

## ASX Announcement

01 August 2011

### **NEW NATOUGOU ZONE SOIL ANOMALY – LARGEST AND RICHEST ENCOUNTERED TO DATE BY MET AT THE BOUNGOU GOLD PROSPECT**

#### **Highlights:**

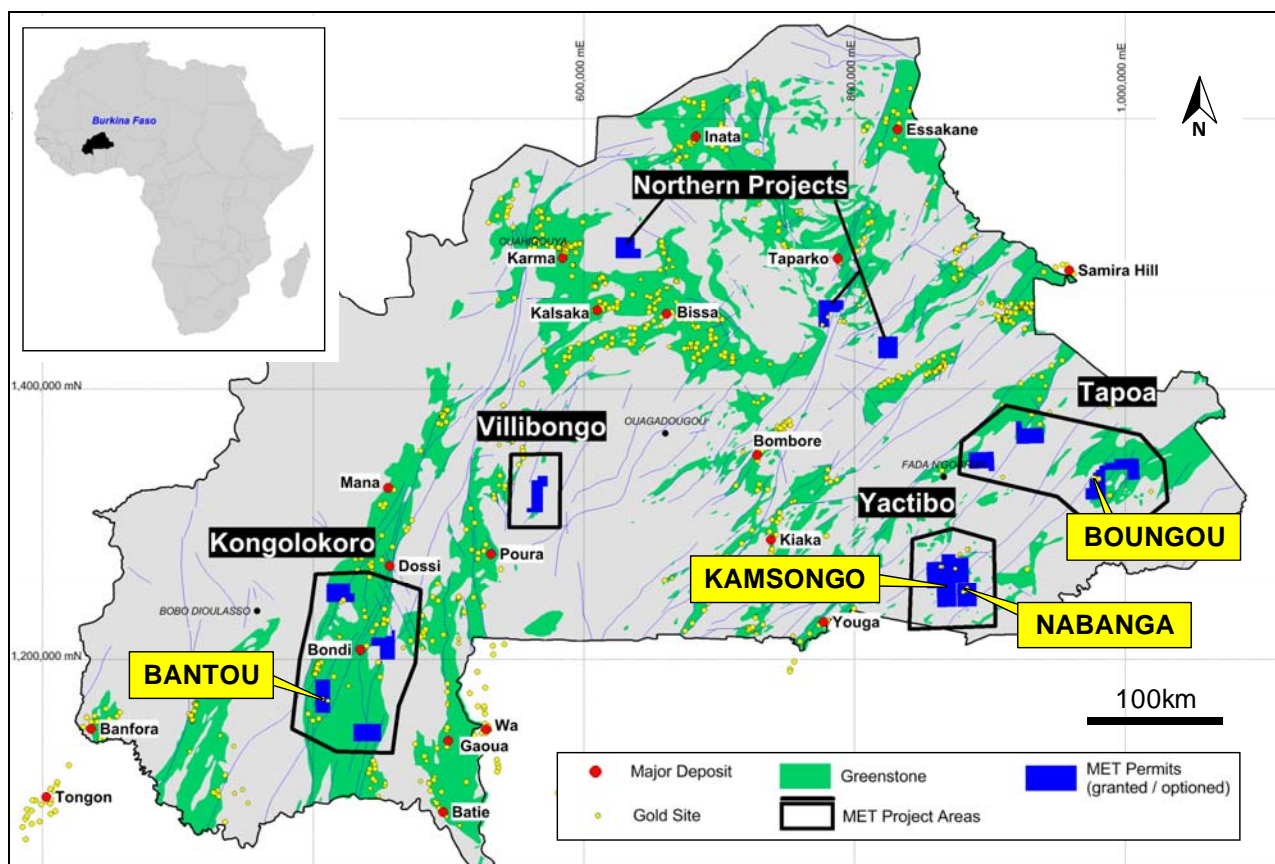
- Additional soil sample assay results received from the Bounbou Gold Prospect, Burkina Faso.
- New high order +50ppb<sup>1</sup> gold-in-soil anomaly (Natougou Zone) identified on the south-east margin of the current soil sample area.
- Natougou anomaly defined over a 1.3 kilometre strike length, and up to 500 metre width (based on 50ppb gold contour):
  - average grade 156 ppb Au (0.16g/t Au)
  - maximum sample value 744 ppb Au (0.74g/t Au)
- Natougou anomaly open to the east at the limit of soil sampling with four consecutive samples averaging 328ppb Au (0.33g/t Au).
- Additional assay results received extend the overall Bounbou Prospect soil anomalism to a total 6.6 kilometre strike length and 3.7 kilometre maximum width (at +20ppb Au).
- Gold anomalism within the Bounbou Prospect remains “open” in all directions.
- Additional soil assay results awaited.
- Expansion of soil sample area and reverse circulation drilling of high order anomalies planned at end of current wet season (October 2011).

