

ASX Announcement

24 October 2011

RESOURCE UPDATE FOR LEICHARDT COPPER PROJECT – MOUNT ISA REGION, NORTH-WEST QUEENSLAND

Highlights:

- Maiden resource estimates completed for Blue Star and Green Zone copper-gold deposits.
- Inferred Mineral Resources comprise:
 - Blue Star – 177,000t @ 2.31% Cu and 0.27g/t Au for an estimated 4,100 tonnes of contained copper⁽¹⁾
 - Green Zone – 430,000t @ 0.90% Cu for an estimated 3,860 tonnes of contained copper⁽¹⁾
- New resource estimates complement previously announced resource estimate at the adjacent Barbara Copper deposit comprising combined Indicated and Inferred Mineral Resource of 1,992,000 tonnes at 1.2% Cu for 24,000 tonnes of contained copper.⁽¹⁾
- Total Leichardt Project copper inventory increased to 31,940 tonnes contained copper.⁽²⁾
- All deposits remain open at depth and present excellent potential to further extend mineralisation by additional drilling.
- Mine development studies ongoing.

The Board of Mt Isa Metals Limited (MET) is pleased to announce that a maiden resource estimate has been completed for two recently discovered copper-gold deposits within the Company's Leichardt Project area in north-west Queensland (figure 1).

The two copper-gold deposits, the Green Zone and Blue Star deposits, are located within exploration permits EPM16112 and EPM16197 respectively which are held in joint venture with Syndicated Metals Limited (MET 49% / SMD 51% and manager) (figure 2).

Runge Limited, an independent geological and mining consultancy, was contracted by the joint venture to provide a resource estimate for the Green Zone and Blue Star deposits.

¹ Mineral Resources reported above a 0.5% copper cut-off grade, 100% JV basis.

² Comprises combined Indicated and Inferred Mineral Resources in the Barbara, Green Zone and Blue Star deposits above a 0.5% copper cut-off grade and on a 100% JV basis - as detailed in table 2.

