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QUARTERLY ACTIVITIES REPORT

For the quarter ended 31 December 2008

HIGHLIGHTS

- Encouraging assay results have been received from the recently completed Mt Wells drilling programme
- From the aerial work completed over the Wingate mountains area, the Company has identified 5 anomalies that require further exploration
- Outback has agreed to provide Queensland Ores Limited (ASX – QOL) a loan facility
- Outback held its Annual General Meeting and all resolutions tabled were passed unanimously



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Mt Wells tin and copper project

The drilling program included the twinning (drilled parallel to) of previously drilled exploration holes and testing of the extensions to the north of the main lode. The results to date have provided good correlation to the previously drilled exploration holes and may be included in determining a JORC compliant resource for Mt Wells. The resource estimate work has commenced and completion of the geological model is expected in the first quarter of 2009. Historical estimates have previously been published for Mt Wells in Outback Metal’s Prospectus which is available on our website at www.outbackmetals.com.

Overall the assay results have been very encouraging and the highlights include:

Tin (Sn)

DHID	Easting (MGA94)	Northing (MGA94)	Dip	Azimuth (MGA94)	From (m)	To (m)	Interval (m)	Sn%	Cu%	W%	Au g/t	
NWRC09B	793674	8505812	70	105	66	69	3	7.13				
						66	67	1	10.44			
						67	68	1	10.60			
						68	69	1	0.35			

Copper (Cu)

NWRC25	793775	8505774	-60	280	48	53	5	6.53				
						48	49	1	0.54			
						49	50	1	1.99			
						50	51	1	14.73			
						51	52	1	8.97			
						52	53	1	6.42			

Wolfram (W)

NWRC11	793667	8505639	-60	105	105	107	2			1.47		
						105	106	1			2.81	
						106	107	1			0.12	

Gold (Au)

NWRC02	793763	8505687	70	260	4	5	1				4.97	
NWRC21	793667	8505634	-60	105	58	62	4				2.01	
						58	59	1			0.33	
						59	60	1			3.42	
						60	61	1			3.41	



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The detailed assay results are contained in the Company announcement to the Australian Securities Exchange (“ASX”) dated 29 January 2009.

Mt Wells is located on a substantially elevated hill containing en-echelon lodes of tin and copper ore. The elevated nature of the ore bodies should assist in economical disposal of overburden and waste in adjacent valleys for any future open pit operations.

These lodes are essentially tension-fill veins, striking 015-025, dipping 75-85° east and have a strike length up to 1km. The host rocks are siltstone and greywacke of the Burrell Creek Formation, which form a north trending anticline. The width of the individual lodes average 2 metres, (0.5m - 5m), arranged in an en-echelon pattern. Contacts with the host rock are sharp and there is no evidence of displacement or movement. Lode occurring near the contact is brecciated and the branching of lodes into 3 or 4 narrow veins is common.

Cassiterite occurs as single coarse crystals or as aggregates along the hanging wall of most lodes. The coarseness of the tin mineralisation within the quartz lode combined with its erratic distribution contributes to an inherent spotty nature of the mineralisation. This produces a high-nugget effect induced contrast between adjacent lode sample assay results of near zero to several percent tin respectively.

