

ASX Announcement

17 November 2010

RESOURCE UPDATE FOR BARBARA COPPER PROJECT (164% INCREASE IN CONTAINED COPPER¹ WITHIN EPM16112)

Highlights:

- Updated resource estimate completed for the Barbara Copper Project - contained copper within EPM 16112 increased by 164%¹
- Combined Indicated and Inferred Mineral Resource of 1,992,000 tonnes at 1.2% Cu for 24,000 tonnes of contained copper (0.5% Cu cut-off grade)¹
- Deposit open along strike and at depth with additional targets in close proximity providing excellent potential for continued expansion of the copper inventory
- Preliminary development scoping studies underway

The Board of Mt Isa Metals Limited (MET) is pleased to announce that an updated resource estimate has been completed for the Barbara Copper deposit (within EPM16112) based on drilling completed during the 2010 field season.

The combined Indicated and Inferred Mineral Resource estimate is now 1,992,000 tonnes at 1.2% Cu for 24,000 tonnes of contained copper, based on an 0.5% Cu minimum cut-off grade¹. The resource estimate was completed by Runge Limited, an independent resource sector consultancy.

In addition to the copper mineralisation the deposit also contains significant amounts of gold, 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** (at 0.5% Cu cut-off grade)¹. These additional metals have potential to provide by-product credits to support any future mine production.

The Barbara Copper Prospect is located approximately 50km north-east of Mt Isa and forms part of the Company's broader Leichardt Exploration Project. The Barbara Copper deposit, within exploration tenement EPM16112, is held in joint venture between Mt Isa Metals Limited (49%) and Syndicated Metals Limited (51% and manager) (figure 1).

¹ Based on combined Indicated and Inferred Mineral Resource within EPM16112 at a 0.5% Cu cut-off grade. 100% JV basis. Refer table 1 for classification by Mineral Resource category

During 2010 the drilling completed within the Barbara Deposit (EPM16112) focused on testing the southern end of the North Lode Deposit at a vertical depth of between 100m and 200m from surface. This drilling successfully intersected additional sulphide copper mineralisation and has extended the deposit to an approximate 450 metre strike length (figure 2).

Drilling of the South Lode Deposit during 2010 focussed on testing the lower “plunge-line” of the deposit adjacent to the EPM16112 tenement boundary. This drilling intersected significant intervals (widths) of lower grade copper mineralisation at depths of between 100 metres and 460 metres from surface (figure 2).

The zone between the North Lode and South Lode deposits remains untested and provides significant potential to further extend the deposit. Additional regional drill targets within the Barbara and Blockade tenements provide further potential to expand the copper inventory.

The Barbara Copper deposit resource estimates based on a 0.5% copper and 1.0% copper cut-off grade, and 100% JV basis, are tabulated below (tables 1 and 2). Note that less than 2.5% of the combined Indicated and Inferred Mineral Resource (in terms of copper tonnes) is within the oxidised and partially oxidised domains.

Category	Tonnes	Copper (%)	Gold (g/t)	Silver (g/t)	Cobalt (ppm)	Copper (tonnes)	Gold (ounces)
Indicated	801,000	1.4	0.1	2.7	247		
Inferred	1,191,000	1.0	0.1	1.9	265		
Total	1,992,000	1.2	0.1	2.2	258	24,000	8,000

Table 1. Barbara Resource Estimate (0.5% Cu cut-off).

Category	Tonnes	Copper (%)	Gold (g/t)	Silver (g/t)	Cobalt (ppm)	Copper (tonnes)	Gold (ounces)
Indicated	388,000	2.2	0.2	3.9	300		
Inferred	505,000	1.4	0.2	2.6	279		
Total	893,000	1.8	0.2	3.2	288	16,000	5,000

Table 2. Barbara Resource Estimate (1.0% Cu cut-off).

Average density of 2.98t/m³ for sulphide, 2.42t/m³ for oxide and transitional; minor rounding errors; significant figures quoted do not imply precision and are used to minimize round-off errors.

Forward Program

Preliminary scoping studies have commenced to assess the potential for development of the currently defined deposit. These analyses include pit optimisation studies and metallurgical studies of selected diamond drill core samples.

Additional copper targets remain to be drill tested across the broader project area. This includes further drilling within the Barbara structure, and, follow up of encouraging near-surface copper intersections previously reported for the Blue Star and Green Zone prospects.

