

ASX Announcement

18 August 2011

INITIAL RAB DRILLING AT KAMSONGO GOLD PROSPECT INTERSECTS WIDE ZONES OF +0.20g/t GOLD MINERALISATION

Highlights:

- **Initial assay results received for the first line of Rotary Air Blast (RAB) geochemical drilling at the Kamsongo Gold Prospect.**
- **Wide intervals of elevated (+0.20g/t) gold mineralisation recorded in three consecutive RAB drill holes coincident with regional-scale structural (geophysical) target - assays include:**
 - **23m @ 0.50g/t Au from 3m (in KARA0012)**
 - **4m @ 0.22g/t Au from 10m and 7m @ 0.25g/t Au from 25m (in KARA0013)**
 - **8m @ 1.11g/t Au from 4m (in KARA0014)**
- **Kamsongo Prospect defined by a contiguous +10ppb gold in soil anomaly over a 14 kilometre strike length – includes discrete higher grade zones:**
 - **Central Zone – 3km long / average sample grade of 51ppb Au**
 - **North Zone – 5km long by up to 1km wide / average sample grade 50ppb Au**
- **Additional RC drilling planned / additional RAB and RC drill assay results awaited.**

The Board of Mt Isa Metals Limited (MET) is pleased to announce that initial assay results have been received from the first line of Rotary Air Blast (RAB) drilling at the Kamsongo Gold Prospect located in south-east Burkina Faso (figure 1).

The Kamsongo Prospect is defined by a contiguous zone of +10ppb gold in soil assays recorded along a 14 kilometre long strike length. The +10ppb Au anomaly is up to 1.5 kilometres across at its widest point and includes multiple discrete zones of higher order assays (figure 2).

The initial drill assay results received include wide zones of elevated (+0.20g/t) gold mineralisation in three consecutive RAB holes coincident with the main structural (geophysical) target in the North Zone gold anomaly (figures 3 and 4). The intersections include:

- **23m @ 0.50g/t Au from 3m (in KARA0012)**
- **4m @ 0.22g/t Au from 10m and 7m @ 0.25g/t Au from 25m (in KARA0013)**
- **8m @ 1.11g/t Au from 4m (in KARA0014)**

