

ASX Announcement

22 December 2010

MAIDEN DRILL ASSAY RESULTS FOR BANTOU GOLD PROSPECT INDICATE HIGH GRADE GOLD SYSTEM

Highlights:

- **Significant gold assay results received from maiden RC drilling program at the Bantou Prospect, Dynikongolo Project area, in south-west Burkina Faso.**
- **Bantou Prospect drill results include:**
 - **4m @ 3.59g/t Au** from 38m (in DYRC01)
 - **8m @ 80.32g/t Au** from 36m (in DYRC03)
 - **5m @ 6.12g/t Au** from 60m (in DYRC04)
 - **4m @ 4.26g/t Au** from 42m (in DYRC05)
- **Gold mineralisation (>0.5g/t Au) defined over a 450m strike length.**
- **Additional strike potential remains to be tested.**
- **Hangingwall intersections indicate potential for multiple sub-parallel structures.**
- **Additional drilling planned for 2011 to test for strike extensions to defined gold mineralisation and additional targets in the broader Dynikongolo Project area.**
- **Initial drilling programs at Yacti and Nabanga prospects completed, assay results expected by mid January 2011.**

The Board of Mt Isa Metals Limited (MET) is pleased to announce that assay results have been received for the maiden reverse circulation (RC) drilling program recently completed at the Bantou Prospect in south-west Burkina Faso.

The assay results have defined near-surface gold mineralisation within the Bantou structure extending over a 450 metre strike length. Assays results include the following intersections:

- **4m @ 3.59g/t Au** from 38m (in DYRC01)
- **8m @ 80.32g/t Au** from 36m (in DYRC03)
- **5m @ 6.12g/t Au** from 60m (in DYRC04)
- **4m @ 4.26g/t Au** from 42m (in DYRC05)

The Bantou RC drilling program comprised a total of 12 drill holes for 1,287 drilled metres and marks the first drill assay results to be received by MET in Burkina Faso.

Bantou Prospect

The Bantou target is defined by shallow northeast-trending artisanal gold workings that extend over an approximate 1,000 metre strike length. Multiple sub-parallel mineralised quartz veins have been exposed by the artisanal mining activities.

Surface grab sampling and rock chip sampling completed by MET during 2010 recorded low, medium, and high grade gold assays associated with the artisanal workings. Rock chip samples included assays up to **1.5m @ 43.1g/t Au**. This area has not yet been drill tested.

MET completed five RC drill holes within the southern end of the Bantou structure in the current RC drilling program (figure 1 - DYRC01 to DYRC05). Detailed drill assay results are shown in table 1.

The most significant intersection in the current drill program was recorded in drill hole DYRC03 which included **8m @ 80.32g/t Au** (from 36m)¹. The intersection was recorded in a weakly oxidised sedimentary unit (mudstone) with up to 2% disseminated pyrite. The intersection is adjacent to (on the up dip contact of) a massive quartz vein. Drill hole DYRC02 (drilled on the same section as DYRC-03) recorded a significant low grade mineralised interval (**5m @ 0.51g/t Au** from 76m) approximately 40 metres down-dip from the high grade intersection in DYRC03.

Drill holes DYRC04 and DYRC05 (completed 150 metres to the north of DYRC-03) also intersected significant gold mineralisation below the artisanal workings (figure 2).

DYRC04 recorded an intersection of **5m @ 6.12g/t Au** from 60m down hole depth. DYRC05 recorded an intersection of **9m @ 2.22g/t Au** from 42m (including **4m @ 4.26 g/t Au** from 42m) in a second structure located 40 metres to the west of (in the hangingwall of) the main Bantou Lode. DYRC05 ended in quartz vein mineralisation at the limit of capacity of the RC drill rig (**2m @ 2.99g/t Au** from 85m) and hence did not reach sufficient depth to test the main Bantou structure.

Drill hole DYRC01 (the southernmost hole in the current program) intersected an interpreted hangingwall structure approximately 25 metres to the west of the main trend artisanal workings. The intersection **4m @ 3.59g/t Au** (from 38m) is open to the south (figure 1).

