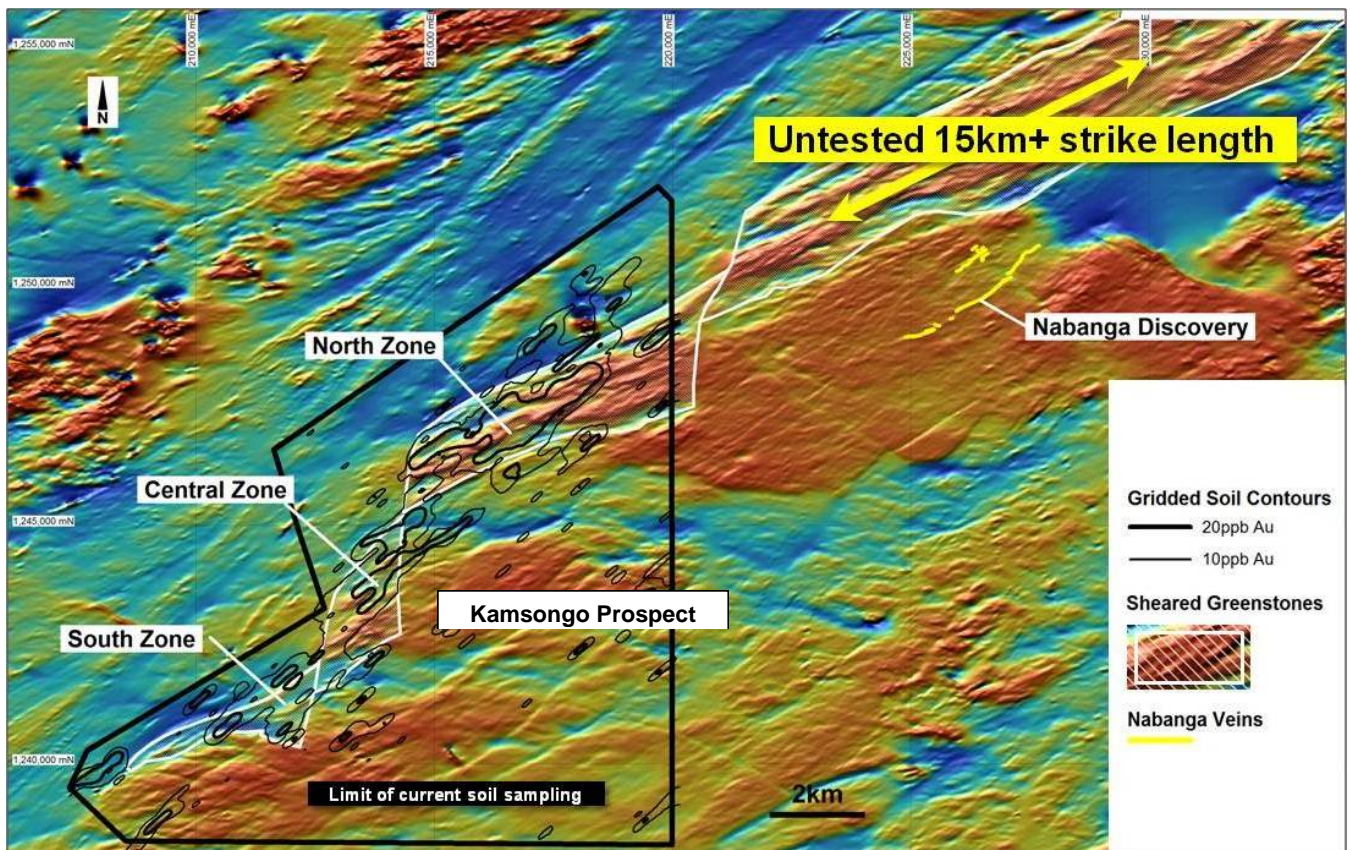


Quarterly Activities Report

March 2011



Magnetic image over part of the Yactibo Project, showing the Nabanga discovery and the new Kamsongo soil anomaly

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Highlights

West African - Gold

- **High grade gold discovery announced at the Nabanga Prospect** – south-east Burkina Faso.
- **Nabanga Prospect reverse circulation (RC) drill results include:**
 - 2m @ 15.98g/t Au from 19m (in NARC003)
 - 10m @ 3.00g/t Au from 25m (in NARC004)
 - 8m @ 14.01g/t Au from 26m (in NARC006)
 - 3m @ 24.62g/t Au from 59m (in NARC011)
 - 4m @ 13.88g/t Au from 17m (in NARC017)
 - 8m @ 10.11g/t Au from 34m (in NARC030)
 - 3m @ 11.36g/t Au from 36m (in NARC031)
- **Nabanga mineralisation defined over a 3.6km strike length – untested below 50m vertical depth.**
- **Nabanga phase 2 drilling to commence shortly** - Deep capacity RC drill rig contracted and mobilised to Burkina Faso (*subsequent to the end of the quarter*).
- **14km long +10ppb gold in soil anomaly defined at the Kamsongo Prospect**, a previously unknown gold prospect.
- **RAB drill rig contracted for immediate follow-up of Kamsongo anomaly** (*subsequent to end of quarter*).
- **Boungou artisanal site** – gold workings now defined over a 5,600 metre strike length and up to 300 metre width (based on GPS mapping).
- **Detailed soil sampling program commenced at the Boungou Prospect.**
- **Recent unrest noted in Burkina Faso (primarily Ouagadougou)** - MET exploration programs are unaffected and proceeding as planned.

Mount Isa - Copper

- **Drilling at the Leichardt Project commenced** to test multiple advanced copper-gold targets including the Green Zone, Barbara North and Blue Star prospects.
- **Additional exploration tenement granted** in the Isa North Project area.

Corporate

- **\$14.4m (before costs) capital raising completed** through a placement of approximately 20.57 million ordinary shares at \$0.70 per share sophisticated and institutional investors. Funds raised will primarily be directed towards gold exploration in Burkina Faso.
- **Harmattan Gold Pty Ltd (HMG) created** to secure a step-change in MET's exposure to gold opportunities in Burkina Faso.
- **Seed capital of \$1.8m raised for HMG**, with plans for IPO and stock exchange listing in 2011 - MET proposed to retain a significant shareholding interest on listing (46.7%).

Exploration – West Africa

During the quarter the Company continued to advance gold exploration activities across its substantial portfolio of exploration permits in Burkina Faso, West Africa. The location of the Company’s exploration permits and project areas in Burkina Faso are shown in figure 1.

MET’s Burkina Faso permits were secured under option agreements that provide the Company with the exclusive right to conduct exploration activities and an option to acquire a 100% interest in each permit by making staged payments over a three year period.

During the quarter the Company received the final results from its maiden drilling program in Burkina Faso testing high priority gold targets within the Kongolokoro and Yactibo Project areas.

Following on from significant high grade drill intersections that were received from the **Bantou Prospect** last quarter, a significant new high grade gold discovery was announced from the drilling at the **Nabanga Prospect** (refer figure 1 for prospect locations).

In addition, a 14km long +10ppb Au soil anomaly was defined at the **Kamsongo Prospect** (figure 1). Kamsongo is a previously unknown gold prospect located in the Yactibo Project area, and is thought to be part of a separate mineralised system centred approximately 10 kilometres to the west-south-west of the Nabanga discovery.

