



7th May 2009
ASX RELEASE

Outback Metals announces a funding alternative for Queensland Ores

Outback's offer will close at 5pm (EST), 14 May 2009

- **Outback Metals will close its offer on the 14th May, 2009**
- **Outback Metals offers convertible loan for \$600k short term funding**
- **Outback Metals once again continues to offer support to ensure Queensland Ores remains solvent**

Outback Metals will close its offer on the 14th May, 2009

Outback Metals Limited (“Outback”) advises that it will close its Offer for all the shares of Queensland Ores Limited (“Queensland Ores”) at 5pm on the 14th May, 2009.

Outback Metals intention, subject to the remaining conditions of the offer being satisfied or waived by OUM is to acquire all QOL shares for which it receives acceptances as at the close of the Offer. As at 7 May 2009 Outback Metals had a relevant interest in Queensland Ores of 20.47%.

Outback Metals offers convertible loan for \$600k short term funding

Outback Metals provided Queensland Ores with a Short term Funding facility dated 27 January 2009 which under its current terms is due to be repaid on or before 30 June 2009.

In light of Queensland Ores current plight, Outback Metals have provided the Board of Queensland Ores with an offer where the Short Term Funding Facility can be converted into a Convertible Loan facility. The attached document sets out the terms of this offer.

Outback Metals understand that such funding is crucial to the ongoing solvency of Queensland Ores. Given the circumstances and that Outback Metals holds 20.42%) and Metallica holds 20.1% (both as announced 7th May, 2009), it is imperative that the Board of Queensland Ores seriously consider Outback Metals Offer for them to be able to secure Queensland Ores’ ongoing solvency.

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Outback Metals continues support of Queensland Ores through future funding

Outback Metals is committed and sees great value for both Queensland Ores and Outback Metals shareholders in a synergy between the two companies.

TIME MAY RUN OUT

The Metallica Metals Offer still contains minimum acceptance conditions which it has stated it only intends to waive if it receives acceptances of 50.1% or more of Queensland Ores. If 50.1% is not received by Metallica Metals it may withdraw its Offer and the intended offer of funding by them to Queensland Ores may not be forthcoming. As the Outback Metals Offer will be closed prior to that of Metallica Metals, this could mean for Queensland Ores shareholders that they miss the opportunity to accept either offer. We therefore urge Queensland Ores shareholders to accept the bid by Outback Metals prior to it closing. The Outback Metals bid has no minimum acceptance condition although other conditions are similar to those of the bid by Metallica Metals.

Since discussions with Queensland Ores commenced in November 2008 providing the best possible deal for shareholders of both Queensland Ores and Outback Metals has been pivotal in Outback Metals' approach. This desire to be supportive of Queensland Ores and its shareholders has seen Outback Metals:

- respond by delivering in January 2009 a short term funding facility that has greatly assisted Queensland Ores to continue to date; and
- make an offer for Queensland Ores Shares which would see 26% of the newly merged entity of Outback Metals held by Queensland Ores shareholders allowing them to continue to have a representation in an ASX listed entity and be given the opportunity to see the Queensland Ores' assets realise their true potential.

Len Dean, Chairman of Outback Metals commented,

“From the outset of the transaction, Outback Metals has been proactive in its approach to offer what it believes is the best Offer and security for Queensland Ores shareholders. In addition, Outback Metals has implemented sound strategies to ensure the merged entity will receive the best possible support and will see the assets of the merged entity realise their true potential. I would urge Queensland Ores shareholders to accept Outback Metals' offer which we believe is superior to that of Metallica Minerals and is the best deal for Queensland Ores shareholders.”

If you would like to discuss the merits of the Outback Metals Offer please do not hesitate to contact me on the details below.