¹ One metre assays comprise: 486.0g/t, 64.10g/t, 12.60g/t, 25.20g/t, 18.95g/t, 33.30g/t, 1.69g/t and 0.72g/t Au.

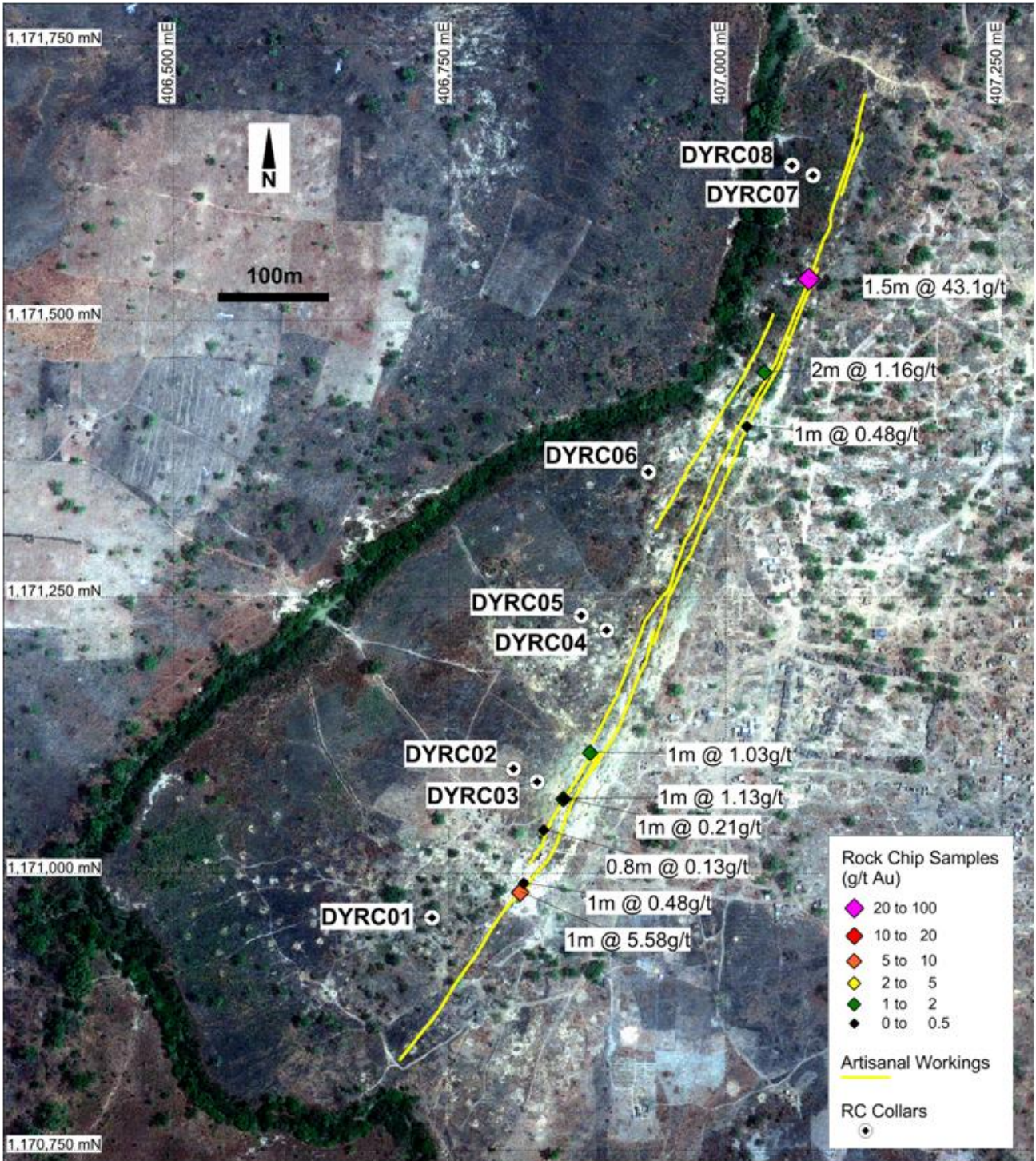


Figure 1 - Location diagram.

