

ASX Announcement

22 September 2011

NABANGA GOLD PROSPECT – TWO HIGH GRADE GOLD ZONES IDENTIFIED IN NEW RC DRILLING RESULTS

Highlights:

- **Additional high grade near-surface assay results received from reverse circulation (RC) drilling at the Nabanga Gold Prospect.**
- **New quartz lode assay results include:**
 - **5m @ 29.34g/t Au** from 30m (in NARC046)
(incl. 2m @ 67.75g/t Au from 31m)
 - **4m @ 7.72g/t Au** from 35m (in NARC075)
(incl. 2m @ 13.49g/t Au from 35m)
 - **6m @ 7.98g/t Au** from 46m (in NARC088)
(incl. 3m @ 13.61g/t Au from 46m)
 - **2m @ 8.53g/t Au** from 57m (in NARC090)
(incl. 1m @ 13.20g/t Au from 58m)
- **Two high grade gold zones identified to date:**
 - **Central Zone:** ~500m strike length, average drill intersection 3.6m @ 9.31g/t Au
 - **North Zone:** ~600m strike length, average drill intersection 3.6m @ 5.06g/t Au
- **Nabanga gold mineralisation remains open-ended in all directions (north-east, south-west, and at depth).**
- **Resource definition drilling (including deep drilling below high grade Central and North Zone targets) scheduled to commence in 4 weeks time (after end of wet season rains).**
- **Additional RC drill assay results awaited from drilling along a 1.7km strike length at the southern end of the Nabanga deposit.**
- **Nabanga maiden resource estimate anticipated to be completed by March 2012.**
- **Additional RC/RAB drill assay results awaited from other prospect areas including - Bantou and Kamsongo Gold Prospects.**
- **Cash balance of \$13.4m (as at 31 August 2011).**

New High Grade Assay Results

The Board of Mt Isa Metals Limited (MET) is pleased to advise that additional high grade RC drill assay results have been received for the Nabanga Gold discovery in south-east Burkina Faso.

The new assay results include further significant quartz lode intersections as follows:

- **5m @ 29.34g/t Au from 30m** (in NARC046)
(incl. 2m @ 67.75g/t Au from 31m)
- **4m @ 7.72g/t Au from 35m** (in NARC075)
(incl. 2m @ 13.49g/t Au from 35m)
- **6m @ 7.98g/t Au from 46m** (in NARC088)
(incl. 3m @ 13.61g/t Au from 46m)
- **2m @ 8.53g/t Au from 57m** (in NARC090)
(incl. 1m @ 13.20g/t Au from 58m)

Detailed data for drill holes intersecting the Nabanga Main Lode are provided in table 1.

Two High Grade Gold Zones Identified

The new assay results, together with those previously announced, have defined two significant zones of high grade gold mineralisation that extend over an approximate total 1.1 km strike length - referred to as the **Central Zone** and **North Zone** targets (figure 1).

The **Central Zone** is defined over an approximate 500 metre strike length and comprises an average weighted drill hole intersection of **3.6 metres @ 9.31g/t Au** (from 16 drill holes).

The Central Zone is bounded along strike to the north and south by lower grade intersections typically in the range 1.0 to 4.0g/t Au but is open at depth with significant open-ended intersections recorded across multiple drill sections including:

- 2m @ 6.35g/t Au from 85m (in NARC048)
- 2m @ 8.53g/t Au from 57m (in NARC090)
- 4m @ 7.45g/t Au from 66m (in NARC033)
- 4m @ 7.72g/t Au from 35m (in NARC075)
- 4m @ 8.52g/t Au from 74m (in NARC035)

The **North Zone** is defined over an approximate 600 metre strike length and comprises an average weighted drill hole intersection of **3.6 metres @ 5.06g/t Au** (from 17 drill holes).

