

## ASX Announcement

19 October 2011

### **NABANGA GOLD PROSPECT – NEW RC DRILL RESULTS DOUBLE STRIKE LENGTH OF HIGH GRADE GOLD MINERALISATION**

#### **Highlights:**

- Additional RC drill assay results from the Nabanga Prospect define a third near-surface high grade gold zone (South Zone) and double the interpreted strike length of high grade gold mineralisation.
- New quartz lode drill intersections include:
  - 4m @ 24.98g/t Au from 25m (in NARC052)  
(incl. 2m @ 46.70g/t Au from 25m)
  - 2m @ 9.80g/t Au from 50m (in NARC053)
  - 8m @ 5.33g/t Au from 17m (in NARC055)  
(incl. 2m @ 15.95g/t Au from 20m)
  - 8m @ 14.49g/t Au from 71m (in NARC070)  
(incl. 4m @ 27.22g/t Au from 72m)
- High grade gold mineralisation now defined at Nabanga over an aggregate 2.2 kilometre strike length with an average drill intersection of 3.9 metres @ 6.98g/t Au<sup>\*</sup>
  - South Zone: ~1,100m strike length, average intersection 4.4 metres @ 6.63g/t Au<sup>\*</sup>
  - Central Zone: ~500m strike length, average intersection 3.6 metres @ 9.31g/t Au<sup>\*</sup>
  - North Zone: ~600m strike length, average intersection 3.6 metres @ 5.06g/t Au<sup>\*</sup>
- Nabanga gold mineralisation remains open in all directions (along strike and at depth).
- Resource definition drilling scheduled to commence at the end of the wet season rains (anticipated by end of October).
- Significant potential for the definition of open pitable gold mineralisation at multiple locations along the Nabanga structure.
- Nabanga maiden resource estimate targeted for completion by March 2012.
- Cash balance of \$13.1m (as at 30 September 2011).

<sup>\*</sup> Length weighted average of all RC drill holes that intersect the Nabanga Lode within the interpreted high grade zone.

## New High Grade Zone Identified

The Board of Mt Isa Metals Limited (MET) is pleased to advise that additional high grade RC drill assay results have been received for the Nabanga Gold Prospect in south-east Burkina Faso.

The latest assay results confirm a new near-surface high grade gold zone (**South Zone**) that is interpreted to extend over an approximate 1.1 kilometre strike length (figure 1).

The South Zone assay results include new quartz lode intersections as follows:

- **4m @ 24.98g/t Au from 25m** (in NARC052)  
**(incl. 2m @ 46.70g/t Au from 25m)**
- **2m @ 9.80g/t Au from 50m** (in NARC053)
- **8m @ 5.33g/t Au from 17m** (in NARC055)  
**(incl. 2m @ 15.95g/t Au from 20m)**
- **8m @ 14.49g/t Au from 71m** (in NARC070)  
**(incl. 4m @ 27.22g/t Au from 72m)**

Detailed drill hole data is provided in tables 2 and 3.

## Strike Length of High Grade Gold Mineralisation Doubled

The new drill assay results, together with those previously announced for Nabanga, have now defined three high grade zones and doubled the interpreted strike length of high grade gold mineralisation to a total 2.2 kilometres (figure 2).

**The weighted average intersection for all drill holes completed to date within the three high grade zones (South Zone, Central Zone and North Zone) is 3.9 metres @ 6.98g/t Au** (from 49 RC drill holes).

The high grade gold zones provide significant potential to delineate economic open pitable gold mineralisation at multiple locations along the 3.6 kilometre strike length of the Nabanga structure drilled to date.

Summary intersection data for each high grade gold zone is provided below:

High Grade Zone	No. of Holes	Avg. Intersection (mtrs @ g/t Au)	Zone Strike Length (m)	Avg. Intersection Depth (m)
South Zone	18	4.4m @ 6.63g/t Au	~1,100m	36m
Central Zone	16	3.6m @ 9.31g/t Au	~500m	42m
North Zone	15	3.6m @ 5.06g/t Au	~600m	42m
Total	49	3.9m @ 6.98g/t Au	~2,200m	40m