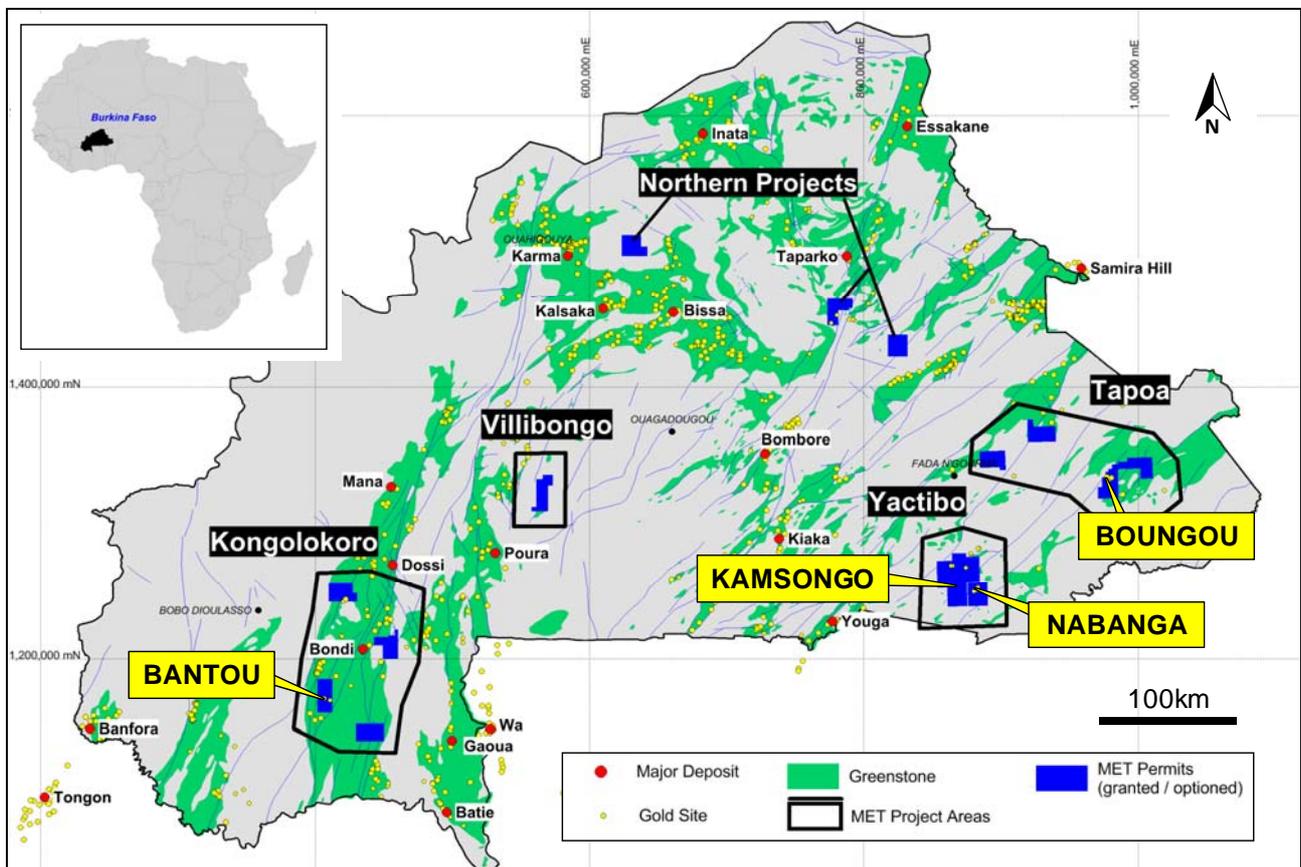


Figure 1 – Location of MET Burkina Faso exploration permits / projects (excludes applications).

Project Background

Kamsongo is a previously unknown gold prospect. The Kamsongo anomaly was identified by a regional-scale (800m x 100m) soil sampling program that is being progressively implemented across selected areas of the Company’s highly prospective portfolio of exploration properties in Burkina Faso.

The Kamsongo anomaly is located in the same project area as the Company’s recently announced high grade Nabanga gold discovery (ie: the Yactibo Project) but is thought to be part of a separate mineralised system centred approximately 10 kilometres to the west-south-west of the Nabanga discovery (figure 2).

Positive Early Drill Results / Additional Assays Awaited

The initial assay results received to date from the Kamsongo Prospect are very encouraging in that they demonstrate wide zones of elevated (+0.20g/t) gold mineralisation in basement rocks associated with a regional-scale structural target (evidenced in magnetic and radiometric geophysical data) (figures 3 and 4).

The assay results received to date from Kamsongo represent early stage data from a substantial drill program planned to test the gold-in-soil anomalism over its full (14km) strike length.

Additional RAB and RC drill samples from Kamsongo have been dispatched to the laboratory for analysis and further assays are awaited.

Drilling at Kamsongo has been temporarily suspended due to the impact of annual wet season rains. It is anticipated that RC drilling will resume at Kamsongo in October 2011.