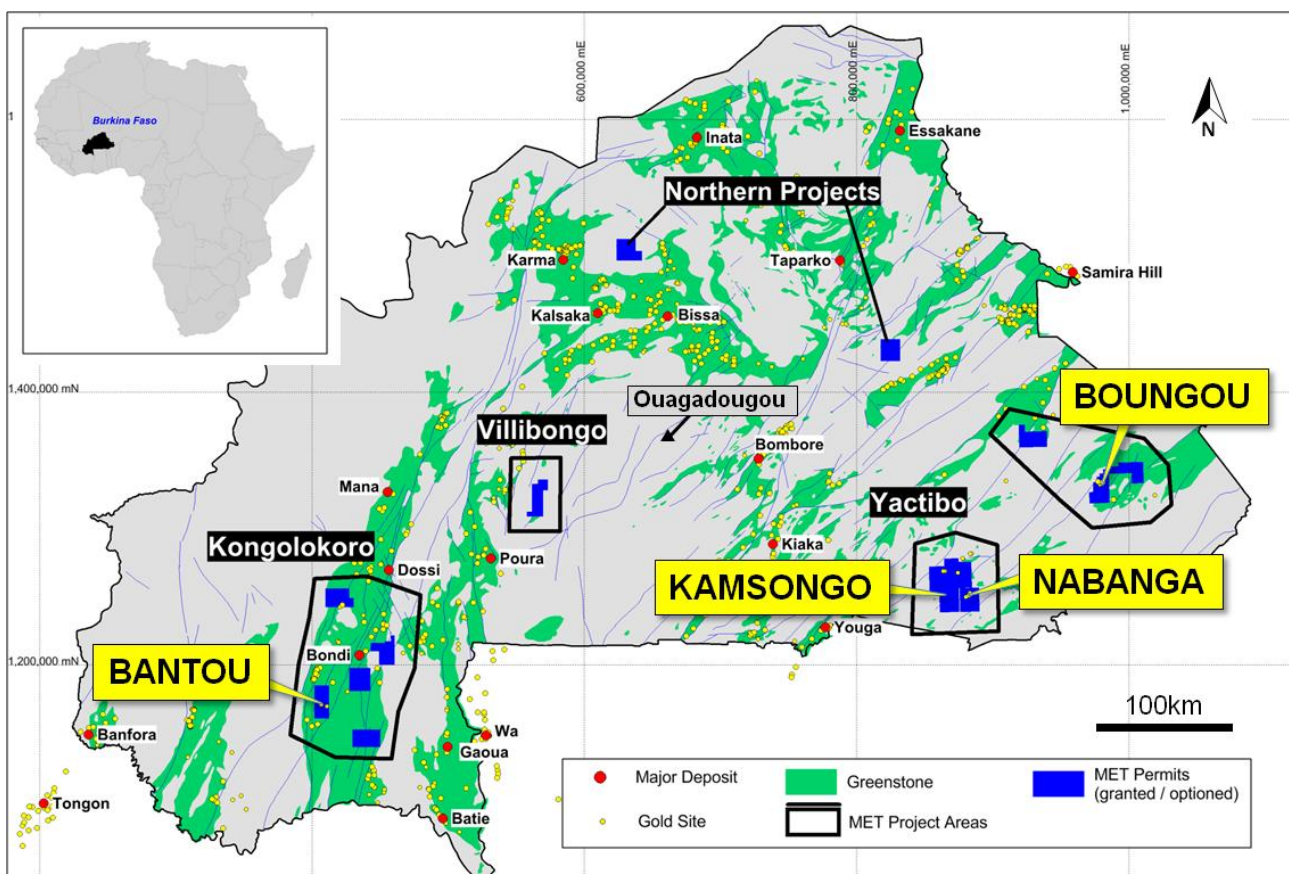


Figure 1 - Location of MET Burkina Faso exploration permits / project areas (excludes applications).

Yactibo Project (MET option - 100%)

Nabanga Prospect

During the quarter the Company received results from the first phase RC drilling program of the Nabanga Prospect in south-east Burkina Faso. The drilling was designed to test an extensive zone of quartz vein associated gold mineralisation associated with artisanal workings over a strike length up to 3,600 metres.

During the quarter, MET was pleased to announce that intersections above 0.5g/t Au had been received for every drill hole completed in the main Nabanga workings and **a significant new high grade gold discovery had been achieved.**

High grade drill intersections received for the Nabanga Prospect included:

- 2m @ 15.98g/t Au from 19m (in NARC003)
- 10m @ 3.00g/t Au from 25m (in NARC004)
- 8m @ 14.01g/t Au from 26m (in NARC006)
- 3m @ 24.62g/t Au from 59m (in NARC011)
- 4m @ 13.88g/t Au from 17m (in NARC017)
- 8m @ 10.11g/t Au from 34m (in NARC030)
- 3m @ 11.36g/t Au from 36m (in NARC031)

Chip samples from selected high grade RC drill intersections at Nabanga are shown in Figure 2, below.



Figure 2 - High-grade drill chip samples from the Nabanga Prospect.

Gold mineralisation at Nabanga is hosted in a coarse grained intrusive rock and is associated with quartz veining and development of minor (<1%) pyrite. Vein geometry (as interpreted from the drill intersections and artisanal workings) is variable, with steep north-west dips typically in the range 60° to 70°.

MET completed twenty one RC drill holes over the Nabanga main lode in the phase one drilling program for a total 2,008 drilled metres. The drilling was designed to test the Nabanga structure along the full length of the artisanal workings on approximate 300 metre spaced sections and to a vertical depth of generally less than 50 metres from surface.

Gold mineralisation above 0.5g/t was recorded in every drill hole completed at Nabanga confirming a significant gold mineralised system below the near-surface artisanal workings (drill hole NARC016 was abandoned at 21m down hole depth in artisanal workings).

A drill hole location plot, which also shows individual drill hole intersections through the main Nabanga vein, is provided at figure 3.

The average Nabanga drill hole intersection is **4.6m @ 5.66g/t Au** (this includes all 20 drill holes which intersected the main structure). Higher grade mineralisation has been intercepted within the Nabanga structure which indicates strong potential for delineation of discrete high grade shoots.

Detailed drill assay results are provided in table 1.

Nabanga North Prospect

During the quarter, the Company was also pleased to advise that positive assay results were received for a short (three hole) RC drilling program testing the Nabanga North vein.

The Nabanga North vein is located approximately 750 metres north-west of the main Nabanga structure and is also defined at surface by shallow artisanal workings that extend over an approximate 600 metre strike length. The Nabanga North vein is oriented parallel to the main Nabanga structure (figure 3).

Two significant intersections were recorded at Nabanga North (from the three hole program) including:

- 2m @ 8.32g/t Au from 25m (in NARC019)
- 1m @ 11.65g/t Au from 18m (in NARC024)

Although the Nabanga North intersections are narrow (1-2m down hole width) they are significant in that they confirm the potential for multiple high grade gold mineralised structures across the broader Nabanga target area.

Detailed assay results/drill hole data for the Nabanga North drilling are provided in table 2.

MET has also received assay results for an additional seven RC drill holes designed to test smaller scale quartz veins developed adjacent to the Nabanga North vein (+/-200m into the hangingwall and footwall). Few significant assay results were recorded from this drilling (refer table 3).

