

ASX Announcement

04 July 2011

HIGH GRADE GOLD DRILLING RESULTS CONTINUE FROM THE NABANGA GOLD DISCOVERY

Highlights:

- **Additional high grade gold assay results received from reverse circulation drilling at the Nabanga gold discovery in south-east Burkina Faso.**
- **Significant new intersections include:**
 - **3m @ 5.63g/t Au** from 19m (in NARC032)
 - **4m @ 7.45g/t Au** from 66m (in NARC033)
(incl. 2m @ 14.08g/t Au from 67m)
 - **5m @ 5.44g/t Au** from 24m (in NARC034)
(incl. 2m @ 11.38g/t Au from 24m)
 - **4m @ 8.52g/t Au** from 74m (in NARC035)
(incl. 2m @ 16.05g/t Au from 74m)
- **High grade gold mineralisation now recorded to 65 metres vertical depth on the central quartz lode on contiguous sections (2m @ 14.08g/t Au in NARC033 and 2m @ 16.05g/t Au in NARC035).**
- **Deeper drilling planned for assessment of open-ended high grade gold zones to 125 metres vertical depth.**
- **RC drilling continuing along the full 3.6 kilometre strike length of the Nabanga structure.**
- **Assay results awaited from multiple project areas including - Nabanga (RC drilling), Bantou (RC drilling), Kamsongo (RAB drilling) and Boungou (soil sampling).**

The Board of Mt Isa Metals Limited (MET) is pleased to announce that assay results have been received for the first six drill holes of the phase two reverse circulation (RC) drilling program at the Nabanga gold discovery in south-east Burkina Faso (figure 1).

The drill assay results include multiple high grade gold intersections on the central quartz lode and open-ended high grade gold intersections at 65 metres vertical depth.

The new drill results extend the depth of known gold mineralisation on the Nabanga structure and provide significant potential to further extend gold mineralisation by additional drilling at depth.