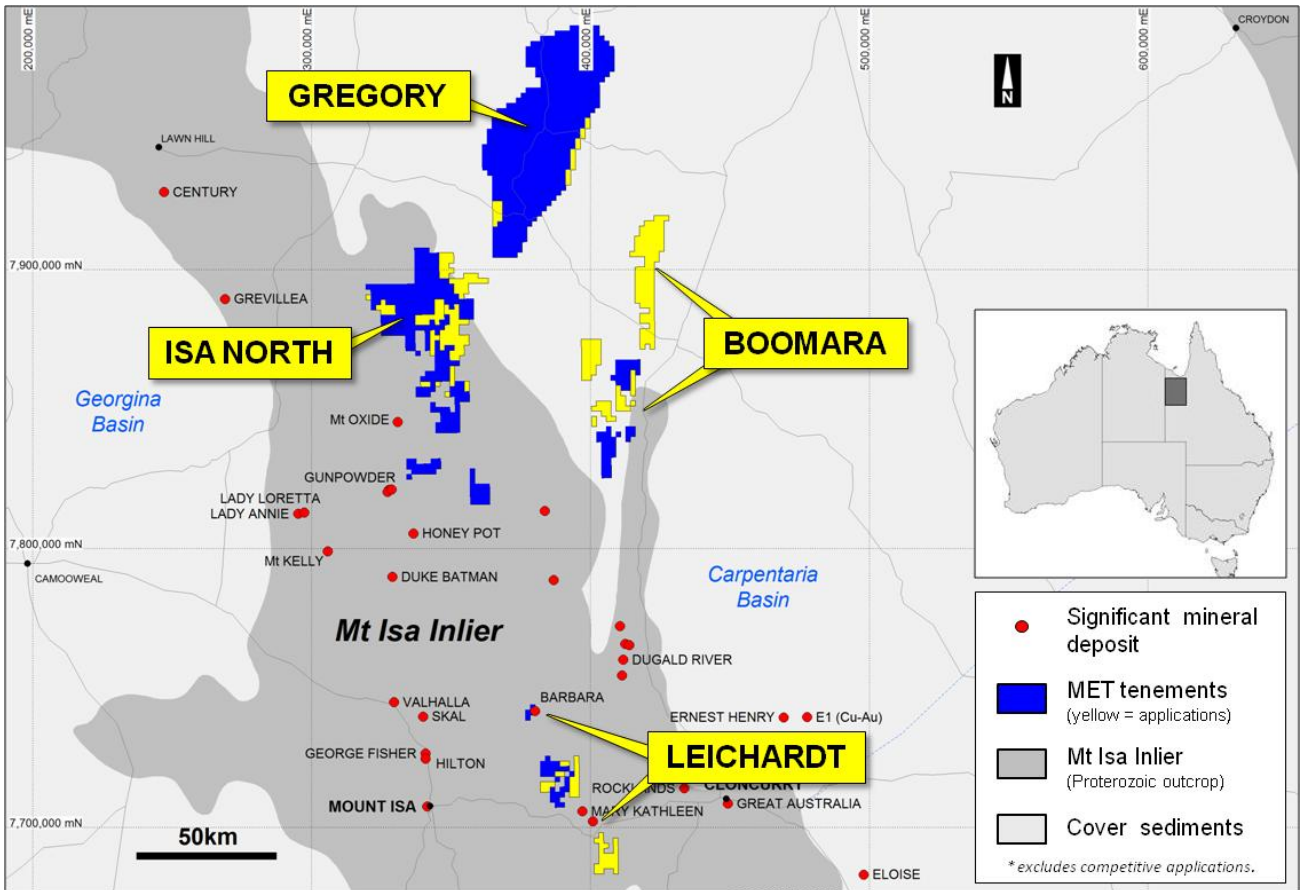


Figure 1 – MET Mount Isa region project areas.