The North Zone is open at depth and along strike with strong quartz lode mineralization intersected in the northern-most drill section including:

- 5m @ 2.52g/t Au from 26m (in NARC087)
- 6m @ 7.98g/t Au from 46m (in NARC088)

High grade zones or “shoots” are characteristic of many large-scale greenstone-hosted lode gold deposits. High grade “shoots” frequently persist to considerable depth and present as highly attractive drill/resource definition targets.

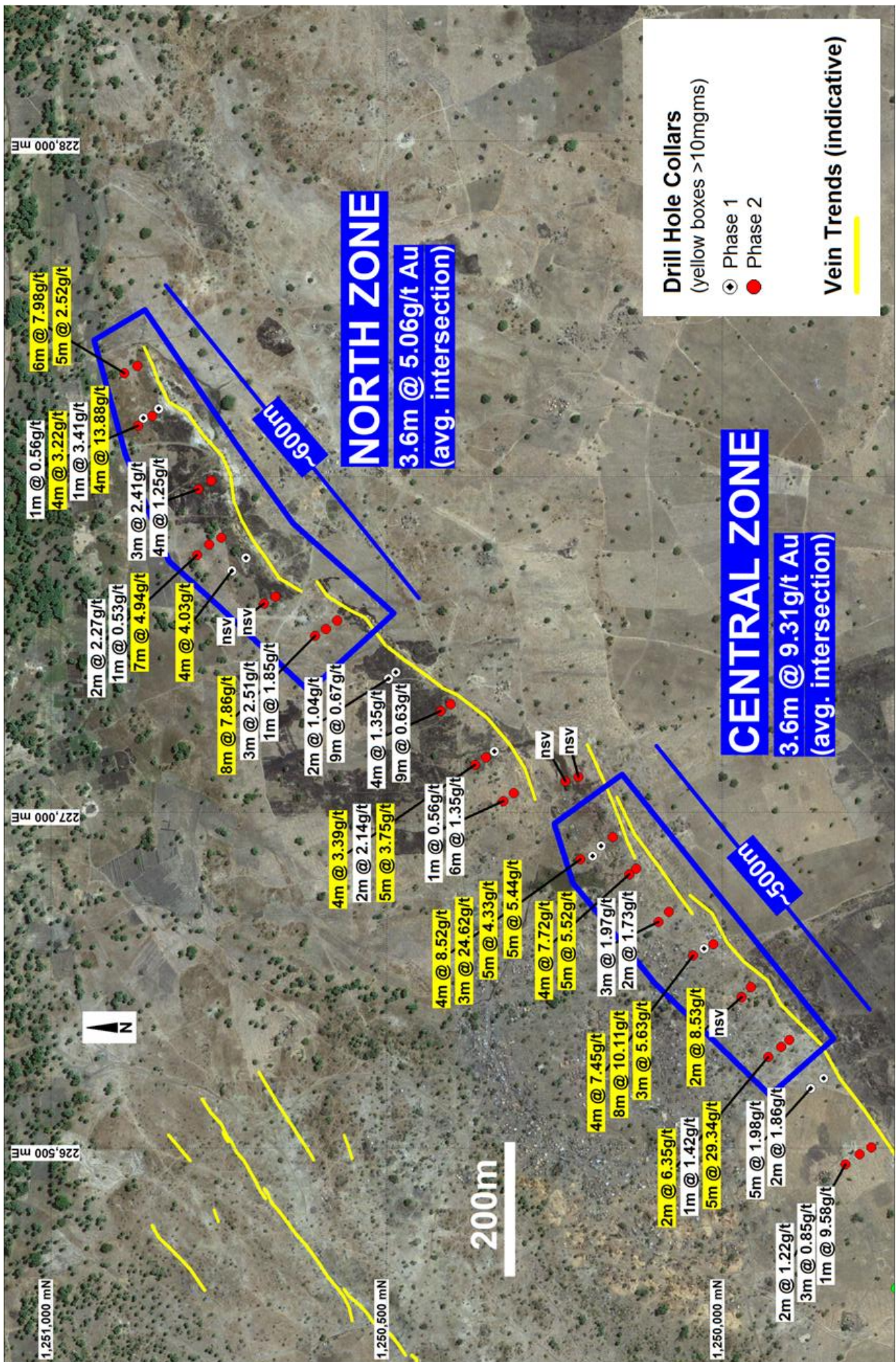


Figure 1 - Nabanga – Summary drilling results in North Zone and Central Zone area.