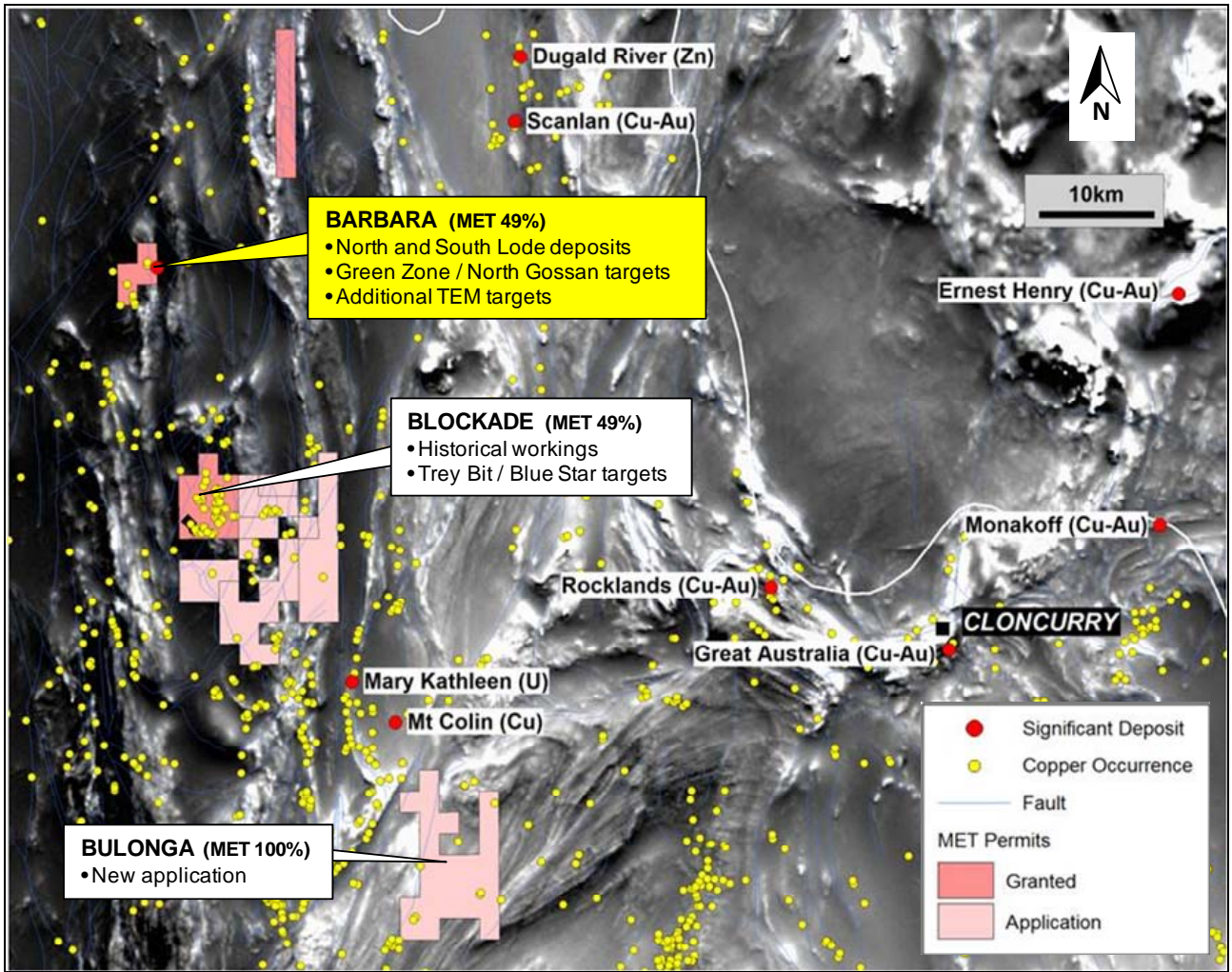


Figure 1 – Barbara – Location diagram.

