

## ASX Announcement

27 October 2010

### **BURKINA FASO - UPDATE ON EXPLORATION ACTIVITY**

#### **Highlights:**

- **\$3.6 million Burkina Faso gold exploration program commenced following cessation of the northern hemisphere wet season.**
- **RC drilling of high priority targets scheduled to commence in early November with initial assay results expected before year end.**
- **Priority drill targets include:**
  - **Nabanga – 3.6km long high grade (+10g/t Au) quartz vein system**
  - **Bantou – 1.0km long artisanal workings with rock chips to 1.5m @ 43.1g/t Au**
- **High resolution helicopter-borne magnetic/radiometric survey commenced over Yactibo and Tapoa projects to identify additional gold targets.**
- **Regional soil sampling programs commenced over selected project areas.**
- **Regional exploration office established in Ouagadougou - 5 full time geologists currently “on the ground”.**

The Board of Mt Isa Metals (MET) is pleased to advise that the Company's 2010/11 gold exploration program has commenced in Burkina Faso following the cessation of the northern hemisphere wet season.

The \$3.6m program will provide a comprehensive assessment of multiple gold targets across the Company's significant land holding in Burkina Faso. MET holds multiple targets that each have potential for discovery of large-scale gold deposits.

The 2010/11 exploration program will include a mix of “brownfield” style exploration including immediate RC drilling of artisanal gold sites, and, “greenfield” programs including regional geophysical surveys and soil geochemical sampling programs.

#### **Drilling of High Grade Gold Prospects**

MET is pleased to advise that it has recently signed drilling contracts with West African Drilling Services (a Layne Christensen subsidiary) for an initial 10,000m of Reverse Circulation (RC) drilling. The drilling will comprise 2 x 5,000m programs scheduled for commencement in November 2010 and January 2011 respectively.

The immediate (November 2010) drill program is designed to test high grade gold occurrences at artisanal gold sites including:

*Nabanga* – 3.6km long zone of artisanal workings with high grade gold assays in multiple quartz veins (Yactibo Project – figure 1).

*Bantou* – 1.0km long zone artisanal workings with multiple sub-parallel quartz/quartzite lodes and rock chip samples up to 1.5m @ 43.1g/t Au (Kongolokoro Project – figure 1).

*Assay results for the November drilling program are expected before year end.*

The second (January 2011) drilling program is planned to test additional high grade gold targets within the Tapoa and Yactibo Project areas (including the Boungou and Yacti Prospects) (figure 1).

### **High Resolution Aeromagnetic Survey**

MET has also recently commenced a high resolution helicopter-borne magnetic/radiometric geophysical survey over priority structural targets within the Tapoa and Yactibo Projects (figure 1).

The survey is designed to generate additional regional gold targets and to assist in location of drill holes within advanced-stage gold prospects in weathered and structurally complex settings.

The survey (being undertaken by New Resolution Geophysics of South Africa) is being completed on 100m spaced lines at a height of 20m to 30m from surface for a total 15,000 flight line kilometres.

*The geophysical survey is anticipated to be completed by mid November.*

### **Regional Soil Sampling Programs**

In addition to the above MET has commenced regional soil sampling programs over selected targets within its extensive permit areas which include an estimated 3,000km<sup>2</sup> of highly prospective greenstone rocks.

The surveys are designed to identify broad (multi-kilometre) zones of anomalous gold mineralisation via low level gold assays (geochemical analysis).

Priority soil sampling sites include the Ouahigouya Project (Pogoro permit), Namtemga Project (Bogandé permit), and Yactibo Project (Nabanga, Kamsongo and Gonaba Ouest permits).

*Soil sampling will be ongoing with results announced as individual target areas are completed.*

### **Regional Exploration Office / Workforce**

The Board is also pleased to advise that the Company has established a permanent regional exploration office in the Burkina Faso capital – Ouagadougou. The office and associated facilities have been configured to support a significant and sustained gold exploration program.

MET has five full time geologists currently “on the ground” in Burkina Faso to facilitate the implementation of this exciting maiden gold exploration program.

The Board of Mt Isa Metals Ltd looks forward to providing regular updates on exploration activities as results come to hand.

