

ASX Announcement

06 July 2011

BOUNGOU GOLD PROSPECT – NEW ASSAY RESULTS EXTEND SOIL ANOMALIES TO A 6 KILOMETRE STRIKE LENGTH

Highlights:

- Phase one soil sampling program completed at the Boungou Gold Prospect in far-east Burkina Faso – all samples dispatched to laboratory for analysis.
- New phase one assay results extend +20ppb¹ gold-in-soil anomalism to a 6.0 kilometre strike length, and up to 2.8 kilometre maximum width.
- Additional gold anomalies defined in the northern prospect area include:
 - Boungou Trend - 2.5 kilometre extension to central anomaly at +20ppb Au.
 - Link Zone - 600 metre by 500 metre anomaly at 70ppb Au (average assay value).
- Gold anomalism at the Boungou Prospect remains “open” in all directions.
- Additional phase one assay results awaited – including sampling adjacent to high priority (+100ppb Au) Kodjini Zone and Western Zone targets.

The Board of Mt Isa Metals Limited (MET) is pleased to announce that further significant soil sample assay results have been received for the Company’s Boungou Gold Prospect located in far eastern Burkina Faso (figure 1).

The additional assay results for the phase one soil sampling program extend the footprint of the Boungou Prospect anomalism to a total strike length of 6.0 kilometres and a maximum 2.8 kilometre width.

Gold anomalism at the Boungou Prospect is open in all directions with assay values greater than 50ppb gold recorded at the northern, southern, eastern and western limits of reported assay results.

The new high order assay results further increase the potential for a major gold discovery within the Boungou Prospect area.

