

ASX Announcement

17 August 2011

BOUNGOU PROSPECT - FINAL ASSAY RESULTS RECEIVED FOR HIGHLY SUCCESSFUL PHASE ONE SOIL SAMPLE PROGRAM

Highlights:

- Final phase one soil sample assay results received for the Bougou Gold Prospect, Burkina Faso.
- Bougou Prospect soil anomalies defined over a total 6.6 kilometre strike length and 3.7 kilometre maximum width (at +20ppb Au).
- Phase one soil sampling program has identified multiple high order (+50ppb¹) gold-in-soil anomalies including the Natougou Zone, Western Zone, Kodjini Zone and Link Zone anomalies.
- Gold anomalism within the Bougou Prospect remains “open” in multiple directions – including a new anomaly on the western boundary of the soil sample area.
- Reverse circulation drilling of high order anomalies and expansion of soil sample area planned at end of current wet season (October 2011).

The Board of Mt Isa Metals Limited (MET) is pleased to announce that the final soil sample assay results have been received for the Company’s Bougou Gold Prospect located in far eastern Burkina Faso (figure 1).

The final assay results were generally of low order (<20ppb Au) but complete a highly successful phase one soil sampling program which identified multiple zones of high order (+50ppb Au) gold-in-soil anomalism across the Bougou area including:

Anomaly	Dimensions (approx.)	Average Assay (ppb Au)	Maximum Assay (ppb Au)
Natougou Zone	1,300m x 500m	156ppb Au	744 ppb Au
Kodjini Zone	600m x 500m	115ppb Au	285ppb Au
Western Zone	1,200m x 800m	118ppb Au	466ppb Au
Link Zone	600m x 500m	70ppb Au	218ppb Au

Table 1 – Summary of high order soil anomalies from phase one soil sampling program.

¹ ppb = parts per billion : 1g/t (gram per tonne) = 1ppm (part per million) = 1,000ppb (parts per billion)

