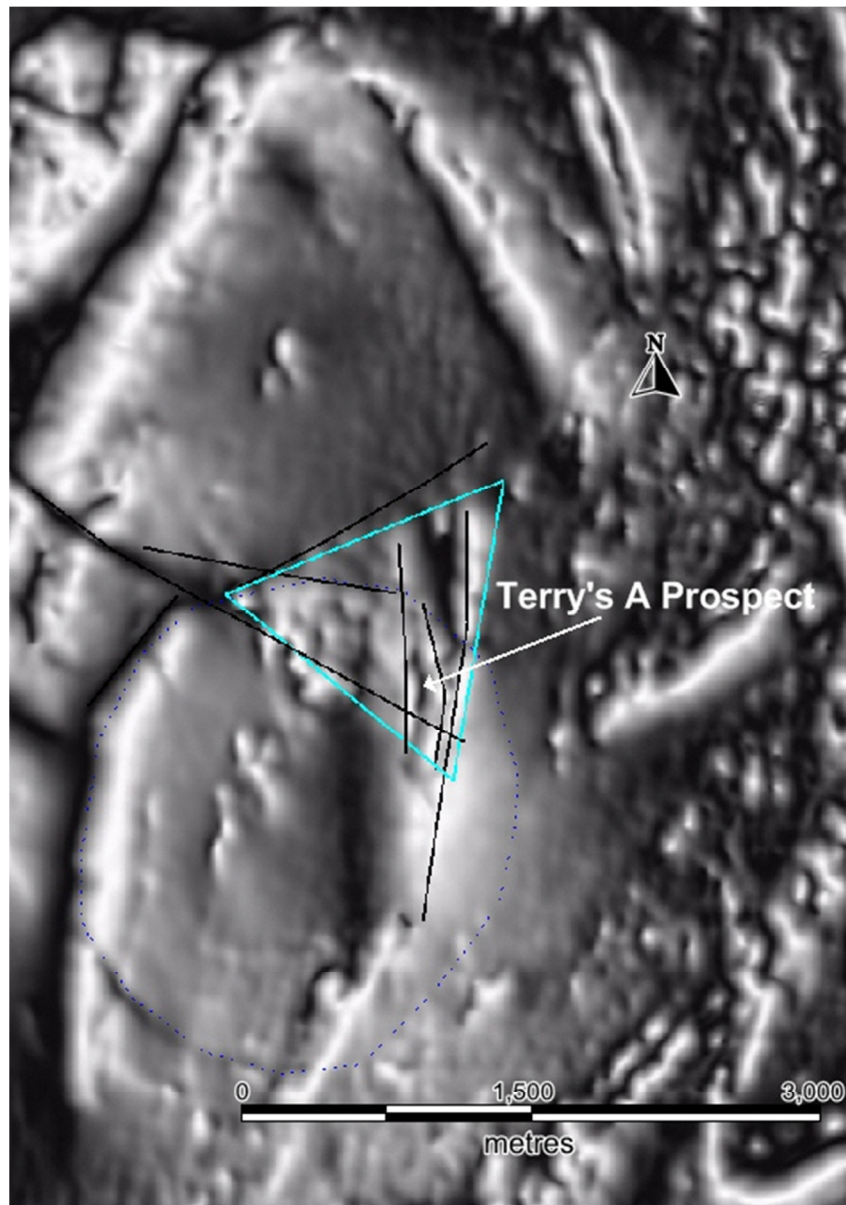


Figure 4. Filtered Magnetic image covering the Terry's Group of Prospects. Geophysical interpretation and modelling is being carried out to enhance and delineate prospective mineral zones.

This season's field work has determined a local arsenic association in the primary Gold mineralised zone at the Terry's A prospect. This association is relevant for a regional application in identifying similar anomalies. The raw data is yet to be processed and thematically mapped.

A review of exploration data for EL10140 Wingate Mountains has highlighted that the possible cause of this broad scale gold-rare earth anomalism may be a deeper under explored vein system. The presence of the



two Intrusive events (Ti Tree Granophyre and the Litchfield Complex) coupled with the structural complexity suggests a high likelihood that the associated hydrothermal activity would allow localised high grade deposits.

The anomalous “Terry’s” group of prospects may require investigation with deeper diamond and RC drill holes to better understand the geological and mineralogical associations (up to - 6 x 60-120m diamond holes and 36 x 60-240m RC holes). The more recently discovered “Silver Strike” (Ag,Cu) prospect to the south west will also require drilling (2 x 60m diamond and 12 x 30-120m RC drill holes).