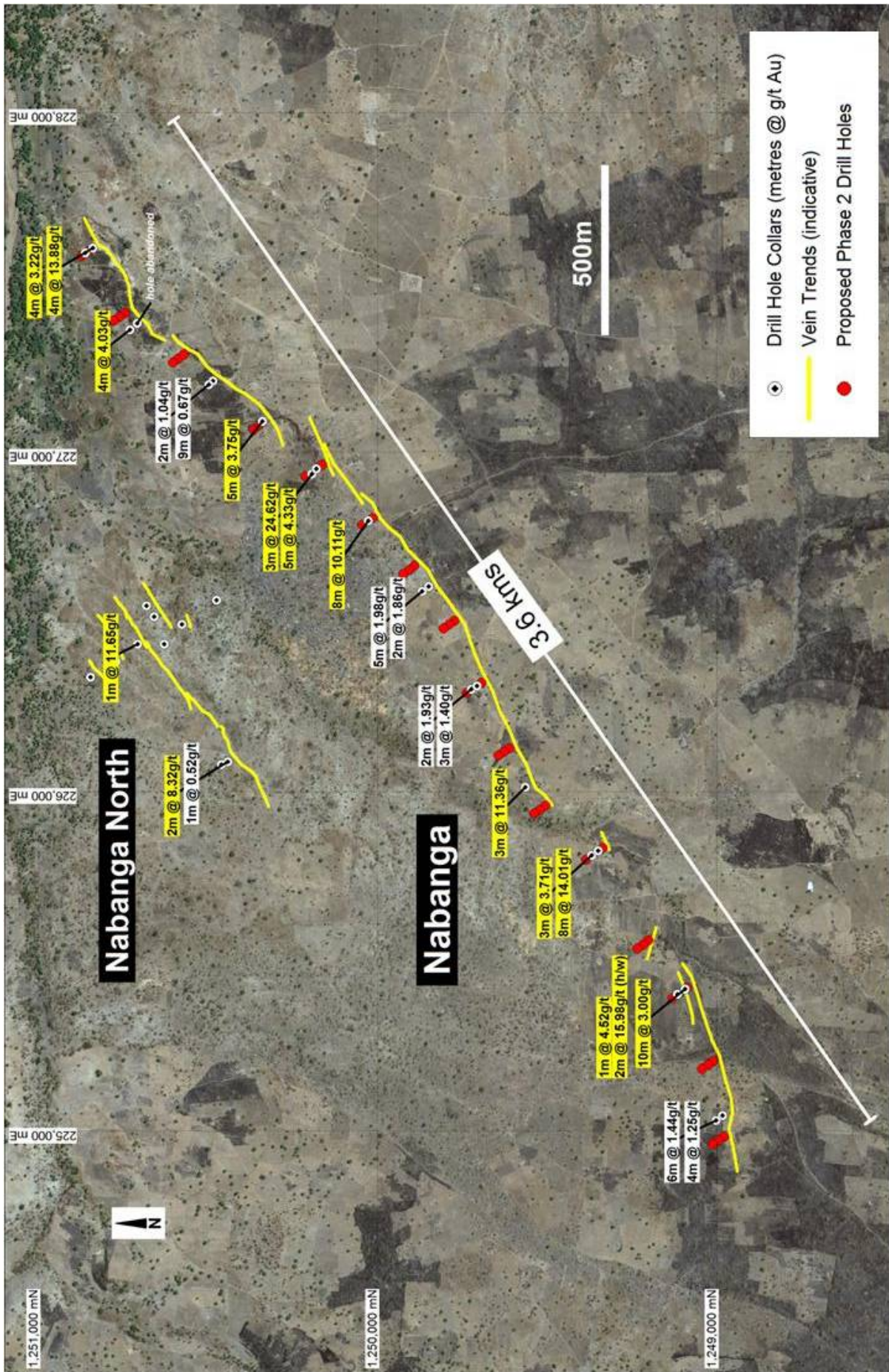


Figure 3 – Location diagram – Nabanga and Nabanga North drilling results.

Hole No.	East (WGS84)	North (WGS84)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
NARC001	225,045	1,248,983	78	-60	145	0	1	1	0.61
						20	24	4	1.25
NARC002	225,031	1,249,002	108	-60	145	0	1	1	1.18
						3	6	3	0.70
						30	36	6	1.44
NARC003	225,402	1,249,116	112	-60	145	19	21	2	15.98
						55	56	1	4.52
NARC004	225,418	1,249,093	74	-70	145	25	35	10	3.00
NARC005	225,812	1,249,368	106	-60	145	45	48	3	3.71
NARC006	225,825	1,249,350	80	-60	145	26	34	8	14.01
NARC007	226,301	1,249,724	113	-60	145	51	52	1	1.33
						55	57	2	1.93
NARC008	226,311	1,249,707	78	-60	145	30	33	3	1.40
						39	40	1	0.84
NARC009	226,604	1,249,849	110	-60	145	9	10	1	0.72
						20	21	1	1.29
						25	27	2	1.86
						47	48	1	0.98
NARC010	226,589	1,249,868	120	-60	145	6	7	1	0.95
						19	20	1	0.61
						54	59	5	1.98
						85	87	2	4.90
NARC011	226,935	1,250,193	142	-60	145	59	62	3	24.62
						66	67	1	0.98
NARC012	226,950	1,250,180	150	-60	145	44	49	5	4.33
NARC013	227,209	1,250,486	102	-60	145	24	33	9	0.67
NARC014	227,199	1,250,497	102	-60	145	0	1	1	3.33
						16	17	1	0.64
						51	53	2	1.04
NARC015	227,360	1,250,730	90	-60	145	30	31	1	0.98
						53	57	4	4.03
						66	67	1	3.12
NARC016	227,379	1,250,709	21	-60	145	<i>Hole terminated in workings.</i>			
NARC017	227,601	1,250,839	80	-60	145	0	1	1	1.29
						17	21	4	13.88
						48	49	1	0.52
						73	74	1	4.53
NARC018	227,587	1,250,862	102	-60	145	46	50	4	3.22
NARC029	227,091	1,250,339	80	-60	145	0	1	1	0.68
						23	28	5	3.75
						39	40	1	0.59
NARC030	226,797	1,250,027	80	-60	145	34	42	8	10.11
						47	48	1	0.52
NARC031	226,013	1,249,565	80	-60	145	36	39	3	11.36

Table 1 – Nabanga Drill Results (0.5g/t Au cut-off grade, +2.0g/t intersections highlighted).

Hole No.	East (WGS84)	North (WGS84)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
NARC019	226,088	1,250,442	78	-60	145	25	27	2	8.32
NARC020	226,079	1,250,461	113	-60	145	60	61	1	0.52
NARC024	226,434	1,250,707	86	-60	145	18	19	1	11.65
						40	41	1	1.01

Table 2 – Nabanga North Drill Results (0.5g/t cut-off grade, +2.0g/t intersections highlighted).

