

ASX Announcement

17th August 2010

HIGH GRADE GOLD ASSAYS – KONGOLOKORO PROJECT

Highlights:

- High grade assays received from first pass sampling of new gold prospects within the Kongolokoro Project, Burkina Faso.
- Koumbia Prospect - multiple high grade quartz veins associated with artisanal workings.
- Mogu Prospect – rock chip assay results include - 2m @ 22.9g/t Au, 1m @ 13.1g/t Au, and 1m @ 12.9g/t Au.
- Bantou Prospect – 1,000m long zone of artisanal gold workings – rock chip samples to 1.5m @ 43.1g/t Au (true width).
- MET exploration in Burkina Faso has now defined high grade gold mineralisation across eight separate prospect areas each with potential for the discovery of a significant gold deposit.

The Board of Mt Isa Metals (MET) is pleased to advise that high grade gold assays have been received from preliminary sampling of artisanal gold mining sites at the Company's Kongolokoro Project in south-west Burkina Faso. The positive assay results were received from reconnaissance grab and rock chip sampling of artisanal workings at the Koumbia, Mogu and Bantou Prospects (refer figure 1).

Managing Director Peter Spiers commented "We are very pleased to have received these highly encouraging assay results from our first sampling of the Kongolokoro area. In a period of only two months we have now identified significant high grade gold mineralisation in eight separate prospect areas across Burkina Faso."

MET gold prospects with high grade (+10g/t) gold assays include:

Project Name	Tenement Area	MET Gold Prospects (with high grade gold assays)	Announced
Yactibo	1,262km ²	Nabanga, Yacti.	18 th Jun. 10 29 th Jun. 10
Tapoa	500km ²	Kodjini, Bounkou, Tawori.	20 th Jul. 10
Kongolokoro	1,267km ²	Koumbia, Mogu, Bantou.	17 th Aug. 10

Table 1 – MET Prospects with high grade (+10g/t) gold assay results.

Kongolokoro Project (MET Option 100%)

The Kongolokoro Project comprises six granted exploration permits totalling 1,267km² located in the Hounde Greenstone Belt of south-western Burkina Faso.

The Hounde Greenstone Belt hosts a number of significant third-party owned gold deposits including the Dossi and Bondi gold deposits in proximity to MET's optioned permits (figure 1) and the Mana gold mine located some 80 kilometres to the north of the project area.

At Kongolokoro MET is targeting extensions to known gold mineralised structures and known gold mineralised host rock sequences.

MET has completed first pass reconnaissance sampling of selected artisanal sites within the Founa, Milpo and Dynikongolo exploration permits. High grade gold assays have been received from three areas sampled to date – the Koumbia, Mogu and Bantou Prospects (figure 1).

