



ASX Release

8 May 2009

Metallica improves QOL funding proposal

Metallica has today improved its funding proposal to Queensland Ores Limited (**QOL**).

Metallica now intends to waive the Minimum Acceptance Conditions¹ in its offer if it receives acceptances during the offer period which take its relevant interest in QOL to at least 40% of all QOL shares (down from 50.1% announced on 27 April 2009).

Metallica has increased its relevant interest in QOL shares to 22.32% as at 7 May 2009.

If, by the end of the offer period, Metallica receives acceptances which take its relevant interest in QOL to at least 40% of all QOL shares and the other conditions of Metallica's offer are satisfied or waived, Metallica intends to offer QOL up to \$1 million in cash funding. The form and terms of the funding would be separately agreed with QOL.

The cash injection will enable QOL to meet its immediate working capital and debt repayment obligations.

QOL last week warned QOL shareholders of solvency issues and has urged QOL shareholders to accept Metallica's Offer without delay to ensure that the Metallica Funding Offer is provided.

Metallica's offer ends at 7.00pm (Brisbane Time) on 19 May 2009, unless extended.

Outback's proposal to extend its loan repayment date

Outback announced on 7 May 2009 a highly conditional proposal to extend the repayment date of its loan to QOL to 11 October 2009 and to make it convertible into QOL shares.

The debt extension proposal however does not provide any new cash funding to QOL to meet its working capital requirements and will not change QOL's solvency issues.

¹ The Minimum Acceptance Conditions are conditions 13.1 and 13.11 in Metallica's bidder's statement, being, that Metallica acquires, by the end of the offer period, a relevant interest in at least 90% of the QOL shares on issue and that no person whether alone or with that person's associates, other than Metallica or a related entity of Metallica, obtains a relevant interest in more than 10% of QOL shares.



Outback's cash position as at 31 March 2009 was \$898,000 (down from \$2.1 million as at 31 December 2008). Outback's access to future funding for itself, let alone QOL, is uncertain.

As at 29 April 2009, Metallica had approximately \$19.4 million in cash reserves.

Acceptance of the Metallica offer will secure the immediate financial future of QOL and provide accepting shareholders with the benefit of holding shares in Metallica.

Metallica encourages QOL shareholders to act without delay and ACCEPT Metallica's offer.

For Further Information

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