

ASX Announcement

17 August 2011

NABANGA GOLD PROSPECT – NEW ASSAY RESULTS AND UPDATE ON DRILLING PROGRESS

Highlights:

- **Reverse circulation drilling ongoing at Nabanga Gold Prospect – utilisation of a track-mounted rig has facilitated ongoing drilling during initial onset of wet season rains.**
- **Additional near-surface assay results received from reverse circulation drill holes include:**
 - **3m @ 2.51g/t Au** from 47m (in NARC039)
 - **8m @ 7.86g/t Au** from 66m (in NARC040)
(incl. 2m @ 13.23g/t Au from 68m)
 - **7m @ 4.94g/t Au** from 33m (in NARC041)
(incl. 2m @ 11.31g/t Au from 34m)
- **59 RC drill holes completed to date in the phase 2 drilling program - all samples submitted to laboratory – significant delays in laboratory processing times.**
- **RC drilling continuing along the full 3.6 kilometre strike length of the Nabanga structure.**
- **Second RC drill rig contracted for 40,000 metre program commencing mid-October 2011.**
- **Additional assay results awaited from multiple project areas including - Nabanga (RC drilling), Bantou (RC drilling), Kamsongo (RAB/RC drilling) and Pogoro (soil sampling).**

The Board of Mt Isa Metals Limited (MET) is pleased to advise that RC drilling is continuing at the Nabanga Gold discovery in south-east Burkina Faso due to the use of a “tracked” drill rig and (to date) the delayed onset of sustained heavy wet season rains (figure 1).

Drilling is presently being conducted along the entire 3.6 kilometre strike length of the Nabanga structure on approximate 80 metre-spaced cross sections and to a notional 65 metre vertical depth. The drilling is targeting high grade “shoots” that will be tested with deeper RC drilling to an initial 150 metre vertical depth.

To date 59 new RC drill holes have been completed as part of the phase 2 RC drilling program at Nabanga (figure 2). All drill holes have been submitted to the laboratory for analysis. Significant delays are being experienced with laboratory analysis timeframes industry-wide due to high sample volumes associated with increased exploration activity and the end of the Burkina Faso field season.