Hole No.	East (WGS84)	North (WGS84)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
NARC021	226,563	1,250,475	76	-60	145	<i>No significant values.</i>			
NARC022	226,492	1,250,577	76	-60	145	26	27	1	0.53
						48	49	1	0.69
NARC023	226,515	1,250,659	79	-60	145	22	24	2	0.59
NARC025	226,382	1,250,772	74	-60	145	<i>No significant values.</i>			
NARC026	226,337	1,250,846	74	-60	145	<i>No significant values.</i>			
NARC027	226,547	1,250,681	80	-60	145	<i>No significant values.</i>			
NARC028	226,434	1,250,629	80	-60	145	24	25	1	0.90
						39	40	1	0.82
						54	55	1	4.76

Table 3 – Nabanga Other Drill Results (0.5g/t cut-off grade, +2.0g/t intersections highlighted).

Nabanga Forward Program

MET considers the results of the maiden drilling program in the Nabanga area to be extremely encouraging. The delineation of +0.5g/t gold mineralisation along the entire 3.6km length of the Nabanga structure confirms a new gold discovery.

Significant potential exists to extend the defined gold mineralisation at Nabanga with additional drilling.

The structure is open along strike with +1g/t Au drill intersections recorded by MET at either end of the current drill pattern. The Nabanga structure is also open at depth and presents considerable potential to extend the deposit through deeper drilling. Lode gold mineralisation in greenstone provinces typically extends to significant depths.

The deepest high grade gold intersection recorded at Nabanga was achieved in drill hole NARC011 at approximately 50 metres vertical depth. The intersection (illustrated in figure 4) includes a 1m @ 71.40g/t Au interval (2.3 ounces per tonne gold) within quartz veining and relatively fresh wall-rock on either side of the high grade interval.

During the quarter MET contracted a new deep capacity RC drill rig for implementation of a phase two drilling program at Nabanga.

Mobilisation of the RC rig was delayed for a number of weeks due to temporary closure of the Ivory Coast – Burkina Faso border. Subsequent to the end of the quarter the rig was mobilised to Burkina Faso and drilling is scheduled to commence shortly.

The Nabanga phase two drilling program will initially comprise infill drilling on approximate 200m spaced sections to an approximate 50 metre vertical depth. This drilling is directed towards identifying higher grade zones within the structure. Subsequent to the infill drilling MET proposes to complete deeper drilling to assess the structure to a vertical depth of between 100 metres and 200 metres from surface.

Beyond the Nabanga “discovery zone” MET considers there is excellent potential to define significant strike extensions to the currently defined gold mineralisation.

MET is currently evaluating a number of techniques to assess these potential strike extensions and newly identified structures, including orientation soil sampling, first pass RAB drilling, and mapping and selective trenching. Significant results will be reported as they come to hand.



Figure 4 – RC drill chips for Nabanga drill hole NARC011.

Kamsongo Prospect

During the quarter the Company advanced its regional geochemical (soil sampling) programs throughout the broader Yactibo Project area. Six soil sampling crews were in operation during the quarter. The geochemical surveys are being conducted on an 800 metre by 100 metre spaced sample grid.

Subsequent to the end of the quarter, significant soil sample results were received for the Kamsongo Permit (within the Yactibo Project area), and the Company announced that a new and large-scale gold geochemical anomaly had been defined at the Kamsongo Prospect located in south-east Burkina Faso (figure 1).

The Kamsongo anomaly is defined by a contiguous zone of +10ppb (parts per billion¹) gold assays recorded along a 14 kilometre long strike length. The +10ppb Au anomaly is up to 1.5 kilometres across at its widest point and includes multiple discrete zones of higher grade assays (figure 5).

Kamsongo is a previously unknown gold prospect.

The Kamsongo anomaly is located in the same project area as the Company’s recently announced high grade Nabanga gold discovery but is thought to be part of a separate mineralised system centred approximately 10 kilometres to the west-south-west of the Nabanga discovery (figure 5).

Kamsongo Includes Higher Grade Zones

The Kamsongo anomaly includes multiple zones of discrete higher grade assays (+20ppb Au) that extend over significant strike lengths including:

¹ 1 g/t = 1 ppm (part per million) = 1,000 ppb (parts per billion)

Central Zone – Soil assay values up to 151ppb Au, average grade 51ppb Au. The Central Zone anomaly includes a linear feature that extends over a 3 kilometre strike length and which appears coincident/parallel with a linear structure evident in magnetic geophysical data (figure 6).

North Zone – Soil assay values up to 182ppb Au, average grade 50ppb Au. Contiguous +20ppb Au anomaly defined over a 5 kilometre strike length and to a maximum width of 1.0 kilometres (at 20ppb Au). Anomaly interpreted to overlie a geological contact with contrasting magnetic/geochemical properties (figure 6).

Preliminary interpretation of the assay results indicate that the Kamsongo soil anomaly is broadly contiguous with a faulted and sheared package of greenstone rocks that traverse the entire width of the Company's Kamsongo and Nabanga exploration permits. As such, a significant (+15km) strike length of the prospective greenstone stratigraphy remains untested by current soil sampling programs in the region to the north of the Nabanga gold discovery. An aeromagnetic image highlighting the prospective stratigraphy is shown on the front page of this report.

Immediate Drill Testing

The Company has elected to proceed to an immediate drill assessment of the Kamsongo Prospect and associated gold geochemical anomalies.

A Rotary Air Blast (RAB) drill rig has been contracted and will shortly be mobilised to the prospect area to complete first pass drill assessment of the higher grade Central Zone and Northern Zone anomalies.

Assay results will be reported as they come to hand.