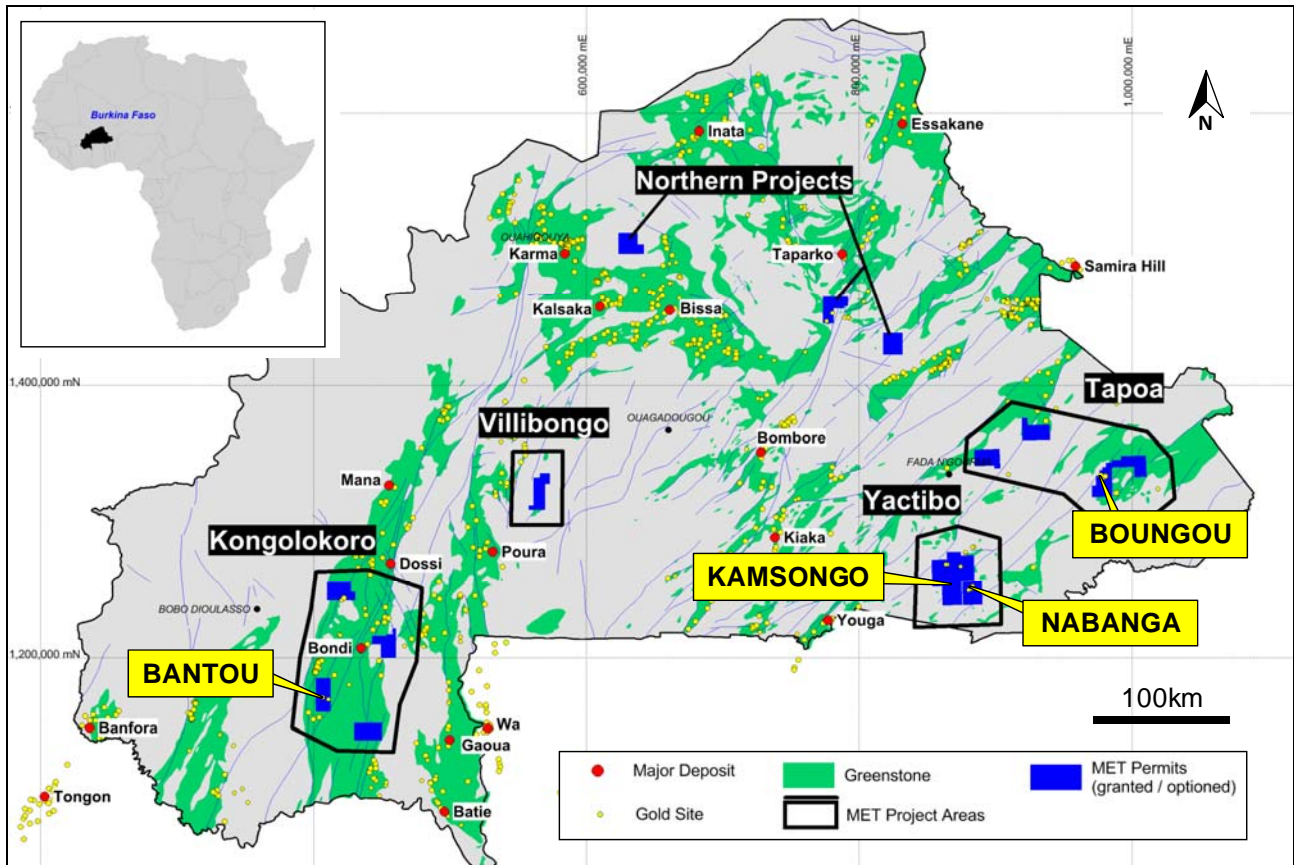


Figure 1 – Location diagram.

Nabanga - Phase 2 Drilling Results

The Nabanga gold discovery was announced by MET in early 2011 following the completion of an initial broad-spaced reverse circulation (RC) drilling program that defined significant gold mineralisation on the Nabanga structure over a 3.6 kilometre strike length and to an approximate maximum 50 metre vertical depth.

Phase two RC drilling was commenced at Nabanga in June 2011 and is designed to test the entire strike length of the Nabanga structure on 200 metre-spaced cross sections to an approximate 65 metre vertical depth (figure 2).

The initial phase two drilling program is designed to identify high grade “shoots” within the Nabanga structure. The high grade zones will subsequently be drill tested at depth and subject to additional infill drilling as is required to allow for an initial resource estimation.

Assay results have now been received for the first six drill holes of the phase two drilling program. The new drilling results include further significant intersections (including high grade intervals within the central quartz lode) as follows:

- **3m @ 5.63g/t Au** from 19m (in NARC032)
- **4m @ 7.45g/t Au** from 66m (in NARC033)
(incl. 2m @ 14.08g/t Au from 67m)
- **5m @ 5.44g/t Au** from 24m (in NARC034)
(incl. 2m @ 11.38g/t Au from 24m)
- **4m @ 8.52g/t Au** from 74m (in NARC035)
(incl. 2m @ 16.05g/t Au from 74m)