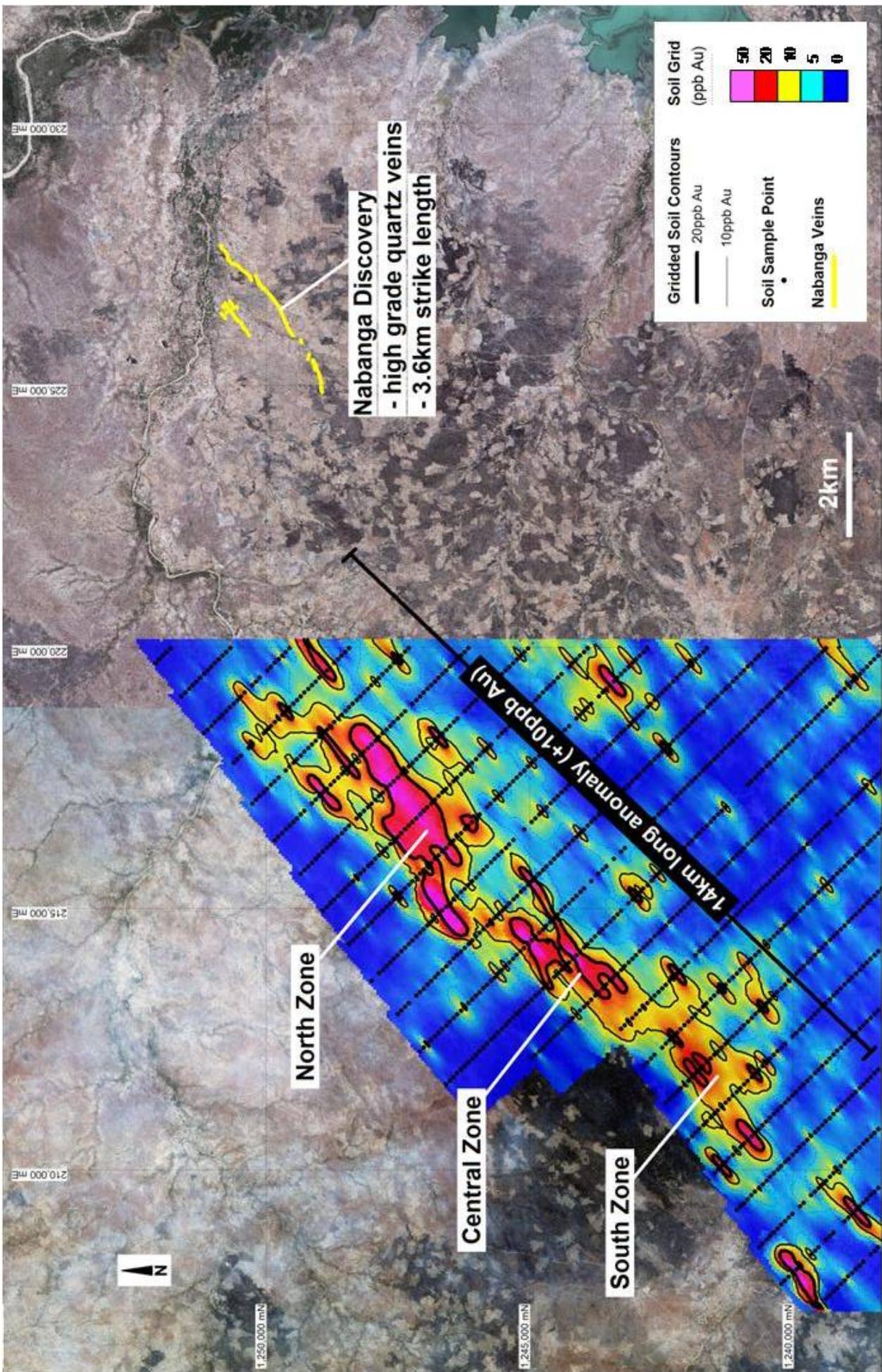


Figure 2 – Kamsongo gold anomaly and location in relation to the Nabanga Gold prospect.

