

ASX Announcement

11 January 2012

NEW DRILL ASSAY RESULTS CONFIRM EXTENSION OF HIGH GRADE GOLD MINERALISATION AT NABANGA (CENTRAL ZONE) TO A MINIMUM 100 METRE VERTICAL DEPTH

Highlights:

- New assay results received from reverse circulation (RC) drilling at Nabanga Gold Project.
- Drilling confirms high grade gold mineralisation on Nabanga “Central Zone” over a 500m strike length and to a minimum 100m vertical depth.
- New high grade drill intersections include:
 - 2m @ 19.00g/t Au from 24m (in NARC091)
 - 3m @ 8.65g/t Au from 85m (in NARC099)
 - 3m @ 20.49g/t Au from 72m (in NARC100)
 - 10m @ 17.70g/t Au from 51m (in NARC114) (incl. 5m @ 34.68g/t Au (from 51m))
 - 4m @ 7.47g/t Au from 37m (in NARC 117)
 - 8m @ 4.45g/t Au from 51m (in NARC120) (incl. 3m @ 10.16g/t Au from 51m)
 - 3m @ 8.00g/t Au from 69m (in NARC121)
- New assay results also include “wide” intersections with high grade intervals at approximately 100 metres vertical depth comprising:
 - 14m @ 3.68g/t Au from 94m (in NARC105) (incl. 6m @ 7.37g/t Au from 101m)
 - 14m @ 2.94g/t Au from 115m (in NARC111) (incl. 4m @ 5.93g/t Au from 117m)
- Drill assay results pending for more than 60 additional RC drill holes.
- RC drilling progressively advancing to other high grade gold zones including North Zone (~600m strike length) and South Zone (~1,100m strike length) targets.
- Additional drilling proposed to test 4 kilometre strike extension to Nabanga system.

New High Grade Assay Results in Central Zone Area

The Board of Mt Isa Metals Limited (MET) is pleased to advise that further high grade gold assay results have been received from RC drilling at the Nabanga Gold Project in south-east Burkina Faso.

The results are from the Central Zone area – one of three high grade gold zones with an aggregate strike length in excess of 2 kilometres currently being drill tested by MET in the Nabanga Project area (figure 1).

The new drill assay results include:

- **2m @ 19.00g/t Au from 24m** (in NARC091)
- **3m @ 8.65g/t Au from 85m** (in NARC099)
(incl. 2m @ 10.60g/t Au (from 86m))
- **3m @ 20.49g/t Au from 72m** (in NARC100)
- **14m @ 3.68g/t Au from 94m** (in NARC105)
(incl. 6m @ 7.37g/t Au from 101m)
- **14m @ 2.94g/t Au from 115m** (in NARC111)
(incl. 4m @ 5.93g/t Au from 117m)
- **10m @ 17.70g/t Au from 51m** (in NARC114)
(incl. 5m @ 34.68g/t Au (from 51m))
- **4m @ 7.47g/t Au from 37m** (in NARC 117)
(incl. 2m @ 10.96g/t Au from 39m)
- **8m @ 4.45g/t Au from 51m** (in NARC120)
(incl. 3m @ 10.16g/t Au from 51m)
- **3m @ 8.00g/t Au from 69m** (in NARC121)
(incl. 1m @ 20.10 g/t Au from 69m)

The new drill assay results (together with those previously reported) confirm a significant zone of high grade gold mineralisation in the Central Zone area. High grade gold mineralisation in the Central Zone area has been defined over a 500 metre strike length and has now been extended to a minimum 100 metre vertical depth.

A longitudinal section through the Central Zone area showing the recent drill hole intersections is provided at figure 2.

Detailed data for the new drill holes in the Central Zone area are provided in table 1 (Nabanga main lode intersections) and table 2 (other intersections).

To date assay results have been received for 44 RC drill holes from the Central Zone area. **The average down hole drill intersection for all such holes is 4.2 metres @ 6.49 g/t Au.**

Additional RC drilling in the Central Zone area is scheduled to be completed during the current month. This drilling will comprise additional infill drilling and will also target a further extension of gold mineralisation in the Central Zone area below 100m vertical depth.

