

10th April 2012

The Manager
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

**OUTBACK METALS SIGNS AGREEMENT WITH CALR FOR THE SALE OF 8 EXPLORATION
LICENCES IN THE WINGATE MOUNTAINS**

Outback Metals Limited (ASX:OUM) is pleased to advise that the Company has signed an agreement with China Australia Land Resources Pty Ltd ('CALR') in respect to the sale of 8 tenements in the Wingate Mountains.

CALR is a wholly owned subsidiary of Hunan Non-ferrous Geology and Exploration Bureau (HNG) which specialises in investment in non-ferrous minerals, metallurgy, precious metals, geological exploration and exploitation of mineral resources, engineering, construction and real estate development. HNG and its associates currently operate five mines in China, and have recently invested in mineral resources prospecting and development in Africa, South America, Southeast Asia and other regions and established a number of resources exploration bases.

This agreement is independent of the ASX announcement released on 2 April regarding OUM having signed a "Non-Binding Letter of Intent" with another party.

1. MAIN TERMS OF THE AGREEMENT WITH CALR

- (a) Outback Metals Ltd and a wholly owned subsidiary "Victory Polymetallic Pty Ltd" have agreed to sell 8 of OUM's exploration licences tenements located in the Wingate Mountains that comprise the Wingates gold and rare earths project.
- (b) The OUM exploration licences that are the subject to the agreement are EL25258, EL27040, EL27041, EL27043, EL26963 and EL10140, EL28877 and EL28878.
- (c) The sale price for the tenements is AU\$1,500,000 ("Purchase Price") exclusive of GST.

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2. **CONDITIONS PRECEDENT TO COMPLETION**

- (a) regulatory approval by FIRB and the relevant Chinese authorities
- (b) transfer of tenements

The directors of the Company consider that entering into the Proposed Transactions is in the best interests of the Company. The company will continue to update shareholders as the agreement proceeds.

Pending a successful outcome, Outback will utilise the proceeds of the sale to concentrate on increasing the resource and production potential of OUM's existing base metal projects at Mt Wells, Mt Diamond, Maranboy and Yeuralba while continuing to look at other investment, joint venture and acquisition opportunities.

OUM was ably assisted in this transaction by specialist Chinese negotiators and facilitators Gao Investments Pty Ltd.

For further information please contact Graham Chrisp on 08 82981045.

Yours faithfully

Graham Chrisp
Executive Chairman