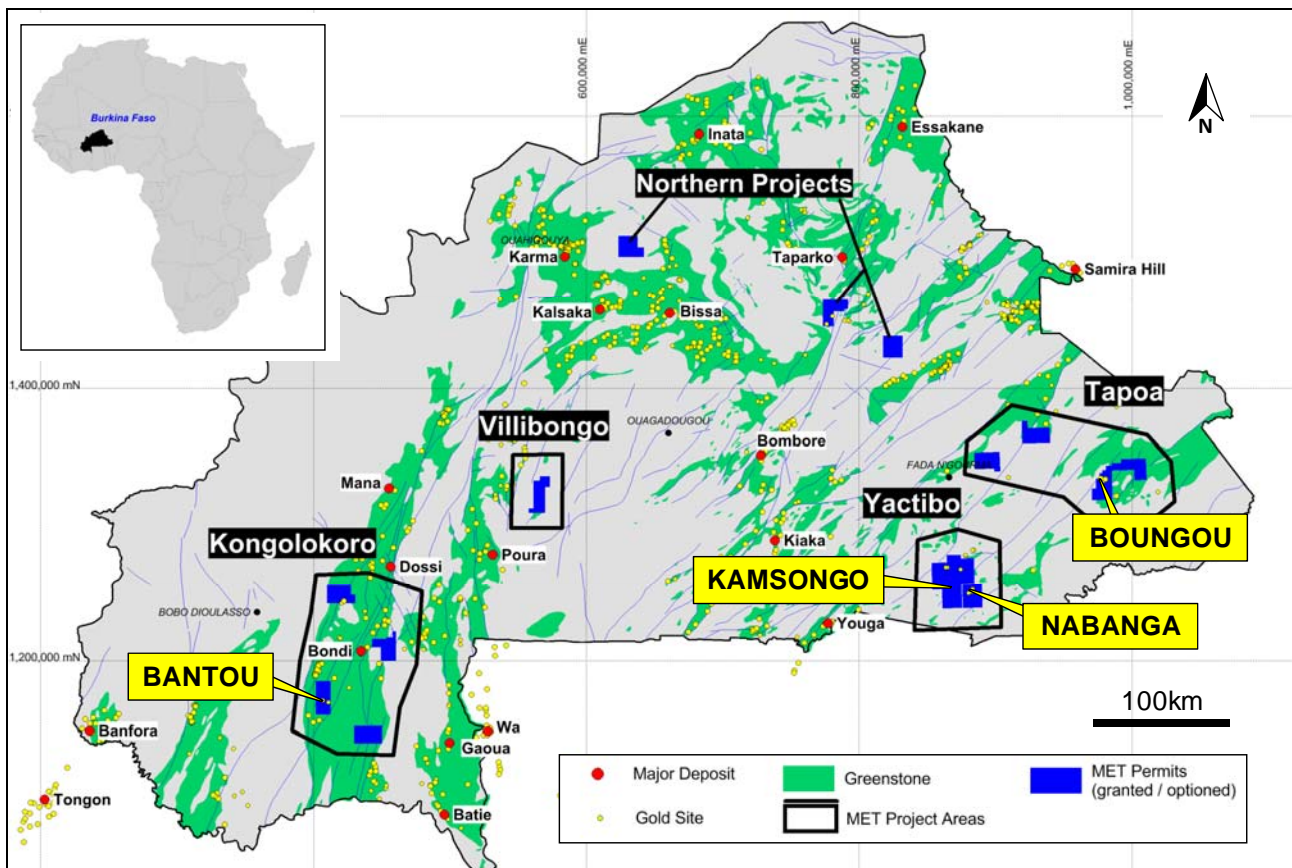


Figure 1 – Location diagram.

Nabanga - Phase 2 Drilling Results

The Nabanga gold discovery was announced by MET in early 2011 following the completion of an initial broad-spaced reverse circulation (RC) drilling program that defined significant gold mineralisation on the Nabanga structure over a 3.6 kilometre strike length.

Phase two RC drilling was commenced at Nabanga in June 2011 and is designed to test the entire strike length of the Nabanga structure on 200 metre-spaced cross sections to an approximate 65 metre vertical depth. In addition select zones of higher grade mineralisation will be drill tested on 40 to 80 metre-spaced cross sections (figure 2).

Assay results have now been received for a further four drill holes of the phase two drilling program completed towards the northern end of the Nabanga structure.

The new drilling results include further significant near-surface intersections (including high grade intervals within the central quartz lode) as follows:

- **1m @ 1.85g/t from 25m** (in NARC038)
- **3m @ 2.51g/t Au from 47m** (in NARC039)
- **8m @ 7.86g/t Au from 66m** (in NARC040)
(incl. 2m @ 13.23g/t Au from 68m)
- **7m @ 4.94g/t Au from 33m** (in NARC041)
(incl. 2m @ 11.31g/t Au from 34m)