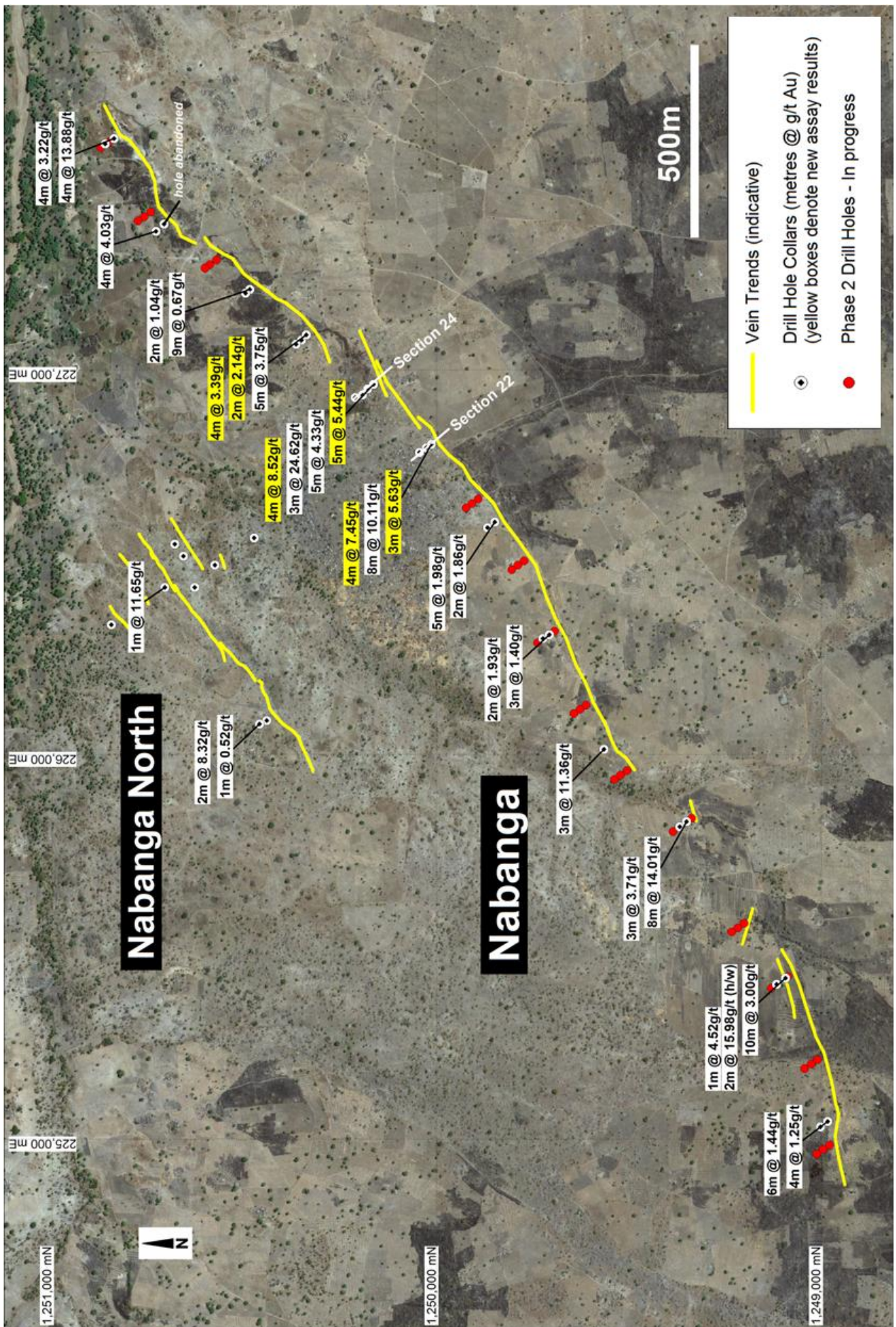


Figure 2 - Location diagram – Nabanga drilling results (new results in yellow boxes).

The high grade intersections recorded in drill hole NARC033 (**2m @ 14.08g/t Au**) and NARC035 (**2m @ 16.05g/t Au**) are particularly significant in that they demonstrate continuity of the central high grade quartz lode on contiguous 200 metre-spaced cross sections to a minimum 65 metres vertical depth (refer figures 3 and 4).