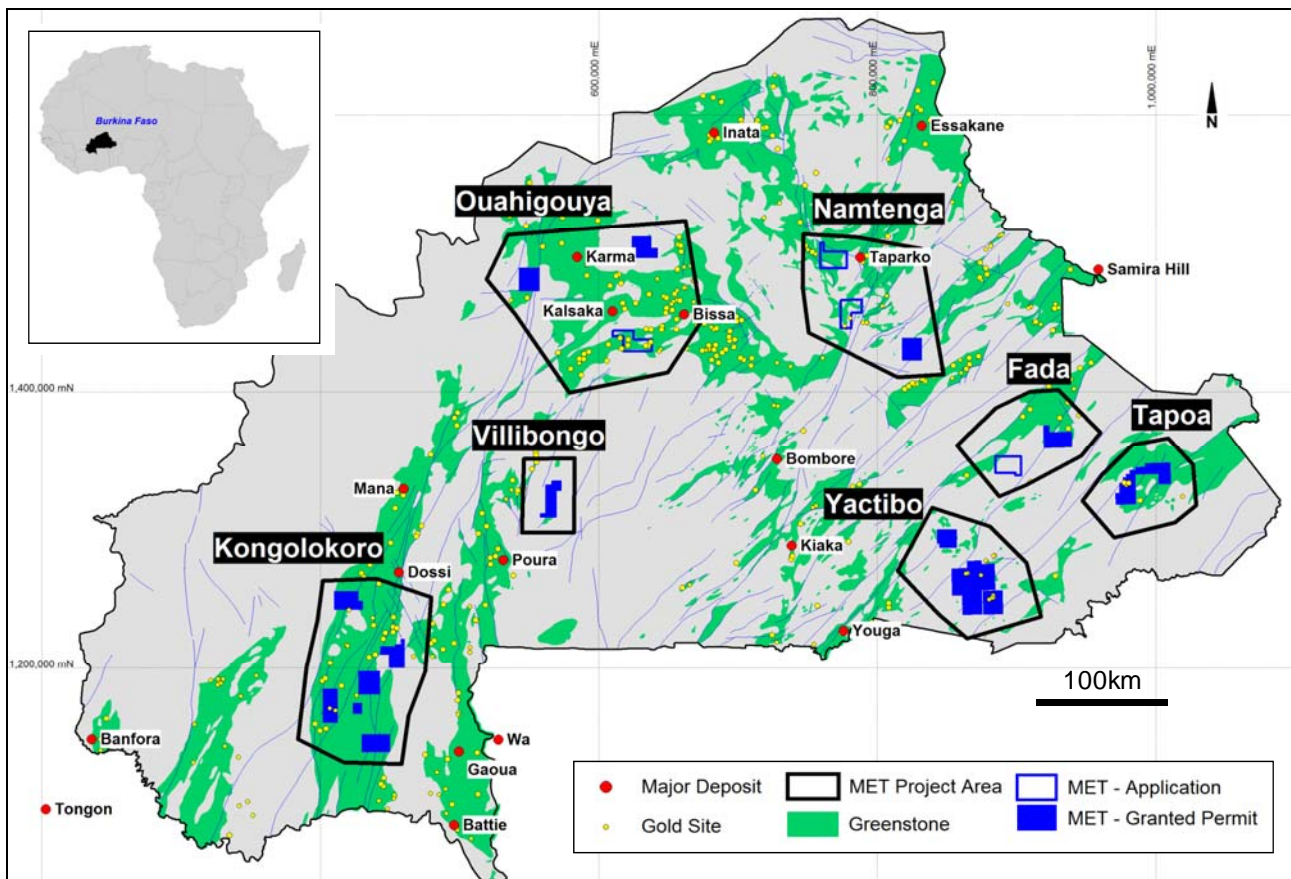


Figure 1: Location of MET Project areas.

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Further information on Mt Isa Metals can be found on our website [www.mtisametals.com.au](http://www.mtisametals.com.au)

#### Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Peter Spiers B.Sc (Hons) Geol., who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Spiers is a full time employee of the company. Mr Spiers has sufficient experience which is relevant to the style of mineralisation 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 the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Spiers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.