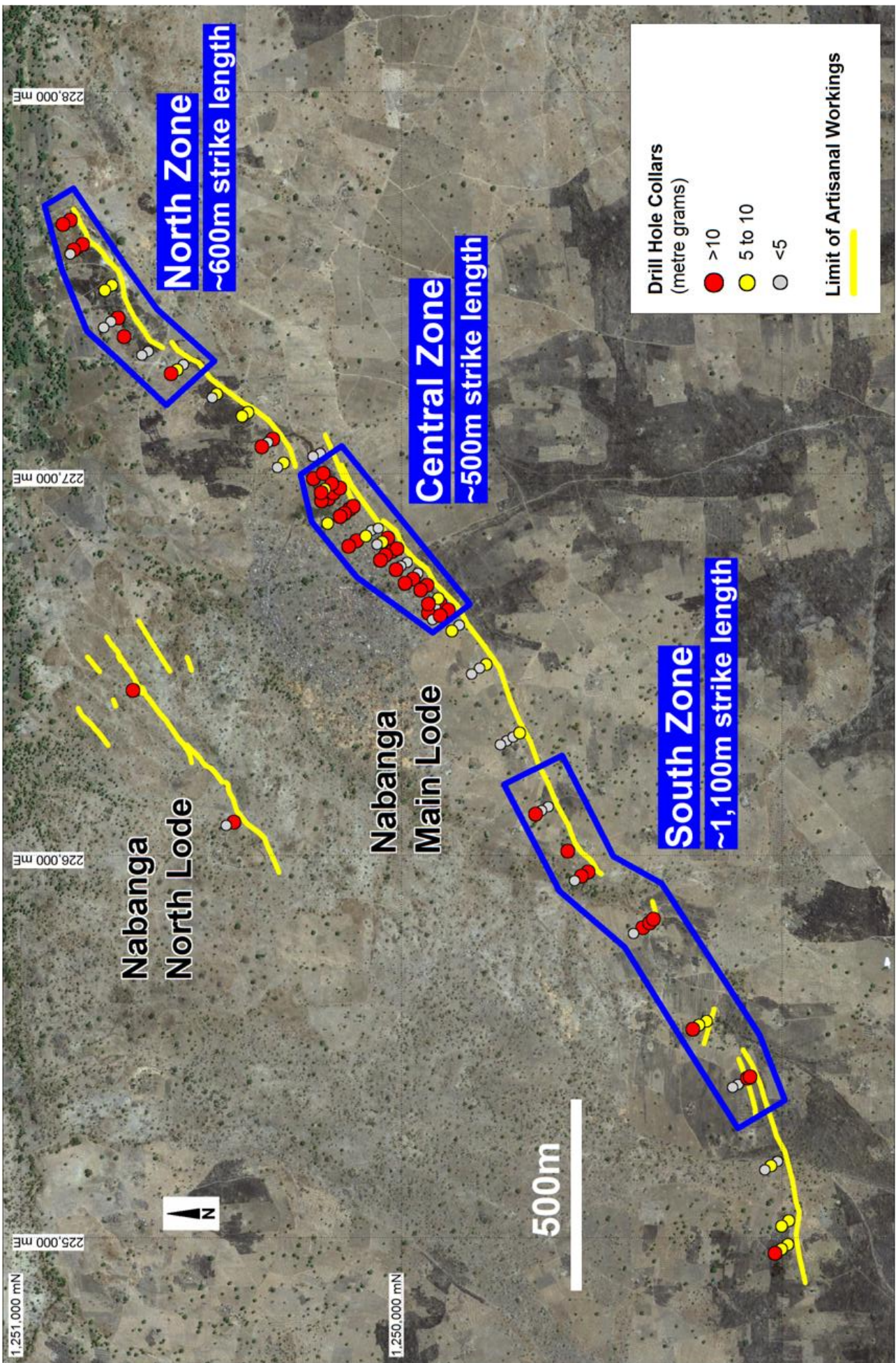


Figure 1 - Nabanga location diagram (showing location of high grade zones and drill hole collars).

