

## ASX Announcement

Tuesday, 28 October 2008

### **PHOSPHATE JV WITH LEGEND INTERNATIONAL HOLDINGS AIMS TO DELIVER EARLY CASH FLOWS**

The Board of Mt Isa Metals (MET) is pleased to announce that it has entered into a Heads of Agreement with Legend International Holdings, Inc. (Legend) for the formation of a Joint Venture over each party's respective interest in tenements overlying the D-Tree phosphate deposit.

The JV tenements (including applications) cover a total area of 492km<sup>2</sup> and include an estimated 100 km<sup>2</sup> of mineralised phosphorite horizon that has been defined by historical drilling (figure 1).

The proposed joint venture consolidates and rationalises tenement ownership over the D-Tree deposit and is a significant positive step towards near-term mine development.

Under the JV, Legend will contribute EPM 14753, EPMA's 17333, 17437, 17443 and 17446, and, MET will contribute EPM 15763 (D-Tree West).

Legend will manage and hold an 80% interest in the joint venture. MET will hold a 20% contributing interest in the joint venture. Significantly, the joint venture will also have access to plant and infrastructure at Legend's 100%-owned proposed Lady Annie phosphate development which lies 15km to the east of D-Tree.

MET announced in its recent \$7m IPO prospectus an Inferred Mineral Resource of 170 m tonnes above a 10% P<sub>2</sub>O<sub>5</sub> cut-off on its D Tree West deposit. This agreement with Legend will enhance potential for MET's participation in early cashflow from development of higher grade mineralisation within a much larger overall project area.

Managing Director Peter Spiers said, "we are particularly pleased to announce the Heads of Agreement with Legend over D-Tree. Consolidating the projects is a logical step given their geographic proximity and substantially enhances the project scope, as well as providing a clearer path towards near-term commercialisation."

"Legend is a significant participant in the Australian phosphate sector and has established strong links with one of the world's major phosphate customers, the Indian Farmers Fertilizer Cooperative Limited (IFFCO)."

"We look forward to working closely with Legend to pursue the various development options available at D-Tree."

A 20,000 metre reverse circulation / diamond drilling program commenced within the proposed JV area in early September 2008 within tenement EPM 14753 (figures 2 and 3). Assay results are pending.

The current drilling program will be used to re-validate historical results, convert the historical results to reserve status, and collect material for beneficiation test work. An early focus at D-Tree will be the identification of high grade mineralisation suitable for potential direct shipment via the Mt Isa railhead (~140km distant by road).

Global demand for rock phosphate remains strong. The development of an early direct shipment operation has potential to satisfy immediate customer demand, provide a foundation for consolidating longer-term customer relationships, and, generate near term cashflow.

The Heads of Agreement is to be replaced by a formal joint venture agreement, which is expected to be finalised within 30 days.

### **About Legend**

Legend is a mining and agriculture resource development company with a market capitalisation of approximately A\$275m (24 Oct. 08), and substantial cash reserves (closure of US\$105m private placement announced 03 June 08). Legend is currently listed on the NYSE-OTCBB and is in the process of seeking a listing on the American Stock Exchange.

Legend is principally focused on the development of its substantial phosphate deposits in the Georgina Basin in Queensland and the Northern Territory, including the Lady Annie / Lady Jane deposits which lie approximately 15km to the east of D-Tree (figure 1).

Further information on Legend can be found at the company's website at [www.lgdi.net](http://www.lgdi.net).

### **About Mt Isa Metals**

Mt Isa Metals is a new exploration company focussed on the discovery and development of world class mineral deposits in central and north-west Queensland.

Mt Isa Metals recently completed a successful \$7 million IPO and was admitted to the Official List of the Australian Securities Exchange on 20 August 2008.

The company has a substantial tenement holding (in excess of 6,500 km<sup>2</sup>) and is one of the largest tenement holders in the Mt Isa region. In addition to the company's phosphate interests Mt Isa Metals is currently implementing exploration programs for a range of commodities including copper, gold, zinc, and uranium.

