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ASX/MEDIA RELEASE

OUTBACK METALS ANNOUNCES WNW FEATURE WITH THE POTENTIAL TO BE AN EPITHERMAL GOLD SYSTEM AT WINGATE MOUNTAINS

Mineral exploration Company, **Outback Metals Limited (ASX: OUM)** is pleased to announce the encouraging findings from the recently completed helicopter survey of the Wingate Mountains and Daly River Projects.

Following the information compiled from the 2008 UTS Geophysics airborne geophysical survey, Outback Metals commissioned their consulting Geologist Mr Bill Fraser from W.J. Fraser and Associates Pty Limited to carry out a helicopter survey and field program to test anomalies identified from the airborne geophysical survey with a mandate to upgrade anomalies where possible to exploration targets.

In total Mr Fraser identified 139 data points and radioactive anomalies for further exploration either by helicopter or by mapping and sampling on the ground, these included:

- Nine gold prospects arising from previous company explorations
- One rare earth elements (REE) prospect arising from previous company explorations
- One uranium prospect arising from previous company explorations
- Forty-seven total count anomalies arising from the 2008 airborne geophysical survey
- Fifty-four uranium anomalies arising from the 2008 airborne geophysical survey
- Twenty-three potassium arising from the 2008 airborne geophysical survey
- Four geological points of interest arising from map studies

EXPLORATION HIGHLIGHTS - TERRY'S PROSPECT

The exploration program objective at Terry's prospect was to identify and upgrade the prospect to 'target' status.

- A WNW feature is interpreted to be a more or less continuous shear zone from Terry's A to an identified vegetation anomaly and beyond, which could possibly hold what Mr Fraser has interpreted as significant epithermal gold mineralization
- A trench located close to a creek showed several quartz veins with yellow ferruginous staining after sulphides. A large boulder of green chloritised vein quartz was located beside the trench (apparently excavated from that trench) was taken for sampling and the assay results showed **60g/t Au (Gold), 68g/t Ag (Silver), 0.1% Cu (Copper) and 2.84%Pb (Lead)**.

- In the northerly direction of the trench investigated and beyond the drill hole collars, subcrops and float trails of vein quartz which trended E-W, were identified. *The material had large pseudomorph cavities probably caused by the dissolution of calcite, scorodite*



and tourmaline. Again representative rock chip samples were taken and ***the assay results are reported in the range of 0.7 to 1.8 g/t Au (Gold) and up to 2 g/t Ag (Silver).***

- All uranium anomalies investigated have a strong thorium component, however the GA AEM survey results may indicate conductors present beneath the Chilling Sandstone which might be associated with concealed unconformity related uranium mineralisation. The possible mixed thorium and uranium source components at Anomaly WU37 warrant further investigations if they can be considered to have emanated from a concealed pegmatite.

GOLD PROSPECTS

At many of the prospects quite extensive irregular quartz +/- tourmaline and calcite filled vein systems were observed intruding grey adamellite granite or altered acid volcanics. These vein systems had been previously investigated by shallow excavator trenches and rotary percussion drill holes. Geological mapping along with comprehensive and representative rock chip sampling were carried out and it was the preliminary determination that the Terry's A Prospect was the most interesting and promising. During the mapping process at the Terry's A Prospect a small trench and a number of drill collars were located, these were accurately logged and recorded, including GPS locations of collars and grid pegs for later conversion and grid transformation. This work has now been completed and the previous drill log information compiled to a Vulcan database.

The salient geological features identified from the Northern Territory Geological Survey ("NTGS") 1:100,000 scale geology and Google Earth imagery show that the Terry's prospects are located along the WNW trend which originates at a prominent Jog in the Giants Reef Fault Zone. This WNW feature is interpreted to be a more or less continuous shear zone from Terry's A to an identified vegetation anomaly and beyond, which could possibly hold what Mr Fraser has interpreted as significant epithermal gold mineralization.