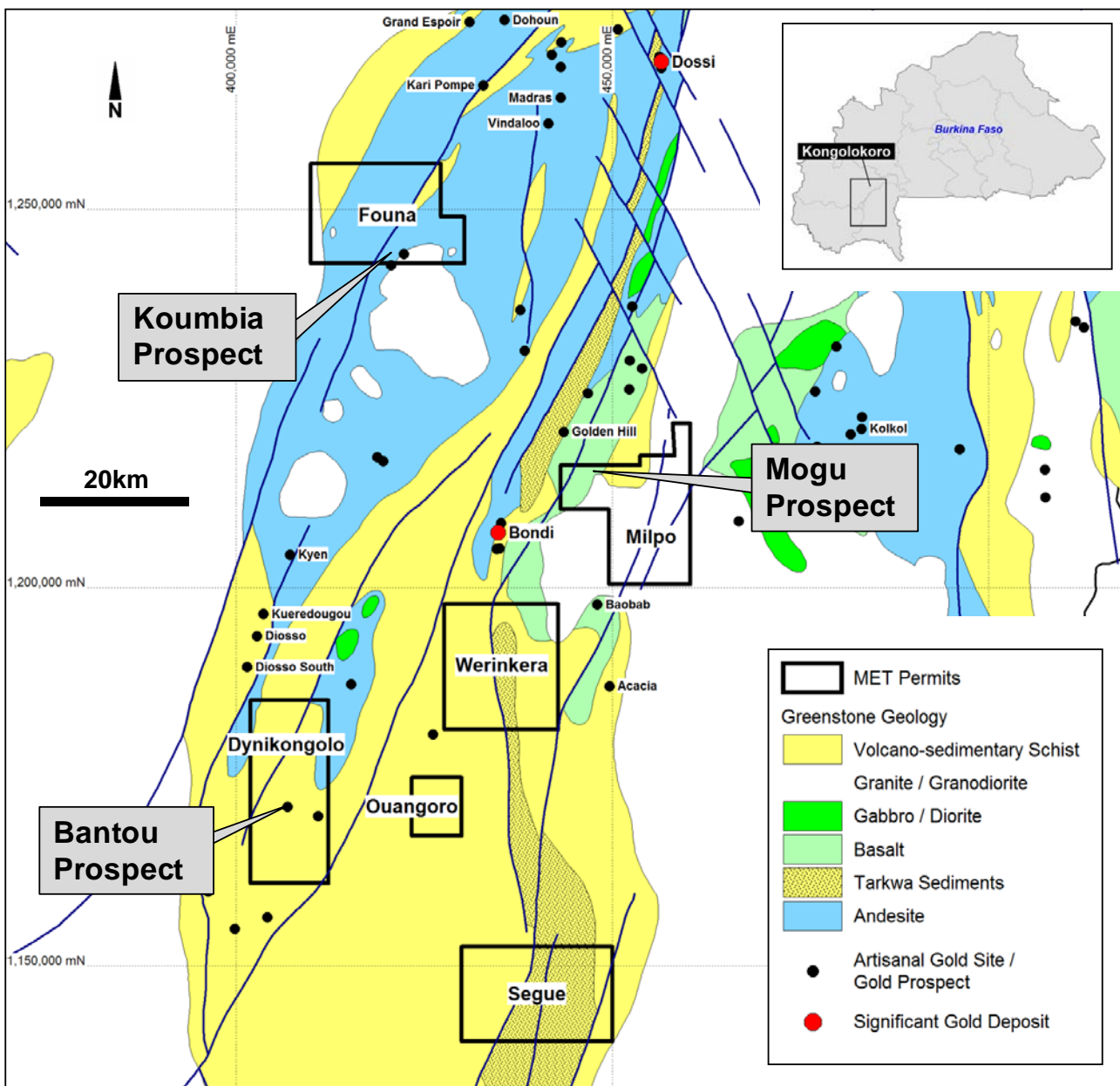


Figure 1: Kongolokoro Project – Permit and prospect locations.

Koumbia Prospect

The Koumbia Prospect is located at the southern end of the Founa exploration permit (the northern-most permit of the Kongolokoro Project) (figure 1).

MET has completed first pass grab sampling of quartz vein material associated with artisanal workings at the Koumbia Prospect which are distributed over an approximate 1,000 metre by 500 metre area.

All veins sampled to date at the Koumbia Prospect have produced significant gold assays, including three veins with gold assay results in excess of 10g/t Au.

The distribution of MET sample results from the Koumbia Prospect is shown in figure 2.