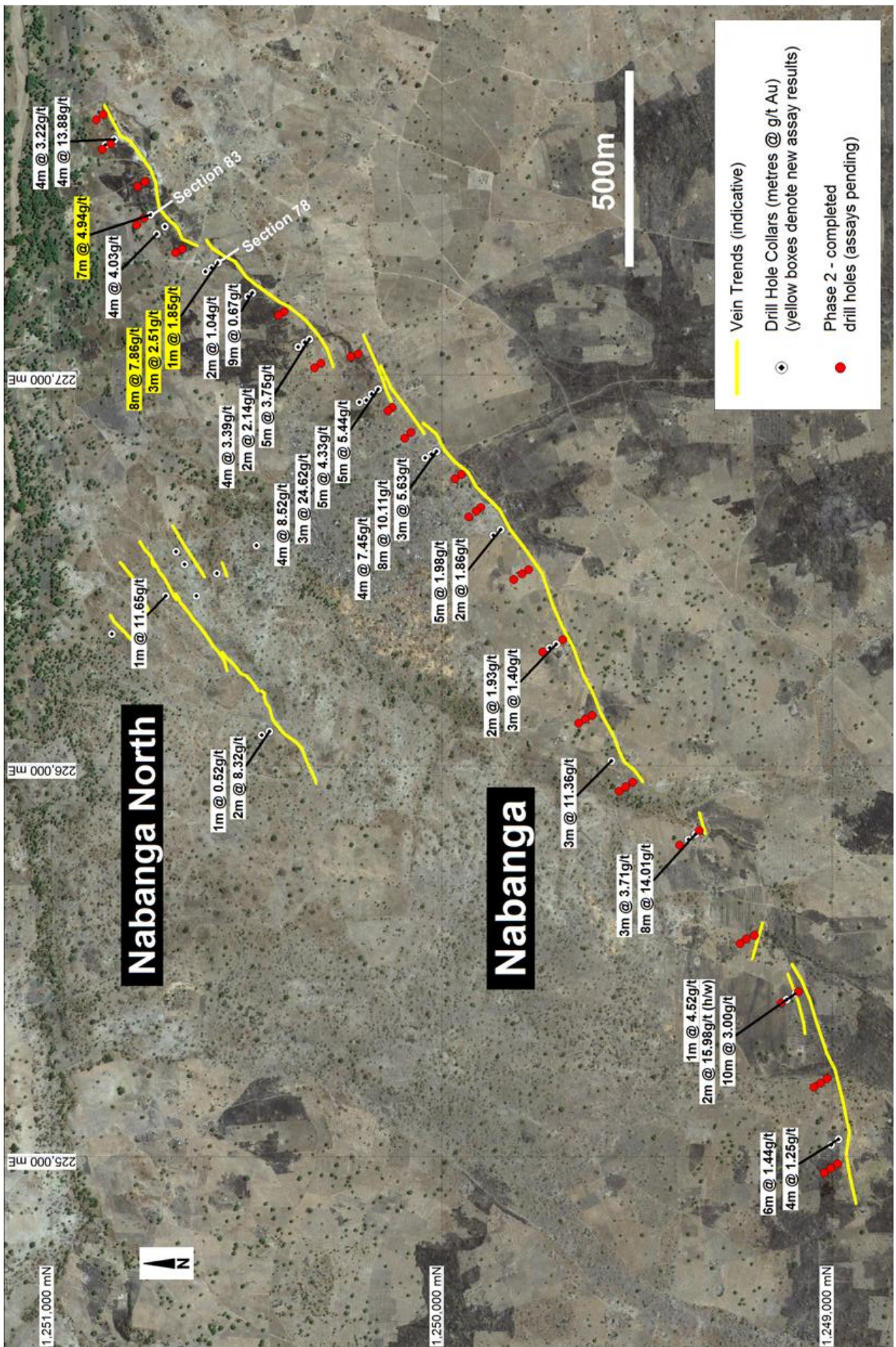


Figure 2 - Location diagram – Nabanga drilling results (new results in yellow boxes).

A schematic cross section for drill holes NARC038 to NARC040 is provided in figure 3. The cross section illustrates that gold grades and width of mineralisation is increasing with depth and that mineralisation is open below drill hole NARC040 (8m @ 7.86gt Au) at 60m vertical depth.

Further drilling is planned to test the down dip extension of drill hole NARC040 which intersected strong quartz lode gold mineralisation (figure 4).