Summary intersection data for each of the cross sections which include drill holes NARC033 and NARC035 (which are 200m apart) are summarised in table 1 as follows:

Cross Section	Drill Intersections
22	NARC032 3.00m @ 5.63g/t Au
	NARC030 8.00m @ 10.11g/t Au
	<u>NARC033 4.00m @ 7.45g/t Au</u>
	Average 5.00m @ 8.50g/t Au
	↓ Increasing depth
24	NARC034 5.00m @ 5.44g/t Au
	NARC012 5.00m @ 4.33g/t Au
	NARC011 3.00m @ 24.62g/t Au
	<u>NARC035 4.00m @ 8.52g/t Au</u>
	Average 4.25m @ 9.22g/t Au
	↓ Increasing depth

Table 1 – Nabanga Drill Intersection Data (Cross Sections 22 and 24).

The intersections in drill holes NARC033 and NARC035 are open at depth (down-dip) and therefore also provide an immediate opportunity to further extend the depth of known gold mineralisation at Nabanga through deeper drilling.

Additional RC drill holes have been planned to test the Nabanga structure down-dip from drill holes NARC033 and NARC035 (initially to 125 metres vertical depth). This drilling will commence shortly.

In addition to the deeper drilling highlighted above, the balance of the Nabanga shallow infill drilling (to 200m spaced cross sections) is continuing.

MET considers the results of the drilling completed to date at Nabanga to be extremely encouraging and indicates potential to define a significant gold deposit.

Greenstone-hosted gold systems such as those in Burkina Faso and other major gold provinces such as Eastern Canada and Western Australia are often noted for a significant depth extent to gold mineralisation.

Additional Nabanga drill samples have been dispatched to the laboratory in Ouagadougou for analysis. Assay results will be reported progressively throughout the ongoing Nabanga drilling program.

