

ASX Announcement

28 June 2012

BOUNGOU GOLD PROJECT – NEW DRILL ASSAY RESULTS EXTEND GOLD MINERALISATION AT NATOUGOU PROSPECT TO A 600M WIDTH (DOWN-DIP EXTENT)

Highlights:

- **New assay results received from 17 of 29 follow-up reverse circulation (RC) drill holes at the Boungou Gold Project (Natougou Prospect), south-east Burkina Faso.**
- **Results received to date from Natougou Prospect define a broad relatively flat-lying gold mineralised structure (average 11° dip) with down-hole intersection widths up to 24 metres¹ (above a 0.25g/t Au cut-off grade).**
- **Gold mineralisation on discovery cross section extended from 300m to 600m down-dip extent - new drill intersections (above a 0.5g/t Au cut-off grade) include:**
 - **8m @ 8.31g/t Au (from 52m) in BORC049**
 - **8m @ 1.95g/t Au (from 68m) in BORC050**
 - **4m @ 3.09g/t Au (from 84m) in BORC051**
 - **8m @ 1.75g/t Au (from 92m) in BORC065**
- **Gold mineralisation on Natougou discovery cross section remains open at depth.**
- **Drilling on adjacent cross sections (+/-160m step-out) recorded generally low-grade (<0.5g/t Au) intersections confirming continuity of the structure at the Natougou Prospect.**
- **Significant areas of high order gold-in-soil anomalism remain to be drill tested across the broader Boungou Project area.**
- **Additional RC drilling and soil sampling results awaited.**
- **Regional soil sampling in progress across the balance of the untested Boungou exploration permit and adjacent Pambourou permit.**

¹ Down hole intersection lengths reported in this announcement generally approximate true width intervals (ie: true width = 0.95 x down hole length). Note however this conversion factor will not be applicable to all drill hole intersections due to local variability of the dip of the Natougou structure and the inclination of individual drill holes.

Natougou Gold Prospect - New RC Drilling Results

The Board of Mt Isa Metals Limited (MET) wishes to advise that drill assay results have been received for the initial 17 reverse circulation (RC) drill holes from the phase 2 drilling program at the Company's Boungou Gold Project in south-east Burkina Faso (figure 1).

The phase 2 drilling program (comprising a total 29 drill holes) was primarily designed to follow up on a significant near-surface gold intersections recently announced by the Company from the **Natougou Prospect** area.

All but two of the 17 holes for which results have been received have intersected gold mineralisation. The new drill hole results confirm gold mineralisation to be hosted within a broad-scale relatively flat lying structure (average 11° dip) developed below widespread gold-in-soil anomalism.

The new drilling results have defined a significant extension to gold mineralisation on the Natougou discovery cross section (cross section 18) and extended gold mineralisation from 300m to a 600m down dip extent (figure 2). New drill intersections (above an 0.5g/t Au cut-off grade) include:

- 8m @ 8.31g/t Au (from 52m) in BORC049
- 8m @ 1.95g/t Au (from 68m) in BORC050
- 4m @ 3.09g/t Au (from 84m) in BORC051
- 8m @ 1.75g/t Au (from 92m) in BORC065

Gold mineralisation on the Natougou discovery cross section is open below 100m vertical depth.

Drilling on adjacent cross sections (+/-160m either side of the discovery cross section) intersected the projected extensions of the Natougou structure but recorded generally low-grade (<0.5g/t Au) intersections (figure 3).

Additional RC drill assay results are awaited from the phase 2 drilling program.