The Board of Mt Isa Metals Limited (MET) is pleased to announce that further significant soil sample assay results have been received for the Company’s Bounbou Gold Prospect located in far eastern Burkina Faso (figure 1).

The new assay results define a new high order soil anomaly (referred to as the Natougou Zone) which includes the highest value soil samples received to date from the Bounbou Prospect with an average sample grade of 156ppb Au (0.16g/t Au) and, a maximum sample value of 744ppb Au (0.74g/t Au).

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<sup>1</sup> ppb = parts per billion : 1g/t (gram per tonne) = 1ppm (part per million) = 1,000ppb (parts per billion)



**Figure 1 - Boungou Prospect – Location diagram.**

### **Boungou Phase One Soil Sample Program**

Gold mineralisation in the Boungou Prospect area is marked by the presence of shallow artisanal gold workings in highly weathered surface rocks. As a result of the significant weathering a detailed soil sampling program was recently completed by MET over the broader (6km x 4km) prospect area to provide an initial assessment of the orientation and extent of the Boungou gold system.

Assay results received to date from the phase one soil sampling program have defined extensive zones of gold-in-soil anomalism that extend a significant distance from the limits of known artisanal workings. This wide-spread gold anomalism indicates significant potential for the discovery of large-scale bedrock gold mineralisation within the Boungou Prospect area.

### **New High Order Anomaly Identified - Natougou**

Additional soil assay results received for the Boungou Gold Prospect have defined a new high order (+50ppb Au) gold-in-soil anomaly along the south-east margin of the phase one soil sample area.

The Natougou Zone anomaly is defined over a 1.3 kilometre strike length and up to 500 metre width (based on the 50ppb gold contour) (figure 2).

The Natougou anomaly includes the highest order soil assay results received to date from the Boungou Prospect area and comprises:

- an average sample grade of 156 ppb Au (0.16g/t Au), including
- a maximum assay value 744 ppb Au (0.74g/t Au)

The Natougou anomaly is open to the east with four consecutive soil samples averaging 328ppb Au (0.33g/t Au) recorded on the easternmost sample line of the phase one sample program (figure 3).