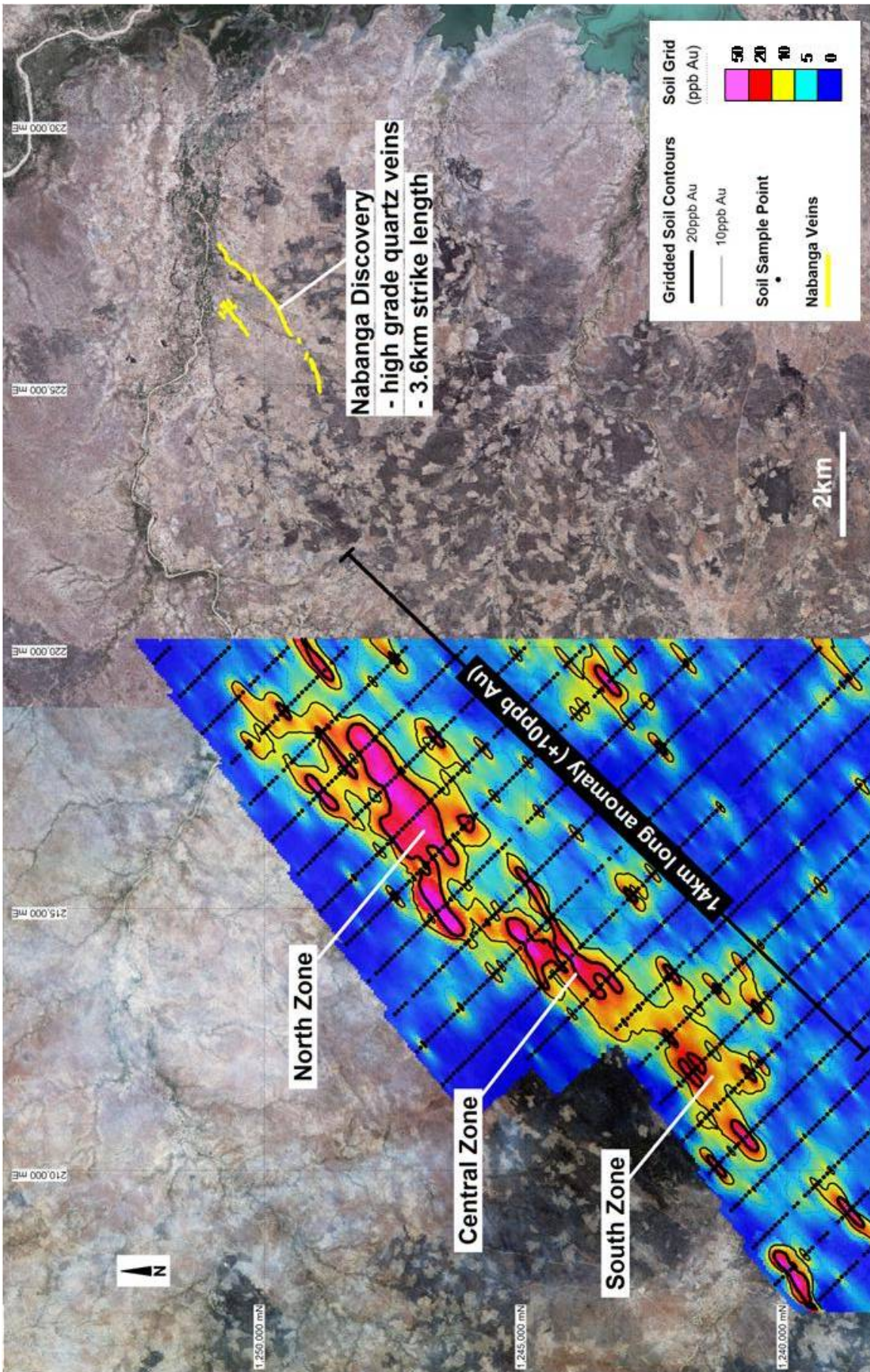


Figure 5 - Kamsongo gold anomaly and location in relation to the Nabanga Gold prospect.

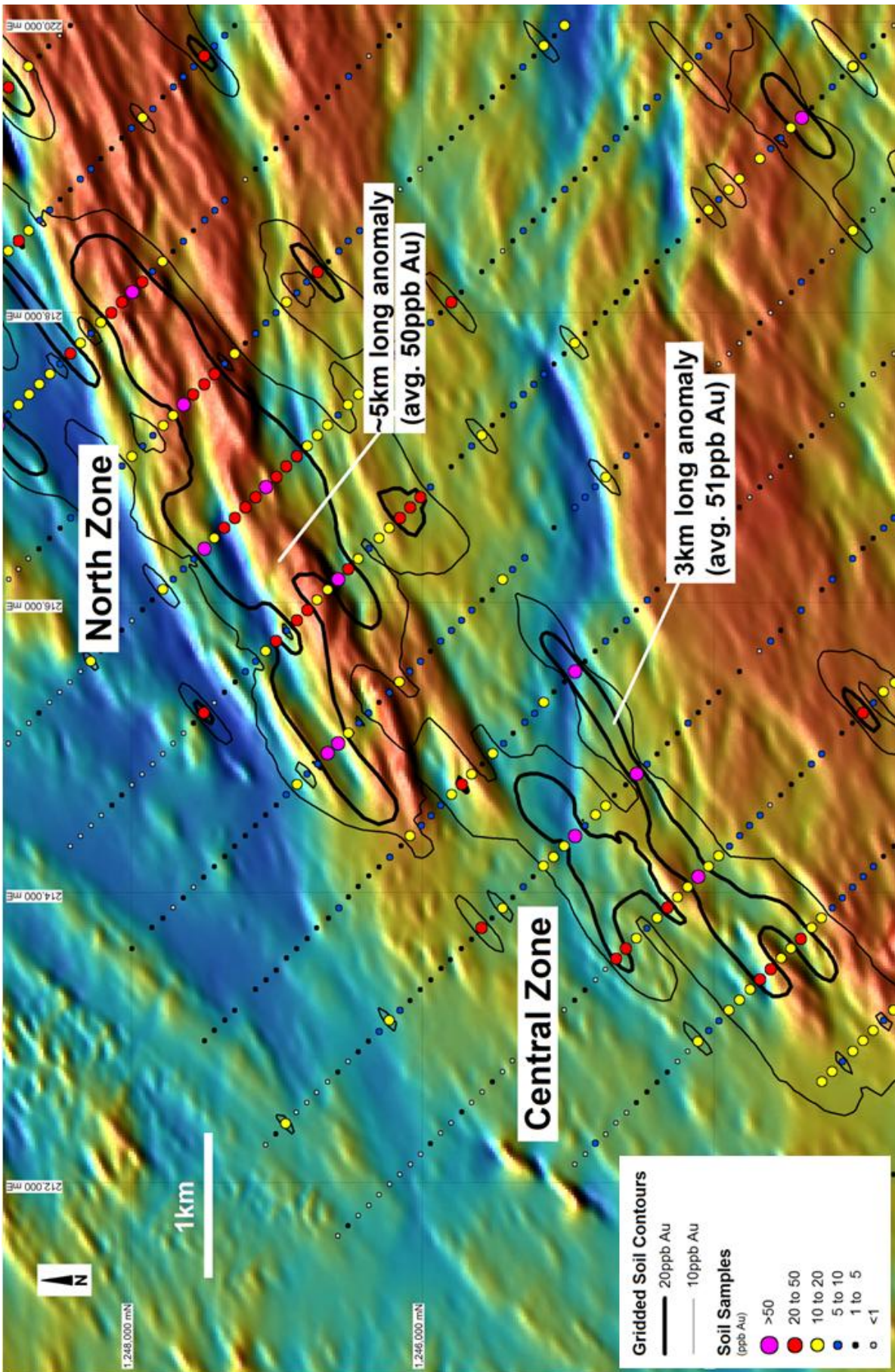


Figure 6 - Kamsongo Prospect – Detail of North Zone and Central Zone anomalies (on background magnetic image).

Kongolokoro Project (MET option - 100%)

During the quarter the Company completed the interpretation of phase one RC drilling results and the design of a proposed phase 2 RC drilling program over the Bantou Prospect (Kongolokoro Project area) in south-west Burkina Faso (figure 1).

The Bantou Prospect is defined at surface by shallow northeast-trending zone of artisanal gold workings that extend over an approximate 1 kilometre strike length (figure 7).

MET completed a maiden drilling program in the Bantou area in late 2010 which included eight RC drill holes along the strike length of the main workings. This phase 1 drilling intersected significant gold mineralisation towards the southern end of the known workings over an approximate 300 metre strike length. Significant assay results included:

- 8m @ 80.32g/t Au from 36m (in DYRC03)
- 5m @ 6.12g/t Au from 60m (in DYRC04)
- 4m @ 4.26g/t Au from 42m (in DYRC05)

The planned 3,000 metre phase two drilling program is designed to test the known gold mineralised zone on approximate 80 metre spaced cross sections and to a maximum 100 metre vertical depth. In addition step out drilling will be completed to the north and south to provide an initial detailed assessment of the structure over a total 800 metre strike length.

A drill hole location plot, which shows phase 1 drill hole intersections and planned phase 2 drill hole collar locations is provided at figure 7.

Tapoa Project (MET option - 100%)

During the quarter an expanded program of on-ground exploration activity was commenced within the Tapoa Project area in the far east of Burkina Faso – activities focussed on the Boungou Prospect (figure 1).