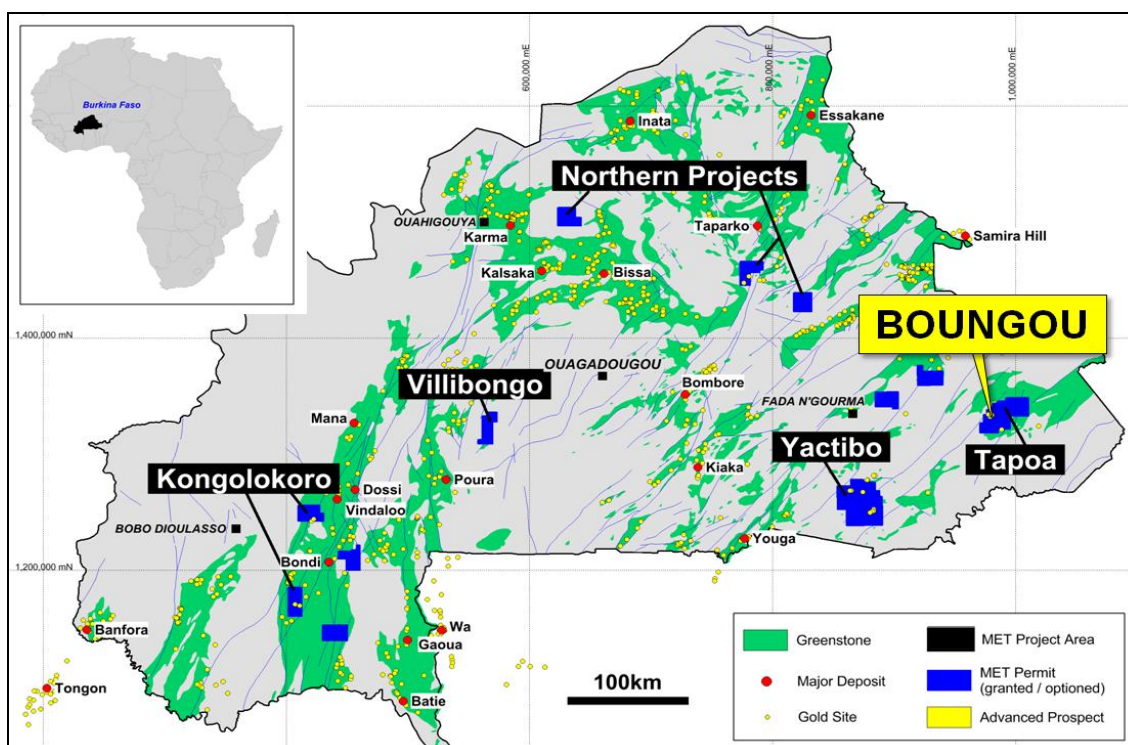


Figure 1 – Burkina Faso location diagram.