Limited drilling (only one single drill hole DYRC06) was completed within the central-north section of the Bantou Main target due to wet surface conditions associated with the recent wet season rains. A 400 metre strike length of the Bantou target therefore remains largely untested in this area (figure 1).

Also in the current program two additional RC drill holes were completed at the far north end of the Bantou structure (figure 1 - DYRC07 and DYRC08). This drilling, associated with discontinuous artisanal workings, did not record any significant gold intersections.

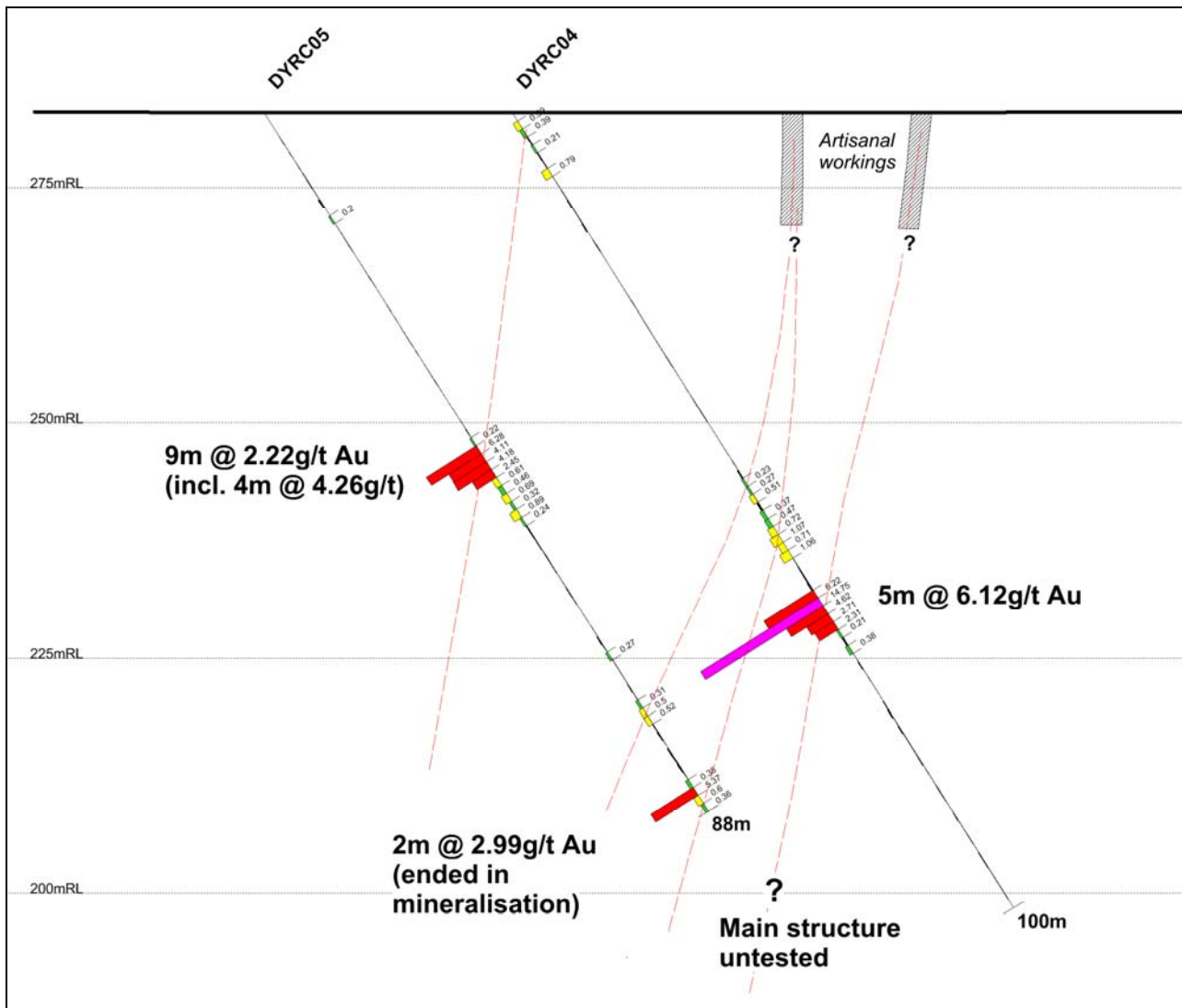


Figure 2 - Bantou Main - Drill holes DYRC04 / DYRC05.