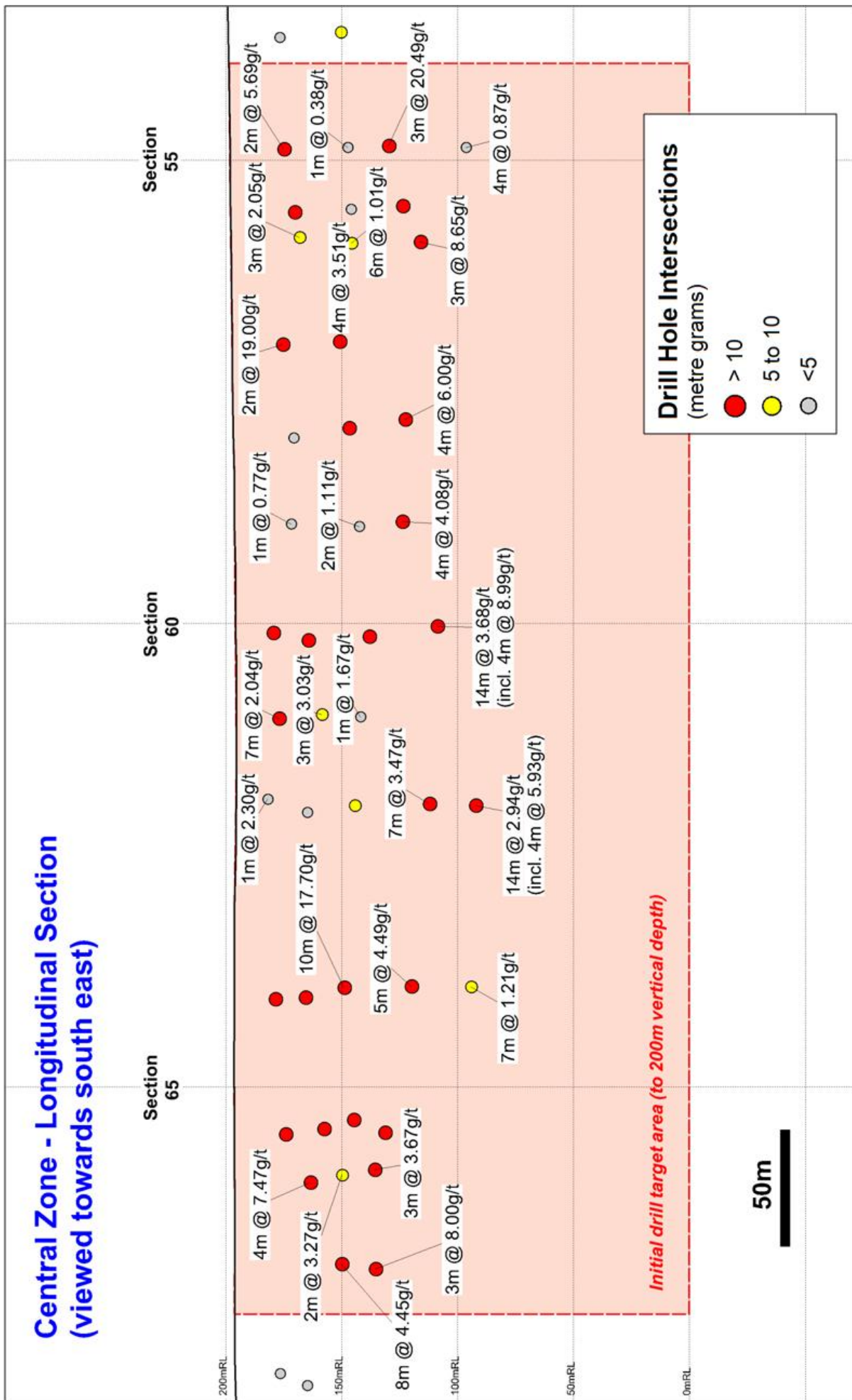


Figure 2 – Central Zone long section (new assay results labelled).

Significant Depth Potential

Gold mineralisation in the Central Zone area is open at depth along the entire 500 metre strike length of the target area drilled to date. High grade gold mineralisation in the Central Zone area has now also been recorded on multiple cross sections to approximately 100 metres vertical depth (figure 2).

Given the success of the drilling program to date significant potential exists to define additional gold mineralisation in the Central Zone area (and elsewhere along the full 3.6 kilometre strike length of the Nabanga structure) through deeper drilling.

Recent drill intersections towards the middle of the Central Zone area also demonstrate broader zones of gold mineralisation with increased depth. Drill intersections in this area include:

- **NARC105 – mid-point of intersection is 90m vertical depth**
→ 14m @ 3.68g/t Au (includes 6m @ 7.37g/t Au)
- **NARC111 – mid-point of intersection is 105m vertical depth**
→ 14m @ 2.94g/t Au (includes 4m @ 5.93g/t Au)

The intersections in both NARC105 and NARC111 comprise a wide interval above an 0.5g/t cut-off together with a higher grade “core” more representative of results received to date from Nabanga drilling.

A schematic cross section through drill hole NARC105 is provided at figure 3. This cross section also highlights open ended gold mineralisation below 100 metres vertical depth.

Nabanga Drilling Ongoing

Exploration drilling is ongoing within the Nabanga Project area.

RC drilling is currently focussed on resource definition activities within the high grade North Zone, Central Zone and South Zone targets. This drilling is being completed on 40 metre-spaced cross sections to an approximate 100 metre vertical depth.

Wider-spaced drilling is also proposed in the interval from 100 metres to 200 metres vertical depth to provide an indication of potential to further extend high grade gold mineralisation.

