

## ASX Announcement

12 August 2010

### NEW COPPER-GOLD DRILL ASSAYS FOR BARBARA PROJECT

#### Highlights:

- **New copper and gold assay results received from multiple drill targets in the Barbara joint venture tenement.**
- **Barbara North Lode:**
  - **14m @ 0.99% Cu and 0.07g/t Au** from 85m (in BARC 065)
  - **1m @ 0.77% Cu and 1.53g/t Au** from 29m (in BARC 063)
- **Green Zone:**
  - **24m @ 0.83% Cu** from 32m (in GZRC 003)
  - **8m @ 1.05% Cu** from 56m (in GZRC 006)
- **Continued significant cobalt values received from North Gossan target.**
- **First pass drill testing of Blue Star / Trey Bit targets completed – results pending.**
- **VTEM electromagnetic survey completed – results pending.**
- **Barbara North Lode resource update planned for fourth quarter.**

The Board of Mt Isa Metals Limited (MET) is pleased to announce that assay results have been received for a further 13 drill holes completed within the Barbara Joint Venture tenement (MET 49%, Syndicated Metals 51% and manager).

The assay results confirm the potential to define additional near surface Mineral Resources<sup>1</sup> with open pit mining potential in the Barbara area and include:

Barbara North Lode:

- 14m @ 0.99% Cu and 0.07g/t Au from 85m (in BARC 065); and
- 1m @ 0.77% Cu and 1.53g/t Au from 29m (in BARC 063).

Green Zone:

- 24m @ 0.83% Cu from 32m (in GZRC 003); and
- 8m @ 1.05% Cu from 56m (in GZRC 006).

<sup>1</sup> Refer ASX release “Maiden Resource Estimate for Barbara – North Lode Copper Deposit” dated 01 March 2010.

### **Barbara North Lode**

Assay results were received for a further three RC drill holes (BARC 063 to BARC 065) testing the northern end and the northern extension of the Barbara North Lode deposit (table 1).

The most significant intersection was recorded in drill hole BARC 065 which included a thick and relatively shallow interval of copper mineralisation assaying 14m @ 0.99% Cu (from 85m down-hole depth). The BARC 065 intersection (together with those previously reported in BARC 055 and BARC 061<sup>2</sup>) define a 250 metre strike length of potentially mineralised Barbara structure which is external to current Mineral Resources and untested below 200m depth (figure 1).

Further drilling is required to determine the full extent of Barbara North Lode mineralisation.

### **Barbara South Lode**

One additional deep diamond drill hole (BADD 014) was completed to test the down dip extension of the South Lode deposit within the Barbara joint venture tenement (figure 1).

BADD 014 intersected a wide interval of low grade copper mineralisation (58m @ 0.28% Cu) from 423 metres down-hole depth. This interval also included multiple narrow (less than 2 metre wide) zones of higher grade copper mineralisation (peak value 0.55m @ 2.13% Cu from 443.75m) (table 1).

No additional deep drilling (+500 metres depth) is planned for the South Lode deposit in the short term.

### **Green Zone**

Assays results were received for a further six RC drill holes completed at the Green Zone target (GZRC 003 to GZRC 008) (table 2).

The new drilling at Green Zone, together with results previously reported for RC holes GZRC 001 and GZRC 002, define a mineralised zone up to 15m thick over an approximate 400m strike length (figure 2).

The most significant Green Zone assay results included:

- 24m @ 0.83% Cu from 32m (in GZRC 003); and
- 8m @ 1.05% Cu from 56m (in GZRC 006).

Infill RC drilling of the Green Zone deposit, and step-out drilling to the north, will be undertaken with the objective of providing sufficient data for a maiden resource estimate.

### **North Gossan**

North Gossan is located on a fault offset segment of the Barbara Fault which hosts the Barbara North and South Lode deposits. Three reverse circulation holes were drilled at North Gossan (NGRC 002 to NGRC 004) to follow up an initial elevated cobalt intersection of 6m @ 0.18% Co previously reported in NGRC 001<sup>3</sup> (figure 2).

Each of the new drill holes completed at North Gossan intersected zones of high cobalt and pyrite content including 3m @ 0.10% Co in NGRC 003 and 6m @ 0.09% Co in NGRC 004 (table 3).

