

ASX Announcement

07 June 2011

NABANGA GOLD PROSPECT – DRILLING OF HIGH GRADE GOLD DISCOVERY RE-COMMENCED

Highlights:

- Reverse circulation drilling re-commenced at the Nabanga gold discovery in south-east Burkina Faso targeting high grade gold mineralisation.
- Phase 1 intersections previously reported¹ from Nabanga include:
 - 2m @ 15.98g/t Au from 19m (in NARC003)
 - 8m @ 14.01g/t Au from 26m (in NARC006)
 - 3m @ 24.62g/t Au from 59m (in NARC011)
 - 4m @ 13.88g/t Au from 17m (in NARC017)
 - 8m @ 10.11g/t Au from 34m (in NARC030)
 - 3m @ 11.36g/t Au from 36m (in NARC031)
- Nabanga deposit open along strike and untested below 50 metres depth.
- Initial 3,000 metre program designed to “drill out” the entire 3.6km length of artisanal workings on 200 metre-spaced cross sections to 60 metres vertical depth.
- Subsequent drilling to complete further infill cross sections and to test high grade gold zones to 200 metres vertical depth.
- Drilling now in progress (simultaneously) at three separate gold prospects in Burkina Faso.

The Board of Mt Isa Metals Limited (MET) is pleased to announce that a significant program of reverse circulation (RC) drilling has commenced at the **Nabanga Gold Prospect** located in south-east Burkina Faso (figure 1).

The Company considers that the Nabanga Gold Prospect presents a significant opportunity for the definition of a substantial gold deposit. High grade gold mineralisation has been defined over a 3.6 kilometre strike length. The gold mineralisation is open ended along strike and untested below 50 metres vertical depth.

¹ Refer ASX release “Nabanga Gold Discovery” dated 20 January 2011.

