

## ASX Announcement

2 February 2011

### **MET RAISES \$14.4m TO ACCELERATE EXPLORATION OF BURKINA FASO GOLD PROJECTS**

#### **Highlights:**

- **Placement of approximately 20.57 million shares to raise \$14.4 million (before costs)**
- **Funds to be directed towards acceleration and advancement of the Company's gold exploration projects in Burkina Faso**
- **Funds raised will provide an opportunity to accelerate assessment of the recently announced high grade Nabanga gold discovery in south-east Burkina Faso**

The Board of Mt Isa Metals Limited (MET) is pleased to announce that it has raised \$14.4 million (before costs) through a placement of approximately 20.57 million ordinary shares at \$0.70 per share.

The issue price of \$0.70 per share represents an 8% discount to the Company's last closing price of \$0.76 per share immediately prior to the capital raising announcement.

The funds will be used to further advance the Company's gold exploration programs in Burkina Faso and to accelerate exploration of the Company's recently announced Nabanga gold discovery in south-east Burkina Faso.

Bell Potter Securities Limited acted as Global Lead Manager of the placement.

MET's Managing Director Peter Spiers said "We are very pleased with the excellent results achieved to date from our exploration programs in Burkina Faso. We recently announced high grade gold intersection at the Bantou Prospect in western Burkina Faso, and a significant gold discovery at our Nabanga Prospect in the east of the country."

"The funds raised will enable the Company to accelerate exploration at these exciting discoveries and also to continue to advance exploration across the balance of our large Burkina Faso tenement position." Mr Spiers said.

The placement was made to a range of sophisticated and institutional investors in Australia and overseas, and, was undertaken within the Company's 15% placement capacity as described under ASX listing rule 7.1.

Funds from the placement are anticipated to be received by 07 February 2011 with shares to be issued shortly thereafter.

### **About MET Burkina Faso Gold Projects**

MET holds a substantial portfolio of exploration permits in Burkina Faso under three year option agreements that present multiple opportunities for large scale gold discoveries.

The Company commenced an aggressive exploration in Burkina Faso in mid 2010 and to date has recorded significant high grade (+2g/t) gold assays from surface sampling across **seven separate prospect areas**.

The Company completed its maiden drilling program in December 2010 which included a first pass assessment of two priority gold targets comprising the Bantou and Nabanga Gold Prospects.

High grade gold intersections were recorded at both prospects.

At the **Bantou Prospect** the Company recorded high grade gold mineralisation over a 450 metre strike length. Intersections included:

- 4m @ 3.59g/t Au from 38m (in DYRC01)
- 8m @ 80.32g/t Au from 36m (in DYRC03)
- 5m @ 6.12g/t Au from 60m (in DYRC04)
- 4m @ 4.26g/t Au from 42m (in DYRC05)

Additional details on the Bantou drilling results can be found in the Company's ASX release of 22 December 2010 "*Drill Assay Results - Bantou Gold Project*".

At the **Nabanga Prospect** drilling completed by the Company intersected +0.5g/t gold mineralisation along the entire 3.6 kilometre strike length of the structure tested to date. **The average intersection of all drill holes completed through the Nabanga structure was 4.6m @ 5.66g/t Au (20 drill holes).**

The Nabanga intersections included:

- 2m @ 15.98g/t Au from 19m (in NARC003)
- 10m @ 3.00g/t Au from 25m (in NARC004)
- 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)

There is a significant opportunity to further extend the “footprint” of the gold mineralised system at the Nabanga Prospect.

Drilling to date at Nabanga has been completed to a maximum vertical depth of approximately 50 metres from surface. Lode gold mineralisation in greenstone provinces can extend to significant depths.

In addition to the above a high resolution geophysical survey recently completed by MET over the broader Nabanga area indicates an additional 16 kilometre strike length of structure which remains untested. This includes the Nabanga structure and a second parallel structure with Nabanga-like characteristics.

Additional details on the Nabanga discovery can be found in the Company’s ASX releases of 20 January 2011 “*Nabanga Gold Discovery*” and 27 January 2011 “*MET - Investor Presentation*”.

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Further information on Mt Isa Metals can be found on our website [www.mtisametals.com.au](http://www.mtisametals.com.au)

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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.