Bantou North Prospect

The Bantou North target is located 1.7 kilometres north-east of the Bantou Prospect and is defined at surface by a zone of shallow artisanal workings that exploit several narrow sub-parallel quartz veins over an approximate 400 metre strike length. The Bantou North structure is interpreted as a possible fault offset continuation of the Bantou Main structure.

Four reverse circulation holes totalling 500 metres were drilled at Bantou North target to follow up on previously recorded low grade (<1g/t Au) grab samples (DYRC09 to DYRC12). Detailed drill assay results are summarised in table 2.

The drilling results were consistent with the surface expression of mineralisation and intersected several narrow intervals of moderate grade gold mineralisation including best assay results of:

- 1m @ 6.81g/t Au from 63m (in DYRC12)
- 2m @ 4.14g/t Au from 95m (in DYRC12)

Forward Program

MET considers the results of the maiden drilling program to be extremely encouraging, with particular reference to the high grade intersections from the main Bantou target.

The intersections demonstrate a continuation of high grade gold mineralised system at depth and well beyond the extent of near-surface artisanal gold workings. Gold mineralisation has been identified associated with both pyritic sediments and quartz veins. MET considers this mineralisation style to offer potential for definition of extensive zones of mineralisation.

The Bantou mineralisation is open ended to the south and remains essentially untested within the central-northern 400 metre long core of the artisanal workings.

Further drilling is to be undertaken during 2011 to facilitate interpretation of the detailed geological/structural setting and to determine the full extent of gold mineralisation in the Bantou area.

In addition to the above, a significant number of structural targets remain to be assessed across the balance of the 250km² Dynikongolo Permit (figure 3). The complex structural setting and scale of structural targets relative to the size of the Bantou system is illustrated in figure 3 (background TMI magnetic image).