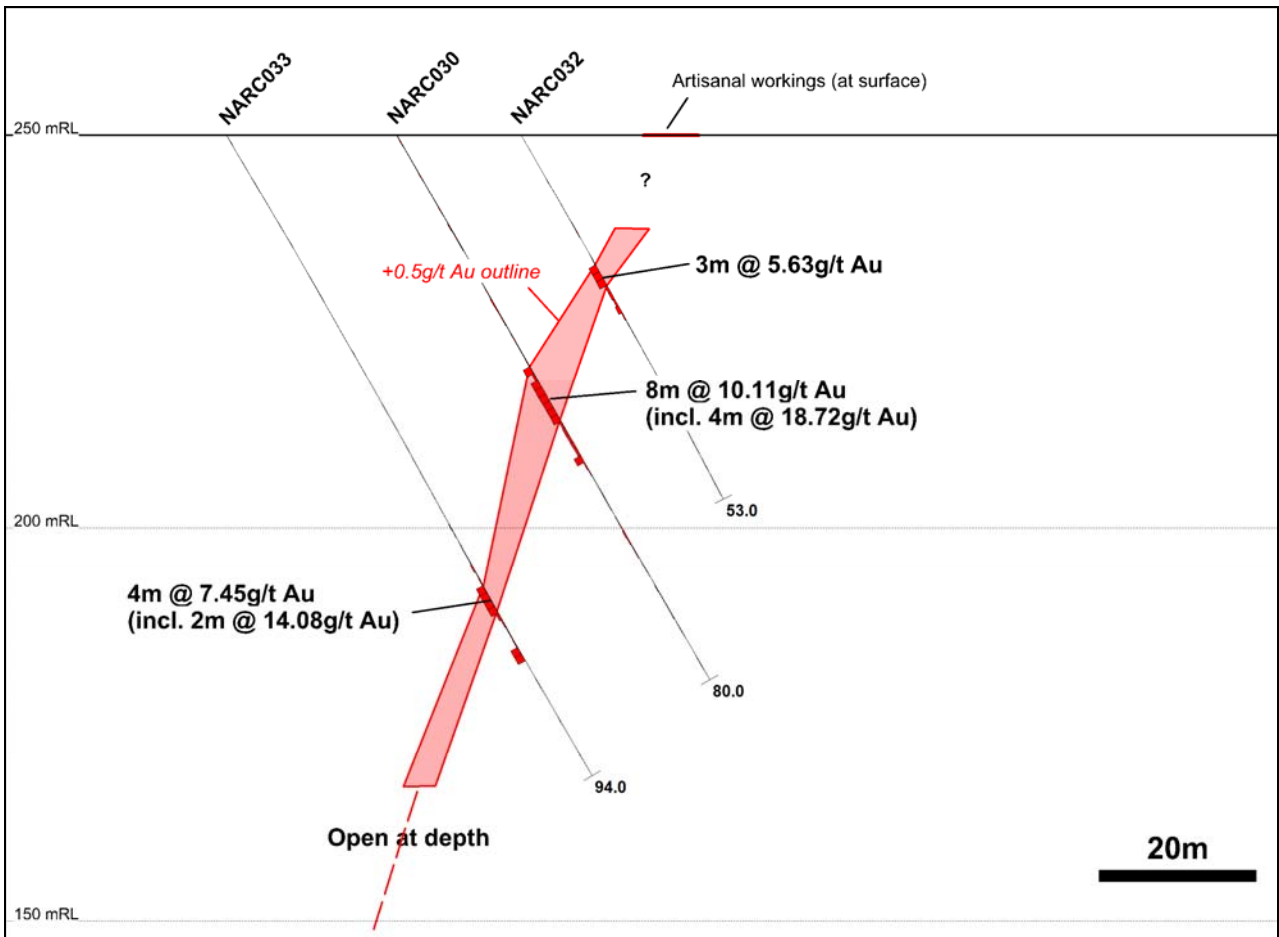


Figure 3 – Nabanga Cross Section (Section 22 - looking north-east).

