



**outback**metals

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## **QUARTERLY ACTIVITIES REPORT**

**For the quarter ended 31 March 2009**

### **HIGHLIGHTS**

- Outback made an off-market scrip bid for Queensland Ores Limited (“ASX – QOL”) on 18 February 2009
- To date 19.68% of Queensland Ores shareholders have accepted the Outback offer
- Mt Wells resource modelling is continuing
- Outback has cash reserves of A\$0.9 million, excluding the loan to QOL which is due and payable on or before 30 June 2009

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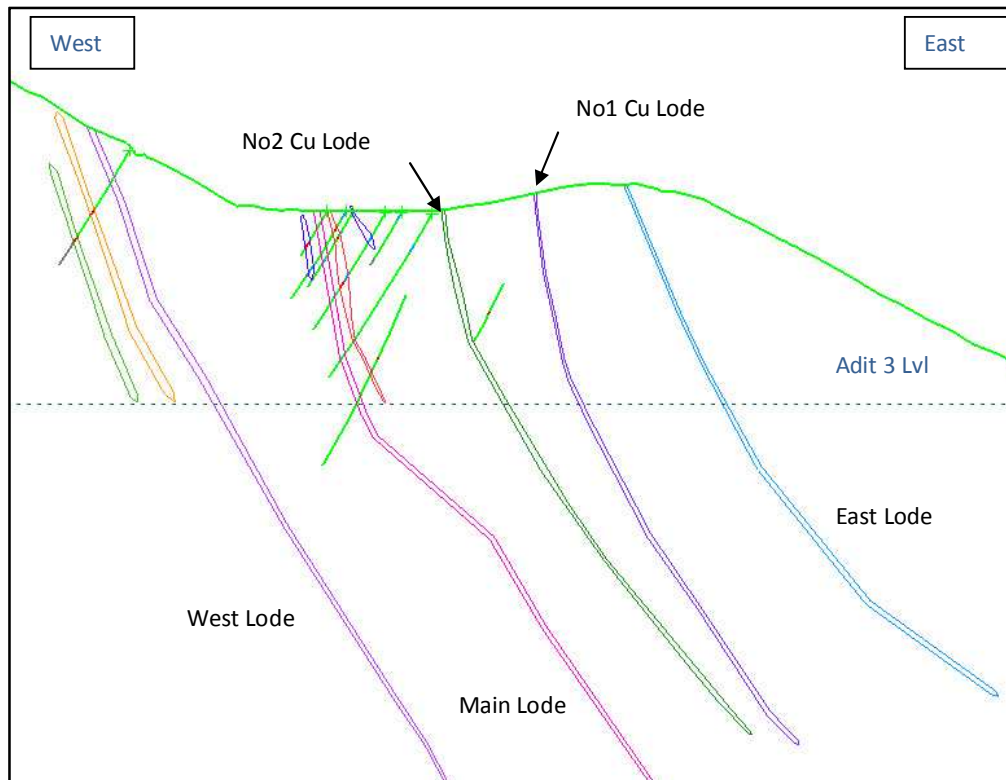
### Mt Wells tin and copper project

Work is continuing on the Mt Wells tin and copper project resource model. Third party consultants have been engaged to oversee the process. Work to date on the 3D model indicates that the ore body is open at depth and there are possible extensions to the north for all lodes.

Final resource calculations from the model have been delayed due to anomalous assay results from the laboratory. Quality Assurance and Quality Control (QA/QC) procedures undertaken by Outback Metals to ensure the integrity of the assay process suggest a statistical bias in some of the assay results. The laboratory is currently doing an analysis of the data and their systems and as a consequence, the final Mt Wells resource numbers are now expected during the current quarter.

**Figure 1: Cross Section of Mt Wells Lodes**

Diagram has 20m section width and only shows drill holes on this section.





The tin fundamentals remain very positive given the current global economic crisis. The tin price in April 2009 has seen an increase from a low of US\$4.83/lb to a high of US\$5.79/lb and closing on 28 April 2009 at US\$5.49/lb (A\$7.82/lb).

*Note: The tin prices quoted above have been sourced from [www.metalprices.com](http://www.metalprices.com) and the exchange rates used have been sourced from [www.rba.gov.au](http://www.rba.gov.au).*

#### **Maranboy tin project**

The Company continues the negotiation process with the Northern Land Council having received agreement from the Jawoyn people to negotiate an agreement on the application for ELA 10423.