Further information on Mt Isa Metals can be found at the company's website at [www.mtisametals.com.au](http://www.mtisametals.com.au).

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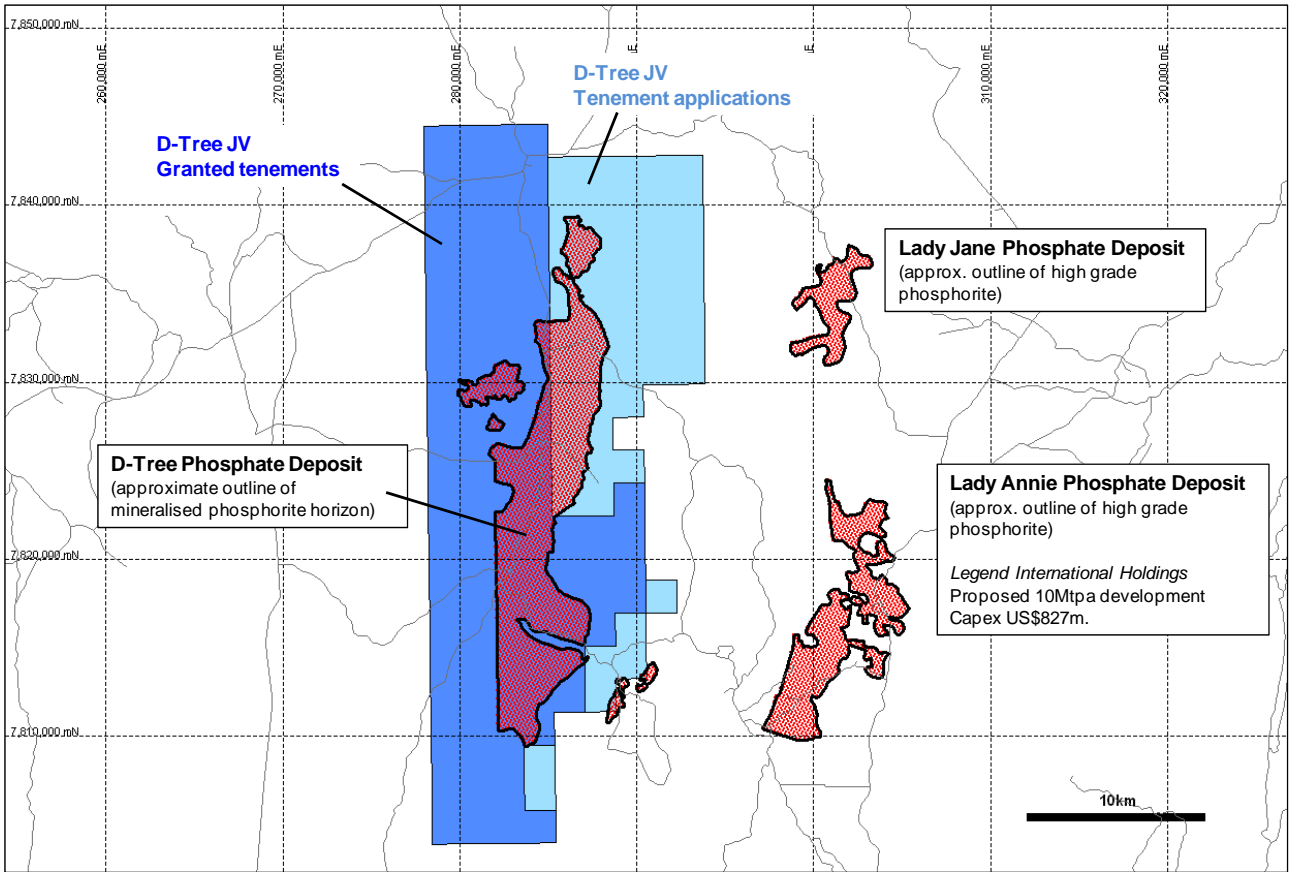


Figure 1 - Location diagram – D-Tree deposit and proposed joint venture tenements.