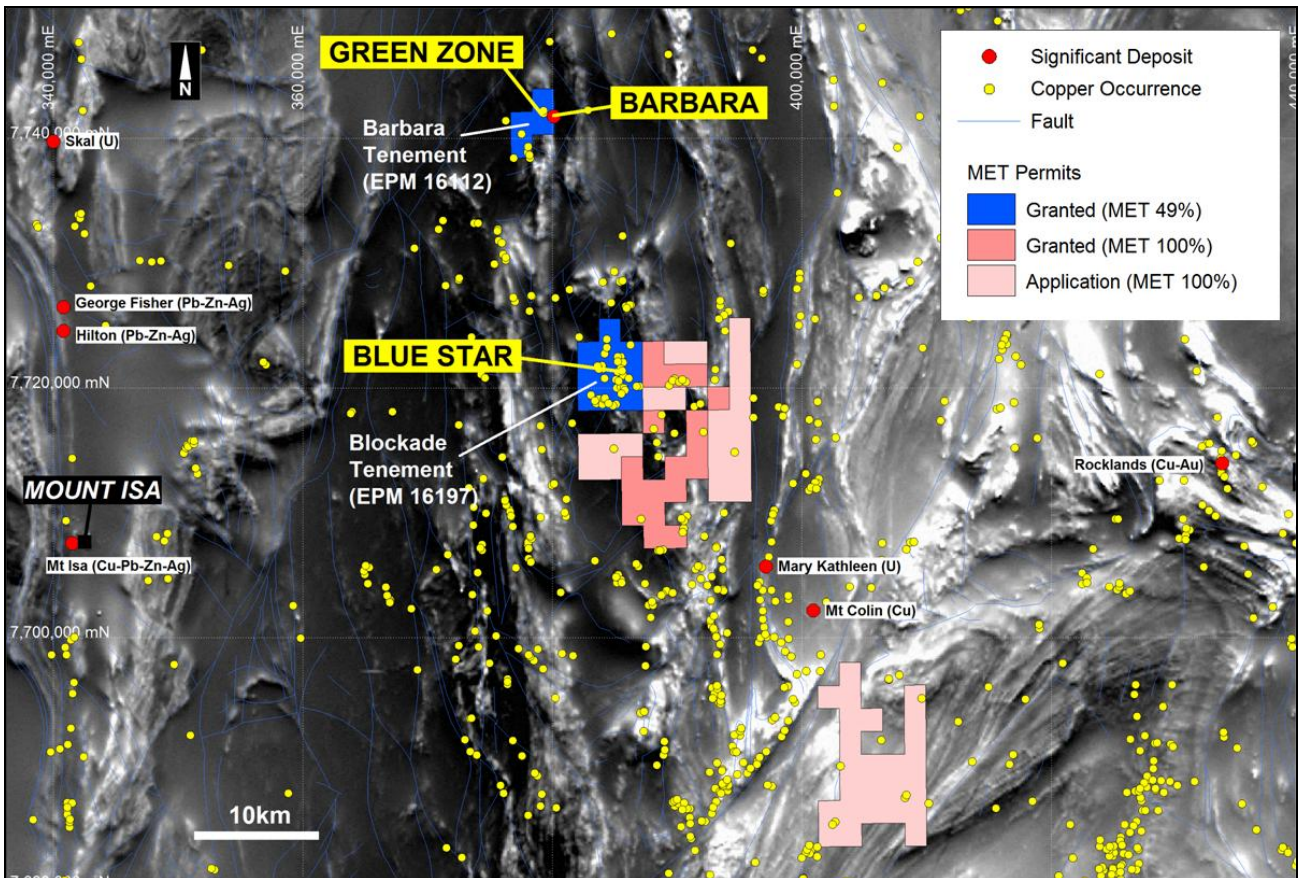


Figure 2 – MET Leichardt Project permits / copper-gold deposits.

Maiden Mineral Resource Estimates

Maiden mineral resource estimates have been completed for the Green Zone and Blue Star copper-gold deposits in the Company's Leichardt Project area, north-west Queensland.

The resource estimates (classified as Inferred Mineral Resources) are summarised in table 1 below.

Deposit	Tonnes	Copper (%)	Gold (g/t)	Copper (tonnes)	Gold (ounces)
Green Zone	430,000	0.90	0.01	3,860	200
Blue Star	177,000	2.31	0.27	4,080	1,520
Total	607,000	1.31	0.09	7,940	1,720

Table 1 - Summary Inferred Mineral Resource estimates (0.5% Cu cut-off grade, 100% JV basis).

Expanded commentary of the resource estimation methodology for both deposits is provided in Appendix 1.

Copper-gold mineralisation on both the Green Zone and Blue Star deposits is open at depth and along strike. Considerable potential exists to extend the current metal inventory through additional exploration drilling.

Leichardt Project Deposits Now Contain an Estimated 31,940t of Copper⁽³⁾

The Green Zone and Blue Star copper-gold deposits are located in close proximity to resource estimates for the previously announced Barbara Copper-Gold deposit (figure 2).

As a result of the maiden resource estimates for the Green Zone and Blue Star deposits **the combined metal inventory for Company's Leichardt Project area has increased to 31,940 tonnes of contained copper** comprised of the following components:

Deposit	Resource Category	Tonnes	Copper (%)	Gold (g/t)	Copper (tonnes)	Gold (ounces)
Barbara ⁽³⁾	Indicated	801,000	1.40	0.10	24,000	8,000
	Inferred	1,191,000	1.00	0.10		
Green Zone	Inferred	430,000	0.90	0.01	3,860	200
Blue Star	Inferred	177,000	2.31	0.27	4,080	1,520
Total		2,599,000	1.20	0.10	31,940	9,720

Table 2 – Total Mineral Resource Inventory – Leichardt Project deposits.

Note that in addition to copper-gold mineralisation the Barbara deposit also contains significant amounts of silver and cobalt with a combined Indicated and Inferred Mineral Resource of **1,992,000 tonnes @ 1.2% Cu, 0.1g/t Au, 2.2g/t Ag and 260ppm Co⁽³⁾**. These additional metals have potential to provide by-product credits to support any future mine production.

³ All resources reported above a 0.5% copper cut-off grade, 100% JV basis. Detailed commentary on the Barbara resource estimate is included in ASX release "Resource Update – Barbara Copper Project" dated 17 November 2010.

Forward Plan

Preliminary scoping studies have commenced at Barbara to assess the potential for development of the currently defined copper-gold mineralisation. These analyses will now be expanded to incorporate results from the Green Zone and Blue Star deposits.

Copper-gold mineralisation in all three deposits (Barbara, Green Zone and Blue Star) is open along strike and at depth. Further drilling is required to assess the full potential of these deposits and to assess other targets within the joint venture permits.

In addition to the above MET has recently been granted an additional 100%-owned exploration permit in the Leichardt Project area and awaits the grant of a further two 100%-owned applications (figure 2). These permits include additional identified copper-gold exploration targets.

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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.

The data quoted in this release that relates to the Mineral Resources for the Green Zone, Blue Star and Barbara deposit is based on information evaluated by Mr Robert Williams who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and who 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 (the "JORC Code"). Mr Williams is a full time employee of Runge Consultants and consents to the inclusion in the release of the Mineral Resource statements in the form and context in which they appear.