During the current month RC drilling is also scheduled to provide an initial test of an interpreted 4 kilometre long south-west trending extension to the Nabanga structure defined by high resolution magnetic geophysical data.

Additional Drilling Results Pending / Resource Estimation

Assay results are currently awaited for more than 60 additional RC drill holes that have been completed primarily over the Nabanga North Zone and Central Zone targets. These assay results, together with drilling proposed for the South Zone area will be progressively reported during the ongoing drilling program.

The Company is aiming to complete the current drill program on the North, Central and South Zones by March 2012, and subject to receipt of assays and analysis, release a maiden resource estimate for these zones as soon as practicable thereafter.

Nabanga - Cross Section 60

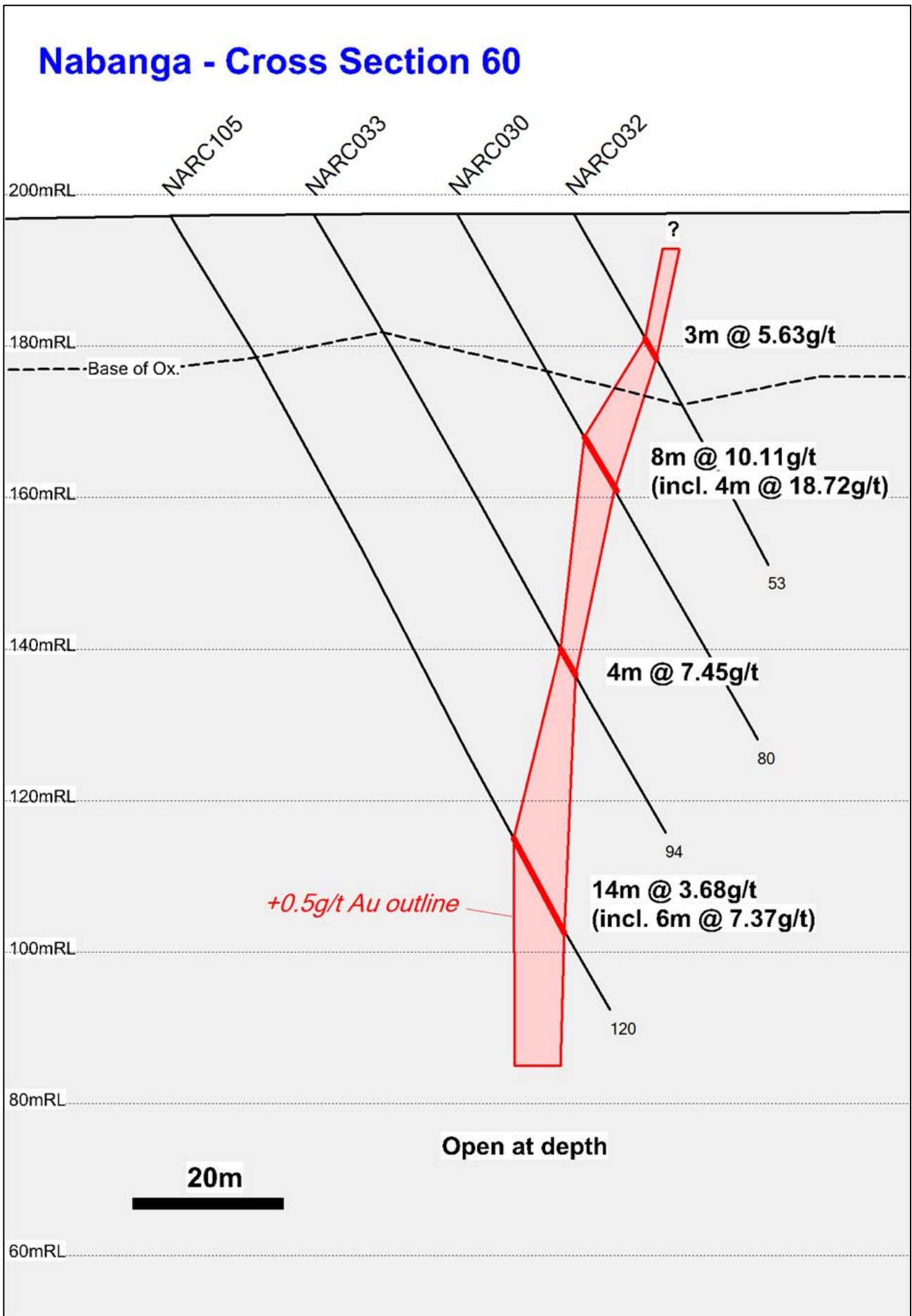


Figure 3 – Nabanga Central Zone (Cross section 60) – Showing extension of gold mineralisation to a minimum 100 metres vertical depth.