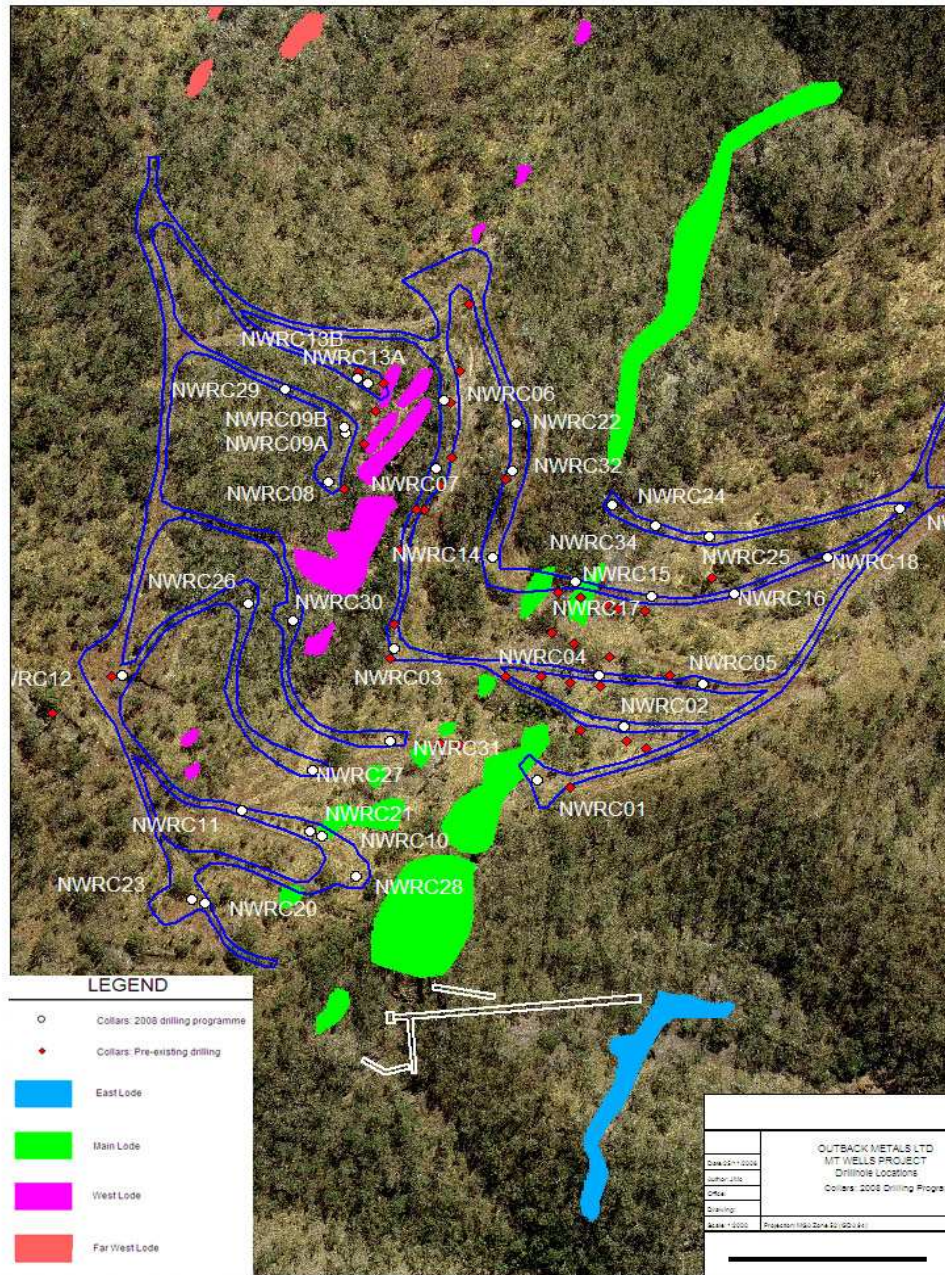
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Drill Collar locations and Sn lode locations





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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 (tenements) that we will seek joint venture or farm-in arrangements partners to progress the exploration and assist with the expenditure requirements.

Corporate

OUM has provided Queensland Ores Limited (ASX – QOL) with short-term debt funding facility of A\$600,000 which will provide QOL with funds to be used in the ordinary course of business, the funding is secured by a mortgage over QOL's Wolfram Camp Project Plant.

The Company held the Annual General Meeting (“AGM”) and all resolutions tabled were passed unanimously.

For further information, please contact:

Chris Jordinson
Chief Executive Officer
Outback Metals Limited
Tel: + 61 2 9420 7200

Rod North - Executive Director
Bourse Communications Pty Ltd
Tel: + 61 3 9510 8309
Mobile: 0408 670 706
Email: rod@boursecommunications.com.au



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About Outback Metals Limited

Outback Metals holds 7 granted exploration tenements totalling 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

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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