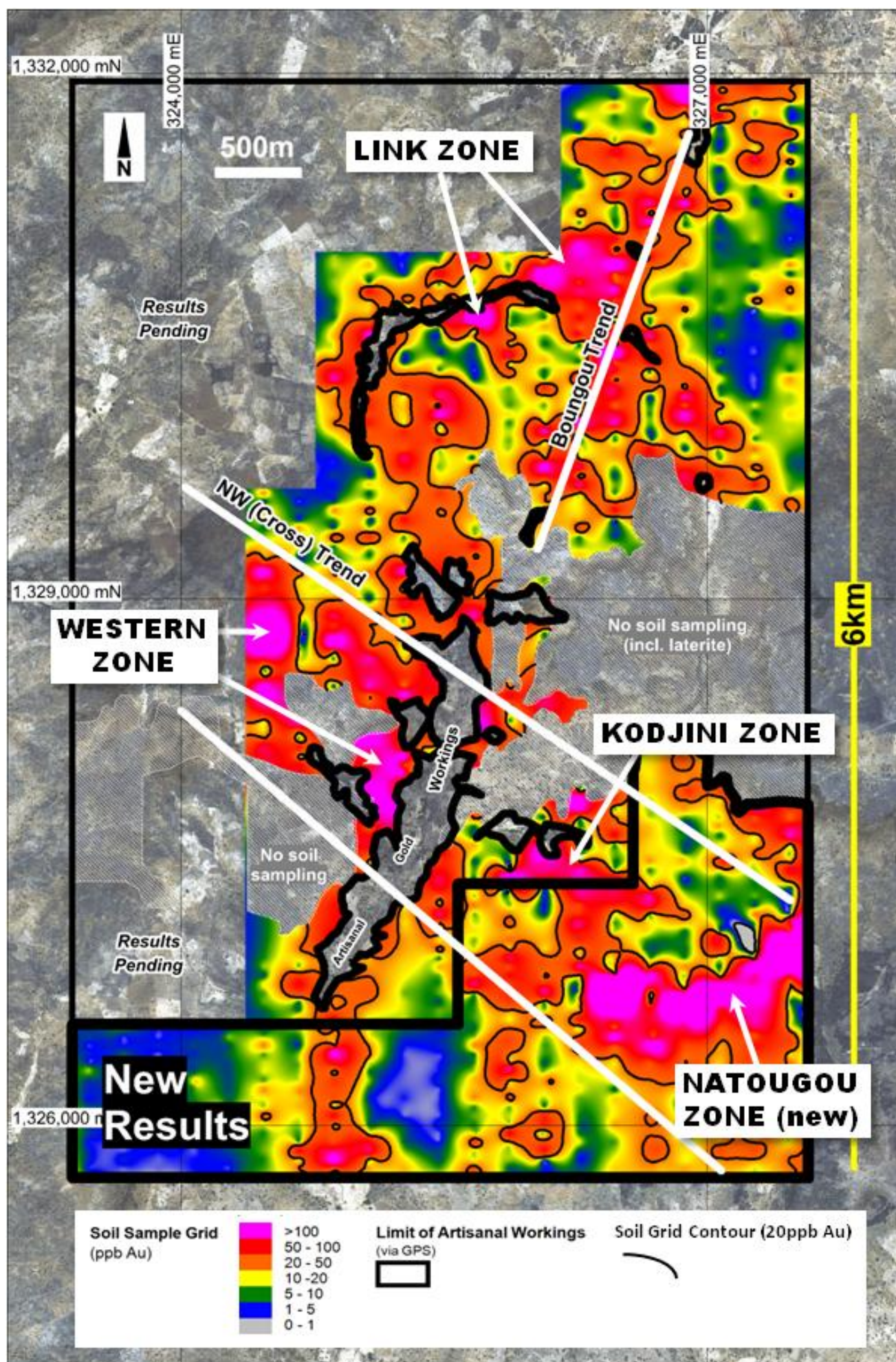


Figure 2 - Boungou Prospect – Showing phase one soil sample results received to date.