A

Natougou - Cross Section #N18

B

600m



New assay results

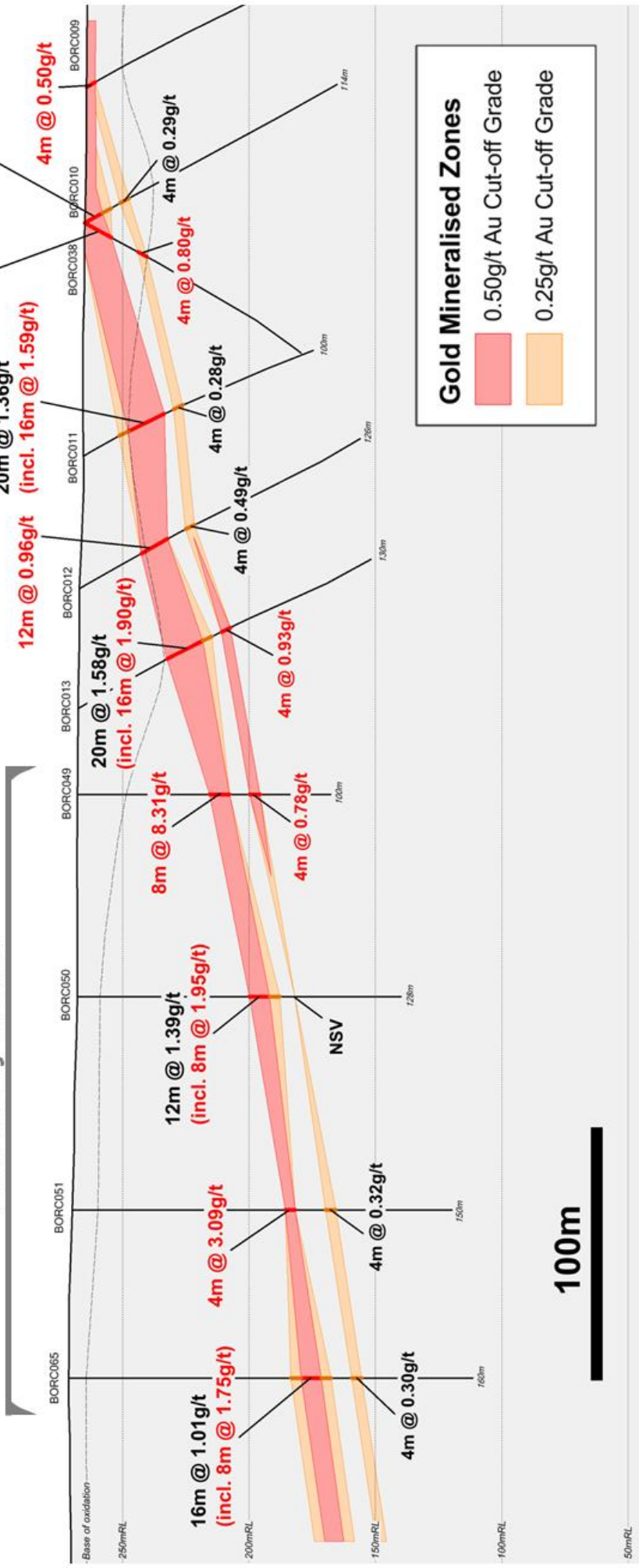


Figure 2 – Natougou Cross Section N18 – showing interpreted +0.5g/t Au and +0.25g/t Au outlines.