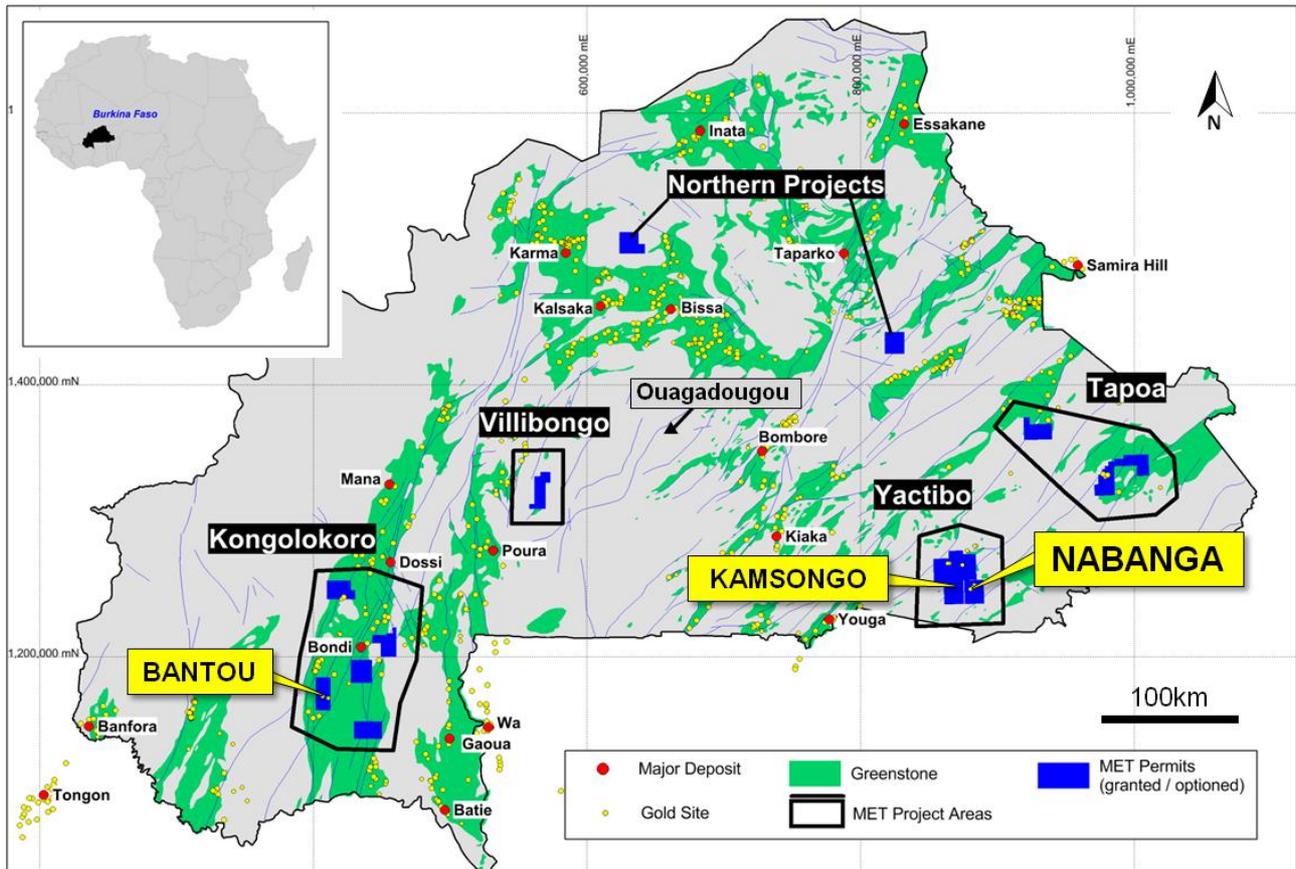


Figure 1 – Location of MET Burkina Faso exploration permits / projects (excludes applications).

Nabanga Gold Prospect

The Nabanga Gold Prospect is located in south-east Burkina Faso and lies within the Company's Yactibo Project area (Nabanga permit). The Nabanga deposit is defined at surface by a shallow northeast-trending zone of artisanal gold workings that extend over a 3.6 kilometre strike length.

In early 2011 MET reported assay results for the maiden drilling program at Nabanga which comprised twenty one RC drill holes. The drilling program was designed to test the Nabanga structure along the full length of the artisanal workings on approximate 300 to 400 metre spaced sections and to a maximum vertical depth approximately 50 metres from surface.

Gold mineralisation above 0.5g/t was recorded in every drill hole completed at Nabanga confirming a significant gold mineralised system (figure 2). Drill intersections included some very high grade assay results in the central quartz vein (ie: multi-ounce intersections over 1 metre sample widths) and additional high grade (+10g/t Au) intersections in both hangingwall and footwall positions relative to the interpreted main vein/structure (figure 3).

Significant drill intersections recorded from the phase 1 (maiden) drilling program included:

- **2m @ 15.98g/t Au** from 19m (in NARC003)
- **8m @ 14.01g/t Au** from 26m (in NARC006)
- **3m @ 24.62g/t Au** from 59m (in NARC011)
- **4m @ 13.88g/t Au** from 17m (in NARC017)
- **8m @ 10.11g/t Au** from 34m (in NARC030)
- **3m @ 11.36g/t Au** from 36m (in NARC031)

The phase 1 drill assay results confirmed Nabanga as a **significant new high grade gold discovery**.

Phase 2 Drilling

As a result of the success of the maiden drilling program the Company has elected to implement an expanded phase 2 drilling program at Nabanga which will include:

- an initial drill out of the structure on 200 metre spaced cross sections to an approximate 60m vertical depth (to identify higher grade “shoots”), to be followed by
- further infill drilling of the structure on 100m spaced cross sections, in conjunction with
- deeper drilling to 200 metres vertical depth

The location of the planned drill holes for the initial phase 2 drilling (on 200 metre-spaced cross sections) is shown at figure 2.

Commencement of the phase 2 drilling program had previously been delayed due to a requirement to secure an alternate drilling contractor and mobilise an additional drill rig to Burkina Faso.

Multiple Drill Programs Currently in Progress

Following the commencement of drilling at Nabanga the Company is pleased to advise that drilling is now simultaneously in progress at three separate prospect areas across Burkina Faso. These areas, shown in figure 1, comprise:

- **Bantou Prospect** – phase 2 RC drilling to follow up high grade gold intersections along a 500 metre strike length of gold workings (Kongolokoro Project - south-west Burkina Faso)
- **Kamsongo Prospect** – RAB drilling of +20ppb gold-in-soil geochemical anomalies (Yactibo Project area - south-east Burkina Faso)
- **Nabanga Prospect** – phase 2 RC drilling of high grade gold discovery (Yactibo Project area)

Given the significant drill metres involved in the current drill programs it is intended that the assay results will be reported on a periodic basis.