Mr Fraser concluded that:

The Terry's group of prospects and the vegetation anomaly along strike are probably related to an orthogonal WNW shear zone which commences at a prominent jog in the Giants Reef Fault. In examining the detailed OUM airborne magnetic data 1st Vertical Derivative data in particular the following salient features are observed (Fig 2):

- A prominent and untested WNW trending magnetic linear about 1000m long located between Terry's A and C prospects
- Many sub-parallel magnetic trends about 500 to 600m long
- Intersection of one of these trends with a NNE trend at the Vegetation Anomaly. This NNE trend is very prominent on the TMI image
- The trenches at the Vegetation Anomaly are aligned along the WNW trend
- The WNW trends extend well beyond the Vegetation Anomaly and continue into the interpreted dolerite sill
- Other flanking trends north and south which may have some controls to Sunset and Sandy Creek Prospects

In examining the detailed airborne radiometric trends they were noted to be very similar to the airborne magnetic trends and they are often coincident or overlapping, are visible on both the



total count and potassium radioactivity images (Figs 3 and 4). As the coincident and overlapping radiometric data are responses from shallow, less than 2m, depth this may indicate that the top of the causative bodies on the magnetic trends are also at shallow depth.

While most of these features are probably caused by potassic alteration and some pegmatitic dykes other features may be caused by uranium and thorium minerals in allanite veins, which may host significant REE and zirconium mineralisation.

Mr Fraser commented that

“In his opinion the gold mineralization identified along the WNW feature may be a very significant epithermal system and is begging for further and more detailed exploration.”

URANIUM PROSPECTS

The uranium exploration was directed from the helicopter and involved flying over, around and across the points of interest. Using sophisticated equipment including an Exploranium GR-110 total count scintillometer, an Exploranium GR135 differential spectrometer and a side mounted Garmin GPSmap 296 GPS with Table 1 waypoints installed for navigational purposes along with a Magellan Explorist XL GPS for the recording of tracks and waypoints investigated.

In investigating the pre-determined total count radioactivity, uranium and potassium anomalies the helicopter was flown at a height above ground of about 30-40 m and at a speed of about 50-60 knots. Once the helicopter had passed over an anomaly position the helicopter was flown in a moderately tight orbital holding pattern which included further passes over the anomaly so that an area of about 1,000m radius and more was covered. Both the GR110 scintillometers, one in the front and one in the back were closely monitored for increases in background radioactivity. An anomaly of significance was deemed to be one where the total counts per second rose above 130cps and maintained about 140cps.

This work resulted in the flagging of four anomalies warranting ground investigations: WU09, WU37, WTC21 and WTC06/WU02. Work carried out at ground level included geological interpretation, mapping and rock sampling. The samples were sent off for further analyses and those results have now been received, unfortunately the assays reported for U (uranium) and Th (Thorium) ranged from 4ppm – 11ppm U and 18ppm – 97ppm Th.

There are no uranium anomalies with a pure uranium source component occurring at surface which warrant follow-up. All anomalies investigated have a strong thorium component, however the GA AEM survey results may indicate conductors present beneath the Chilling Sandstone which might be associated with concealed unconformity related uranium mineralisation.

The possible mixed thorium and uranium source components at Anomaly WU37 warrant further investigations if they can be considered to have emanated from a concealed pegmatite.

A helicopter survey was also carried out over the Daly River EL 25416. The objective was to investigate a line of radiometric anomalies with mixed uranium and thorium source properties found by a previous NT Government survey located in sediments of the Paleoproterozoic Noltinius Formation following close to the unconformity with the overlying Neoproterozoic Tolmer Group. Accordingly a flight was made at 30-40m altitude and at about 50kts from Mount Nancar in the south to the Mount Thomas area in the north. Several weak total count radiometric anomalies were detected but these were not considered to be worthy of ground follow-up.



RARE EARTH PROSPECT

This prospect located within the Terry's Grid area was found to be miss-plotted in the NTGS MODAT database. The correct location has now been determined to be in a trench at the northern part of Terry's Area C and this will be re-sampled in due course.

In commenting on these significant results Outback Metals, CEO, Chris Jordinson said:

"The results in relation to work carried out at the Terry's prospect has underlined our belief in the Wingates as a potential gold play. The encouraging assay results achieved from the rock chip sampling programme achieved the programmes objective of identifying a target for further exploration. The surface uranium results were not as anticipated, however the optimism at the Terry's prospect far outweighs these uranium results."