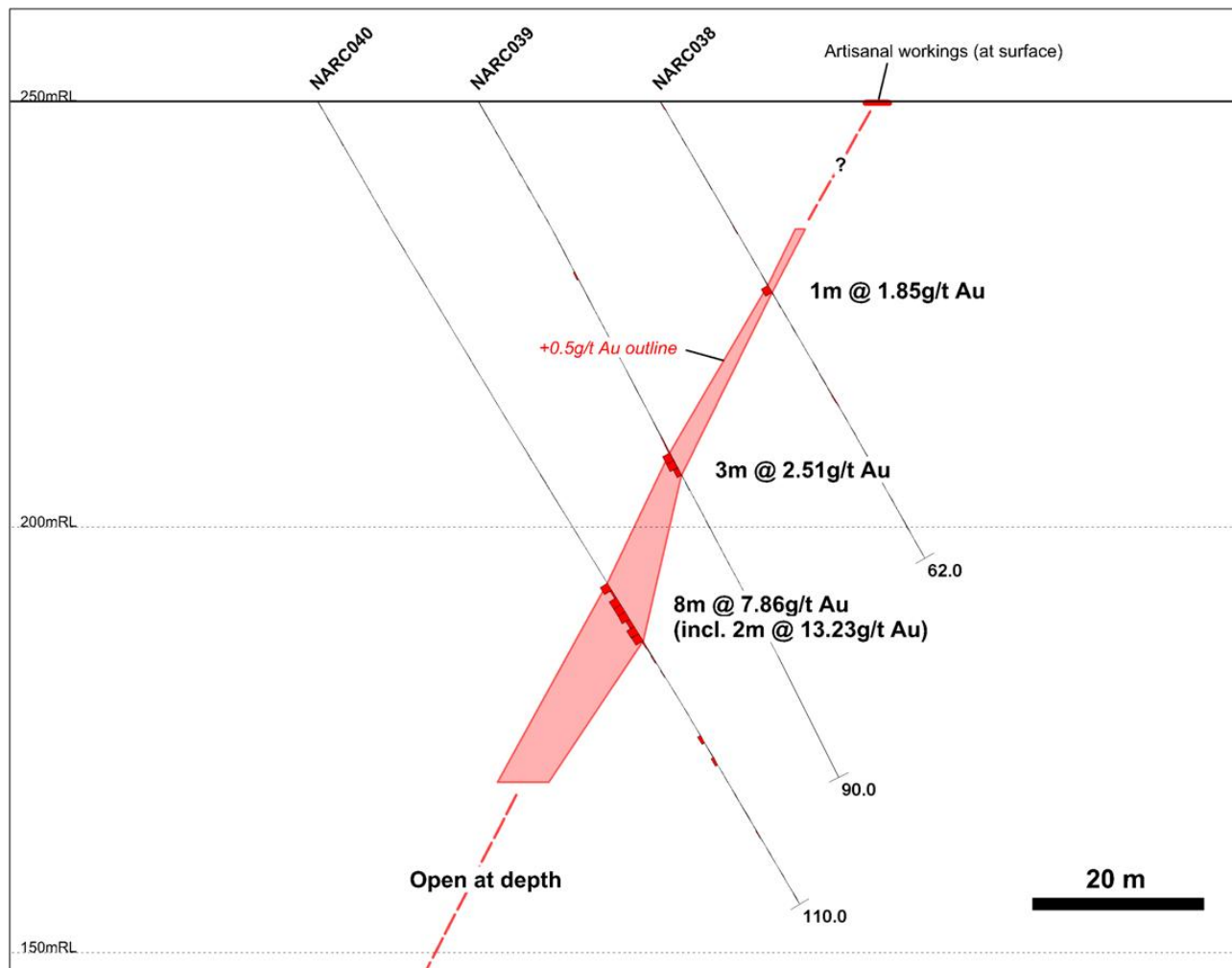


Figure 3 – Nabanga Cross Section 78 - looking north-east.