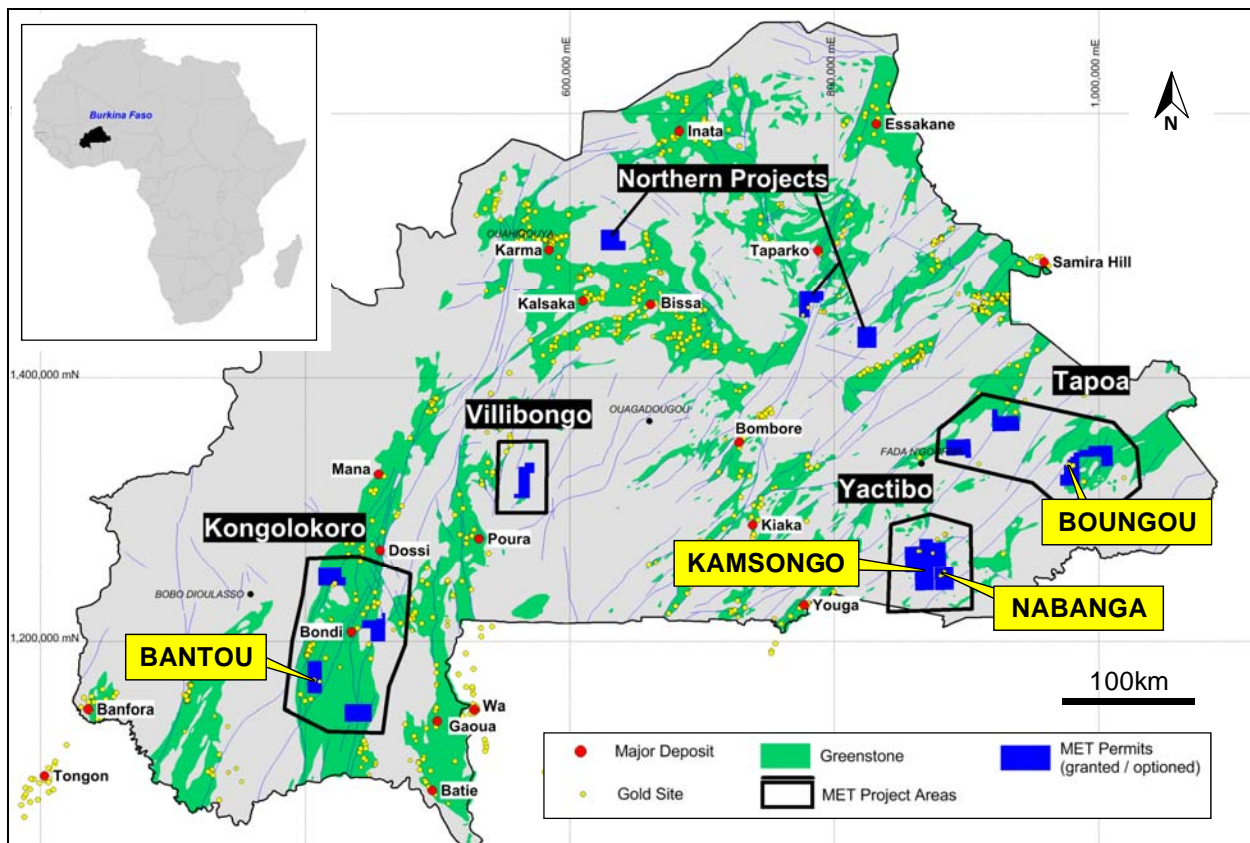


Figure 1 - Boungou Prospect – Location diagram.

Boungou Prospect – Final Soil Sample Results

Final assay results have now been received for the Boungou Prospect phase one soil sampling program in far-east Burkina Faso. The final results, which were predominantly comprised of samples along the west and north-west margins of the sample area, were generally below 20ppb Au and as such, did not provide significant extensions to areas of known high order (+50ppb) gold-in-soil anomalism.

The final assay results did however define a new discrete zone of +20ppb Au anomalism at the western margin of the sample area that warrants an expansion of the soil sampling program to the west of the current sample area (figure 2).

Overall the phase one soil sampling program has been highly successful and has identified widespread gold-in-soil anomalism across the Boungou Prospect area.

Significant +20ppb gold-in-soil anomalism has been defined at Boungou over a total 6.6 kilometre strike length (notional NNE-SSW orientation – parallel to main zone of artisanal workings) and, a 3.7 kilometre maximum width (notional NNW-SSE orientation – including the Natougou Zone anomaly).

The anomalism includes multiple discrete zones above 50ppb Au – including the Kodjini Zone, Western Zone, Link Zone and the Natougou Zone anomalies (refer figure 2).

Gold anomalism within the Boungou area remains open in multiple directions with +50ppb Au gold assays recorded at the limit of the phase one soil sample area.

A number of large-scale gold deposits discovered in the region to date are associated with broad-scale soil anomalies at or above the 50ppb Au threshold. Therefore, the results received from the Boungou phase one soil sampling program indicate significant potential for discovery of large-scale bedrock gold deposits.