<sup>2</sup> Refer ASX release "New Copper-Gold Drilling Results for Barbara Project" dated 17 June 2010.

<sup>3</sup> Refer ASX release "New Copper and Cobalt Assay Results from Leichardt Exploration Project" dated 26 May 2010.

The North Gossan prospect is characterized by high levels of pyrite-dominated semi-massive to massive sulphide. Copper levels are low but the cobalt content is strongly elevated. A zonation from high copper to high cobalt is seen at the Barbara North Lode which provides encouragement that copper mineralisation may be identified at North Gossan with further drilling.

A more detailed assessment of cobalt within all of the deposits drilled to date in the Barbara area is warranted as it has the potential to add further value to the deposits if economic recovery can be demonstrated.

### Forward Program

Significant ongoing news-flow is anticipated from the Company's joint venture activities in the Leichardt Project area:

- infill drilling of the Green Zone target is proposed;
- assay results are awaited from first phase RC drilling of the Trey Bit and Blue Star prospects (Blockade JV tenement);
- results are awaited from a recently completed airborne VTEM survey (Versatile Time-Domain Electromagnetic survey)<sup>4</sup> over the entire Barbara tenement; and
- a resource update for the Barbara North Lode is scheduled for completion during the fourth quarter.

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#### Competent Persons Statement

The information in this report that relates to Exploration Results and 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.

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<sup>4</sup> VTEM is a geophysical surveying technique that is considered highly effective in identifying buried copper sulphide occurrences.

Hole No.	East (GDA94)	North (GDA94)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Co (ppm)
BARC 063	379991	7741811	114	-80	55	29	30	1	0.77	1.53	153
BARC 064	379976	7741758	120	-65	55	98	99	1	0.89	0.07	89
						103	104	1	0.81	0.06	105
						115	116	1	0.74	0.44	28
BARC 065	380036	7741750	126	-90	53	80	81	1	0.53	0.02	69
						<b>85</b>	<b>99</b>	<b>14</b>	<b>0.99</b>	<b>0.07</b>	<b>82</b>
						93	94	1	3.06	0.13	90
						97	99	2	1.07	0.13	159
BADD 014	380100	7741265	512.5	-83	57	402.00	403.00	1.00	0.51	0.05	97
						<b>423.00</b>	<b>481.00</b>	<b>58.00</b>	<b>0.28</b>	<b>0.02</b>	<b>348</b>
						423.00	425.00	2.00	0.86	0.23	2451
						435.00	436.00	1.00	1.88	0.03	203
						443.75	444.30	0.55	2.13	0.08	1070
						452.00	454.00	2.00	0.76	0.02	1006
						460.00	460.85	0.85	0.61	0.01	215
						464.00	464.60	0.60	1.37	0.02	1570
						468.00	468.65	0.65	0.74	0.01	1580
						470.50	471.55	1.05	0.63	0.01	486
						477.00	478.00	1.00	0.84	0.01	70
						479.45	481.00	1.55	0.93	0.03	1280
493.80	494.30	0.50	0.55	<0.01	395						

**Table 1 – Drilling Results – Barbara North / South Lode.**

Hole No.	East (GDA94)	North (GDA94)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Co (ppm)
GZRC 003	379423	7742306	84	-60	271	32	56	24	0.83	0.01	73
						67	68	1	0.85	0.02	52
GZRC 004	379412	7742238	84	-60	270	44	54	10	0.68	0.01	87
GZRC 005	379359	7742152	84	-60	270	59	60	1	0.51	0.01	95
						64	69	5	0.60	0.03	103
GZRC 006	379348	7742111	126	-60	270	56	64	8	1.05	0.01	55
GZRC 007	379334	7742031	114	-60	270	60	61	1	0.55	0.06	42
GZRC 008	379337	7741990	126	-60	270	54	55	1	1.40	0.03	42
						59	60	1	0.93	0.01	17
						62	65	3	0.84	0.03	78