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. William Fraser, who is a Fellow of The Australasian Institute of Mining and Metallurgy and is certified as a Chartered Professional (Geology). Mr. William Fraser is employed by W J Fraser and Associates Pty Ltd. Mr. Fraser 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. Fraser consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



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

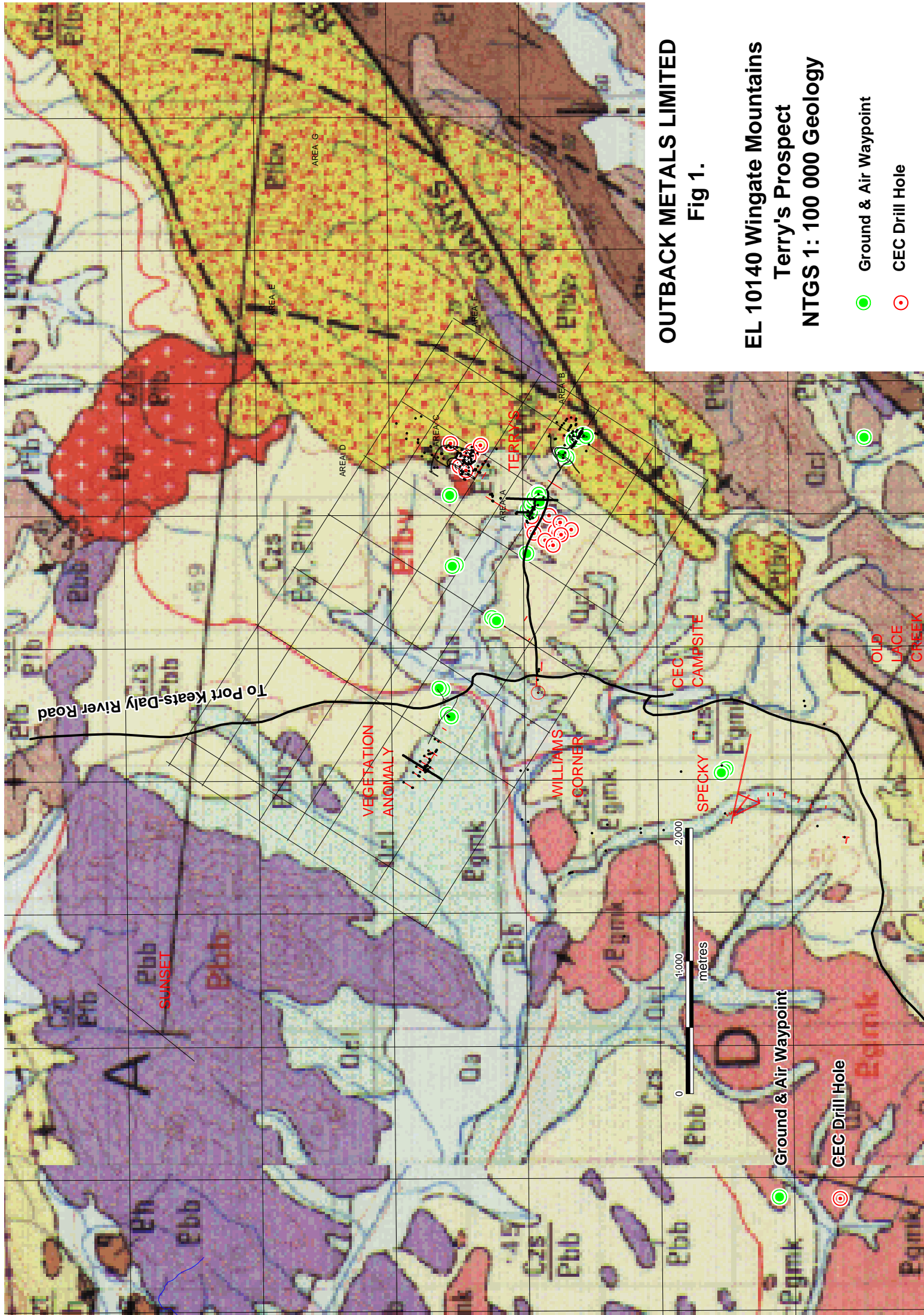
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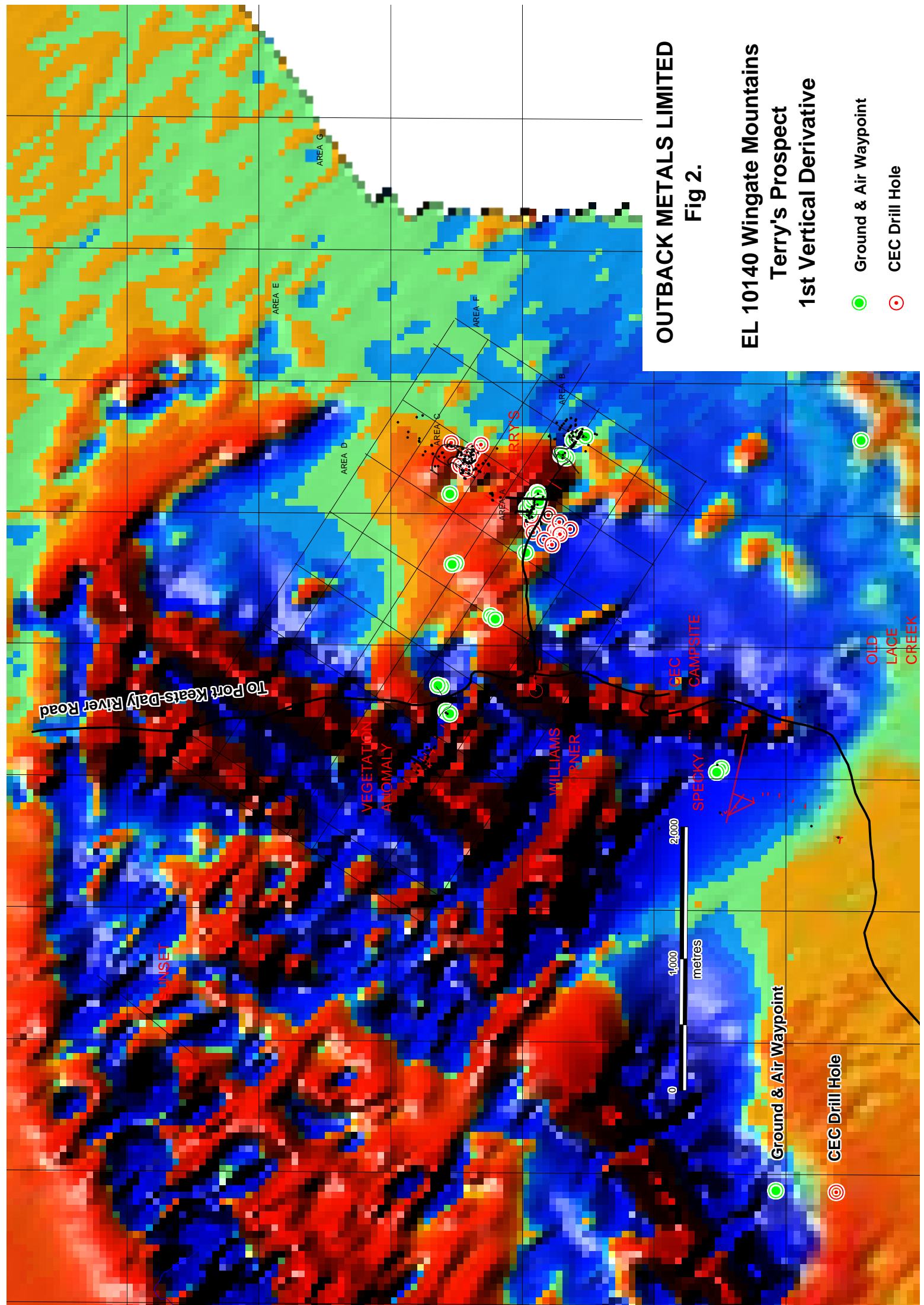


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Fig 1.

