

Notice of Annual General Meeting and Explanatory Memorandum

Mt Isa Metals Limited

ABN 59 120 212 017

Date of Meeting: 12 November 2008

Time of Meeting: 10.00am EST

Place of Meeting: Level 7, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000



Notice is given that the Annual General Meeting of shareholders of Mt Isa Metals Limited ABN 59 120 212 017 (**Company**) will be held at Level 7, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000, on 12 November 2008 at 10.00am (Brisbane time).

Agenda

ORDINARY BUSINESS

Financial Reports

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the accounts for the Company and its controlled entities for the financial year ended 30 June 2008.

1. Resolution One – Re-election of Nicholas Mather as a Director

To consider and, if thought fit, pass the following Ordinary Resolution, without amendment:

“That Mr Nicholas Mather, who retires in accordance with Rule 36.2 of the Company's Constitution and, being eligible, offers himself for re election, be re-elected as a Director.”

2. Resolution Two – Re-election of Peter Spiers as a Director

To consider and, if thought fit, pass the following Ordinary Resolution, without amendment:

“That Mr Peter Spiers, who retires in accordance with Rule 36.2 of the Company's Constitution and, being eligible, offers himself for re election, be re-elected as a Director.”

3. Resolution Three – Re-election of John Bovard as a Director

To consider and, if thought fit, pass the following Ordinary Resolution, without amendment:

“That Mr John Bovard, who retires in accordance with Rule 36.2 of the Company's Constitution and, being eligible, offers himself for re election, be re-elected as a Director.”

4. Resolution Four – Re-election of Michele Muscillo as a Director

To consider and, if thought fit, pass the following Ordinary Resolution, without amendment:

“That Mr Michele Muscillo, who retires in accordance with Rule 36.2 of the Company's Constitution and, being eligible, offers himself for re election, be re-elected as a Director.”

5. Resolution Five –Appointment of Auditor by Company

To consider and, if thought fit, pass the following Ordinary Resolution, without amendment:

“That in accordance with Section 327B of the Corporations Act, BDO Kendalls (QLD) be appointed as the auditor of the Company”.

6. Resolution Six - Remuneration Report

To consider and, if thought fit, pass the following Advisory Resolution:

“That, the Remuneration Report for the year ended 30 June 2008 (as set out in the Directors Report) is adopted.”

- | |
|--|
| <ul style="list-style-type: none">▪ The vote on this Resolution 6 is advisory only and does not bind the Directors of the Company. |
|--|

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

Specific comments relating to the Resolutions are set out in the Explanatory Memorandum.

By order of the Board

DP Cornish
Company Secretary
13 October 2008

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to shareholders of **Mt Isa Metals Limited ABN 59 120 212 017 (Company)** to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at Level 7, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000 on 12 November 2008 commencing at 10.00am EST.

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

2. Consider the Company's Annual Report

The Corporations Act requires the financial report, the directors' report and the auditor's report to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or in the Constitution of the Company for Shareholders to approve the financial report, the directors' report or the auditor's report. The Company's Annual Report is placed before the shareholders for discussion. No voting is required for this item.

3. Resolution 1 – Election of Mr Nicholas Mather as a Director

Mr Nicholas Mather retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director.

Mr Mather was appointed on 15 June 2006.

Mr Mather's special area of experience and expertise is the generation of and entry into undervalued or unrecognised resource exploration opportunities. He has been involved in the junior resource sector at all levels for more than 25 years. In that time he has been instrumental in the delivery of major resource projects that have delivered significant gains to shareholders. As an investor, securing projects and financiers, leading exploration campaigns and managing emerging resource companies, Mr Mather brings a wealth of valuable experience.

He is currently CEO (and co-founder) of Solomon Gold plc (AIM), Managing Director (and founder) of D'Aguilar Gold Ltd (ASX), Non-Executive Director of Mt Isa Metals Ltd (ASX) and Non-Executive Chairman (and founder) of Waratah Coal Inc (TSX-V).

As an Executive Director (and co-founder) of Arrow Energy Ltd until 2004, Mr Mather was responsible for the generation of its Surat Basin Coal Bed Methane project. Arrow Energy Ltd now has a market capitalisation of \$1.9 billion.

Previously as CEO of BeMax Resources Limited, Mr Mather was instrumental in the discovery of the company's Pooncarie mineral sands project in 1998.

He has also been a non-executive Director of Ballarat Goldfields, having assisted with the recapitalisation of the company in 2002. Ballarat Goldfields was recently taken over by Lihir Gold at a value in excess of \$300 million.

Mr Mather is a member of the Audit and Risk Management Committee.

The Directors (with Mr Mather abstaining) recommend that you vote in favour of this Ordinary Resolution.

4. Resolution 2 – Election of Mr Peter Spiers as a Director

Mr Peter Spiers retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director.

Mr Spiers was appointed on 4 March 2008.

Mr Spiers is a qualified geologist with in excess of 20 years of experience in the resources industry. Mr Spiers has substantial operations and exploration experience having worked in a wide range of commodities and operating environments both within Australia and offshore.

A significant proportion of his career to date was spent with Western Mining Corporation (WMC) where he held numerous senior technical and commercial roles. His most recent role was Group Manager – Business Development, where he managed the targeting and evaluation of major mineral investment opportunities including copper, gold, nickel, iron ore, mineral sands, coal and other industrial minerals.