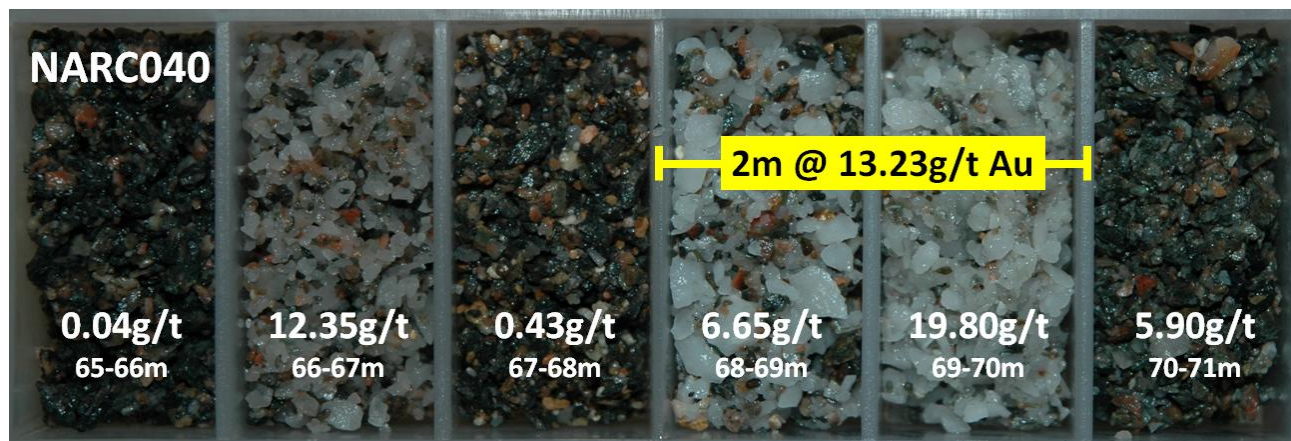


Figure 4 – Quartz lode gold mineralisation in drill hole NARC040.

Additional Drill Rig Contracted

MET is targeting an initial resource estimate for the Nabanga discovery during the first half of calendar 2012. In order to facilitate this estimate, and advance the multiple high quality gold projects within the Company's Burkina Faso project portfolio, MET has recently contracted a second RC drill rig for a nominal 40,000 metre drilling program commencing October 2011.

Assays Awaited from Additional Prospect Areas

The Company is committed to maintaining an aggressive exploration program across the Company's large and highly prospective project portfolio in Burkina Faso.

The Company has submitted a large number of samples to the laboratory from additional prospect areas that are currently awaiting analysis. In addition to the Nabanga RC drilling these samples include:

- **Bantou Prospect** – phase two RC drilling to follow up high grade gold intersections along a 500 metre strike length of gold workings (Kongolokoro Project - south-west Burkina Faso)
- **Kamsongo Prospect** – RAB/RC drilling of +20ppb gold-in-soil geochemical anomalies (Yactibo Project area - south-east Burkina Faso)
- **Pogoro Prospect** – phase one soil sampling (Northern Prospects – north-central Burkina Faso)

Assay results for the various prospect areas will be reported as they come to hand.

Hole No.	East (WGS84)	North (WGS84)	TD (m)	Dip	Azi		From (m)	To (m)	Width (m)	Au (g/t)
NARC038	227,286	1,250,573	62	-60	145		25	26	1	1.85
NARC039	227,273	1,250,590	90	-60	145		47	50	3	2.51
NARC040	227,263	1,250,606	110	-60	145		66	72	8	7.86
						incl.	68	70	2	13.23
							87	88	1	0.79
							90	91	1	0.63
NARC041	227,409	1,250,746	50	-60	145		33	40	7	4.94
						incl.	34	36	2	11.31

Table 1 – Nabanga Drill Results (0.5g/t Au cut-off grade).

For further information please contact:

Mr Peter Spiers
Managing Director
Ph: (07) 3303 0624 or 0409 407 265

Mr Peter Harding-Smith
Company Secretary
Ph: (07) 3303 0624 or 0488 771 588

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.