**EL 10140 Wingate Mountains
Terry's Prospect
NTGS 1: 100 000 Geology**

- Ground & Air Waypoint
- ⊙ CEC Drill Hole

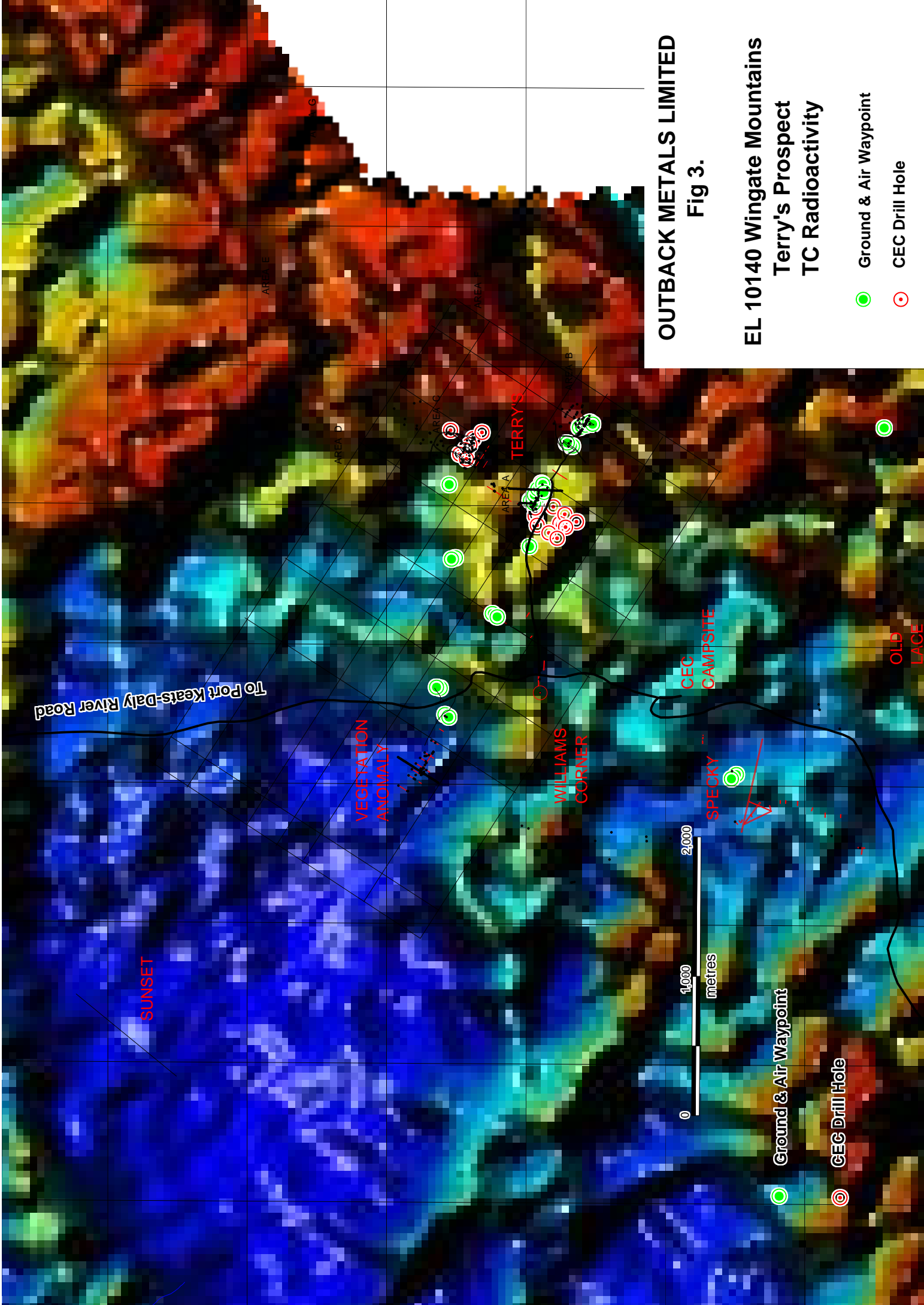


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Fig 2.