The Boungou Prospect was previously reported by MET as a significant artisanal site over which high grade (+10g/t Au) assay value had been recorded from initial grab sampling.

On-ground exploration activity undertaken at the Boungou Prospect during the quarter included “ground truthing” of the distribution of artisanal mining sites and commencement of a detail soil sampling program.

Ground truthing of artisanal workings by MET during the quarter (by hand-held GPS) has indicated that the distribution of workings is significantly larger than that previously interpreted from satellite imagery alone.

The artisanal workings have now been defined over an approximate 5.6 kilometre strike length and up to 300 meters across at the widest point indicating potential for a significant gold system at depth (figure 8).

During the quarter MET commenced a detailed (200m x 50m grid) soil sampling program over the greater Boungou Prospect area. The soil sampling program is being implemented to provide a better understanding of the distribution of gold mineralisation in this relatively highly weathered prospect area and to assist with future drill planning.

Soil sampling results were awaited at the end of the quarter.

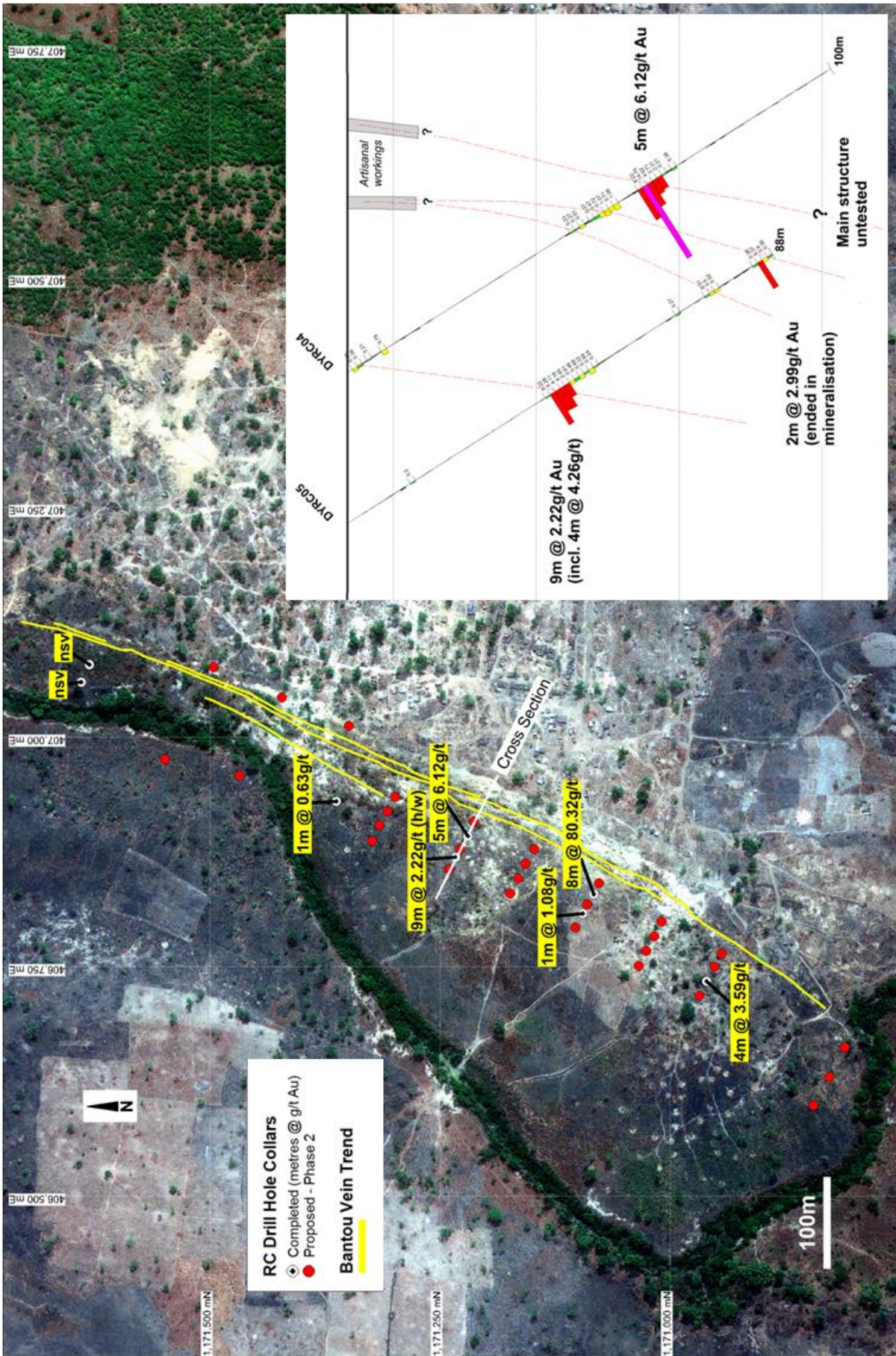


Figure 7 – Bantou Prospect – Drilling results to date and location of phase 2 drill holes.