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

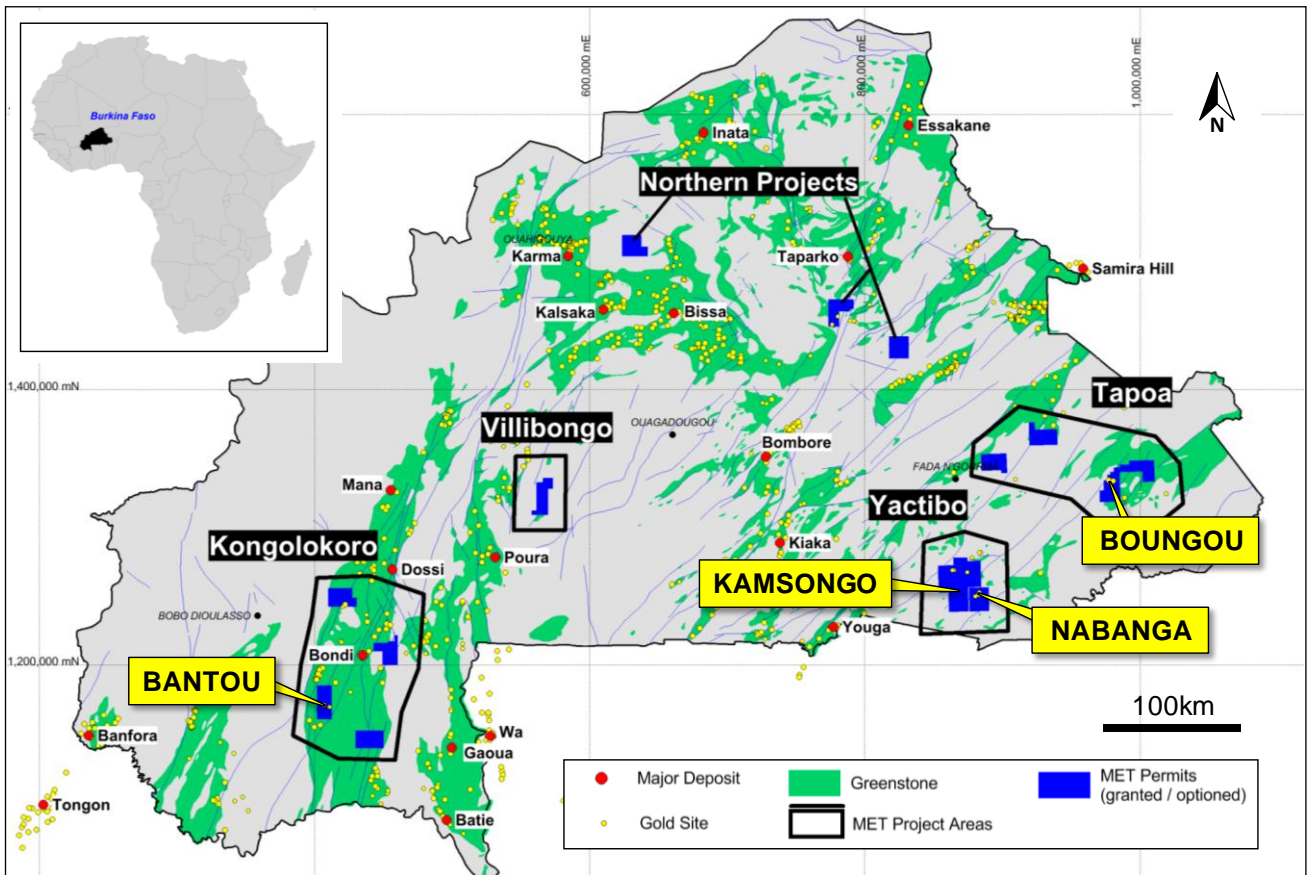


Figure 1 - Boungou Prospect – Location diagram.

Boungou Phase One Soil Sample Program

Gold mineralisation in the Boungou Prospect area is marked by the presence of shallow artisanal gold workings in highly weathered surface rocks. As a result of the significant weathering a detailed soil sampling program was completed by MET over the broader prospect area to provide an initial assessment of the orientation and extent of the Boungou gold system.

The total phase one soil survey area was 24km² (6km x 4km). Soil samples were collected on a 200m x 50m sample grid.

All phase one soil samples have been dispatched to the laboratory for analysis. Assays have now been received for approximately 40% of the Boungou phase one sampling program.

Boungou Gold-in-Soil Anomaly Extended

New soil assay results received for the Boungou Gold Prospect have significantly increased the size of gold-in-soil anomalism within the prospect area. Soil anomalism greater than 20ppb gold has now been defined over a total 6 kilometre strike length. Gold anomalism (at +20ppb Au) is also up to 2.8 kilometres across at its widest point (refer figure 2).

In addition to the extensive +20ppb Au anomalism, the soil sampling program has also identified multiple discrete zones with average assay values in excess of 50ppb Au. These high order anomalies represent priority drill targets.

Additional areas of significant anomalism defined by the new assay results (shown in figure 2) include:

Boungou Trend

- 2.5km long +20ppb gold-in-soil anomaly, peak value 239ppb Au
- width of anomaly variable but typically greater than 300m (NW-SE)
- anomaly represents a probable northern extension to the trend of main artisanal workings
- anomaly open to the north with +100ppb Au soil sample assays recorded at the limit of the sample grid

Link Zone

- 600m x 500m (approx.) anomalous zone extending to the west of the main artisanal trend
- soil assay values up to 218ppb Au, average assay 70ppb Au
- anomaly lies adjacent to (east of) a 1km long zone of artisanal workings that are also associated with discrete high order (+100ppb Au) soil samples
- anomaly may represent a cross “link” structure between regional NNE-trending structures
- link structures can be important loci for concentration of gold mineralisation in lode gold systems

Further Boungou Assays Awaited

MET considers that soil sample results received to date from the Boungou Prospect are extremely encouraging. In addition to the broad +20ppb gold anomalism, multiple discrete zones of anomalism above 50ppb gold have now been recorded across the prospect area – including the Kodjini Zone, Western Zone, Boungou Trend, and Link Zone (refer figure 2).

A number of large-scale gold deposits discovered in the region to date are associated with broad-scale gold anomalies at or above the 50ppb Au threshold.

Soil anomalism in the Boungou area is open ended indicating that the sampling has not yet defined the margins of gold mineralisation within the overall gold system.

Further to the above, the Company has identified large areas of lateritic cover in the central region of the phase one sample area. These lateritic zones may mask underlying areas of currently unknown gold mineralisation.

Additional assays are awaited for the balance of the phase one soil sampling program (approximately 1,300 samples).

Given that soil anomalism within the Boungou Prospect is currently open in all directions, the potential to define further significant drill targets within the prospect area upon receipt of additional soil assays is considered high. Upon receipt and interpretation of all phase one soil sample results the Company intends to commence a program of drill testing of high priority gold targets.