EL 10140 Wingate Mountains
Terry's Prospect
1st Vertical Derivative

- Ground & Air Waypoint
- CEC Drill Hole

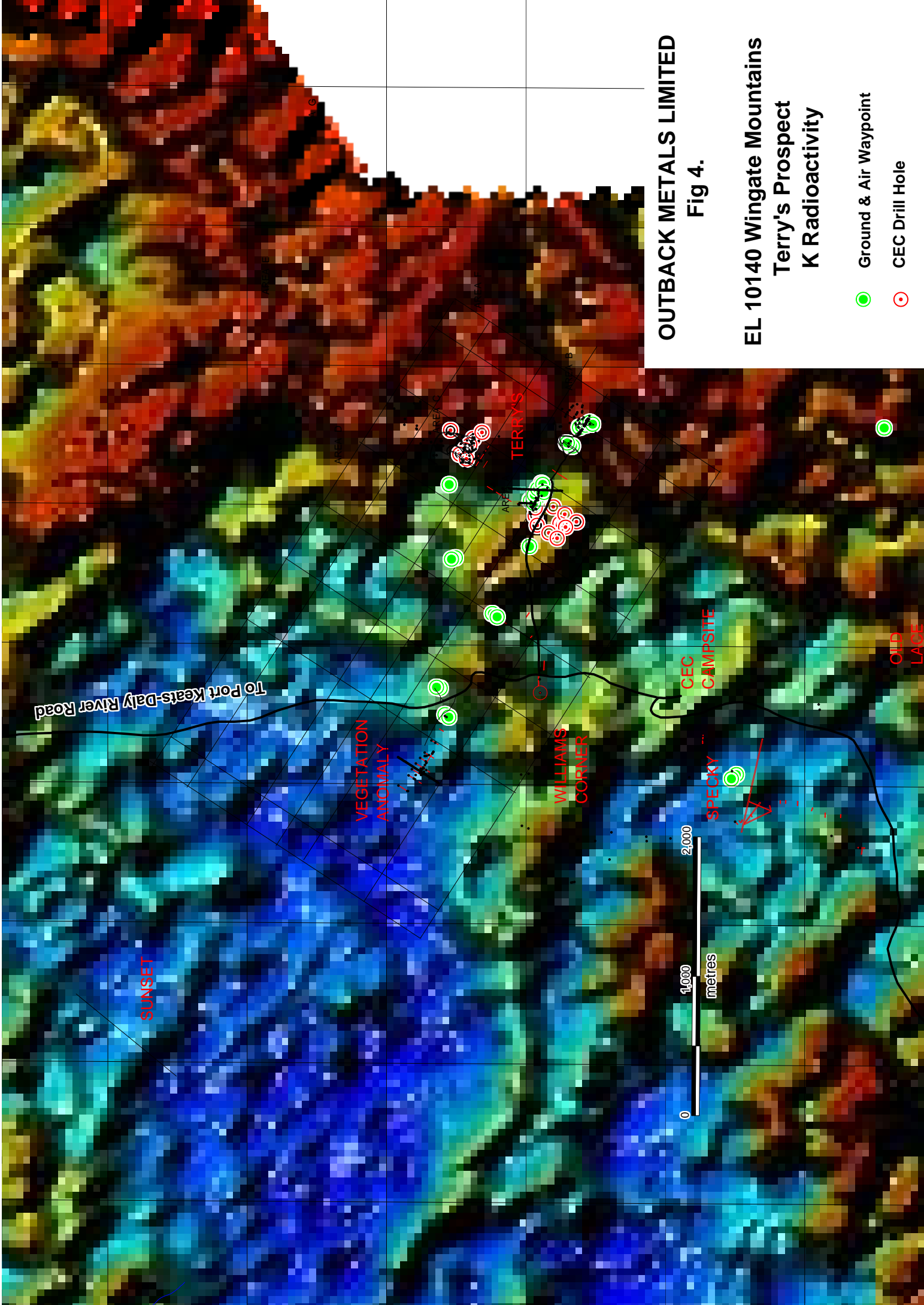


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Fig 3.

EL 10140 Wingate Mountains
Terry's Prospect
TC Radioactivity

- Ground & Air Waypoint
- ⊙ CEC Drill Hole



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Fig 4.

EL 10140 Wingate Mountains
Terry's Prospect
K Radioactivity

- Ground & Air Waypoint
- CEC Drill Hole