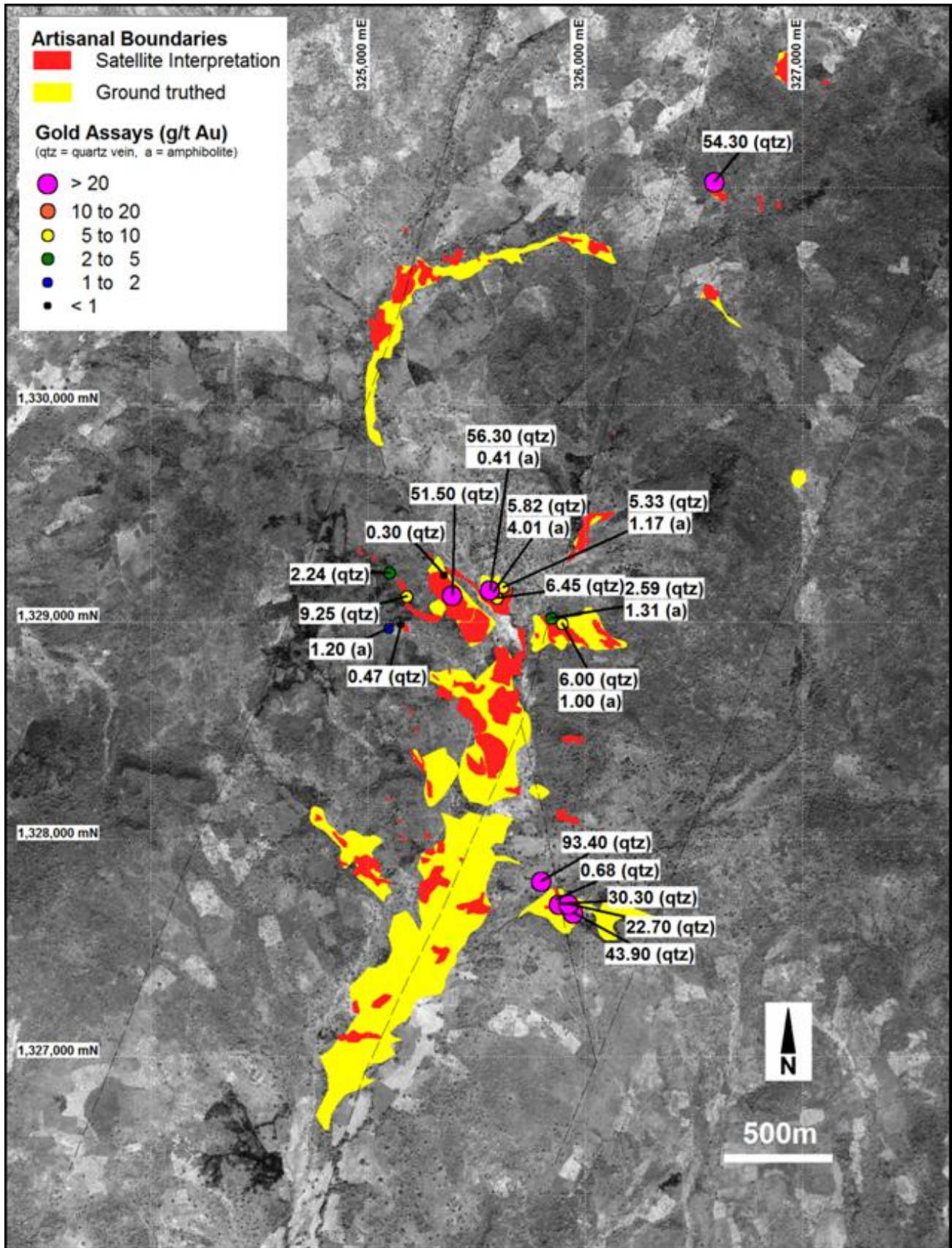


Figure 8 – Boungou Prospect – Grab sample results and updated distribution of artisanal gold workings.

Exploration – Mount Isa Region

Mt Isa Metals holds in excess of 4,000km² of exploration tenements in the Mount Isa region of north-west Queensland. The location of the Company’s exploration tenements and project areas in the Mount Isa region is shown in figure 9.

During the quarter the Company extended its tenement position in the region and was granted an additional exploration tenement at the Isa North Project (EPM 18217), as well as being notified that it is the priority applicant for a second new permit (EPM 18671), which is located at the southern end of the Leichardt Project area.

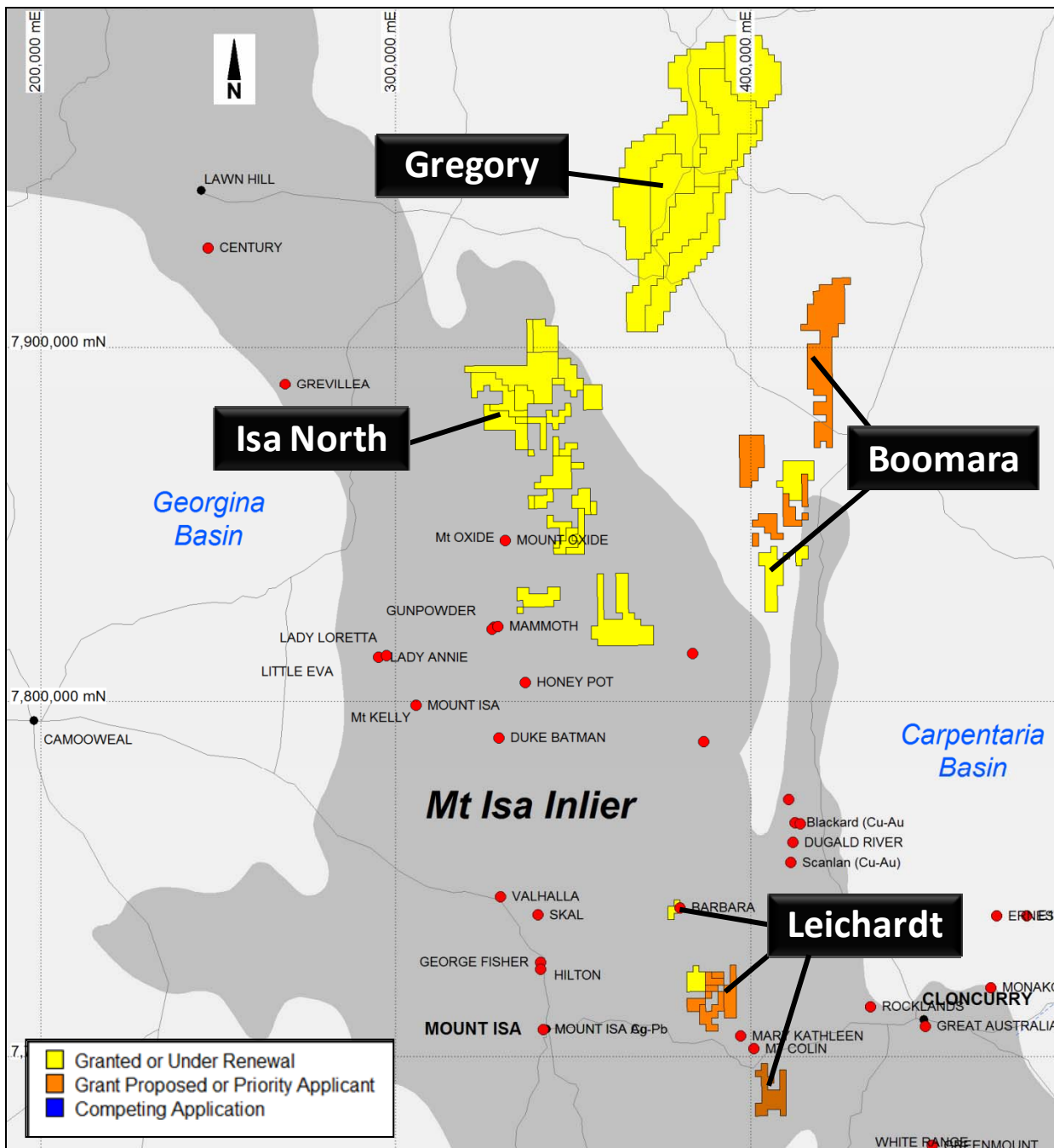


Figure 9 - Location of Mount Isa region exploration tenements and project areas.

Leichardt Project (MET 49% to 100%)

During the quarter the Company's on-ground exploration activities in the Mount Isa region continued to focus on the Leichardt Project area which includes multiple copper-gold targets within the Barbara and Blockade exploration tenements (figure 10).

The Barbara and Blockade tenements are held in joint venture between Mt Isa Metals Limited (49%) and Syndicated Metals Limited (51% and manager).

During the quarter the Company announced the commencement of a combined reverse circulation and diamond drilling program within the Leichardt Project area.

The drilling is targeting advanced copper prospects within both the Barbara and Blockade exploration tenements including the Barbara North Lode deposit and the recently defined Blue Star and Green Zone copper-gold prospects (figure 10).