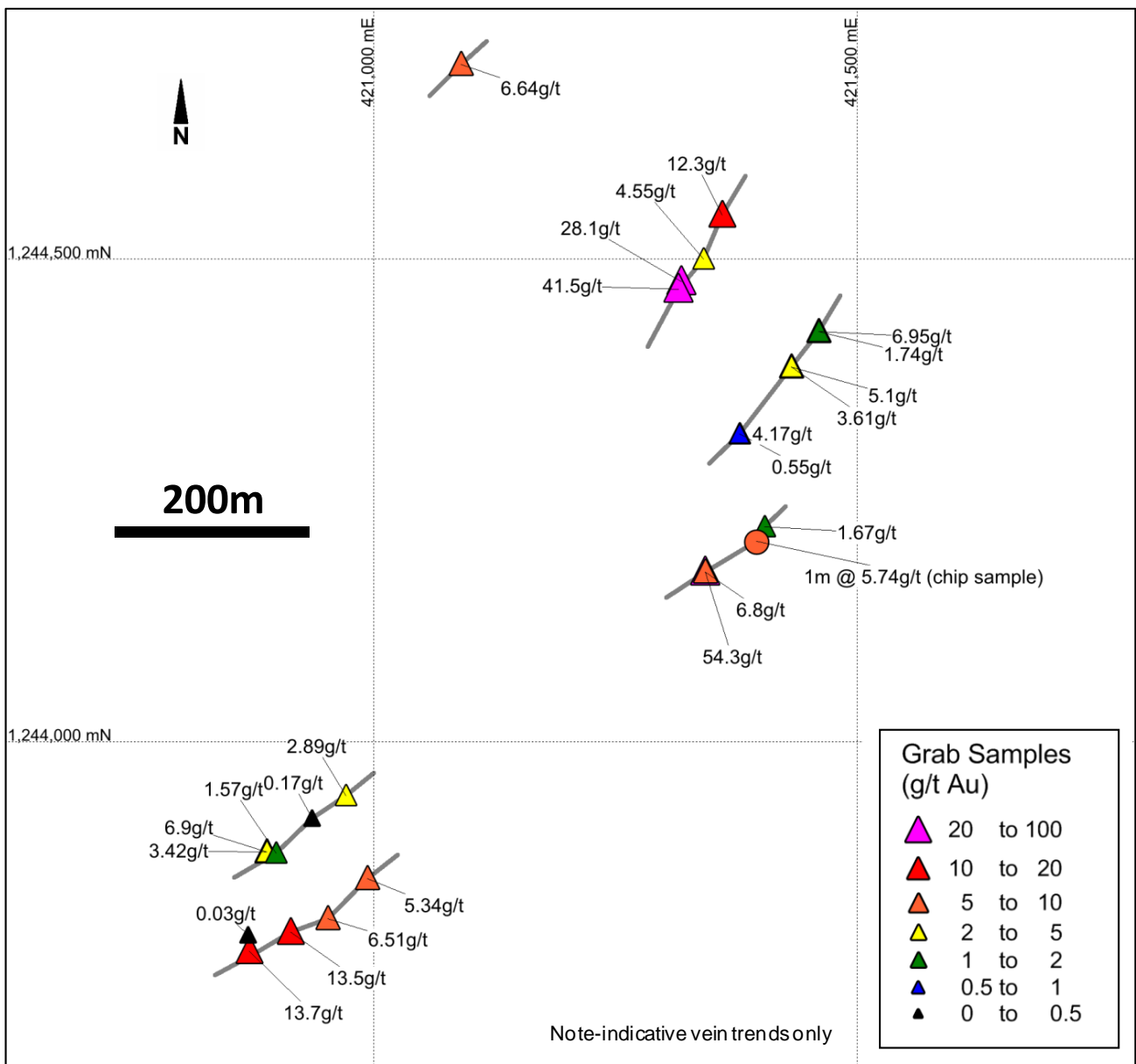


Figure 2: Koumbia Prospect – Grab and rock chip sample results.

Mogu Prospect

The Mogu Prospect is located within the Milpo exploration permit within the central Kongolokoro Project area (figure 1).

The Mogu Prospect is developed over a broad but prominent ridge defined by irregular outcrop of quartz vein material and quartzite (fine grained quartz-rich metamorphic rock). In aggregate the artisanal gold workings, quartzite and quartz veining has been identified over a strike length in excess of 500 metres (figure 3).

MET has completed first pass grab and rock chip sampling of quartzite units and quartz vein material associated with artisanal workings at the Mogu Prospect. Assay results include high grade gold assays from rock chip sampling of outcrop as follows:

- 2m @ 22.9g/t Au (pyritic quartz vein)
- 1m @ 12.9g/t Au (pyritic quartz vein)
- 1m @ 13.1g/t Au (pyritic quartz vein)

The location of samples/assay results for the Mogu Prospect is shown in figure 3. Also shown in figure 3 is a secondary sub-parallel quartz vein located approximately 500m east of the main sampled area (single grab sample of 31.3g/t Au).

