

ASX Announcement

25 January 2012

NABANGA GOLD PROSPECT – NEW HIGH GRADE DRILL ASSAY RESULTS FROM NORTH ZONE TARGET AREA

Highlights:

- New assay results received from reverse circulation (RC) drilling at Nabanga Gold Project.
- Drilling confirms high grade gold mineralisation on Nabanga “North Zone” over a 600m strike length and to a minimum 100m vertical depth.
- Results follow those recently announced for the Central Zone target (11 January 2012).
- Near-surface high grade gold mineralisation defined at Central Zone and North Zone presents a significant opportunity for potential open pit gold mine development.
- New high grade North Zone drill intersections include:
 - 5m @ 6.81g/t Au from 21m (in NARC122)
(incl. 2m @ 11.25g/t from 23m)
 - 12m @ 4.78g/t Au from 16m (in NARC128)
(incl. 3m @ 16.02g/t from 24m)
 - 4m @ 16.06g/t Au from 21m (in NARC131)
(incl. 3m @ 21.23g/t from 21m)
 - 5m @ 22.99g/t Au from 74m (in NARC135)
(incl. 3m @ 37.39g/t from 75m)
 - 3m @ 20.77g/t Au from 33m (in NARC139)
(incl. 1m @ 54.10g/t from 34m)
 - 4m @ 7.67g/t Au from 55m (in NARC149)
(incl. 2m @ 11.42g/t from 57m)
- North Zone mineralisation remains open at depth below deepest drilling to date which includes:
 - 3m @ 20.12g/t Au from 110m (in NARC151) – 100m vertical depth
 - 4m @ 3.96g/t Au from 131m (in NARC152) – 120m vertical depth
- RC drilling commenced on the South Zone target (~1,100m strike length).
- Deep diamond drilling scheduled to commence at Nabanga in early February 2012 to test Nabanga deposit in 200m to 400m depth range.

New High Grade Assay Results for North Zone Area

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

The results are from the North 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 North Zone intersections together with those recently reported from the Central Zone target (*refer ASX release dated 11 January 2012*) **confirm high grade gold mineralisation at Nabanga over a total 1.1 kilometre strike length and to a minimum 100 metre vertical depth.**

The near-surface high grade gold intersections recorded at both the Central Zone and North Zone targets presents a significant opportunity for potential open pit mine development.

The new North Zone drill assay results include:

- **5m @ 6.81g/t Au from 21m** (in NARC122)
(incl. 2m @ 11.25g/t from 23m)
- **12m @ 4.78g/t Au from 16m** (in NARC128)
(incl. 3m @ 16.02g/t from 24m)
- **4m @ 16.06g/t Au from 21m** (in NARC131)
(incl. 3m @ 21.23g/t from 21m)
- **5m @ 22.99g/t Au from 74m** (in NARC135)
(incl. 3m @ 37.39g/t from 75m)
- **3m @ 20.77g/t Au from 33m** (in NARC139)
(incl. 1m @ 54.10g/t from 34m)
- **4m @ 7.67g/t Au from 55m** (in NARC149)
(incl. 2m @ 11.42g/t from 57m)

Mineralisation remains open at depth on the North Zone target. New intersections recorded at or below 100 metres vertical depth include:

- **3m @ 20.12g/t Au from 110m** (in NARC151) – 100m vertical depth
- **4m @ 3.96g/t Au from 131m** (in NARC152) – 120m vertical depth

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

Detailed data for the new drill holes results are provided in table 1.

To date assay results have been received for 47 RC drill holes from within the North Zone target area. **The average down hole drill intersection for all such holes is 4.0 metres @ 4.98 g/t Au.**

Additional RC drilling is currently in progress across the North Zone, Central Zone and South Zone areas.