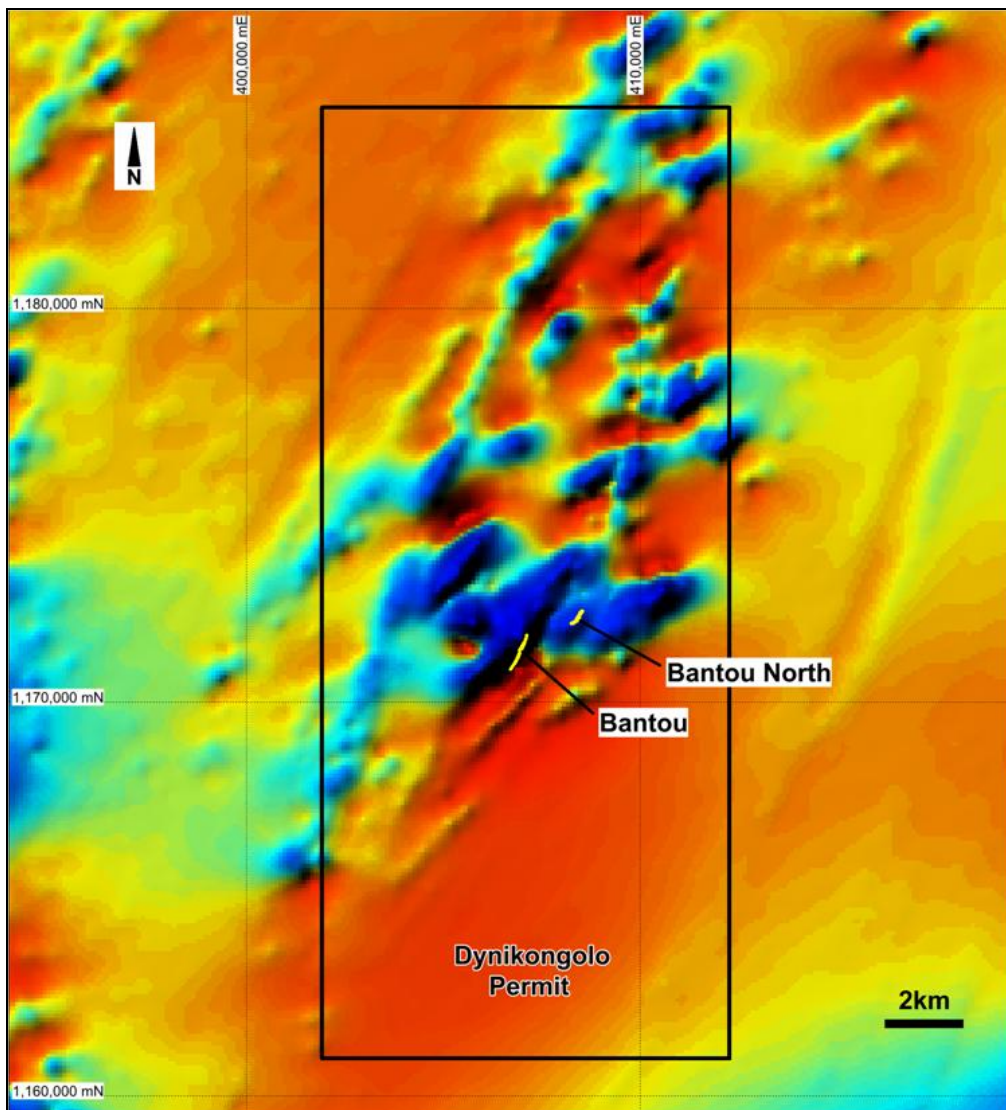


Figure 3 - Dynikongolo Permit - TMI Magnetic image.

Pending Drill Results

The Board is pleased to advise that initial RC drilling programs have now also been completed over two additional gold targets in eastern Burkina Faso – the Nabanga and Yacti Prospects. Both prospects have demonstrated high grade gold assays in artisanal workings.

All samples for the Nabanga and Yacti drilling have been submitted to the laboratory and assay results are anticipated in mid January 2011.

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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.

Hole No.	East (WGS84)	North (WGS84)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
DYRC01	406,734	1,170,960	102	-60	120	4	5	1	0.56
						38	42	4	3.59
DYRC02	406,808	1,171,095	90	-60	120	76	77	1	0.57
						80	81	1	1.08
DYRC03	406,829	1,171,083	90	-60	120	1	8	7	1.04
						16	17	1	1.12
						36	44	8	*80.32
						45	46	1	0.53
DYRC04	406,892	1,171,220	100	-60	120	54	55	1	0.84
						1	2	1	0.59
						7	8	1	0.79
						48	49	1	0.51
						52	56	4	0.89
60	65	5	6.12						
DYRC05	406,869	1,171,233	88	-60	120	42	46	4	4.26
						46	51	5	0.59
						75	77	2	0.51
						85	87	2	2.99
DYRC06	406,930	1,171,363	113	-60	120	62	63	1	0.63
						73	81	8	0.80
DYRC07	407,079	1,171,631	102	-60	120	No significant values			
DYRC08	407,060	1,171,640	102	-60	120	No significant values			

Table 1 – Drilling Results – Bantou (0.5g/t Au cut-off grade)

*Includes 1m @ 486.0g/t Au – interval becomes 8m @ 32.07g/t Au with a 100g/t Au high grade cut applied.

Hole No.	East (WGS84)	North (WGS84)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
DYRC09	408,426	1,172,212	100	-60	120	31	33	2	0.68
DYRC10	408,408	1,172,226	150	-60	120	No significant values			
DYRC11	408,370	1,172,119	100	-60	120	66	67	1	1.22
						84	86	2	1.58
DYRC12	408,351	1,172,131	150	-60	120	15	17	2	1.79
						63	64	1	6.81
						95	97	2	4.14
						118	119	1	0.56

Table 2 – Drilling Results – Bantou North (0.5g/t cut-off grade).