**Table 2 – Drilling Results – Green Zone.**

Hole No.	East (GDA94)	North (GDA94)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Co (ppm)
NGRC 002	379475	7742613	58	-60	42	20	24	4	0.02	0.03	900
						45	49	4	0.01	0.01	553
NGRC 003	379453	7742594	100	-60	48	50	56	6	0.03	0.01	722
						74	77	3	0.02	0.01	1032
NGRC 004	379402	7742660	100	-60	48	59	65	6	0.02	0.01	917
						67	69	2	0.02	0.01	763
						72	73	1	0.02	0.01	909

**Table 3 – Drilling Results – North Gossan.**

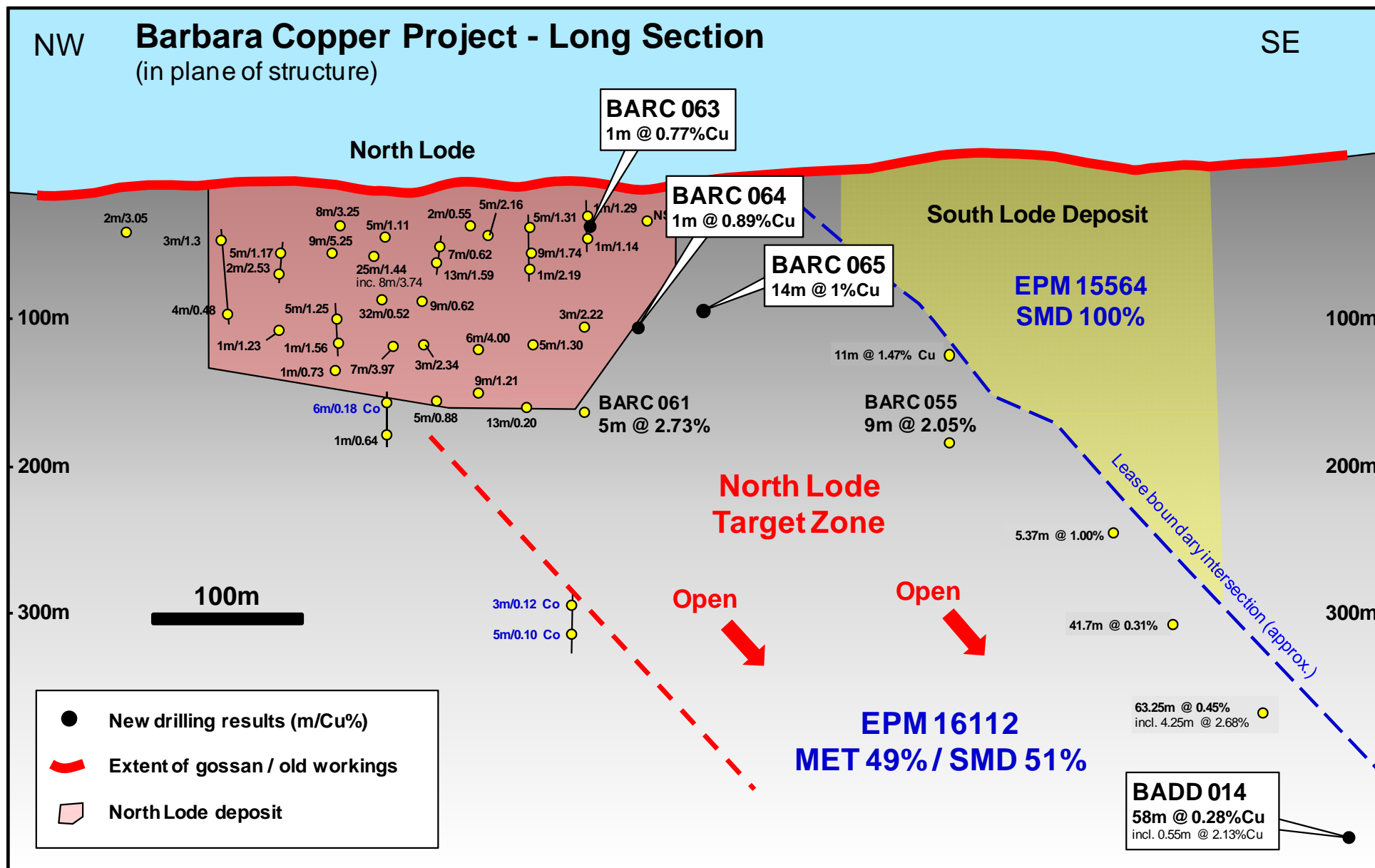


Figure 1 – Barbara Long Section.