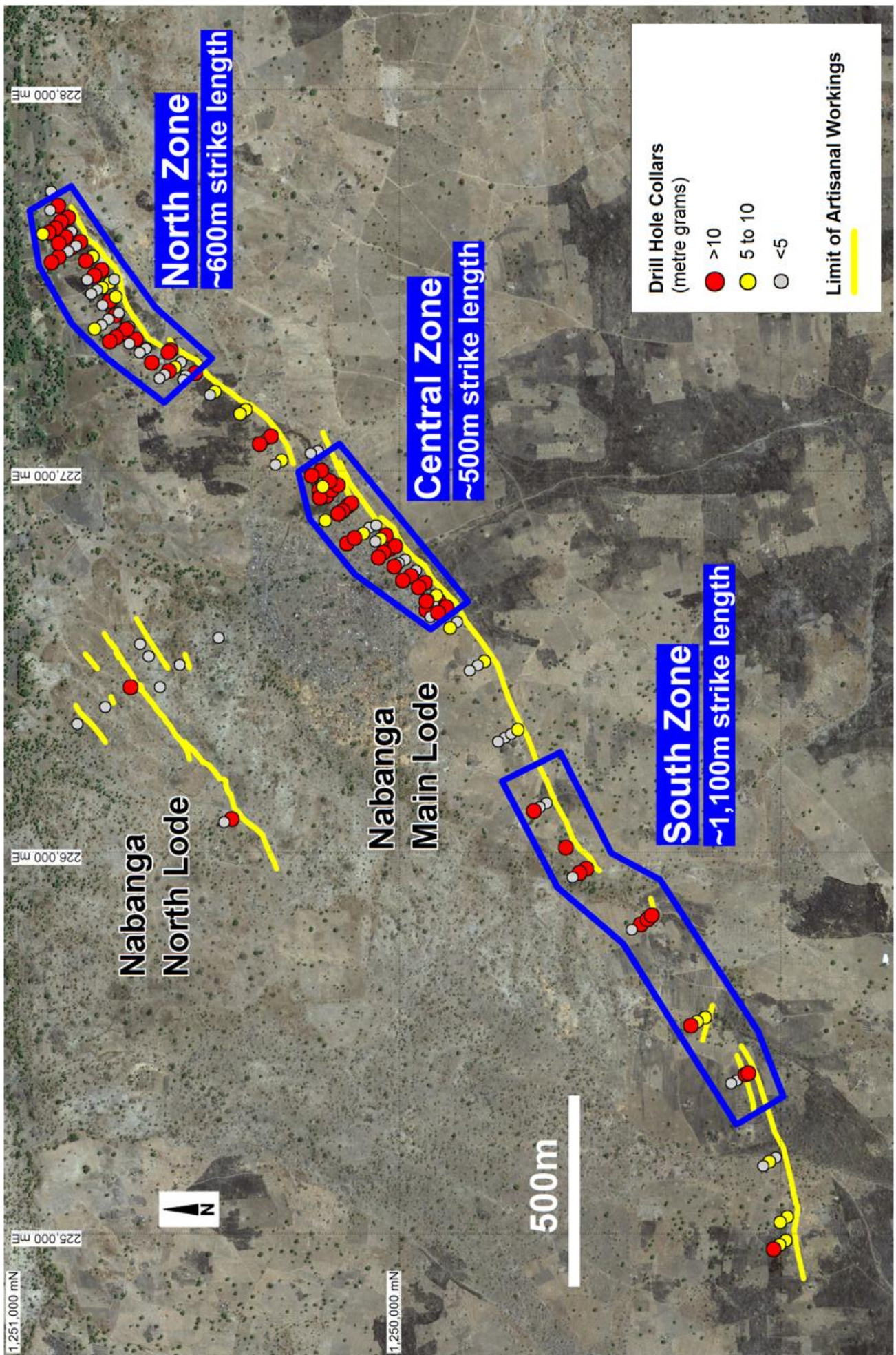


Figure 1 - Nabanga location diagram (showing location of high grade zones and drill hole collars).