Yours faithfully,

Christopher T Jordinson
Chief Executive Officer
Outback Metals Limited

For further information, please contact:**Chris Jordinson**

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Rod North

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About Outback Metals Limited

Outback Metals holds 7 granted exploration tenements totaling over 1,600km² and 10 applications for exploration licences for over 2,000km². 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



outbackmetals

The Directors
Queensland Ores Limited
Level 3
201 Leichardt Street
Spring Hill
QLD 4003

Thursday, 7 May 2009

By Fax: 07 3831 7663

By Email: taffg@ores.com.au

Dear Sirs,

OUTBACK METALS LIMITED
SHORT TERM FUNDING FACILITY DATED 27 JANUARY 2009

In relation to the Short Term Funding Facility dated 27 January 2009 of \$600,000 ("Facility") made available by Outback Metals Limited ("OUM") to Queensland Ores Limited ("QOL") which is due for repayment on 29 June 2009, we make the following offer subject to the conditions set out below:

- (a) To roll-over the Facility on the same terms and conditions until 11 July 2009.
- (b) Subject to shareholder approval by QOL shareholders being obtained on or before 11 July 2009:
 - i. the Facility as amended to reflect this Offer, to then remain outstanding unless OUM provides 3 months written notice that the Facility is to be repaid in full in cash (ie. repayment in cash of the Facility cannot occur on or before 11 October 2009 at the earliest) or is otherwise repaid at an interest rate of 6% per annum calculated daily. Interest can at the election of QOL be paid quarterly in arrears on consolidated on a quantity basis;
 - ii. the Facility will continue to be secured against the Wolfram Camp Plant as currently but will not be limited recourse to the Plant;
 - iii. OUM holds the right at any time to convert the amount then outstanding under the Facility to fully paid ordinary shares in QOL at the conversion rate given by a 30% discount to the 30 day VWAP for QOL shares for the 30 day period immediately prior to the date of conversion. OUM to provide a notice in writing, 7 days prior to QOL of OUM's intent to convert the amount due under the Facility into QOL shares;
 - iv. QOL may not dispose of any assets (including by way of security) other than in the ordinary course of business without the prior written

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consent of OUM. If such disposal occurs then the Facility shall become immediately repayable;

- v. All other terms of the Facility to remain the same.

CONDITIONS:

1. Metallica Metals Limited ("MLM") not achieving a holding of greater than 50% in QOL on or before the close of business of its offer for QOL shares and the MLM offer for QOL shares closing on or before 28 June 2009.
2. QOL not disposing (including by way of providing security) of any assets other than in the ordinary course of business, borrowing funds or agreeing to issue additional shares from the time of this Offer until 30 September 2009 without the written consent of OUM. Upon such disposal or share issue the Facility shall become immediately repayable on or after 29 June 2009 depending on the date the event occurs.
3. QOL agreeing to appoint a nominee of OUM to the Board of QOL upon it achieving a 20% shareholding in QOL and QOL agreeing to use its best endeavours to procure one or more of the directors of QOL to resign so that the QOL Board remains 4 in number.
4. QOL agreeing to appoint a second nominee of OUM to the Board of QOL upon OUM achieving a 40% or greater shareholding in QOL and to QOL agreeing to use its best endeavours to procure one or more of the directors of QOL to resign so that the QOL Board remains 4 in number.
5. Each party to pay its own costs in respect of the arrangements.

This Offer remains open until 5pm (EST) on 11 May 2009 and may be accepted by notice in writing to OUM.

OUM confirms it will raise the necessary funding as required to support its strategy regarding QOL.

Should you wish to discuss the above offer with me, please do not hesitate in contacting me at your earliest convenience.

Yours faithfully,

Christopher T Jordinson
Chief Executive Officer
Outback Metals Limited

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NOTICE UNDER S.630(3) OF THE CORPORATIONS ACT 2001

To: Queensland Ores Limited ACN 108 146 694 ('Queensland Ores'); and Australian Securities Exchange Limited

This notice is issued under section 630(3) of the Corporations Act 2001 by Outback Metals Limited ('Outback Metals') in relation to Outback Metals' off-market takeover bid dated 13 March 2009 for all of the ordinary shares in Queensland Ores (the "Offer").