Previously Mr Spiers was also responsible for WMC's operations strategic planning which included planning oversight for a multi-billion dollar asset portfolio comprising the company's nickel, copper-gold-uranium, and phosphate fertilizer operations.

More recently Mr Spiers held an executive position with ASX listed Atlas Group Holdings Limited where he was focused on the development of business-wide improvement initiatives and the definition of strategies for growth.

The Directors (with Mr Spiers abstaining) recommend that you vote in favour of this Ordinary Resolution.

5. Resolution 3 – Election of Mr John Bovard as a Director

Mr John Bovard retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director.

Mr Bovard was appointed on 6 June 2008.

Mr Bovard is a civil engineer with over 40 years experience in mining, heavy construction, project development and corporate management. His career has included roles as CEO of public companies and both executive and non-executive directorships. He holds a Bachelor of Civil Engineering, is a Fellow of the Australian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Company Directors.

Mr Bovard was previously the Non-Executive Chairman of Axiom Mining Ltd, a Hong Kong based company listed on the ASX with active gold and copper exploration projects in Vietnam and Queensland. He was recently the CEO of Asia Pacific Resources Ltd, a Canadian listed mining company, developing a large potash resource in Thailand. Prior to that, he was Managing Director of the ASX publicly listed Danae Resources NL and a director of Greenwich Resources plc listed on the LSE. He was previously the project manager for the successfully completed \$800 million Queensland Fertilizer Project for WMC. Experience in the Pacific region includes approximately 10 years in total on the Bougainville, OkTedi and Porgera mining projects.

Mr Bovard is a member of the Audit and Risk Management Committee.

The Directors (with Mr Bovard abstaining) recommend that you vote in favour of this Ordinary Resolution.

6. Resolution 4 – Election of Mr Michele Muscillo as a Director

Mr Michele Muscillo retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director.

Mr Muscillo was appointed on 6 June 2008.

Mr Muscillo is a Partner specialising in corporate law with Hopgood Ganim Lawyers. He was admitted as a Solicitor in 2004 and has a practice focusing almost exclusively on mergers and acquisitions, and capital raising.

He has a Bachelor of Laws from Queensland University of Technology and was a recipient of the QUT University Medal.

In his role with Hopgood Ganim Lawyers, Mr Muscillo has acted on a variety of corporate transactions including initial public offerings, takeovers and other acquisitions. Michele's experience brings to the Board expertise on corporate regulation, governance and compliance matters.

Mr Muscillo is the Chairman of the Audit and Risk Management Committee.

The Directors (with Mr Muscillo abstaining) recommend that you vote in favour of this Ordinary Resolution.

7. Resolution 5 – Confirm Appointment of Auditor

The Directors propose that BDO Kendalls (QLD) be appointed as auditor of the Company in accordance with Section 327B of the Corporations Act.

BDO Kendalls (QLD) has previously provided its consent to act as auditor of the Company and as at the date of this Notice of Meeting have not withdrawn their consent.

The Director's recommend that you vote in favour of this Ordinary Resolution.

8. Resolution 6 - Remuneration Report

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Report. The Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the most highly remunerated senior executive of the Company; and
- details and explains any performance conditions applicable to the remuneration of executive directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this resolution is advisory only and does not bind the Directors of the Company.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Duncan Cornish (Company Secretary):

Mt Isa Metals Limited

Street address: Level 5, 60 Edward Street, Brisbane Q 4000

Postal address: GPO Box 5261, Brisbane Q 4001

Ph: (07) 3303 0624 **Fax:** (07) 3303 0681

Email: info@mtisametals.com.au

Proxy, Representative and Voting Entitlement Instructions

Proxies and Representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001 (Cwlth)*.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by facsimile transmission to the address listed below** not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

Mt Isa Metals Limited

Street address: Level 5, 60 Edward Street, Brisbane Q 4000

Postal address: GPO Box 5261, Brisbane Q 4001

Ph: (07) 3303 0624 Fax: (07) 3303 0681

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company.

A proxy form is attached to this Notice.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (EST) on 10 November 2008. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

Individual: Where the holding is in one name, the holder must sign.

Joint Holding: Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.

Proxy Form

APPOINTMENT OF PROXY

being shareholder(s) of Mt Isa Metals Limited (**Company**) hereby appoint:

the Chairman of the Meeting **OR**
(mark with an "X")

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Mt Isa Metals Limited to be held at Level 7, Waterfront Place, 1 Eagle Street Brisbane, QLD on 12 November 2008 at 10.00am (EST) and at any adjournment of that meeting.

If the Chairman is appointed as your proxy, or may be appointed by default, you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chairman of the meeting intends to vote undirected proxies in favour of the resolutions.

If no directions are given, the Proxy may vote as the Proxy thinks fit or may abstain. By signing this appointment you acknowledge that the Proxy (whether voting in accordance with your directions or voting in their discretion under an undirected Proxy) may exercise your proxy even if he/s he has an interest in the outcome of the resolution and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest. If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is%. (An additional proxy form will be supplied by the Company on request). If you wish to appoint the proxy to exercise voting power over only some of your shares, the number of shares in respect of which this proxy is to operate is shares (Note: proxy will be over all shares if left blank).

I/we direct my/our proxy to vote as indicated below:

Resolution	For	Against	Abstain
1. Re-election of Nicholas Mather as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Peter Spiers as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of John Bovard as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Re-election of Michele Muscillo as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Appointment of Auditor by Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Individual or Security holder 1

Sole Director and
Sole Company Secretary
(if appointed)

Security holder 2

Director

Security holder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date