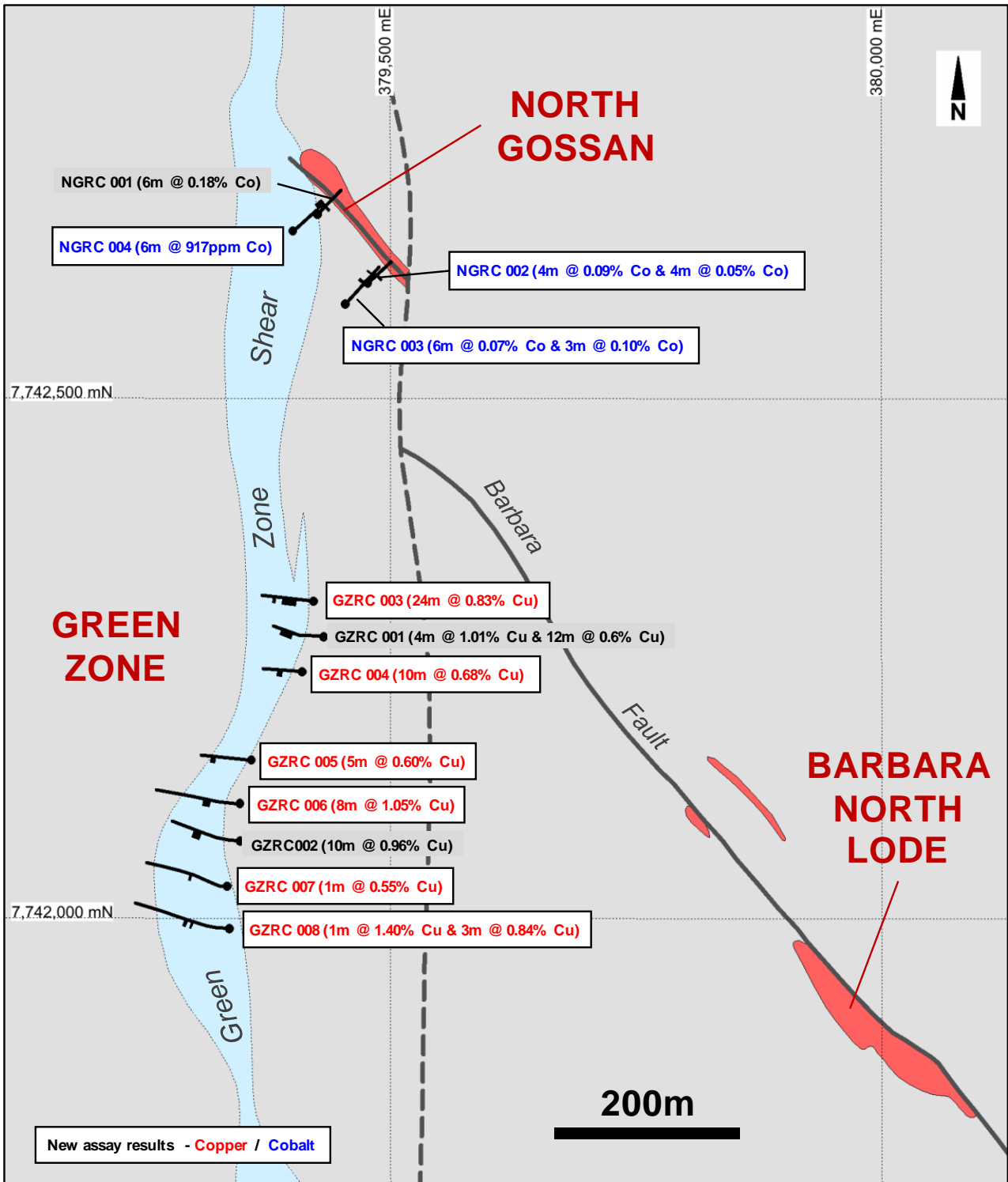


Figure 2 – Drilling results – Green Zone and North Gossan targets.