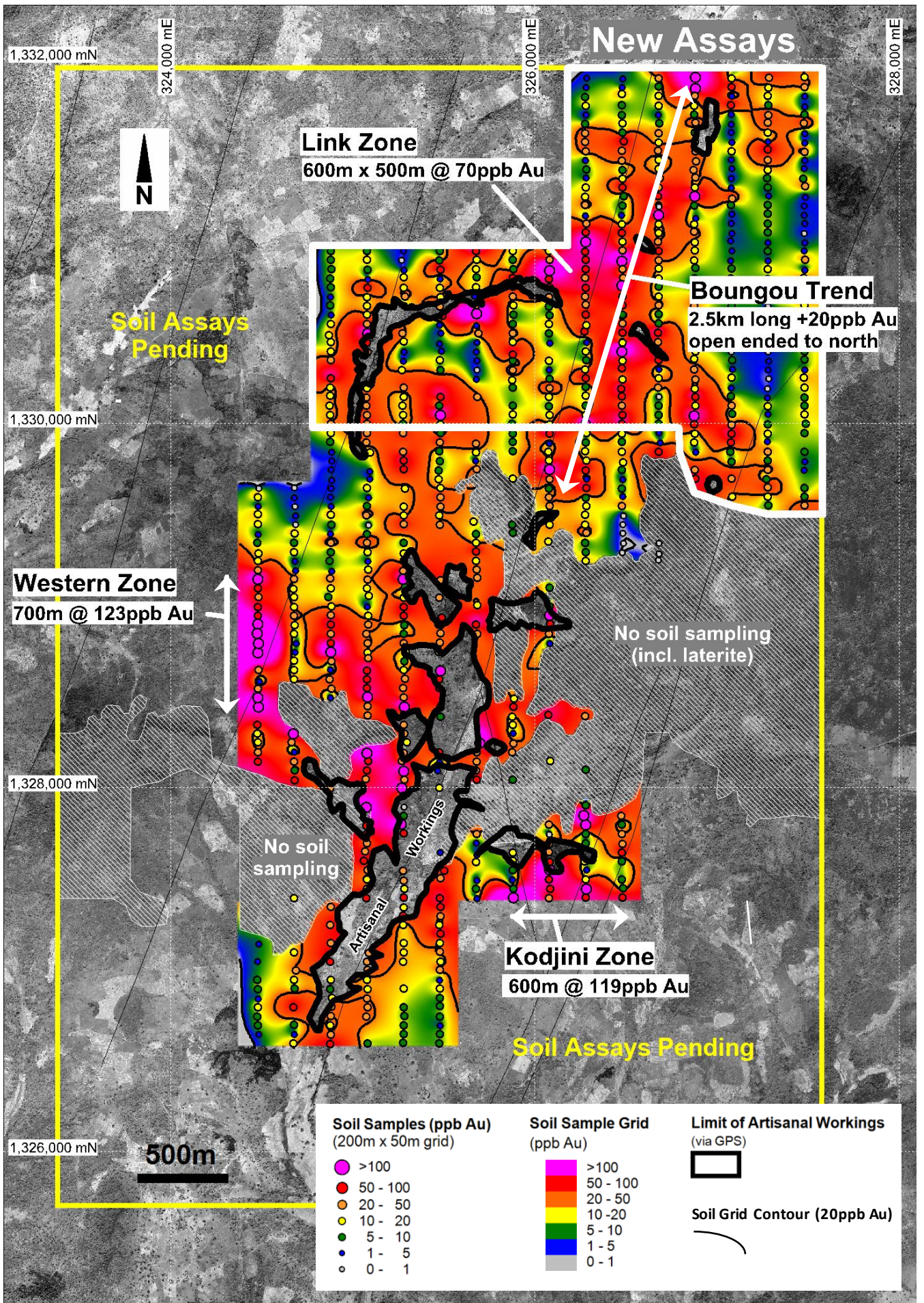


Figure 2 – Boungou Prospect – Showing phase one soil sample results received to date.

Other 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 (figure 1).

Further to the Bounbou Prospect, the Company has submitted a large number of samples to the laboratory from additional prospect areas that are currently awaiting assay results. These samples include:

- **Nabanga Prospect** – phase two RC drilling of high grade gold discovery (Yactibo Project)
- **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 drilling of +20ppb gold-in-soil geochemical anomalies (Yactibo Project - south-east Burkina Faso)

Assay results for the various prospect areas (including the Bounbou Prospect) will be reported as they come to hand.

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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.