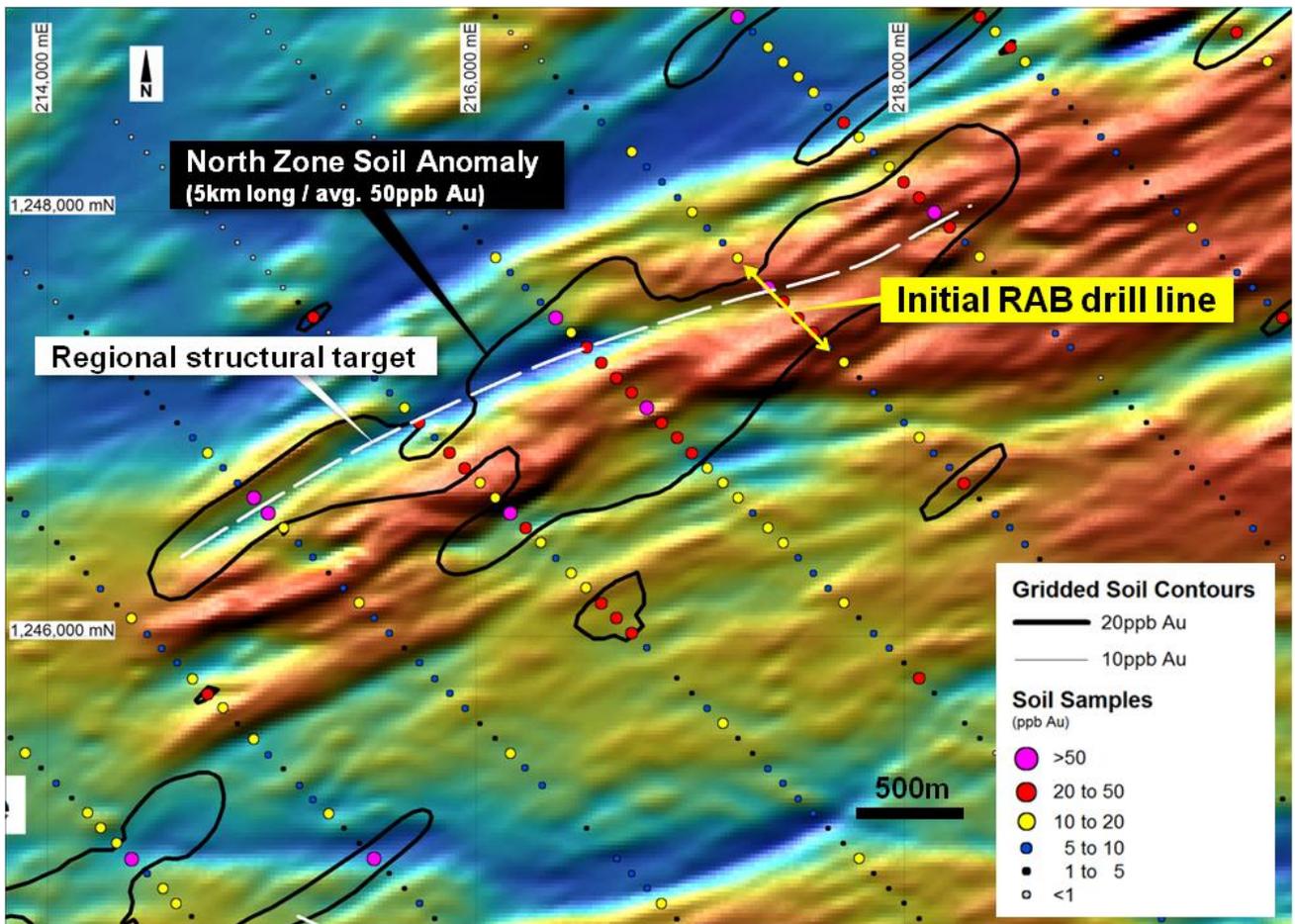


Figure 3 – Kamsongo Prospect – Detail of North Zone anomaly showing location of initial RAB drill line (on background magnetic image).

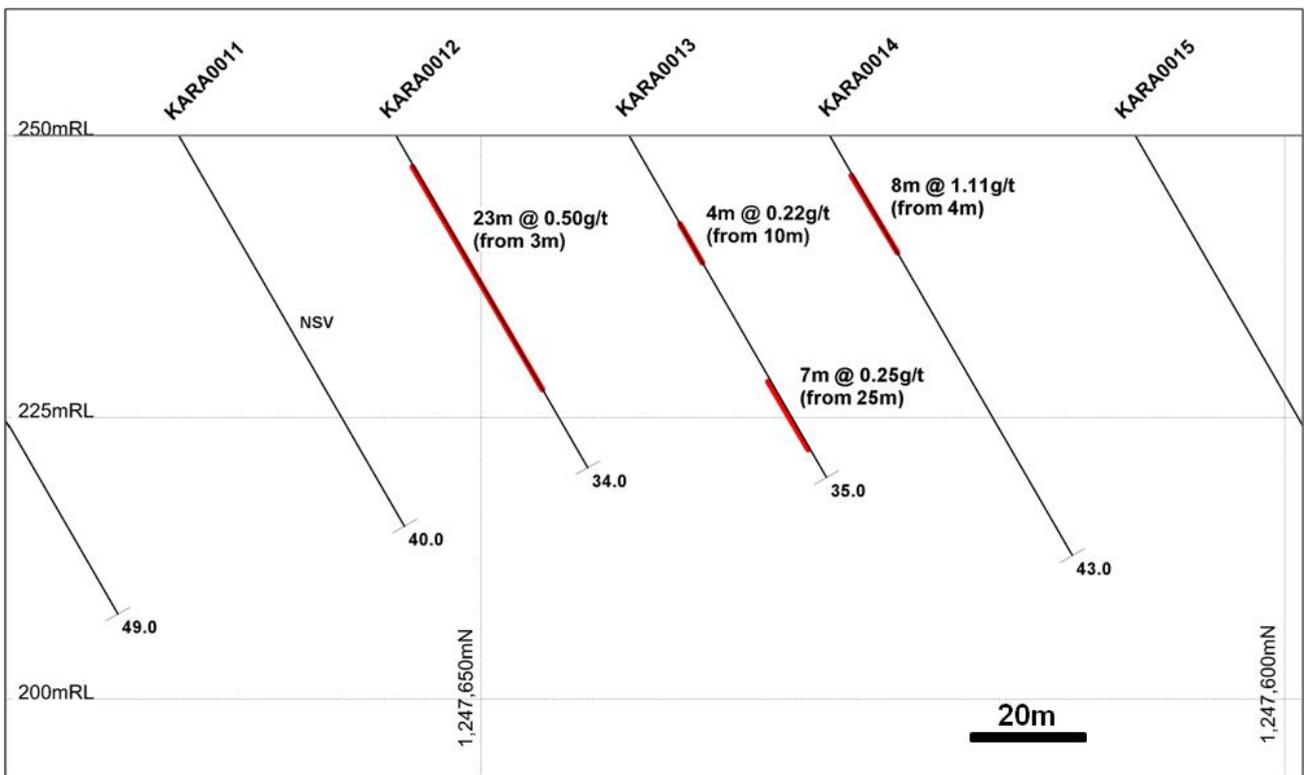


Figure 4 – Cross section showing +0.20g/t Au intersections in RAB drill holes KARA0012 to KARA0014 (viewed towards the north-east).