#### **Wingate uranium and gold project**

The aerial work completed on the Wingate Project, has been reviewed by the companies geological consultant and they have identified 5 anomalies that are prospective for further exploration. The company is in the process of formulating an exploration programme that will provide the Company with additional information to expand on the identified anomalies.

#### **Other Projects**

Given the current economic climate, the Company has completed a review of all of the Projects (tenements) and identified a number of those projects that we will seek joint venture or farm-in arrangements partners to progress the exploration and assist with the expenditure requirements.

#### **Corporate**

Post providing Queensland Ores Limited (“ASX – QOL”) with A\$600,000 in short term debt funding, OUM commenced an off-market scrip offer for QOL.

On 1 April 2009 Metallica Minerals Limited (“ASX – MLM”) also issued an off-market scrip offer for QOL.

As at the date of this report OUM has received acceptances for approximately 19.68% of QOL, including QOL’s major shareholders Johnny Kahlbetzer, Twynam Agricultural Group Pty Ltd and Donwillow Pty Ltd who have accepted the Outback Metals Increased Offer as announced at 8:53 am to-day the 23<sup>rd</sup> April, 2009. Together they represent a holding in Queensland Ores of 17,887,280 shares or 8.10%.

OUM’s offer remains open until 14 May 2009.

As at 31 March 2009 OUM has cash resources of A\$0.9 million excluding the A\$0.6 million that was provided to QOL as short term debt funding. OUM anticipates the A\$0.6 million



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plus interest will be repaid by QOL on or before 30 June 2009. Should the A\$0.6 million plus interest not be received by OUM on 30 June 2009, OUM will seek remedy in accordance with the Loan Agreement as the loan has a mortgage on the Wolfram Camp Project Plant.

**For further information, please contact:**

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**About Outback Metals Limited**

Outback Metals holds 7 granted exploration tenements totalling over 1,600km<sup>2</sup> and 10 applications for exploration licences for over 2,000km<sup>2</sup>. The company also has 40 mining leases and mining claims, where previous miners have mined and produced saleable metal in the form of concentrate. Its primary target is tin with secondary targets including gold, uranium and copper.

Outback Metals' objective is to reach production by 2010 from two advanced projects, Mt Wells and Maranboy, both with a history of small scale mining over many years. These projects have excellent access to infrastructure including bitumen and all weather roads, rail, power, water and gas.

The immediate priorities are to commence drilling with a view to estimating resources at both projects and to commence a scoping and final feasibility study.

**For more information please visit the website at: [www.outbackmetals.com](http://www.outbackmetals.com)**

**Competent Persons Statement**

*The information in this report that relates to Exploration Results is based on information compiled by Mr. James McIlwraith, who is a Member of The Australian Institute of Mining and Metallurgy. Mr James McIlwraith is employed by Outback Metals Limited. Mr James McIlwraith 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 James McIlwraith consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.*

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## Appendix 5B

### Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

OUTBACK METALS LIMITED

ABN

74 126 797 573

Quarter ended ("current quarter")

31 MARCH 2009

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(209) - - (381)	(1,329) - - (1,038)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	42	89
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (Release of Bank Guarantee)	-	150
<b>Net Operating Cash Flows</b>	<b>(548)</b>	<b>(2,128)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	- - -	- (6) (61)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	- - -	- - -
1.10 Loans to other entities	(600)	(600)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	<b>(600)</b>	<b>(667)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,148)	(2,795)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	2,243
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	200
1.17	Repayment of borrowings	-	(440)
1.18	Dividends paid	-	-
1.19	Other Costs to issue share	-	(572)
	<b>Net financing cash flows</b>	-	1,431
	<b>Net increase (decrease) in cash held</b>	(1,148)	(1,364)
1.20	Cash at beginning of quarter/year to date	2,046	2,262
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	898	898

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	49
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

1.23 Director's fees - \$42,416.16  
1.23 Rental property of related party - \$6,600

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

**Financing facilities available**

Add notes as necessary for an understanding of the position.

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	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	140
4.2 Development	Nil
<b>Total</b>	<b>140</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	98	46
5.2 Deposits at call	800	2,000
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>898</b>	<b>2,046</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

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**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*


	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	154,293,502	37,018,727		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	11,146,750 7,000,000	6,646,750 -	<i>Exercise price</i> \$0.30 \$0.30	<i>Expiry date</i> 17/12/2010 27/08/2011
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30 April, 2009  
Company secretary

Print name: James Cooper-Jones

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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