Additional Nabanga Drill Assays Awaited

Assay results are awaited for an additional 21 RC drill holes completed over a 1.7km strike length at the southern end (half) of the Nabanga structure (figure 2).

Significant potential exists to define additional high grade gold mineralised zones in this area based on the high grade assay results recorded from the initial wide-spaced drilling (refer figure 2).

Subsequent to the receipt of high grade assay results in this area additional RC drilling will be implemented to assess quartz vein continuity.

Surface Gold Mineralisation

In addition to the in-situ quartz lode mineralisation outlined above, the phase 2 drilling program also intersected significant gold mineralisation at surface in weathered and/or transported material adjacent to the line of outcrop of the Nabanga vein system (refer highlighted intersections in table 2).

The surface mineralisation is typically recorded over a 1 to 2 metre down-hole interval (within an approximate 50 metre distance of the vein outcrop) and presents as an attractive secondary resource drilling target.

Significant new drill intersections recorded from surface in weathered/transported material include:

- 4m @ 18.12g/t (in NARC049)
- 1m @ 6.04g/t (in NARC074)
- 1m @ 2.19g/t (in NARC077)
- 1m @ 1.51g/t (in NARC079)
- 2m @ 1.32g/t (in NARC090)

Forward Program

RC drilling is scheduled to resume at Nabanga in mid-October - at the end of the current wet season rains.

The drilling will be directed towards establishing a maiden resource estimate for the Nabanga deposit by March 2012, and, further assessing the overall potential of the Nabanga gold system, and will include:

- near-surface infill drilling of identified high grade “shoots”
- deep drilling (to ~150m vertical depth) below high grade “shoots”
- drill testing of Nabanga strike extensions beyond the limit of artisanal workings (the Nabanga structure can be traced in magnetic geophysical data over a 10km strike length)
- additional drilling of the Nabanga North Vein (located approximately 800m north-west of the Nabanga Main Lode)

MET has recently finalised a new RC drilling contract (40,000 metre program) to facilitate the planned drilling at Nabanga and other project areas.