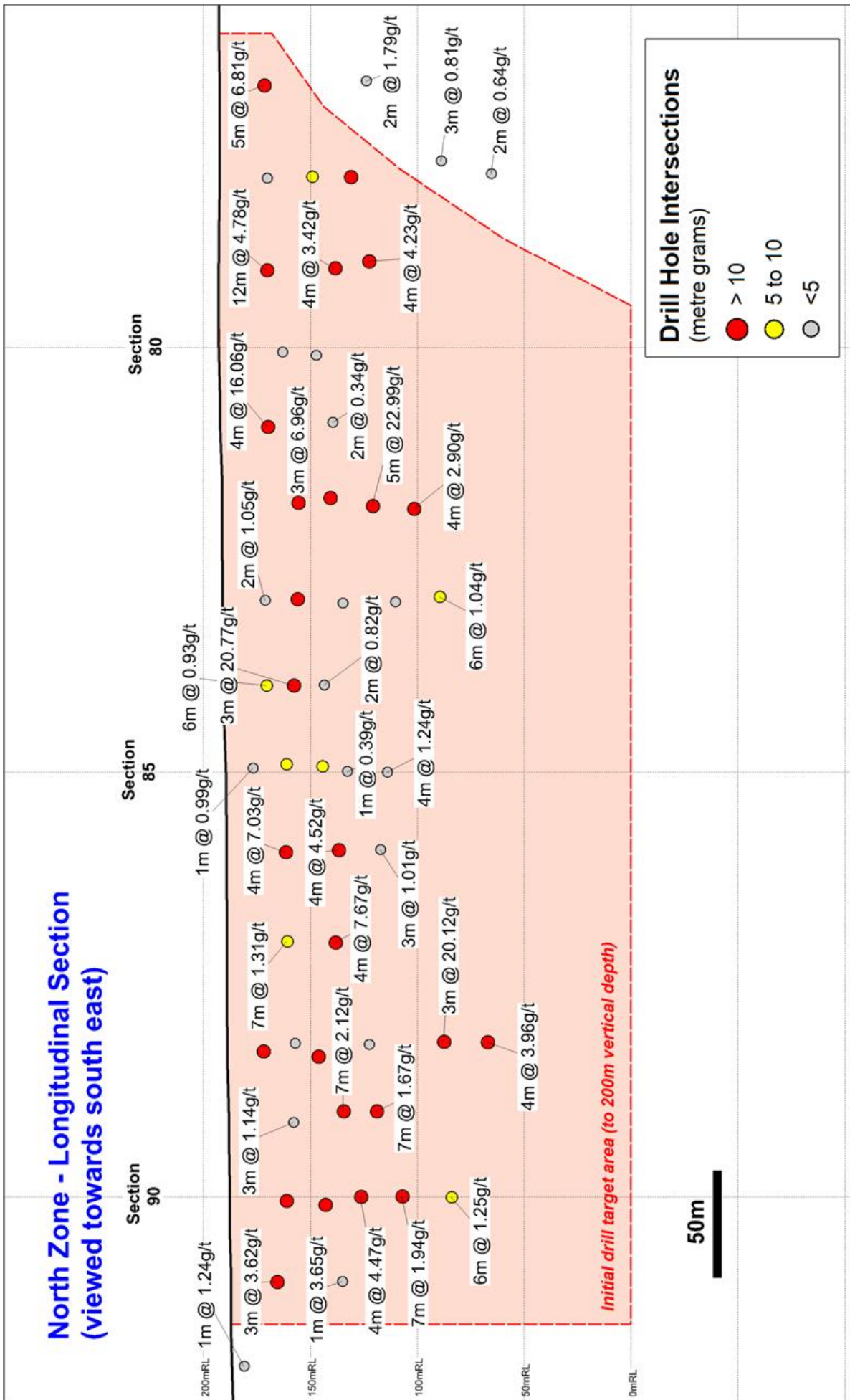


Figure 2 – North Zone long section (new assay results labelled).

Potential Footwall Structure

A secondary gold mineralised structure has been intersected in multiple drill holes in the immediate footwall of the main Nabanga structure in the North Zone area. This footwall structure appears to be “merging” with the main Nabanga structure at depth and may offer potential to define thicker mineralisation deeper in the North Zone system.

A schematic cross section through the central part of the North Zone target (cross section 82) is provided at figure 3. This cross section highlights open ended gold mineralisation below 100 metres vertical depth together with narrow gold intersections associated with the possible footwall structure.