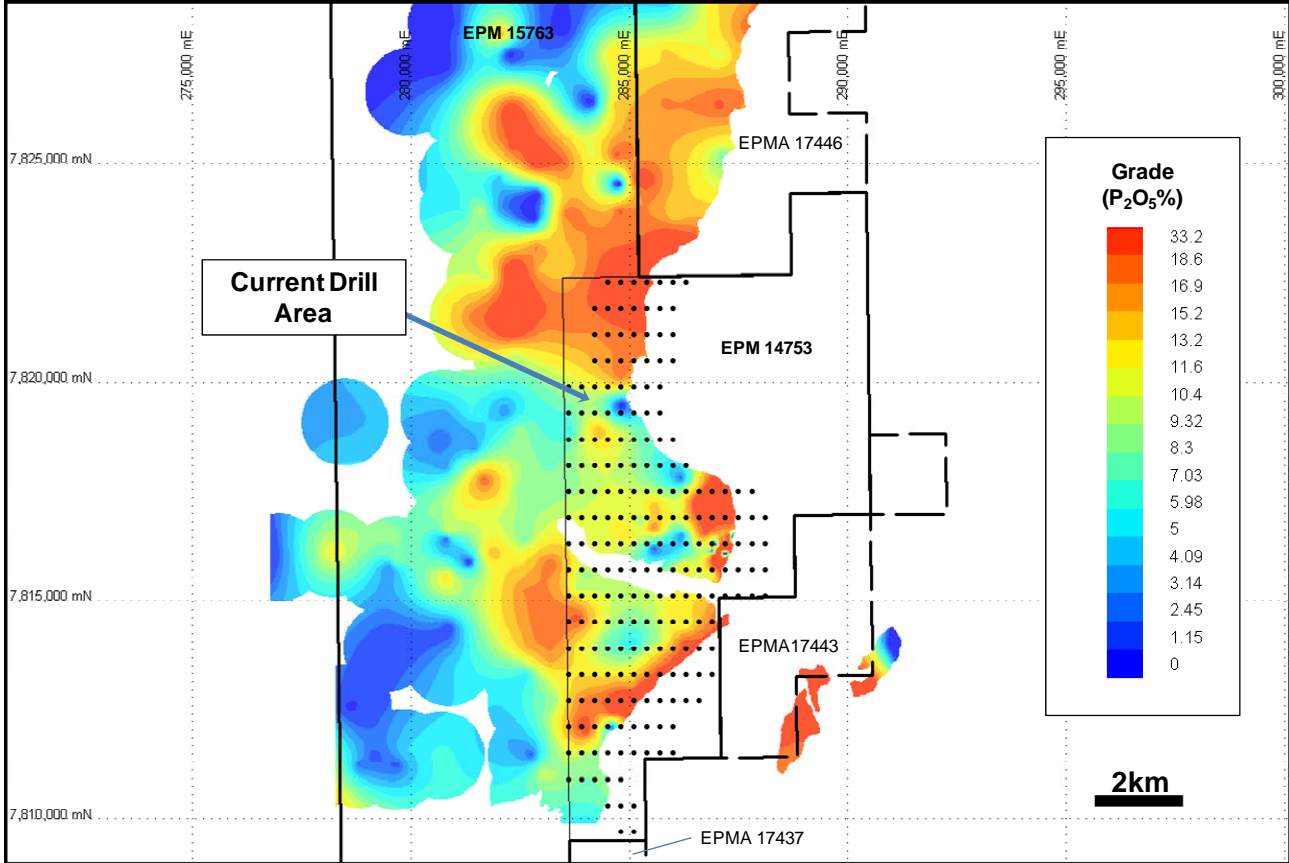


Figure 2 – Grade contour plot of the central D-Tree deposit showing location of current drilling program.



Figure 3 - RC drilling within the D-Tree JV area – September 2008.

#### Competent Persons Statement

The information in this report that relates to Exploration Results or Mineral Resources 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.