Hole No.	East (WGS84)	North (WGS84)	RL (m)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
NARC091	226,708	1,249,934	197	50	-60	145	24	26	2	19.00
NARC092	226,696	1,249,951	197	72	-60	145	51	55	4	3.51
							incl. 51	52	1	8.84
NARC094	226,644	1,249,879	199	51	-60	145	26	28	2	5.69
							incl. 27	28	1	9.49
NARC095	226,632	1,249,896	199	70	-60	145	30	31	1	0.66
NARC096	226,618	1,249,919	199	126	-70	145	106	110	4	0.87
NARC097	226,674	1,249,904	198	50	-60	145	33	36	3	2.05
NARC098	226,663	1,249,927	198	70	-60	145	57	63	6	1.01
NARC099	226,659	1,249,931	198	120	-70	145	85	88	3	8.65
NARC100	226,629	1,249,900	199	92	-70	145	72	75	3	20.49
NARC101	226,768	1,249,985	197	50	-60	145	29	30	1	0.77
NARC102	226,759	1,250,002	197	84	-60	145	62	64	2	1.11
NARC103	226,750	1,250,015	197	102	-60	145	82	86	4	4.08
NARC104	226,714	1,249,992	197	120	-60	145	84	88	4	6.00
							incl. 86	88	2	9.97
NARC105	226,774	1,250,057	197	120	-60	145	94	108	14	3.68
							101	107	6	7.37
NARC108	226,832	1,250,038	198	50	-60	145	21	27	7	2.04
NARC109	226,822	1,250,051	198	72	-60	145	43	46	3	3.03
NARC110	226,815	1,250,064	198	90	-60	145	63	64	1	1.67
NARC111	226,811	1,250,140	197	140	-60	145	115	129	14	2.94
							incl.	117	120	3
NARC112	226,825	1,250,119	198	114	-60	145	94	101	7	3.47
							incl. 96	99	3	6.71
NARC113	226,858	1,250,061	198	50	-60	145	18	19	1	2.30
NARC114	226,896	1,250,151	197	90	-60	145	51	61	10	17.70
							incl. 51	56	5	34.68
NARC115	226,871	1,250,195	197	138	-60	145	114	121	7	1.21
NARC116	226,889	1,250,162	197	105	-70	145	74	76	2	2.87
							80	85	5	4.49
							incl. 80	82	2	10.14
NARC117	226,974	1,250,185	198	60	-60	145	37	41	4	7.47
NARC118	226,960	1,250,202	197	70	-60	145	53	55	2	3.27
NARC119	226,951	1,250,212	197	96	-60	145	69	72	3	3.67
							incl. 69	70	1	9.92
NARC120	227,001	1,250,207	197	92	-60	145	51	59	8	4.45
							incl. 51	54	3	10.16
NARC121	226,988	1,250,232	197	90	-60	145	69	72	3	8.00
							incl. 69	70	1	20.10

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

Hole No.	East (WGS84)	North (WGS84)	RL (m)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
NARC092	226,696	1,249,951	197	72	-60	145	58	61	3	1.61
NARC093	226,732	1,249,964	197	66	-60	145	2	3	1	0.50
NARC094	226,644	1,249,879	199	51	-60	145	22	23	1	0.60
NARC096	226,618	1,249,919	199	126	-70	145	23	25	2	0.91
NARC099	226,659	1,249,931	198	120	-70	145	58	59	1	1.63
NARC100	226,629	1,249,900	199	92	-70	145	16	17	1	0.56
							25	26	1	0.78
NARC101	226,768	1,249,985	197	50	-60	145	0	1	1	1.14
NARC102	226,759	1,250,002	197	84	-60	145	67	68	1	1.19
NARC104	226,714	1,249,992	197	120	-60	145	0	2	2	2.65
NARC108	226,832	1,250,038	198	50	-60	145	1	2	1	1.09
NARC109	226,822	1,250,051	198	72	-60	145	36	37	1	0.99
NARC114	226,896	1,250,151	197	90	-60	145	0	1	1	1.32
NARC117	226,974	1,250,185	198	60	-60	145	0	2	2	1.41
NARC118	226,960	1,250,202	197	70	-60	145	0	1	1	1.59
							60	61	1	0.93
NARC119	226,951	1,250,212	197	96	-60	145	0	1	1	0.63
							78	79	1	0.51
NARC120	227,001	1,250,207	197	92	-60	145	0	2	2	0.95
							38	39	1	0.64

Table 2 – Nabanga Drill Results – Other Intersections (0.5g/t Au cut-off grade).

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.