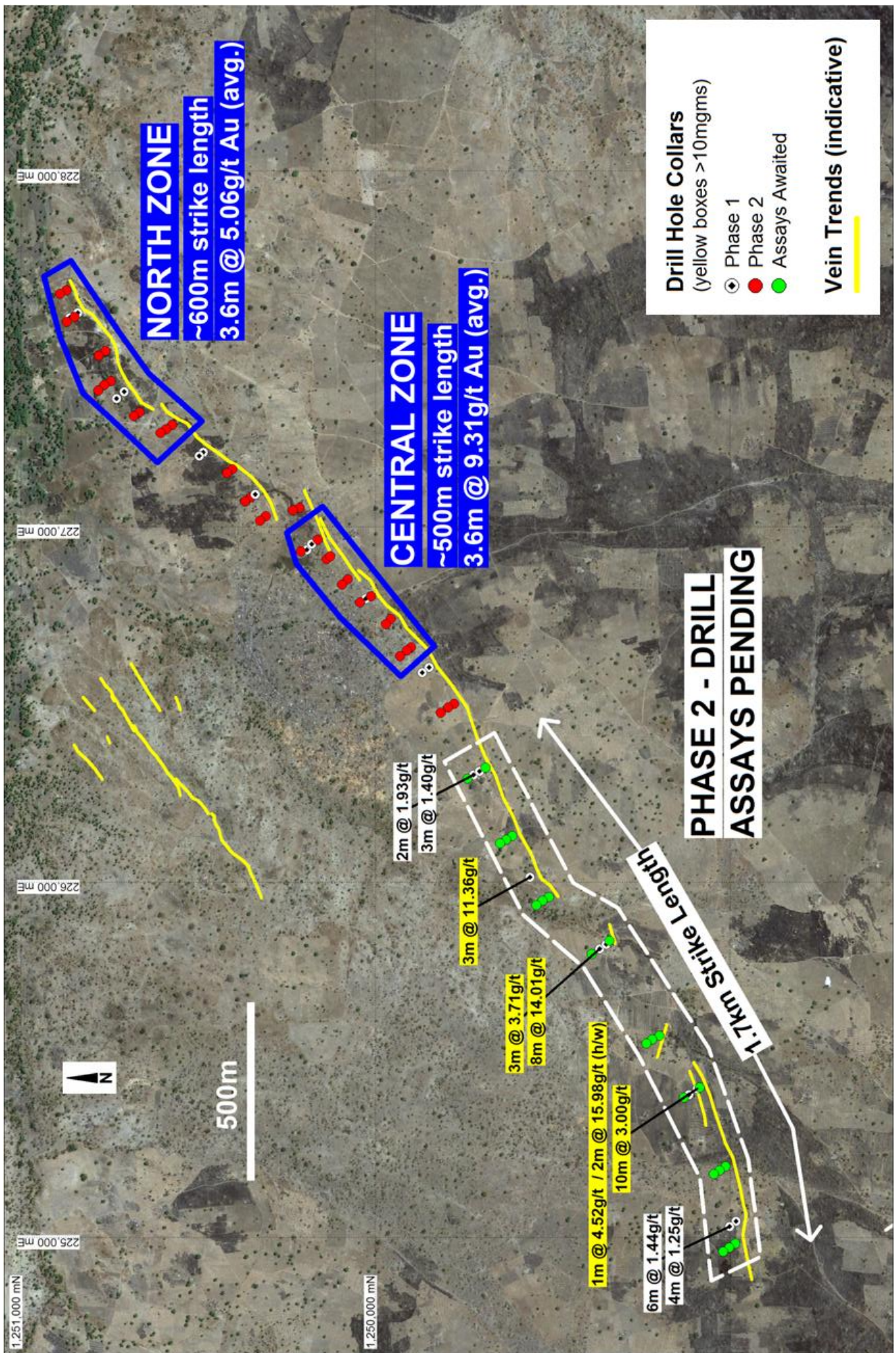


Figure 2 – Nabanga – Drill status plot – showing location of RC drill assays pending.

Assays Awaited for Additional Prospect Areas

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

In addition to the Nabanga Prospect drill assay results are also currently awaited from:

- **Bantou Prospect** – phase two RC drilling to follow up high grade gold intersections along a 500 metre strike length of gold workings (figure 3)
- **Kamsongo Prospect** – RAB/RC drilling of large-scale +20ppb gold-in-soil geochemical anomalies (figure 3)