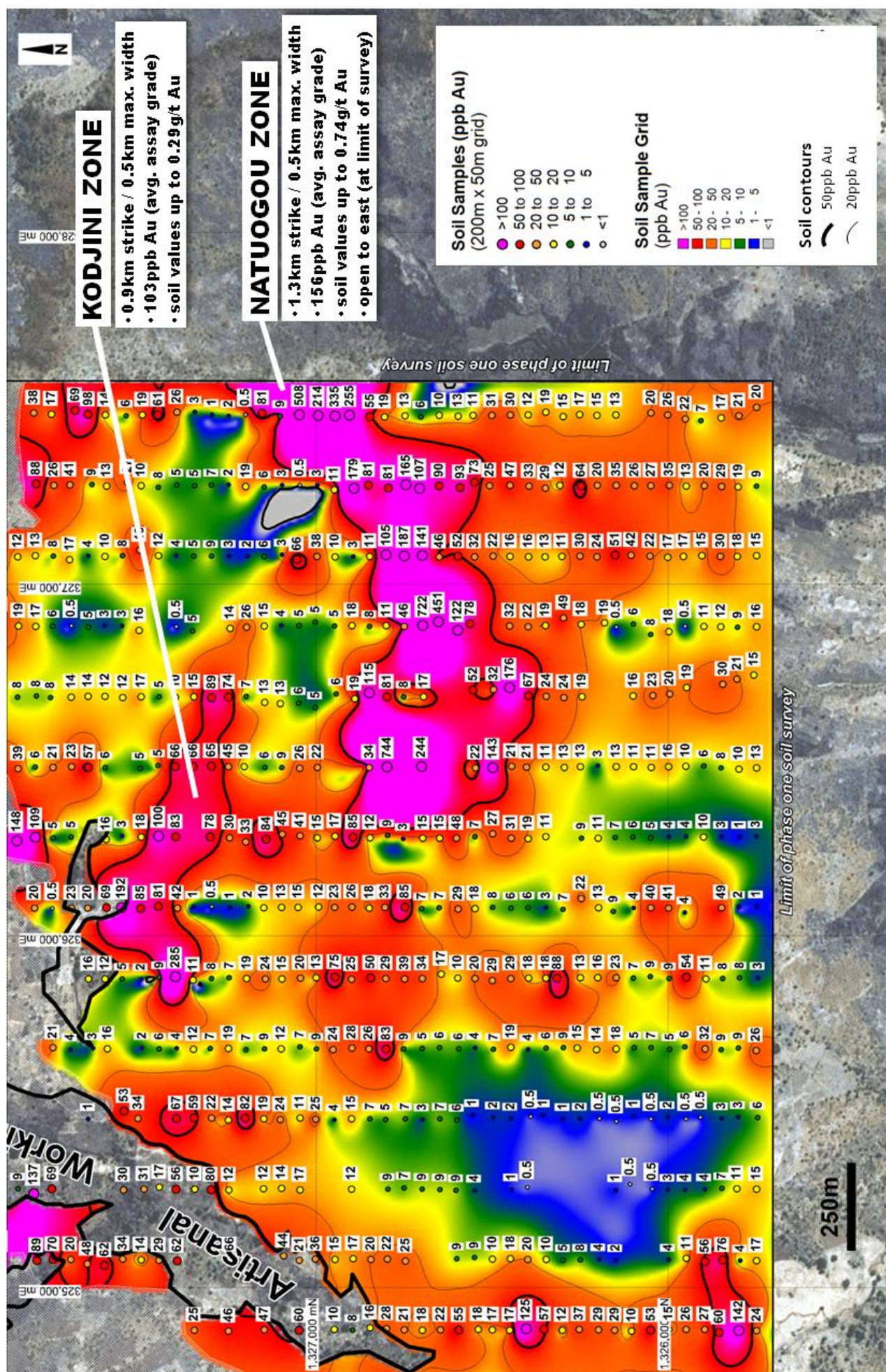


Figure 3 – Boungou Prospect – Detail of Kodjini Zone and Natougou Zone gold anomalies.



### Bougou Anomalism Extended to 6.6km Length / 3.7km Width

In addition to definition of the Natougou Zone anomaly, the new soil sample results received by the Company have also expanded the overall extent of gold anomalism across the greater Boungou Prospect area.

Significant gold-in-soil anomalism has now been defined over a total 6.6 kilometre strike length (notional NNE-SSW orientation – parallel to main zone of artisanal workings) and, a 3.7 kilometre maximum width (notional NNW-SSE orientation – including the Natougou Zone anomaly) (figure 2).

Gold anomalism within the Boungou area remains open in all directions with +50ppb Au gold assays recorded at the limit of the current assay results.

Multiple discrete zones of anomalism above 50ppb Au have now been defined across the Boungou Prospect area – including the Kodjini Zone, Western Zone, Link Zone and most recently the Natougou Zone anomalies (refer figure 2).

A number of large-scale gold deposits discovered in the region to date are associated with broad-scale soil anomalies at or above the 50ppb Au threshold. Therefore, the results received to date from the Boungou area indicate significant potential for discovery of large-scale gold deposits.

### Large Untested Permit Area

To date MET has explored only a very small proportion of the Boungou permit. The phase one soil sampling program (which covered an area of 24km<sup>2</sup>) has provided a first pass assessment of less than 10% of the total Boungou permit area (figure 4).