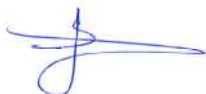
Outback Metals gives notice that:

1. Outback Metals has freed the Offer from the minimum acceptance conditions contained in Section 16 of its Bidder's Statement dated 13 March 2009 (see section 630(2)(b) notice dated 23 April 2004).
2. The Exercise or cancellation of outstanding share options condition contained in Section 16 of its Bidder's Statement dated 13 March 2009 has been fulfilled.
3. To the extent that acceptance by Queensland Ores of an offer by Outback Metals in respect of the Short Term Facility Agreement dated 27 January 2009, made today (7 May 2009) by Outback Metals to Queensland Ores would breach any of the remaining defeating conditions those breaches are waived.
4. The Offer has not been freed from the remaining defeating conditions in Section 16 of the Bidder's Statement.
5. As at the date of this notice, Outback Metals is unaware of any of the remaining defeating conditions having been fulfilled as at the date of this notice.
6. Outback Metals' voting power in Queensland Ores is 20.47%

Terms defined in the Bidder's Statement have the same meaning in this notice unless the context requires otherwise.

Date: 7 May, 2009

SIGNED for and on behalf of Outback Metals Limited



Christopher Jordinson
Managing Director/CEO

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Form 604Corporations Act 2001
Section 671B**Notice of change of interests of substantial holder**

To Company Name/Scheme QUEENSLAND ORES LIMITED
ACN/ARSN 108 146 694

1. Details of substantial holder (1)

Name OUTBACK METALS LIMITED
ACN/ARSN (if applicable) 126 797 573

There was a change in the interests of the substantial holder on 07 MAY 2009

The previous notice was given to the company on 05 MAY 2009
The previous notice was dated 05 MAY 2009

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
ORDINARY	44,193,616	44,193,616	45,189,449	20.47%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
05/5/09	See Annexure A	See Ann A	See Annexure A	62,210 ords	62,210
06/5/09	See Annexure A	See Ann A	See Annexure A	933,623 ords	933,623

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
See Ann B	See Annexure B	See Annexure B	See Ann B	See Ann B	See Ann B

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
See Annexure C	See Annexure C

Signature

print name **James Cooper-Jones**

capacity Company Secretary

sign here

James Cooper-Jones

Date 07/ 05/ 2000

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of 'associate' in section 9 of the Corporations Act 2001.
- (3) See the definition of 'relevant interest' in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of 'relevant agreement' in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write 'unknown'.
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

This is Annexure A of 1 page referred to in Form 604 Notice of Change of Interests of Substantial Holder

3. Changes in Relevant Interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice the company or scheme as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
5/5/09	Outback Metals Limited	Acquisition of shares pursuant to Off Market Takeover Bid	1 ordinary share in Outback Metals Limited for every 4 ordinary shares held in Queensland Ores Limited	62,210 ordinary shares	62,210
6/5/09	Outback Metals Limited	Acquisition of shares pursuant to Off Market Takeover Bid	1 ordinary share in Outback Metals Limited for every 4 ordinary shares held in Queensland Ores Limited	933,623 ordinary shares	933,623

This is Annexure B of 1 page referred to in Form 604 Notice of Change of Interests of Substantial Holder

4 Present Relevant Interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of Relevant Interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest	Class and number of securities	Person's votes
Outback Metals Limited	Outback Metals Limited	Outback Metals Limited	Power to control voting and disposal of shares	1,250,000 ordinary shares	1,250,000

This is Annexure C of 1 page referred to in Form 604 Notice of Change of Interests of Substantial Holder

6 Addresses

The addresses of persons named in this form are as follows:

Name	Address
Outback Metals Limited	Unit 27 Building F Lane Cove Business Park 16 Mars Road Lane Cove NSW 2066