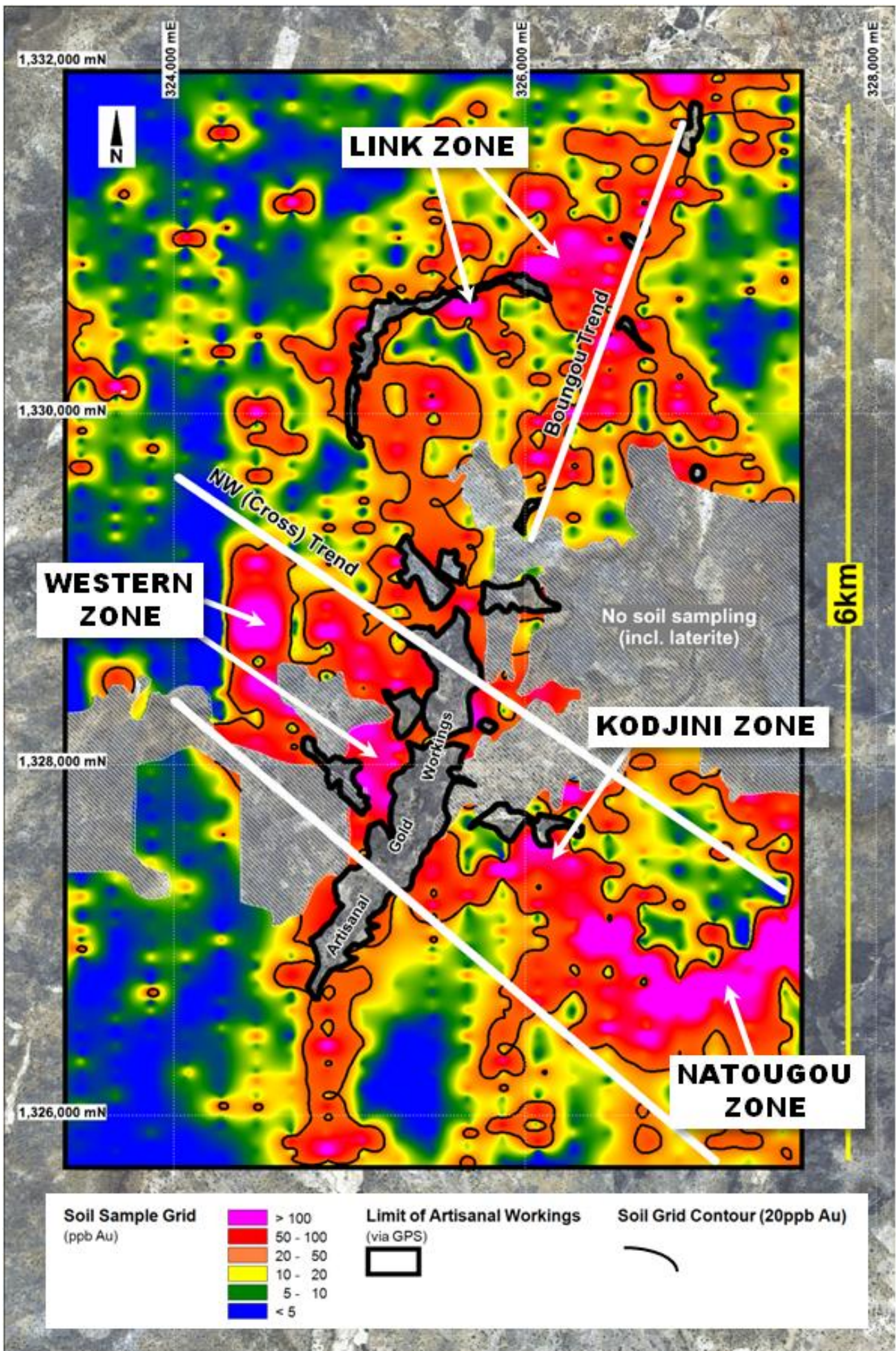


Figure 2 - Boungou Prospect – Showing phase one soil sample results.

Forward Program

To date MET has explored only a very small proportion of the Tapoa Project area. The phase one soil sampling program (which covered an area of 24km²) has provided a first pass assessment of less than 10% of the Bounou Permit area.

Following the end of the current West African wet season (anticipated during October 2011) the Company intends to:

- commence initial reverse circulation drill testing of the multiple high order (+50ppb Au) gold anomalies across the Bounou Prospect area;
- expand the soil sampling program beyond the limit of the Bounou phase one sample area – in particular to the east of the open-ended Natougou Zone anomaly

In addition to the above significant, areas in the central Bounou Prospect lie under a hard lateritic cap which could not be sampled during the phase one soil sample program (hard cap prevents collection of soil sample material) (figure 2). These areas may conceal additional anomalies/gold mineralisation at depth beneath the “cap rocks” and as such will be subject to geochemical drilling as part of the forward exploration program.

Other Burkina Faso Gold Prospects

The Company is committed to maintaining an aggressive exploration program across the Company’s large and highly prospective project portfolio in Burkina Faso (figure 1).

Further to the Bounou Prospect, the Company is currently awaiting assay results from drilling programs across a number of advanced gold prospect areas including:

- **Nabanga Prospect** – phase two RC drilling of high grade gold discovery
- **Bantou Prospect** – phase two RC drilling to follow up high grade gold intersections along a 500 metre strike length of gold workings
- **Kamsongo Prospect** – RAB / RC drilling of +20ppb gold-in-soil geochemical anomalies

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

For further information please contact:

Mr Peter Spiers

Managing Director

Ph: (07) 3303 0624 or 0409 407 265

Email: info@mtisametals.com.au

Mr Peter Harding-Smith

Company Secretary

Ph: (07) 3303 0624 or 0488 771 588

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.