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

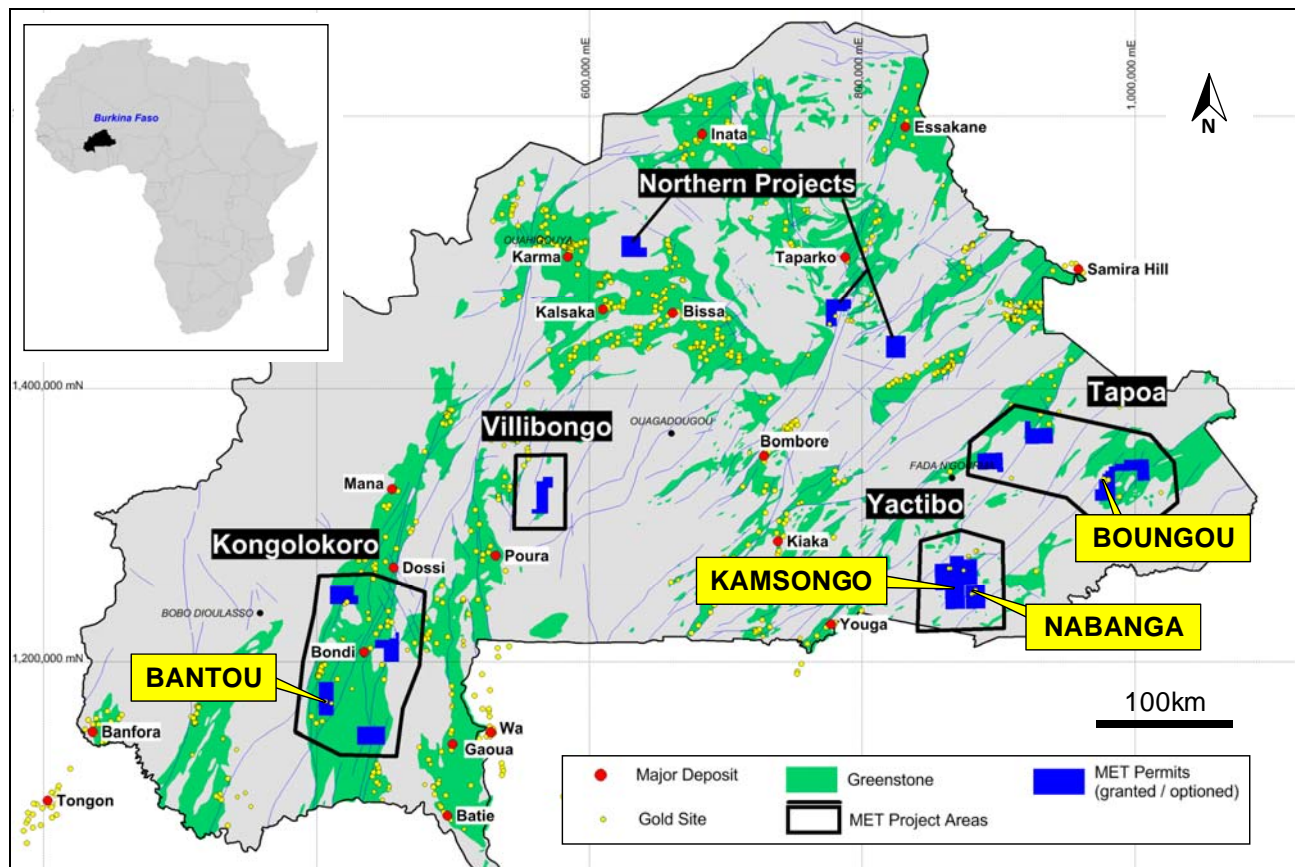


Figure 3 – MET Burkina Faso location diagram.

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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.