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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.

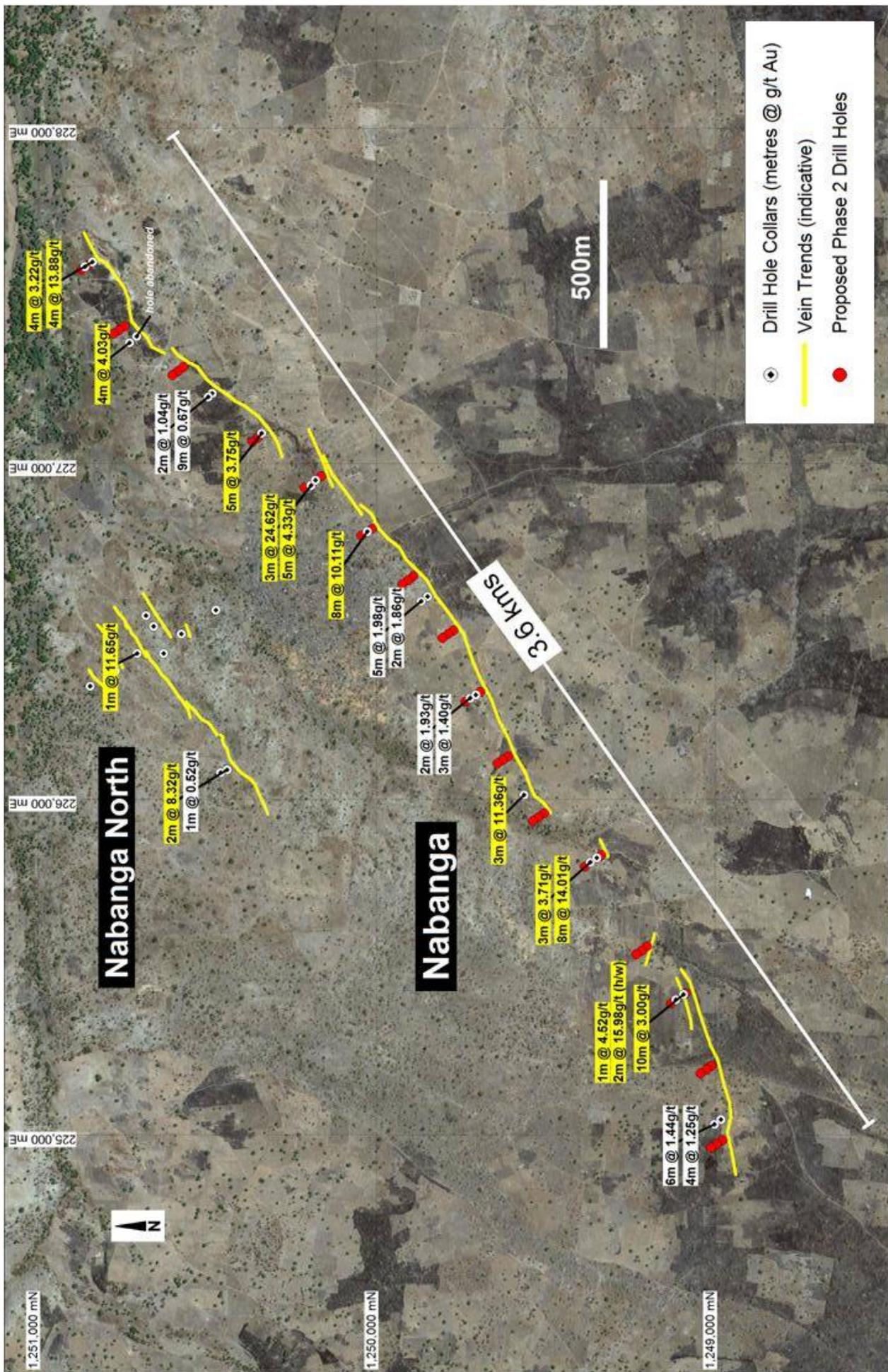


Figure 2 – Nabanga Prospect – Phase 1 drill results and location of initial phase 2 drill holes.