Check Analyses In Progress for Samples Containing Visible Free Gold

MET routinely pans select exploration drill samples with logged quartz and/or sulphides to check for the presence of coarse free gold.

Panning of select drill samples from Kamsongo (in RAB holes KARA0001 to KARA0056) recorded visible free gold ranging from fine gold particles up to coarse free gold in eight discrete one metre sample intervals. These intervals did not record high grade gold assays through the standard fire assay technique applied.

Under-estimation of gold grades via a standard fire assay technique when coarse free gold is present is an acknowledged limitation of this widespread and cost effective analytical method due to the limited sample size analysed (50 gram sub-sample) and the potential for inadvertent segregation of coarse gold particles into sample rejects.

In order to provide a more comprehensive assessment of gold assay grades at Kamsongo select drill hole intervals (including those where free gold was observed) will be re-assayed using a screen fire assay technique which uses a larger sample volume and provides for a complete analysis of the entire sample including both the fine and coarse components.

Results of these screen fire analyses will be reported in due course.

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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)	From (m)	To (m)	Width (m)	Au (g/t)
KARA0001	217,252	1,247,745	11				
KARA0002	217,256	1,247,739	11				
KARA0003	217,260	1,247,735	13				
KARA0004	217,264	1,247,732	10				
KARA0005	217,270	1,247,729	12				
KARA0006	217,273	1,247,723	15				
KARA0007	217,277	1,247,716	10				
KARA0008	217,284	1,247,712	31				
KARA0009	217,292	1,247,702	25				
KARA0010	217,303	1,247,689	49				
KARA0011	217,325	1,247,669	40				
KARA0012	217,336	1,247,653	34	3	26	23	0.50
				30	31	1	0.30
KARA0013	217,352	1,247,640	35	3	4	1	0.30
				10	14	4	0.22
				25	32	7	0.25
KARA0014	217,363	1,247,626	43	4	12	8	1.11
				18	19	1	0.25
KARA0015	217,382	1,247,607	34	12	13	1	0.28
KARA0016	217,400	1,247,599	31	0	1	1	0.26
KARA0017	217,410	1,247,585	37				
KARA0018	217,426	1,247,574	28				
KARA0019	217,435	1,247,562	25				
KARA0020	217,446	1,247,549	24				
KARA0021	217,456	1,247,542	24	19	20	1	1.02
KARA0022	217,465	1,247,530	15	3	5	2	0.29
KARA0023	217,470	1,247,525	18				
KARA0024	217,477	1,247,519	16				
KARA0025	217,483	1,247,512	18				
KARA0026	217,491	1,247,504	12				
KARA0027	217,495	1,247,501	12				
KARA0028	217,500	1,247,494	12				
KARA0029	217,505	1,247,488	9				
KARA0030	217,507	1,247,485	9				
KARA0031	217,512	1,247,484	15				
KARA0032	217,517	1,247,478	9				
KARA0033	217,519	1,247,473	9				
KARA0034	217,524	1,247,470	9				
KARA0035	217,528	1,247,466	9				
KARA0036	217,528	1,247,461	9				
KARA0037	217,535	1,247,461	9				
KARA0038	217,537	1,247,457	9				
KARA0039	217,540	1,247,450	9				
KARA0040	217,543	1,247,445	9				
KARA0041	217,547	1,247,442	12				
KARA0042	217,554	1,247,443	14				
KARA0043	217,560	1,247,443	15				
KARA0044	217,567	1,247,426	15				
KARA0045	217,572	1,247,422	20				
KARA0046	217,578	1,247,416	20				
KARA0047	217,586	1,247,408	21				
KARA0048	217,594	1,247,399	26				
KARA0049	217,607	1,247,388	14				
KARA0050	217,610	1,247,379	15				
KARA0051	217,613	1,247,375	15				
KARA0052	217,620	1,247,366	15				
KARA0053	217,628	1,247,362	17				
KARA0054	217,637	1,247,360	16				
KARA0055	217,641	1,247,356	15				
KARA0056	217,646	1,247,349	14				

No assay values >0.2g/t Au

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Table 1 – Summary drill hole data (all holes drilled with a -60° dip towards 142 degrees).