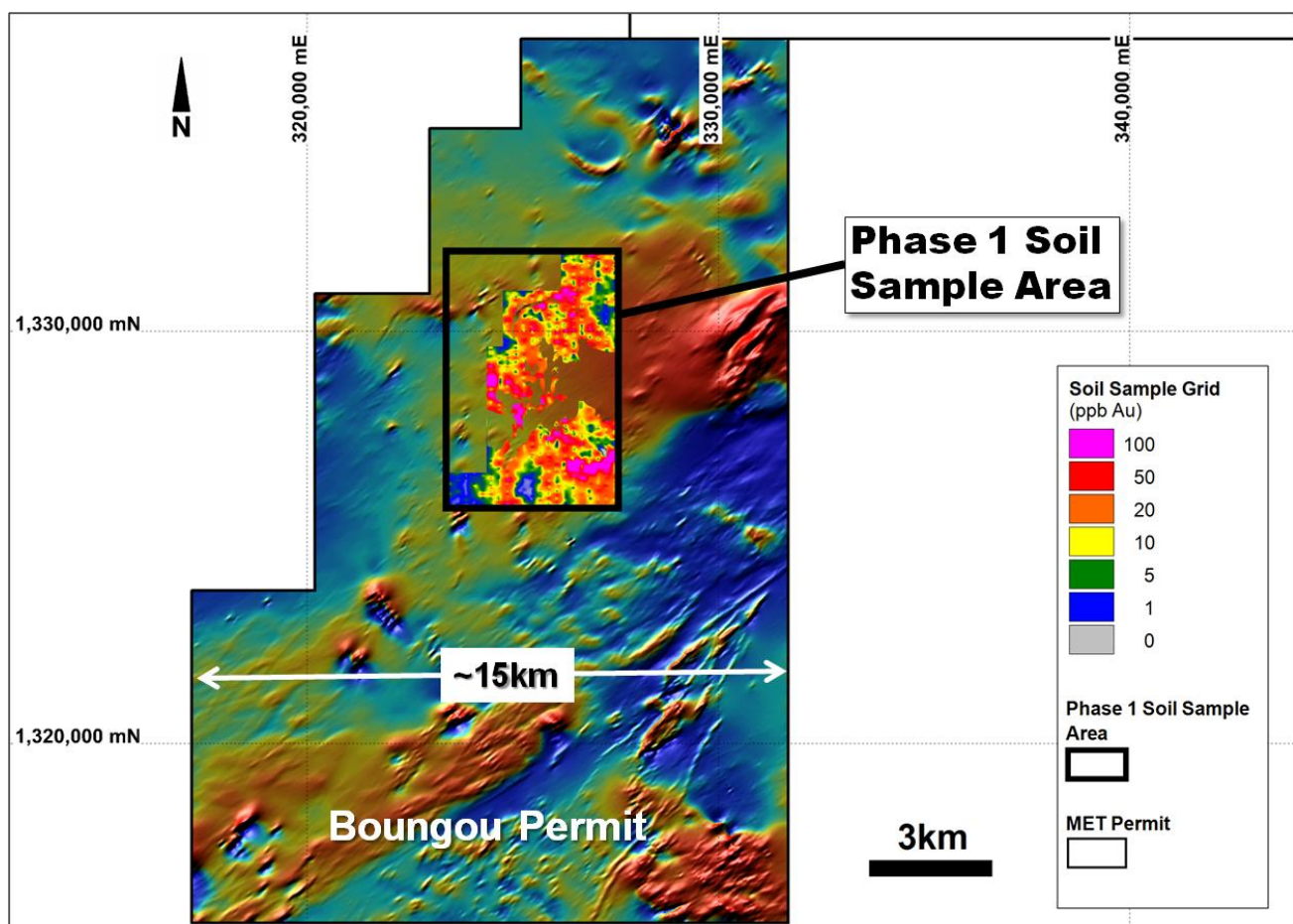


Figure 4 – Boungou Permit - showing phase 1 soil sample area on background magnetic image.

The Company recently completed high resolution magnetic and radiometric survey of the entire Boungou Permit. This survey identified a number of additional structural targets extending from the Boungou phase one soil sample area and across the balance of the Boungou permit.

These structural targets provide an opportunity (through further soil sampling programs) to define additional gold mineralised areas and to further extend the overall size of the Boungou gold system.

### Forward Program

Additional assay results are awaited for the balance of the phase one soil sampling program.

Upon receipt of all outstanding soil assay results and following the end of the current West African wet season (anticipated by October 2011) the Company intends to:

- expand the soil sampling program beyond the limit of the phase one sample area – in particular to the east of the open-ended Natougou Zone anomaly, and
- to commence initial reverse circulation drill testing of the multiple high order (+50ppb Au) gold anomalies across the Boungou Prospect area.

### Other Burkina Faso Gold Prospects

The Company is committed to maintaining an aggressive exploration program across the Company's large and highly prospective project portfolio in Burkina Faso (figure 1).

Further to the Boungou Prospect, the Company is currently awaiting assay results from drilling programs across a number of advanced gold prospect areas including:

- **Nabanga Prospect** – phase two RC drilling of high grade gold discovery
- **Bantou Prospect** – phase two RC drilling to follow up high grade gold intersections along a 500 metre strike length of gold workings
- **Kamsongo Prospect** – RAB drilling of +20ppb gold-in-soil geochemical anomalies

Assay results for the various prospect areas (including the Boungou Prospect) will be reported as they come to hand.

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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.