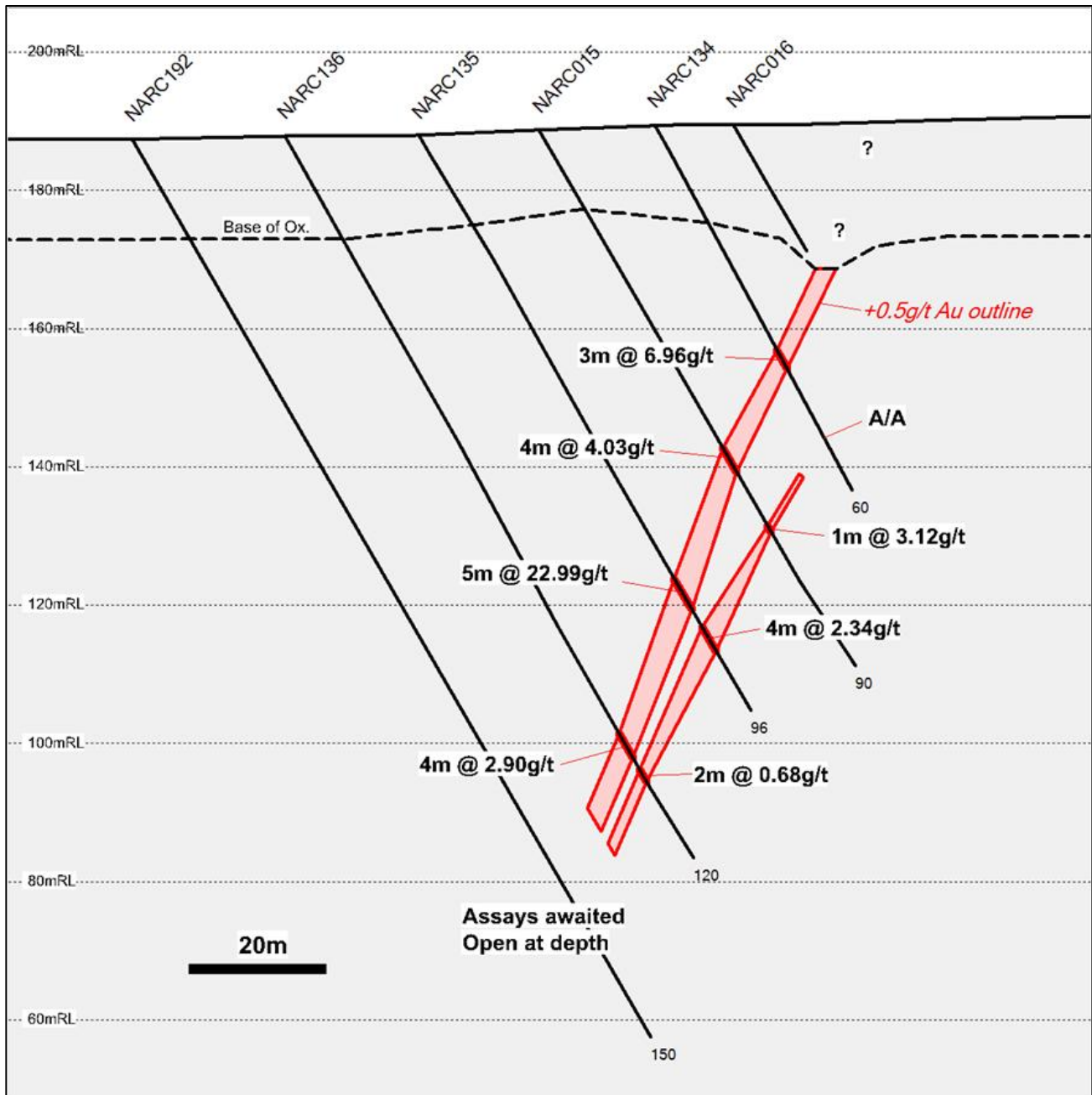


Figure 3 – Nabanga North Zone (Cross Section 82) – Showing relationship between Nabanga main and footwall structures.

RC Drilling Program / Resource Estimation

MET has two RC drill rigs in operation in the Nabanga Project area. The rigs are currently focused on exploration drilling of the North, Central and South high grade zones in sufficient detail to support a maiden resource estimate to a minimum 100 metres vertical depth.

The Company is aiming to complete the entire resource-focussed drill program (to 100m depth) by March 2012, and subject to receipt of assays and analysis, release a maiden resource estimate for these zones as soon as practicable thereafter.

Deep Drilling Program

Following the completion of the resource-focussed drilling, RC drilling of the Nabanga high grade gold zones will be extended to an approximate 200 metre vertical depth (limit of rig capacity).

The Company has also recently contracted a third rig (a diamond drill rig) in order to conduct deeper exploration drilling of the Nabanga structure in the range 200m to 400m vertical depth. This rig will also be used to “twin” (duplicate) a small number of RC drill holes within the intended resource estimation area (for QA/QC purposes).

The diamond drill rig is scheduled to commence drilling at Nabanga in early February and will commence with deep drilling in the Central Zone area.

Indaba Conference – Capetown (February 2012)

Mt Isa Metals representatives will be attending and exhibiting at the Mining Indaba Conference in Cape Town, South Africa from the 6th to 9th February 2012 (booth #1512).