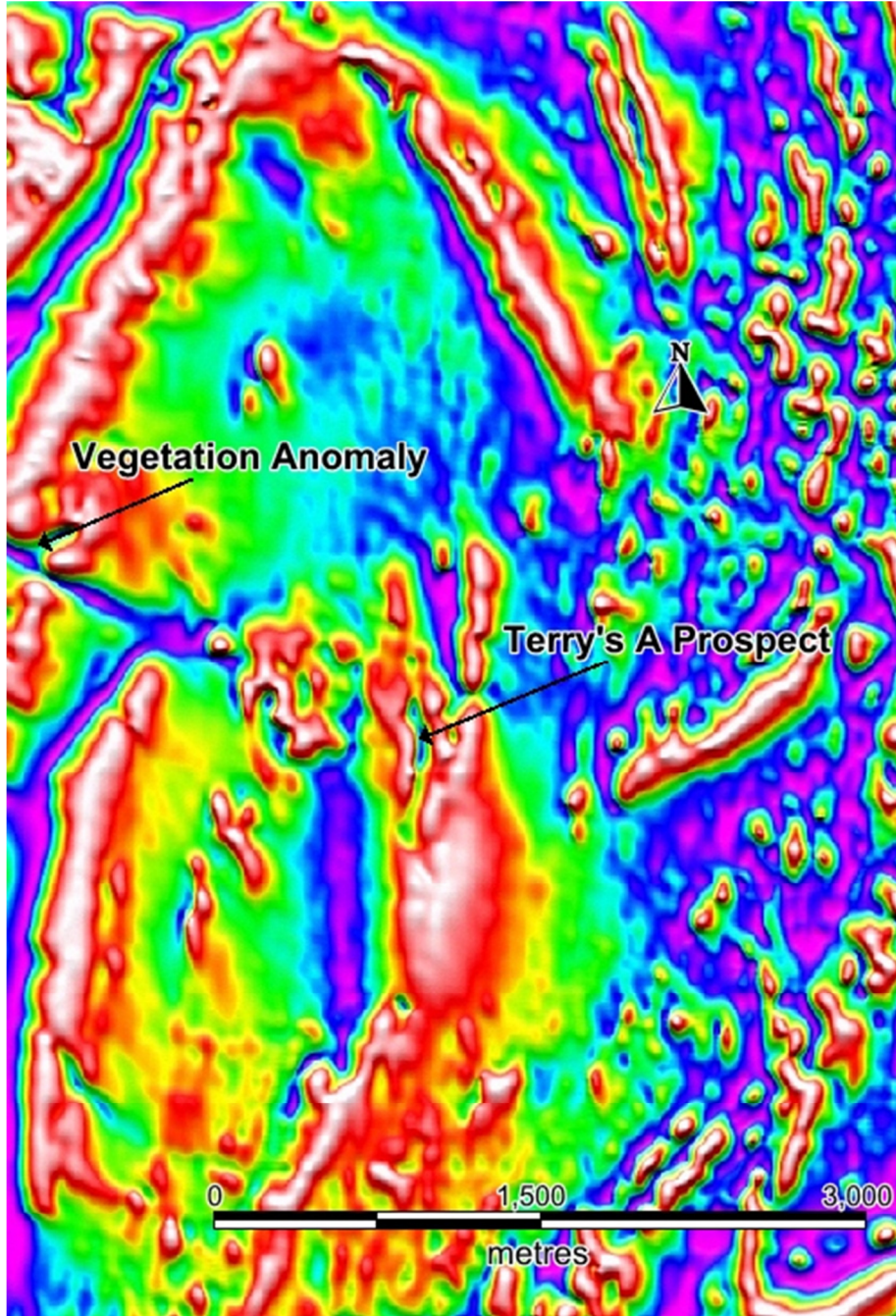
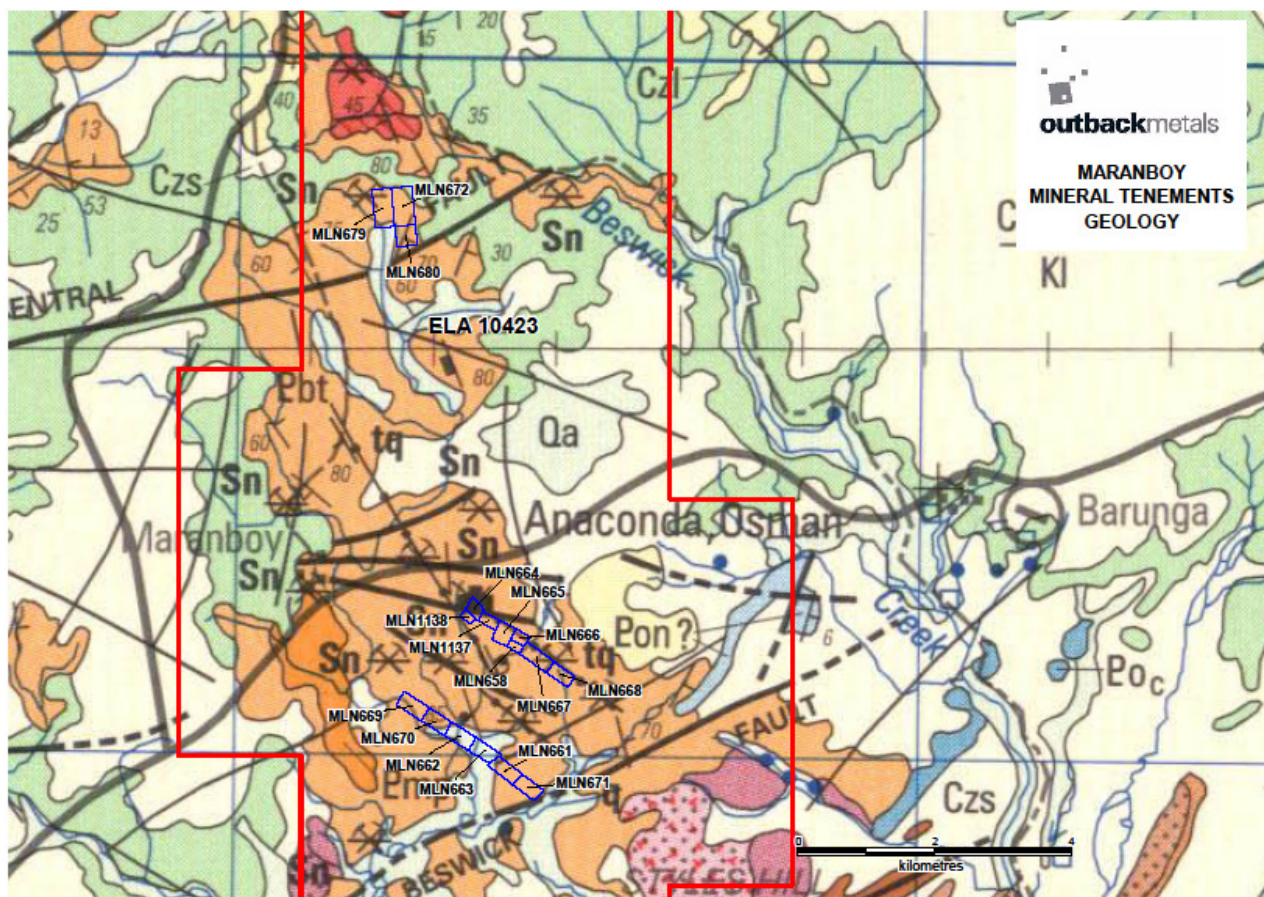