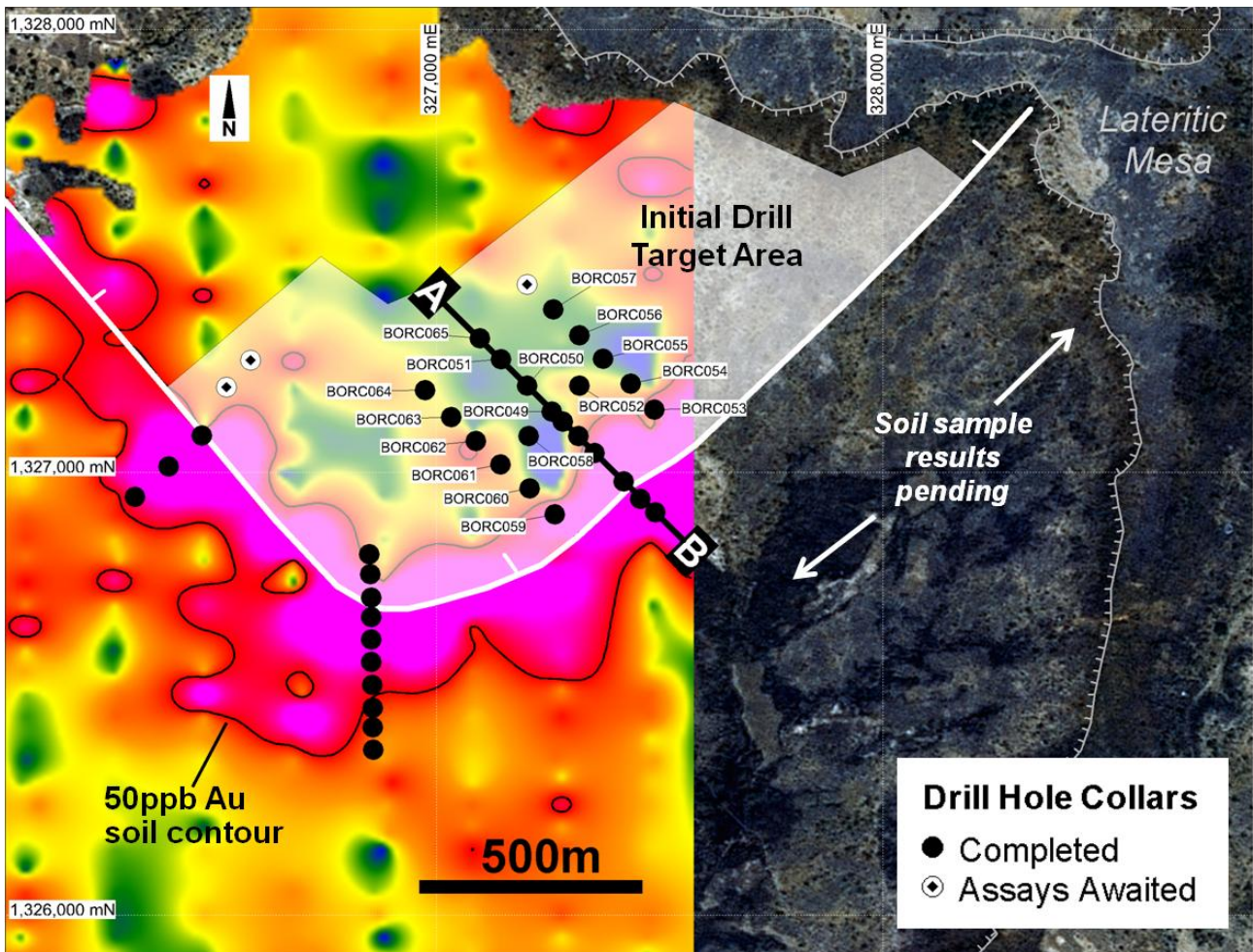


Figure 3 – Natougou area – showing drill hole and soil sample data.

Detailed drill assay results are provided in table 1.

Ongoing Exploration / Significant Project Potential

The Company holds a substantial permit position in the greater Boungou area (~750km² of granted permits) and to date has completed only limited exploration activities over a small proportion of the total permit area. Significant potential exists to discover large-scale gold deposits through ongoing exploration programs.

To date a large-scale high-order gold-in-soil anomaly has been defined by the Company in the centre of the Boungou Permit (figure 4). Substantial areas of this soil anomaly remain to be drill tested and additional RC drill assay results are currently awaited from phase 2 drilling.

The Company is also yet to define the limit of the Boungou gold system - soil anomalism is “open” in multiple directions with assays recorded at or above 20ppb Au at the limit of the initial 6km x 4km survey area (figure 4).

Regional soil sampling programs have recently commenced to extend the Boungou soil anomalies and will also provide first pass exploration coverage of the entire Boungou and adjacent Pambourou permits. These programs aim to define additional high potential exploration drill targets.

The Company intends to advance significant ongoing exploration programs across the greater Boungou area and looks forward to reporting on the results of these exploration activities in due course.

