

ASX Announcement

14 October 2010

Retail Entitlement Offer closed oversubscribed

The Board of Mt Isa Metals (MET) is pleased to announce the successful completion of the retail component of MET's 1 for 4 non-renounceable entitlement offer at \$0.15 per share raising the maximum amount of \$2.06 million ('Retail Entitlement Offer').

MET received applications totalling over \$3.24 million in respect of the Retail Entitlement Offer, including valid applications for Entitlements of \$1.88 million and applications for Additional New Shares of \$1.36 million.

All Shareholders who submitted valid applications for the Entitlements will receive 100% of their applications.

Allocation of the Shares that were not subscribed for under the Retail Entitlement Offer (1,229,614 Shares with a value at \$0.15 of \$184,442.10) will be made by the Board of MET in its absolute discretion, in consultation with the underwriter (Bizzell Capital Partners Pty Ltd), and MET's decision regarding the allocation and scale back will be final.

Allotment of all New Shares under the Retail Entitlement Offer will occur on Tuesday 19 October 2010. Despatch of Holding Statements will occur on Wednesday 20 October 2010. Refunds for unfilled applications for Additional New Shares will be despatched to Shareholders as soon as practicable. New Shares are expected to commence trading on ASX on Thursday 21 October 2010.

The underwriter has notified the Company that it will be exercising its rights under the underwriting agreement to complete an Institutional Placement to raise a further \$900,000 (6,000,000 New Shares at \$0.15 each).

The proceeds of these capital raisings will be utilised in conjunction with existing cash reserves to fund an aggressive gold exploration program in Burkina Faso. This exploration will include significant drilling programs on identified high grade gold prospects.

Mt Isa Metal's Managing Director, Peter Spiers commented - "we are delighted with the response from our shareholders and new investors to the capital raisings. The Company has secured a substantial portfolio of gold properties in Burkina Faso. High grade gold assays have been recorded across eight separate project areas sampled to date. The funds from these capital raisings will allow MET to commit to drilling of these exciting gold targets before the year end and also allow the Company to accelerate regional exploration activities across the balance of the project area."

On behalf of the board,
D P Cornish
Company Secretary

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Further information on Mt Isa Metals can be found on our website www.mtisametals.com.au