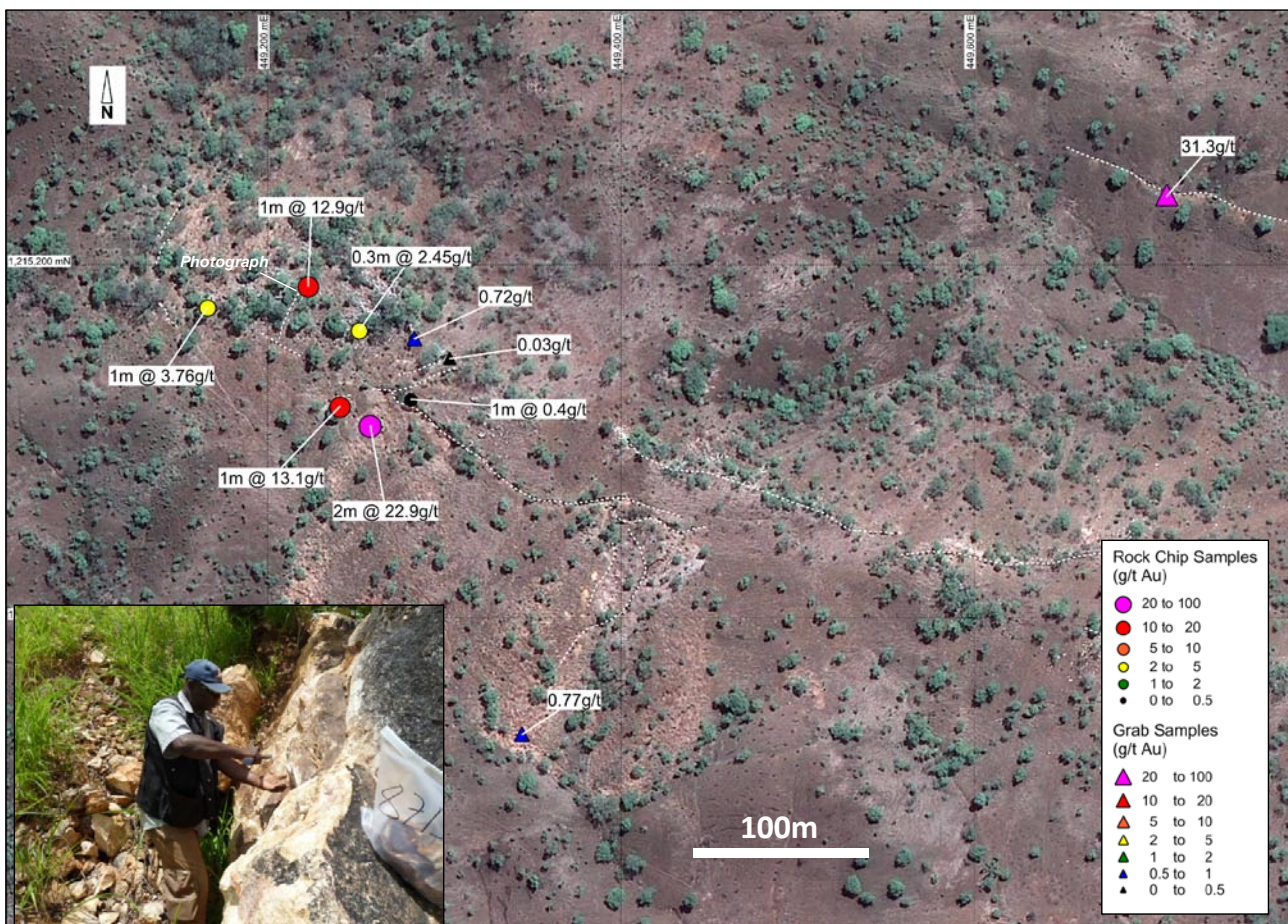


Figure 3: **Mogu Prospect** – Grab and rock chip sample results (dashed lines indicate vein trends).

Bantou Prospect

The Bantou Prospect is located at the southern end of the Kongolokoro Project area within the Dynikongolo exploration permit (figure 1).

The Bantou Prospect is defined by artisanal workings associated with NNE-trending, steeply west-dipping quartzites which can be traced over a 1,000 strike length.

There are multiple sub-parallel structures identified at the Bantou Prospect that are developed within a corridor of artisanal workings up to 40 metres wide. The continuity of mineralisation across this zone is unknown (not sampled).

Rock chip sampling and grab sampling by MET at the Bantou Prospect produced medium grade (+5g/t Au) to high grade (+10g/t Au) gold assays along the structures.

The most significant assay result recorded was 1.5m @ 43.1g/t Au from rock chip sampling at the northern end of the workings. This sample width represents the approximate true width of the exposed/sampled material (figure 4).