To arrange a one-on-one briefing with the Company during the conference, please contact Peter Spiers or Peter Harding-Smith using the contact details as provided below.

For further information please contact:

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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.

Hole No.	East (WGS84)	North (WGS84)	RL (m)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
NARC122	227,258	1,250,538	192	37	-60	145	21	26	5.0	6.81
							incl. 21	23	2.0	11.25
							31	32	1.0	0.62
NARC124	227,240	1,250,567	192	108	-60	145	77	78	2.0	1.79
NARC125	227,253	1,250,617	191	138	-60	145	0	3	3.0	4.97
							111	114	3.0	0.81
							117	118	1.0	0.61
NARC126	227,243	1,250,630	191	156	-65	145	137	139	2.0	0.64
NARC128	227,318	1,250,602	192	48	-83	145	16	28	12	4.78
							incl. 24	27	3.0	16.02
NARC129	227,312	1,250,608	192	84	-87	145	51	55	4.0	3.42
							incl. 53	54	1.0	11.60
NARC130	227,285	1,250,651	190	102	-55	145	78	82	4.0	4.23
							incl. 79	81	2.0	7.37
NARC131	227,346	1,250,693	190	54	-60	145	0	1	1.0	1.04
							21	25	4.0	16.06
							incl. 21	24	3.0	21.23
							29	32	3.0	0.76
NARC132	227,335	1,250,710	189	78	-60	145	nsv			
NARC134	227,372	1,250,718	189	60	-60	145	37	40	3.0	6.96
							incl. 37	39	2.0	10.07
NARC135	227,351	1,250,745	188	96	-60	145	65	66	1.0	0.59
							74	79	5.0	22.99
							incl. 75	78	3.0	37.39
							82	86	4.0	2.34
NARC136	227,340	1,250,761	188	120	-60	145	99	103	4.0	2.90
							105	107	2.0	0.68
NARC137	227,415	1,250,737	189	42	-60	145	17	19	2.0	1.05
NARC138	227,374	1,250,801	187	132	-60	145	110	116	6.0	1.04
NARC139	227,446	1,250,763	188	72	-60	145	33	36	3.0	20.77
							incl. 34	35	1.0	54.10
NARC140	227,435	1,250,779	188	90	-60	145	49	51	2.0	0.82
NARC141	227,458	1,250,745	189	54	-60	145	18	24	6.0	0.93
NARC142	227,503	1,250,748	189	48	-60	145	14	15	1.0	0.99
NARC143	227,476	1,250,794	188	96	-60	145	63	64	1.0	0.39
NARC144	227,465	1,250,809	188	108	-60	145	81	85	4.0	1.24
NARC145	227,528	1,250,783	189	48	-60	145	29	33	4.0	7.03
							incl. 30	32	2.0	12.60
NARC146	227,514	1,250,802	189	78	-60	145	58	62	4.0	4.52
							incl. 60	62	2.0	7.86
NARC147	227,502	1,250,820	188	102	-60	145	79	82	3.0	1.01
NARC148	227,563	1,250,805	189	48	-60	145	22	23	1.0	0.59
							28	35	7.0	1.31
NARC149	227,551	1,250,824	189	78	-60	145	55	59	4.0	7.67
							incl. 57	59	2.0	11.42
NARC151	227,562	1,250,896	186	132	-60	145	110	113	3.0	20.12
							incl. 111	113	2.0	29.80
NARC152	227,548	1,250,915	185	150	-60	145	131	135	4.0	3.96
NARC153	227,628	1,250,861	188	54	-60	145	33	36	3.0	1.14

Hole No.	East (WGS84)	North (WGS84)	RL (m)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
NARC154	227,614	1,250,878	187	78	-60	145	56	63	7.0	2.12
NARC155	227,598	1,250,895	186	96	-60	145	72	79	7.0	1.67
							84	85	1.0	0.69
NARC156	227,637	1,250,904	185	90	-60	145	66	70	4.0	4.47
NARC157	227,626	1,250,922	185	108	-60	145	87	94	7.0	1.94
NARC158	227,623	1,250,937	185	132	-60	145	112	118	6.0	1.25
NARC159	227,696	1,250,897	186	48	-60	145	21	24	3.0	3.62
NARC160	227,684	1,250,917	186	78	-60	145	58	59	1.0	3.65
NARC161	227,734	1,250,915	186	60	-60	145	5	6	1.0	1.24
							13	14	1.0	0.65

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