| Hole No. | East (WGS84) | North (WGS84) | TD (m) | Dip | Azi | | From (m) | To (m) | Width (m) | Au (g/t) |
|----------|-----------------|------------------|-----------|-----|-----|-------|-------------|-----------|--------------|-------------|
| NARC042 | 227,399 | 1,250,764 | 83 | -60 | 145 | | 62 | 63 | 1 | 0.53 |
| NARC043 | 227,383 | 1,250,782 | 100 | -60 | 145 | | 88 | 90 | 2 | 2.27 |
| NARC044 | 227,590 | 1,250,849 | 60 | -60 | 145 | | 35 | 36 | 1 | 3.41 |
| NARC045 | 227,576 | 1,250,870 | 96 | -60 | 145 | | 74 | 75 | 1 | 0.56 |
| NARC046 | 226,661 | 1,249,900 | 55 | -60 | 145 | | 30 | 35 | 5 | 29.34 |
| | | | | | | incl. | 31 | 33 | 2 | 67.75 |
| NARC047 | 226,651 | 1,249,912 | 80 | -60 | 145 | | 60 | 61 | 1 | 1.42 |
| NARC048 | 226,636 | 1,249,931 | 100 | -60 | 145 | | 85 | 87 | 2 | 6.35 |
| | | | | | | incl. | 85 | 86 | 1 | 11.65 |
| NARC049 | 226,501 | 1,249,778 | 55 | -60 | 145 | | 25 | 26 | 1 | 9.58 |
| NARC050 | 226,491 | 1,249,795 | 80 | -60 | 145 | | 44 | 47 | 3 | 0.85 |
| NARC051 | 226,476 | 1,249,816 | 100 | -60 | 145 | | 66 | 68 | 2 | 1.22 |
| NARC073 | 226,852 | 1,250,079 | 70 | -60 | 145 | | 37 | 39 | 2 | 1.73 |
| NARC074 | 226,837 | 1,250,095 | 80 | -60 | 145 | | 60 | 63 | 3 | 1.97 |
| NARC075 | 226,908 | 1,250,138 | 75 | -60 | 145 | | 35 | 39 | 4 | 7.72 |
| | | | | | | incl. | 35 | 37 | 2 | 13.49 |
| NARC076 | 226,916 | 1,250,128 | 57 | -55 | 145 | | 21 | 26 | 5 | 5.52 |
| | | | | | | incl. | 22 | 23 | 1 | 15.75 |
| NARC077 | 227,053 | 1,250,214 | 50 | -60 | 145 | | nsv | | | |
| NARC078 | 227,046 | 1,250,233 | 70 | -60 | 145 | | nsv | | | |
| NARC079 | 227,029 | 1,250,310 | 52 | -60 | 145 | | 19 | 25 | 6 | 1.35 |
| NARC080 | 227,017 | 1,250,326 | 72 | -60 | 145 | | 45 | 46 | 1 | 0.56 |
| NARC081 | 227,161 | 1,250,404 | 50 | -60 | 145 | | 30 | 39 | 9 | 0.63 |
| NARC082 | 227,151 | 1,250,419 | 75 | -60 | 145 | | 57 | 61 | 4 | 1.35 |
| NARC083 | 227,321 | 1,250,665 | 50 | -60 | 145 | | nsv | | | |
| NARC084 | 227,311 | 1,250,682 | 75 | -60 | 145 | | nsv | | | |
| NARC085 | 227,494 | 1,250,761 | 50 | -60 | 145 | | 30 | 34 | 4 | 1.25 |
| NARC086 | 227,481 | 1,250,780 | 76 | -60 | 145 | | 49 | 52 | 3 | 2.41 |
| NARC087 | 227,665 | 1,250,871 | 50 | -60 | 145 | | 26 | 31 | 5 | 2.52 |
| NARC088 | 227,654 | 1,250,890 | 75 | -60 | 145 | | 46 | 52 | 6 | 7.98 |
| | | | | | | incl. | 46 | 49 | 3 | 13.61 |
| NARC089 | 226,740 | 1,249,957 | 50 | -60 | 145 | | nsv | | | |
| NARC090 | 226,725 | 1,249,971 | 73 | -60 | 145 | | 57 | 59 | 2 | 8.53 |
| | | | | | | incl. | 58 | 59 | 1 | 13.20 |