Appendix 1 – Notes on Resource Estimation Methodology

Green Zone

The Green Zone Copper deposit is located approximately 500 m to the west of the Barbara Copper-Gold Deposit and approximately 50 km to the north-east of Mount Isa (figures 1 and 2).

The Green Zone has been drilled over a strike length of approximately 500 metres and to a maximum depth of approximately 100 metres.

The copper mineralization is hosted within a sub-vertical north-south striking shear zone in rocks of intermediate to mafic composition. The copper mineralisation is characterised by chalcopyrite and pyrite with a silica mica alteration zone. The deposit is oxidised to a shallow depth (approximately 15 metres below surface) and is open at depth and along strike to the south.

The current resource estimate is based on 1m samples sourced from 29 reverse circulation (RC) drill holes completed by Syndicated Metals on behalf of the West Leichardt Joint Venture.

Runge identified a low grade and high grade copper population from the composited drill hole data. Mineralisation envelopes were interpreted based on a cut-off grade of 0.1% Cu for the low grade and 0.5% Cu for the high grade. The high grade mineralisation envelopes tend to form high grade cores within the low grade mineralisation envelopes.

The Cu, Au, Fe and S samples within the mineralised envelopes were selected for grade estimation. Samples were coded by the low and high grade envelopes. Grades were estimated into blocks using ordinary kriging (OK) and the search ellipses were based on the Cu variogram model. All boundaries were considered hard for the purposes of the estimation. The resource has been classified as Inferred based on the guidelines outlined in the JORC Code (2004).

Specific Gravity (SG) measurements were made using the pycnometer method on drill sample pulps.

A summary of the September 2011 Green Zone mineral resource estimate reported at a copper cut-off of 0.5% Cu is shown in Table 3.

Type	Tonnes	Copper (%)	Gold (g/t)	Copper (tonnes)	Gold (ounces)
Oxide	7,000	1.05	0.01	80	-
Transitional	27,000	0.97	0.02	260	20
Fresh	395,000	0.89	0.01	3,520	180
Total	430,000	0.90	0.01	3,860	200

Table 3 - Green Zone 2011 Mineral Resource reported at a 0.5% Cu cut-off
(totals may appear to not add up correctly due to rounding)

Blue Star

The Blue Star deposit is located approximately 45 km east of Mount Isa and 20 kilometres south of the Barbara copper-gold deposit in north western Queensland, Australia.

The deposit has been drilled over a strike length of approximately 200 metres and to a depth of approximately 160 metres.

The copper mineralization is hosted within a steeply south west dipping and north-west striking shear zone in mafic rocks close to a contact with felsic volcanics to the east. The copper mineralisation is characterized by chalcopyrite and pyrite with a quartz-biotite alteration zone. The deposit is oxidised to a shallow depth (approximately 20 metres below surface) and is open at depth and along strike to the south.

The current resource estimate is based on 1m samples sourced from 22 reverse circulation (RC) drill holes completed by Syndicated Metals on behalf of the West Leichardt Joint Venture and 2 historical diamond drill holes. Other historical drill holes exist for the project but lack assay, lithology and/or survey data.

Two copper populations are evident from the composited drill hole data. Mineralisation envelopes were interpreted based on a cut-off grade of 0.1% Cu for the low grade and 0.5% Cu for the high grade. The high grade mineralisation envelopes tend to form high grade cores within the low grade mineralisation envelopes.

The Cu, Au, Fe and S samples within the mineralised envelopes were selected for grade estimation. Samples were coded by the low and high grade envelopes. Grades were estimated into blocks using ordinary kriging (OK) and the search ellipses were based on the Cu variogram model. All boundaries were considered hard for the purposes of the estimation.

Specific Gravity (SG) measurements were made using the pycnometer method on drill sample pulps.

The resource has been classified as Inferred based on the guidelines outlined in the JORC Code (2004).

A summary of the October 2011 Blue Star mineral resource estimate is shown in Table 1.

Type	Tonnes	Copper (%)	Gold (g/t)	Copper (tonnes)	Gold (ounces)
Oxide	3,000	1.16	0.11	40	10
Transitional	26,000	1.48	0.17	390	140
Fresh	147,000	2.48	0.29	3,650	1,370
Total	177,000	2.31	0.27	4,080	1,520

Table 4 - Blue Star 2011 Mineral Resource reported at a 0.5% Cu cut-off
(totals may appear to not add up correctly due to rounding).