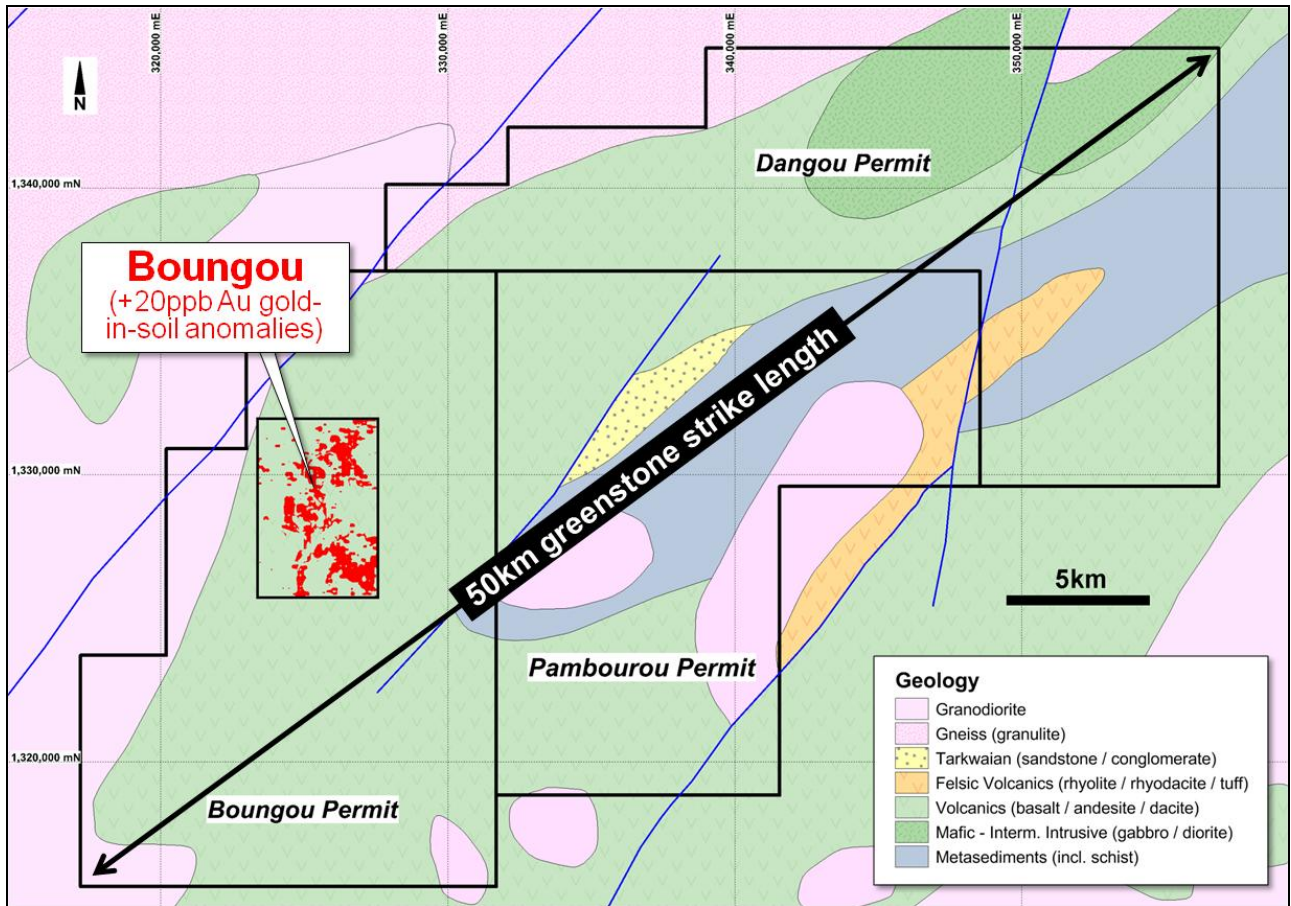


Figure 4 – Tapoa Project - permit locations and regional geology.

Hole No.	East (WGS84)	North (WGS84)	RL (m)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
BORC049	327,258	1,327,138	268	100	-90	0	52	60	8.0	8.31
							68	72	4.0	0.78
BORC050	327,203	1,327,196	268	128	-90	0	8	12	4.0	1.47
							68	80	12.0	1.39
BORC051	327,144	1,327,256	270	150	-90	0	84	88	4.0	3.09
							100	104	4.0	0.32
BORC052	327,320	1,327,196	268	100	-90	0	56	60	4.0	0.54
							76	80	4.0	1.24
BORC053	327,488	1,327,142	266	106	-90	0	NSV			
BORC054	327,434	1,327,201	268	100	-90	0	44	56	12.0	0.39
BORC055	327,373	1,327,257	268	104	-90	0	72	76	4.0	0.31
BORC056	327,320	1,327,310	271	130	-90	0	60	64	4.0	0.29
							88	92	4.0	0.25
BORC057	327,261	1,327,368	271	150	-90	0	32	36	4.0	0.26
							92	96	4.0	0.26
							108	112	4.0	0.29
BORC058	327,206	1,327,082	267	105	-90	0	48	52	4.0	4.20
							72	76	4.0	0.32
BORC059	327,265	1,326,906	263	106	-90	0	0	24	24.0	0.58
BORC060	327,208	1,326,964	266	100	-90	0	24	28	4.0	0.28
							32	36	4.0	0.30
BORC061	327,143	1,327,018	267	107	-90	0	48	56	8.0	0.42
BORC062	327,088	1,327,071	268	127	-90	0	NSV			
BORC063	327,033	1,327,125	269	154	-90	0	88	92	4.0	0.30
BORC064	326,974	1,327,186	270	150	-90	0	100	104	4.0	0.76
BORC065	327,097	1,327,303	272	160	-90	0	88	104	16.0	1.01
							112	116	4.0	0.30

Table 1 – Boungou RC Drilling Results (0.25g/t Au cut-off grade, 4m composite samples).

For further information please contact:

Mr Peter Spiers
Managing Director
Ph: (07) 3198 3040 or 0409 407 265

Mr Peter Harding-Smith
Company Secretary
Ph: (07) 3198 3040 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.