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

| Hole No. | East (WGS84) | North (WGS84) | TD (m) | Dip | Azi | | From (m) | To (m) | Width (m) | Au (g/t) |
|----------|-----------------|------------------|-----------|-----|-----|--|-------------|-----------|--------------|-------------|
| NARC043 | 227,383 | 1,250,782 | 100 | -60 | 145 | | 24 | 26 | 2 | 1.39 |
| | | | | | | | 96 | 97 | 1 | 0.70 |
| NARC044 | 227,590 | 1,250,849 | 60 | -60 | 145 | | 18 | 19 | 1 | 1.33 |
| NARC045 | 227,576 | 1,250,870 | 96 | -60 | 145 | | 51 | 52 | 1 | 0.79 |
| NARC046 | 226,661 | 1,249,900 | 55 | -60 | 145 | | 53 | 55 | 2 | 2.82 |
| NARC047 | 226,651 | 1,249,912 | 80 | -60 | 145 | | 22 | 23 | 1 | 1.03 |
| | | | | | | | 43 | 44 | 1 | 0.71 |
| | | | | | | | 73 | 74 | 1 | 0.97 |
| NARC048 | 226,636 | 1,249,931 | 100 | -60 | 145 | | 77 | 78 | 1 | 1.85 |
| | | | | | | | 82 | 83 | 1 | 0.58 |
| | | | | | | | 93 | 94 | 1 | 1.58 |
| NARC049 | 226,501 | 1,249,778 | 55 | -60 | 145 | | 0 | 4 | 4 | 18.12 |
| | | | | | | | 14 | 15 | 1 | 0.71 |
| | | | | | | | 49 | 51 | 2 | 0.85 |
| NARC050 | 226,491 | 1,249,795 | 80 | -60 | 145 | | 0 | 1 | 1 | 0.93 |
| NARC051 | 226,476 | 1,249,816 | 100 | -60 | 145 | | 20 | 21 | 1 | 0.60 |
| | | | | | | | 64 | 65 | 1 | 0.71 |
| NARC073 | 226,852 | 1,250,079 | 70 | -60 | 145 | | 5 | 6 | 1 | 2.49 |
| NARC074 | 226,837 | 1,250,095 | 80 | -60 | 145 | | 0 | 1 | 1 | 6.04 |
| NARC075 | 226,908 | 1,250,138 | 75 | -60 | 145 | | 0 | 1 | 1 | 0.90 |
| | | | | | | | 42 | 43 | 1 | 0.93 |
| | | | | | | | 51 | 53 | 1 | 0.92 |
| | | | | | | | 58 | 59 | 1 | 1.29 |
| NARC076 | 226,916 | 1,250,128 | 57 | -55 | 145 | | 7 | 8 | 1 | 2.68 |
| | | | | | | | 37 | 41 | 4 | 0.81 |
| NARC077 | 227,053 | 1,250,214 | 50 | -60 | 145 | | 0 | 1 | 1 | 2.19 |
| NARC078 | 227,046 | 1,250,233 | 70 | -60 | 145 | | 0 | 1 | 1 | 0.66 |
| NARC079 | 227,029 | 1,250,310 | 52 | -60 | 145 | | 0 | 1 | 1 | 1.51 |
| | | | | | | | 8 | 9 | 1 | 0.51 |
| NARC080 | 227,017 | 1,250,326 | 72 | -60 | 145 | | 0 | 1 | 1 | 0.65 |
| NARC081 | 227,161 | 1,250,404 | 50 | -60 | 145 | | 22 | 26 | 4 | 1.18 |
| NARC083 | 227,321 | 1,250,665 | 50 | -60 | 145 | | 0 | 1 | 1 | 0.75 |
| NARC085 | 227,494 | 1,250,761 | 50 | -60 | 145 | | 44 | 45 | 1 | 0.53 |
| NARC086 | 227,481 | 1,250,780 | 76 | -60 | 145 | | 71 | 72 | 1 | 3.98 |
| NARC087 | 227,665 | 1,250,871 | 50 | -60 | 145 | | 17 | 18 | 1 | 0.59 |
| NARC090 | 226,725 | 1,249,971 | 73 | -60 | 145 | | 0 | 2 | 2 | 1.32 |
| | | | | | | | 18 | 19 | 1 | 0.75 |
| | | | | | | | 51 | 54 | 3 | 2.72 |

Table 2 – Nabanga Drill Results – Other Intersections (0.5g/t Au cut-off grade) – yellow boxes denote intersections in weathered/transported surface material.