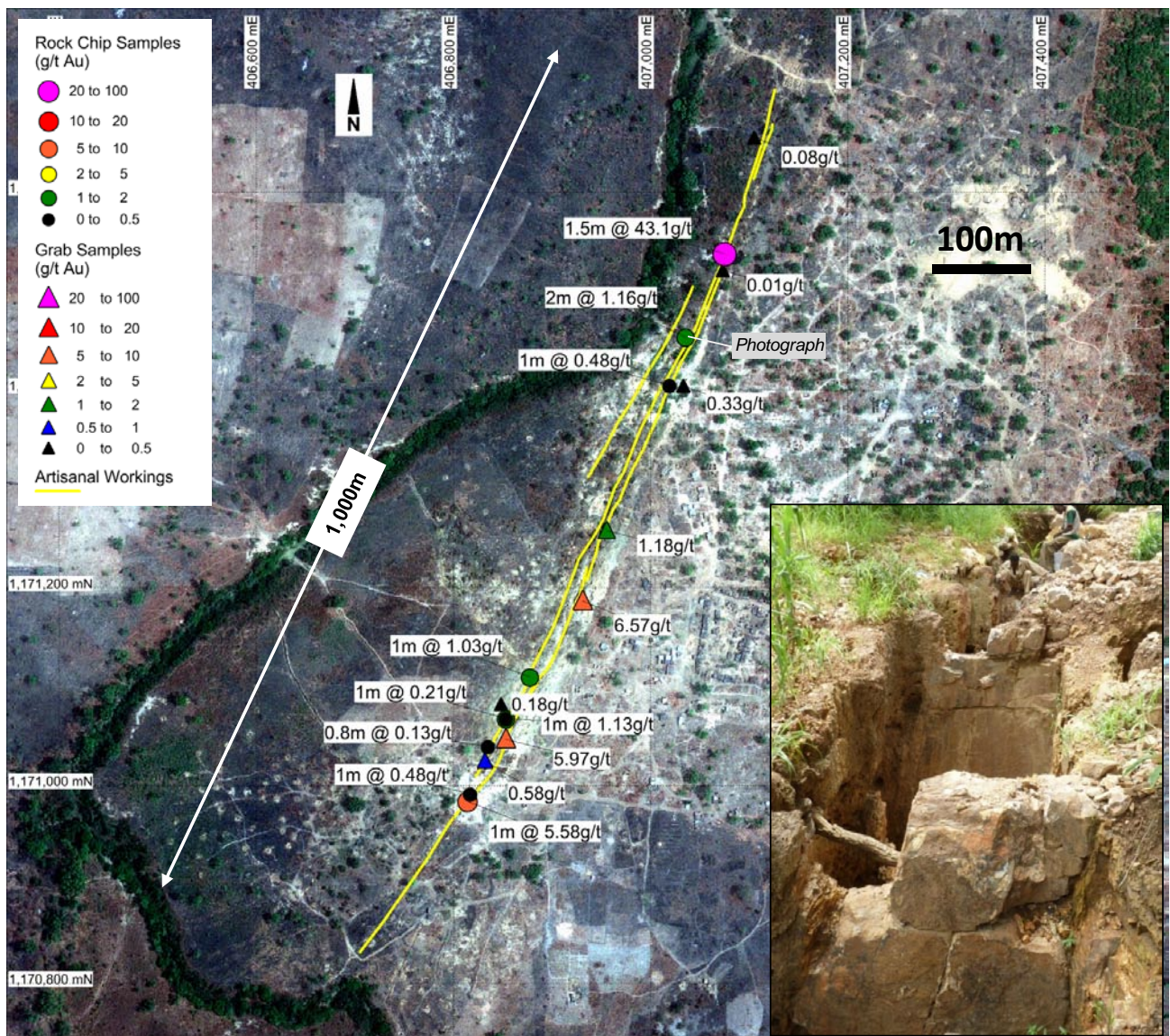


Figure 4: Bantou Prospect – Grab and rock chip sample results.

Future Activities

MET has secured a large land position in Burkina Faso with approximately 5,000km² of exploration permits and permit applications under option.

The high grade gold assays received to date from the Kongolokoro Project and other MET project areas provide the Company with significant encouragement that it is now well positioned to realise its objective of discovering several large-scale (1Moz plus) gold deposits.

The Company is currently implementing a substantial exploration program across its various project areas which will include significant components of exploration drilling, trenching, geophysical surveying and surface sampling activity.

An expansion of exploration activity is planned immediately after the cessation of the current West African wet season. Drilling of high grade artisanal sites identified to date will be a priority.

MET has proposed an exploration budget for Burkina Faso in excess of A\$3m for the period to June 2011. The Company anticipates that it will provide frequent updates on exploration activities with an estimated 40,000 assay results to be generated to June 2011 (an average of ~1,000 assay results per week).

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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.