Figure 5. Enhanced Magnetic image covering the Terry’s group and Vegetation Prospects. Geophysical interpretation and modelling is being carried out to enhance and delineate prospective mineral zones.



4. MARANBOY EXPLORATION ACTIVITIES

- Reconnaissance fieldwork was completed with rock chip samples indicating the possibility of sub-parallel tin veins between the main North and South Mining Leases 2km apart.
- Preliminary soil geochemistry field program planned for first week in October.



Map 2. Maranboy Mineral Leases and surrounding ELA with underlying geology.

The Maranboy tin field was worked intermittently between 1913 and 1961 when the NT Government battery closed and was later removed to Mt Wells. Kruse et al in *NTGS Explanatory Notes for KATHERINE* report that the field produced 1,340t of tin between 1915 and 1956, 0.07t tungsten during 1940-41 and 249g of gold between 1939 and 1941. Cassiterite (SnO₂) occurs within quartz-tourmaline fissure lodes which trend ESE the most important being the Main Lodes plan and the Stannum King Lode located about 1km to the south (as shown on the historic drill plan). OUM holds eighteen granted Mineral Leases surrounded by EL application 10423.

The Main Lode system has been partially tested over a 1,700m strike length by several drilling campaigns since 1958 ending with a 34 percussion hole programme by Denehurst Limited in 1989-90. As mentioned in previous announcements OUM are completing the 3D compilation of the drill data aimed at the recognition of future drill targets.

During the quarter OUM obtained Entry Permits from the Northern Land Council (NLC) to pass through Aboriginal Freehold lands and enter on the granted Mining Leases. The field work comprised GPS surveys of drill hole collars and lease pegs, check sampling of the lodes and hanging walls and also representative sampling of unlabelled drill core remaining on site. Three anomalous silver assay results ranging up to 2.32ppm Ag were obtained from core runs chloritised sandstones in old core trays.



In addition reconnaissance mapping between the Main and Stannum King Lodes identified several sub-parallel quartz-tourmaline veins reporting geochemically anomalous tin values. Therefore it is planned to carry out reconnaissance Niton XRF traverses across and between these lode systems to help in the recognition of further drill targets.



Figure 4: Maranboy historic drill hole locations.

In order to continue expanding the company, additional funds will be required to be raised. Further discussions with interested parties are underway.

For further information, contact:

Mr. Graham Chrisp
 Executive Chairman
 Outback Metals Limited
 Tel: 08 8298 1045

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. William Fraser, who is a Fellow of The Australasian Institute of Mining and Metallurgy and is certified as a Chartered Professional (Geology). Mr. William Fraser is employed by W J Fraser and Associates Pty Ltd. Mr. Fraser has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr. Fraser consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.