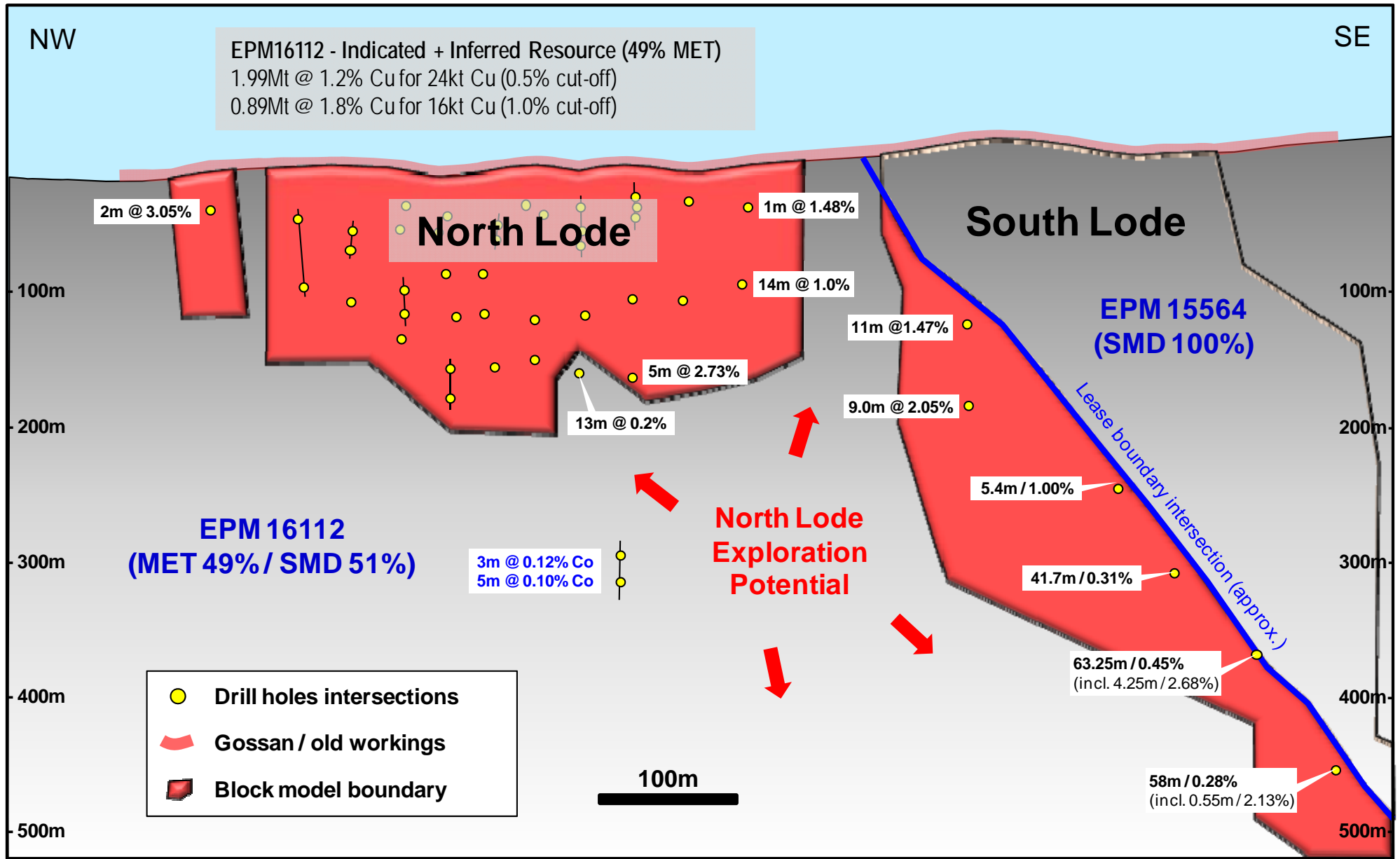


Figure 2 - Barbara Long Section (in plane of lode)

About the Barbara Copper Deposit

The Barbara deposit is located approximately 50 kilometres northeast of Mount Isa and is easily accessible via the main Barkly Highway and the Lake Julius Road. The deposits occur within a shear zone termed the Barbara Fault. Gossanous outcrops occur along the fault over a one kilometre strike extent. Mineralisation dips towards the southeast at between 60 and 70 degrees and within this envelope a number of shoots are developed which plunge steeply to the southwest.

The copper sulphide mineralisation at Barbara starts close to surface and is up to 45 metres in thickness and consists of massive sulphide through to stringer veins within an alteration zone of biotite, tourmaline and quartz. The weathering profile is relatively shallow with depths averaging around 15 metres.

The near surface copper mineralisation could be amenable to shallow, low-cost open pit mining with the higher grade material below the limits of an open pit potentially recoverable by underground mining methods.

Barbara Mineral Resource Estimate

International mining consulting group Runge Limited was contracted to provide the upgraded resource estimate for the Barbara Copper Deposit within EPM16112. As part of the estimation process Runge independently audited the site data collection procedures, database management, geological interpretation, quality assurance (and control) methodologies and laboratory procedures.

Deposit modelling was guided by the natural features of the mineralisation. The overall deposit envelope is defined by an outer copper grade of 0.5 percent. This boundary was used to define a low grade domain. A second modelling domain was created based on the massive and semi-massive hanging wall mineralisation. This zone is reported as a “high grade domain”

Modelling was conducted using ordinary kriging with a check model run in parallel using the inverse distance squared method.

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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 Barbara group of deposits is based on information evaluated by Mr Robert Williams who is a Member of the Australasian Institute of Mining and Metallurgy (MAAusIMM) 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.