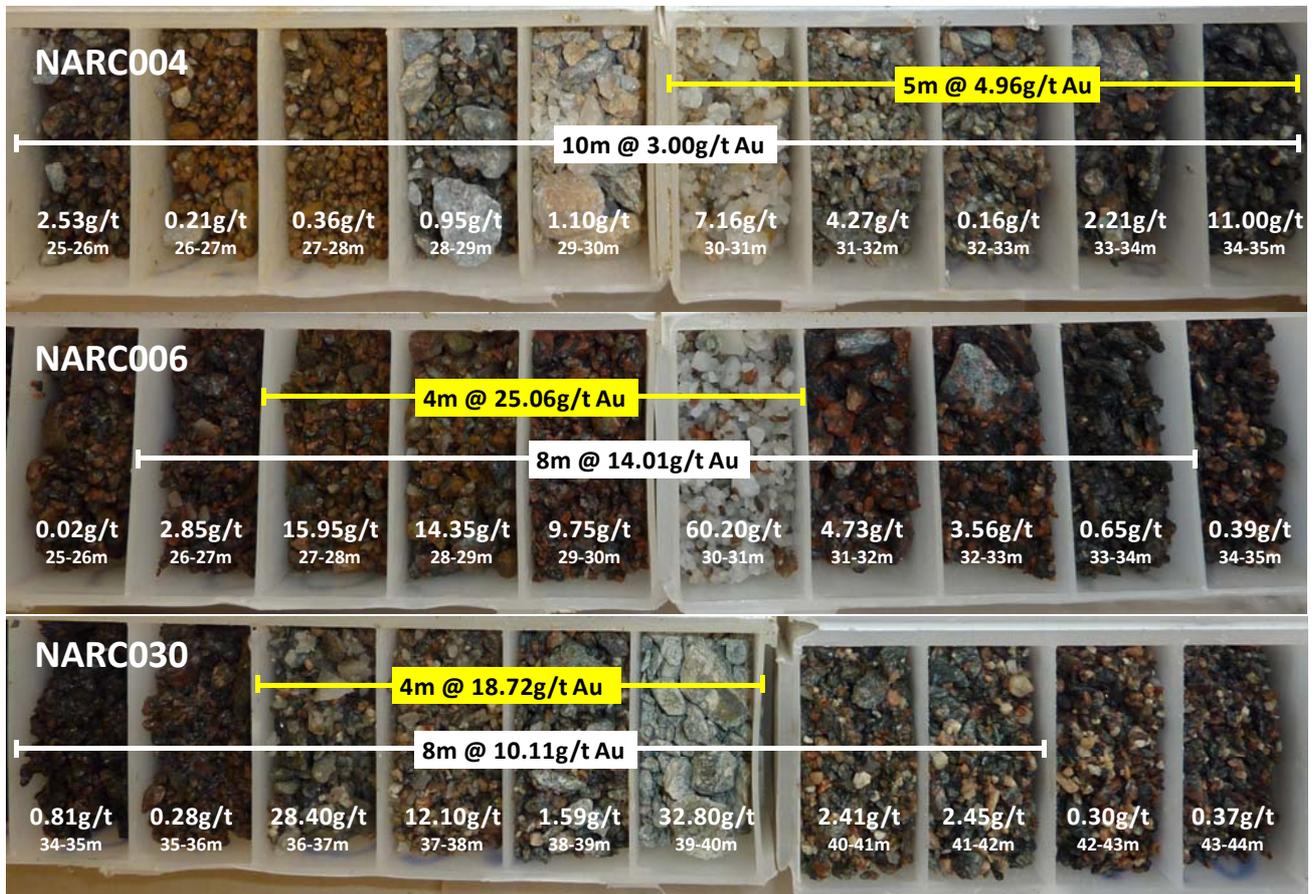


Figure 3 – Nabanga Permit – RC drill chips from selected phase 1 drill holes showing high grade central quartz vein and adjacent high grade gold assays.