

ASX / Media Release

15 December 2008

Short-term Funding Secured From Outback Metals Limited

Queensland Ores Limited (ASX Code: QOL) today advised it has successfully secured a short-term debt funding facility of \$600,000 which will provide the Company with the flexibility to properly assess its strategic options.

The funding is to be provided by exploration company Outback Metals Limited (ASX Code: OUM). Queensland Ores has granted Outback Metals an exclusive option period during which Outback Metals may conduct due diligence on Queensland Ores. This initial exclusive period expires on 23 December 2008.

The provision of the funding is not contingent upon any particular outcome in relation to a commercial proposal which may be put forward by Outback Metals following completion of its due diligence.

Queensland Ores and Outback Metals have agreed to negotiate in good faith with a view to formulating a satisfactory commercial arrangement to secure Queensland Ores' future.

Queensland Ores Managing Director Taff Greenwood said he was pleased to have been able to secure funding in the current climate and ahead of the Company's January target. Mr Greenwood also noted that the Company presently has no other debt.

"These funds will give the Company the time and resources to assess the best way forward for Queensland Ores and its shareholders," Mr Greenwood said.

"The funds will be used toward the ongoing management of the Company during its care and maintenance program," he said.

Outback Metals Chief Executive Officer Chris Jordinson said he is pleased to have secured an exclusive option position to enable Outback Metals to make a proper assessment of Queensland Ores and its assets.

"This transaction could see Outback Metals become a producer in the near-term," Mr Jordinson said.

"Fast-tracking Outback Metals from junior explorer to producer would deliver increased shareholder value," he said.

A party of Outback Metals representatives will travel to Queensland Ores' Wolfram Camp project tomorrow as part of the due diligence process.

Key terms of the debt funding provided by Outback Metals are attached.

For further information:

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Outback Metals Limited

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Chief Executive Officer

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Key Terms of Debt Funding Provided to QOL by Outback Metals

Amount	\$600,000
Structure	Secured Loan Facility (Facility)
Term / Maturity Date	31 March 2009 with an option to extend to 30 June 2009 (Option).
Interest Rate	6% p.a. (calculated monthly, capitalised and payable on the Maturity Date).
Security	The Facility is to be secured by a fixed charge over QOL's interest in the Wolfram Camp Plant (Plant).
Non-recourse	Security is limited to the Plant without recourse to QOL's other assets. No further claim can be made upon QOL if the proceeds from the disposal of the Plant are insufficient to repay the Facility.
Proposed Transaction	<p>The parties agree to negotiate in good faith regarding any proposal by OUM with respect to QOL that the QOL Board considers to add value to QOL, its assets or shareholders.</p> <p>The provision of the Facility is not contingent upon any particular outcome in relation to the Proposed Transaction.</p>
Exclusivity	<p>First Exclusive Period</p> <p>QOL grants OUM a period of exclusivity during which OUM will conduct due diligence and present to QOL the terms (if any) of a Proposed Transaction.</p> <p>The First Exclusive Period commences on the date this Term Sheet is executed by the parties and ceases at 5pm (AEST) on 23 December 2008, or any other date agreed by the parties.</p> <p>During the First Exclusive Period QOL undertakes not to solicit a competing proposal from any other party.</p> <p>Second Exclusive Period</p> <p>Should the parties agree to the terms of a Proposed Transaction, within 5 days following receipt of the terms of any Proposed Transaction, QOL will grant OUM an exclusive period to finalise the Proposed Transaction.</p> <p>The Second Exclusive Period commences on the date the parties agree to the Proposed Transaction and ceases at 5pm (AEST) on 31 March 2009, or, in the event the Option is exercised, at the end of the Extended Term, i.e., 30 June 2009.</p> <p>During the Second Exclusive Period, QOL undertakes not to solicit a competing proposal from any other party.</p> <p>If QOL receives an unsolicited proposal from another party during the Second Exclusive Period, OUM acknowledges that QOL has a duty to assess the unsolicited proposal on behalf of its members. QOL will, within 7 days, provide OUM any unsolicited offer it receives during the Second Exclusive Period.</p>