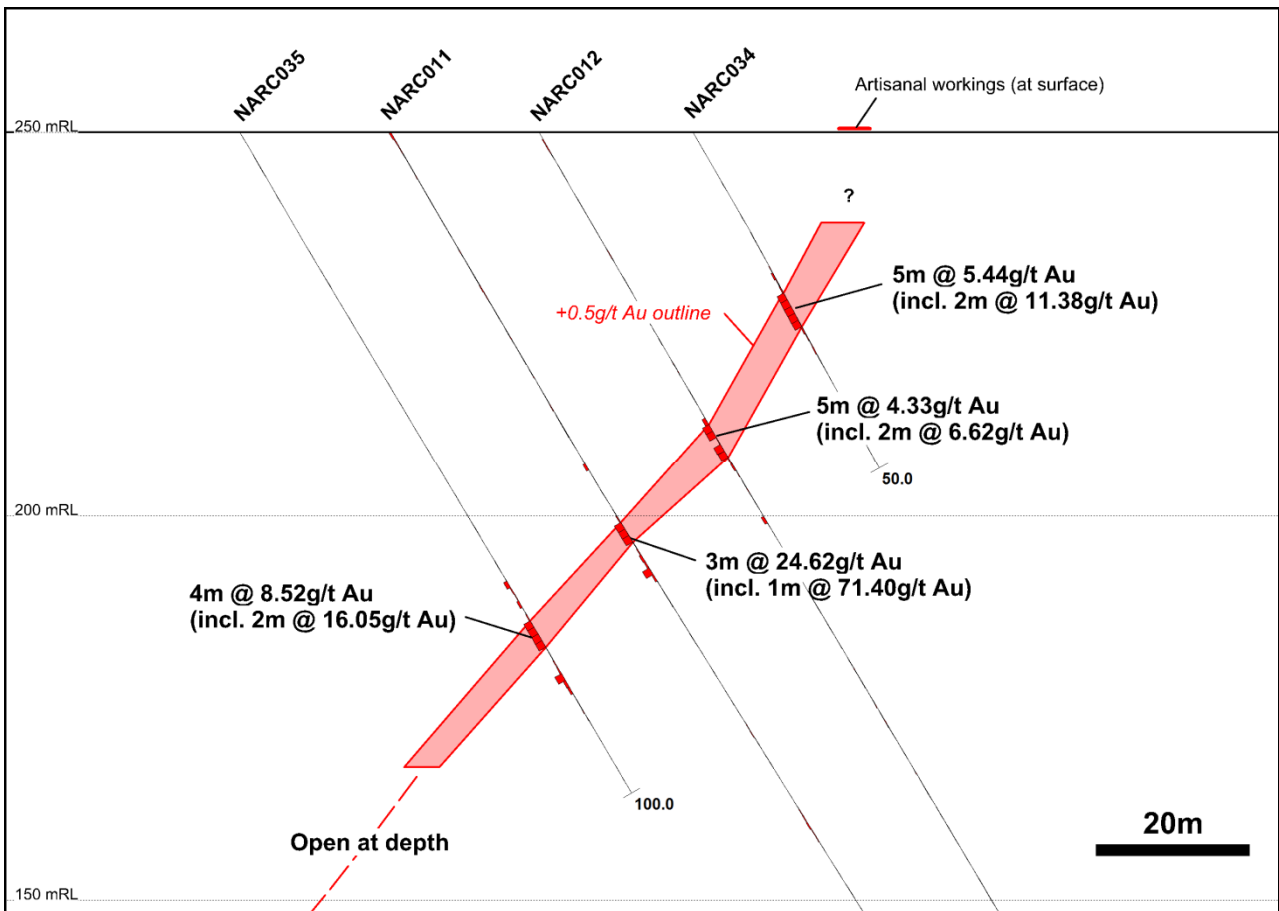


Figure 4 – Nabanga Cross Section (Section 24 - looking north-east).

Additional Prospect Areas

The Company is committed to maintaining an aggressive exploration program across the Company's large and highly prospective project portfolio in Burkina Faso.

Further to the Nabanga drilling activities the Company has submitted in excess of 5,000 samples to the laboratory from additional prospect areas that are currently awaiting assay results. These samples include:

- **Bantou Prospect** – phase two RC drilling to follow up high grade gold intersections along a 500 metre strike length of gold workings (Kongolokoro Project - south-west Burkina Faso)
- **Kamsongo Prospect** – RAB drilling of +20ppb gold-in-soil geochemical anomalies (Yactibo Project area - south-east Burkina Faso)
- **Boungou Prospect** – phase one soil sampling to extend recently discovered high order (+50ppb) gold-in-soil anomalies (Tapoa Project area – south-east Burkina Faso)

Assay results for the various prospect areas will be reported as they come to hand.

Hole No.	East (WGS84)	North (WGS84)	TD (m)	Dip	Azi		From (m)	To (m)	Width (m)	Au (g/t)
NARC032	226,806	1,250,014	53	-60	142		19	22	3	5.63
NARC033	226,785	1,250,045	94	-60	142		66	70	4	7.45
						incl.	67	69	2	14.08
							75	77	2	1.03
NARC034	226,962	1,250,164	50	-60	142		24	29	5	5.44
						incl.	24	26	2	11.38
NARC035	226,928	1,250,212	100	-60	142		74	78	4	8.52
						incl.	74	76	2	16.05
NARC036	227,077	1,250,352	70	-60	142		48	49	1	0.53
							51	53	2	2.14
NARC037	227,066	1,250,366	95	-60	142		55	56	1	0.70
							59	61	2	0.75
							64	68	4	3.39
						incl.	65	68	3	4.31
							70	71	1	0.50

Table 2 – Nabanga Drill Results (0.5g/t Au cut-off grade).

For further information please contact:

Mr Peter Spiers
Managing Director
Ph: (07) 3303 0624 or 0409 407 265

Mr Peter Harding-Smith
Company Secretary
Ph: (07) 3303 0624 or 0488 771 588

Email: info@mtisametals.com.au

Further information on Mt Isa Metals can be found on our website 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.