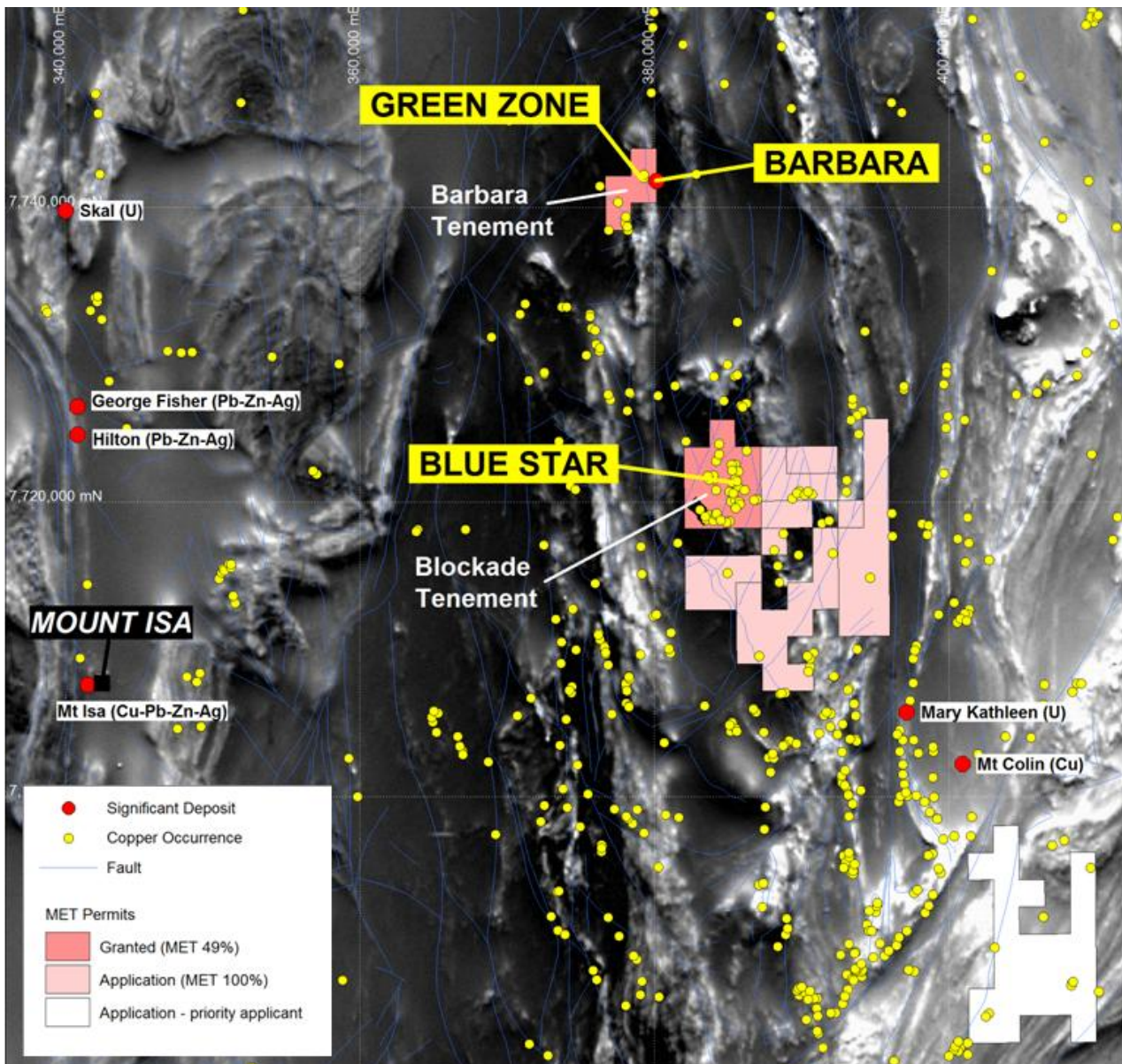


Figure 10 – Leichardt Project – Location diagram.

The first 15 drill holes in the current program have been completed at the Green Zone prospect. An additional three shallow drill holes have also been completed in the area between the Barbara North and South lodes deposits. The rig is currently drilling at the Blue Star prospect.

The current Leichardt Project drill program is designed to follow on from positive copper exploration results achieved during 2010. It is anticipated that the drill results will enable initial mineral resources to be estimated for both the Blue Star and Green Zone prospects.

It is anticipated that assay results will be available in approximately 3 to 4 weeks time.

Scoping Studies

Preliminary scoping study work on the potential development of the Barbara North Lode deposit continued during the quarter.

The studies included preliminary design of a combined open pit and underground mine at the Barbara North Lode deposit with underground access via a cross linking drive from Syndicated Metals' adjacent 100%-owned Barbara South Lode deposit.

On-going mine planning work will include a review of the open pit and underground interface.

Baseline environmental studies of the Barbara area are now underway including flora and fauna surveys as part of a Mining Lease application process.

Further metallurgical test work on the Barbara sulphide mineralisation will also be carried out including studies to determine the amenability of the near surface oxide material to concentration by flotation.



Figure 11 – Leichardt Project – RC rig drilling at the Blue Star Prospect (Blockade tenement).

Corporate

Capital Raising

During the quarter, the Company completed a capital raising of \$14.4 million (before costs) through a placement of approximately 20.57 million ordinary shares at \$0.70 per share.

Bell Potter Securities Limited acted as Global Lead Manager of the placement.

The placement was made to a range of sophisticated and institutional investors in Australia and overseas, and was undertaken within the Company's 15% placement capacity as described under ASX listing rule 7.1.

The funds will be used to further advance the Company's gold exploration programs in Burkina Faso and to accelerate exploration of the Company's recently announced Nabanga gold discovery in south-east Burkina Faso.

Harmattan Gold Pty Ltd

During the quarter the Company announced its participation in the formation of a new gold company – Harmattan Gold Pty Ltd (HMG) – focussed on gold exploration in West Africa.

The MET Board believes that Burkina Faso offers significant unrealised exploration potential. MET's capacity to pursue a 100% interest in such potential is constrained by current Burkina Faso mining legislation (which limits the number of permits that can be held by one company).

The creation of HMG provides MET with an opportunity to maintain an indirect interest in a significantly larger exploration footprint in Burkina Faso than would otherwise be possible, and therefore a step-change in the potential for multiple exploration successes.

No MET permits are to be transferred into HMG.

During the quarter, \$1.8 million in seed capital was raised within HMG to fund the new company, with the intention that HMG undertake an \$8.0 million IPO during 2011 and seek a stock exchange listing thereafter.

Burkina Faso Protests

The Company notes that there have recently been a number of protests in Burkina Faso, primarily in the capital Ouagadougou. The protests are understood to be in relation to various wage claims by certain members of the police and military.

The Company is closely monitoring the situation. All MET exploration programs are unaffected and are proceeding as planned.

Cash Reserves

Cash reserves and liquid investments held by the Company totalled approximately \$17.3 million at the end of the quarter.

Capital Structure (at 31 March 2011)

Share price (MET): \$0.575
 Issued shares: 157.74m
 Unlisted options: 19.12m
 Market Capitalisation: \$90.7 million (at 31 March 2011)

Major Shareholders

Shareholder	Shares Held	%
D'Aguilar Gold Ltd	52,000,000	33.0%
National Nominees Limited	15,638,238	9.9%
Tenstar Trading Limited	10,330,357	6.6%
Other	79,769,707	50.6%
Total	157,738,302	100.0%

Table 4 - Summary of major shareholders at 31 March 2011.

For further information please contact:

Mr Peter Spiers
 Managing Director
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Mr Duncan Cornish
 Company Secretary
 Ph: (07) 3212 6255 or 0407 623 302

Email: info@mtisametals.com.au

Further information on Mt Isa Metals can be found on our website www.mtisametals.com.au

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.