**Table 1 – Summary intersection data for RC drilling within high grade gold zones.**

To date MET has completed a total of 78 RC drill holes along the full 3.6 kilometre strike length of the Nabanga Main Lode structure (ie: including the three high grade zones and “lower” grade areas between the high grade zones). **The weighted average intersection for all of these drill holes is 3.7 metres @ 5.35g/t Au.**



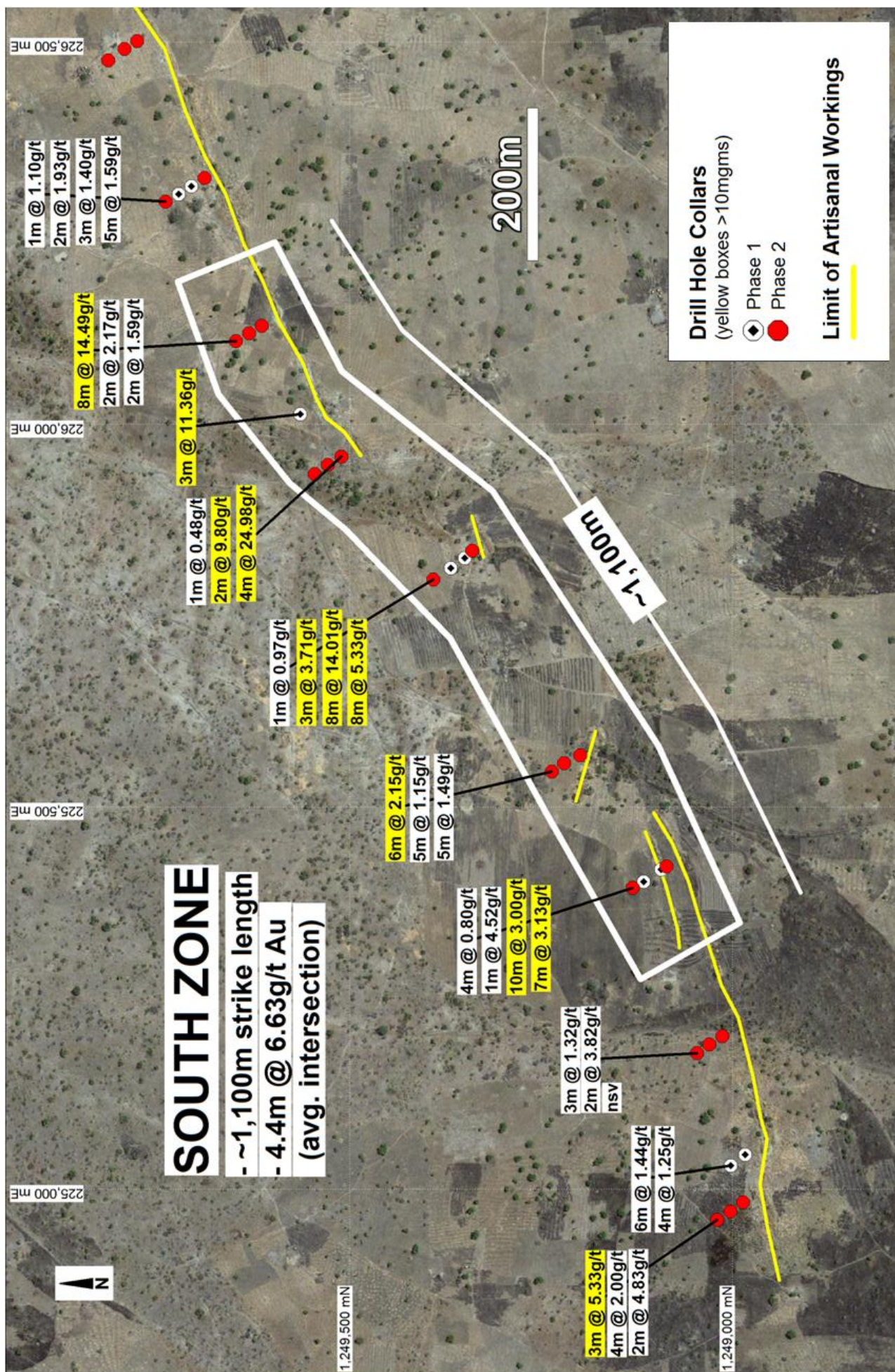


Figure 1 – Nabanga – Summary phase 1 and phase 2 drilling results in the South Zone area.



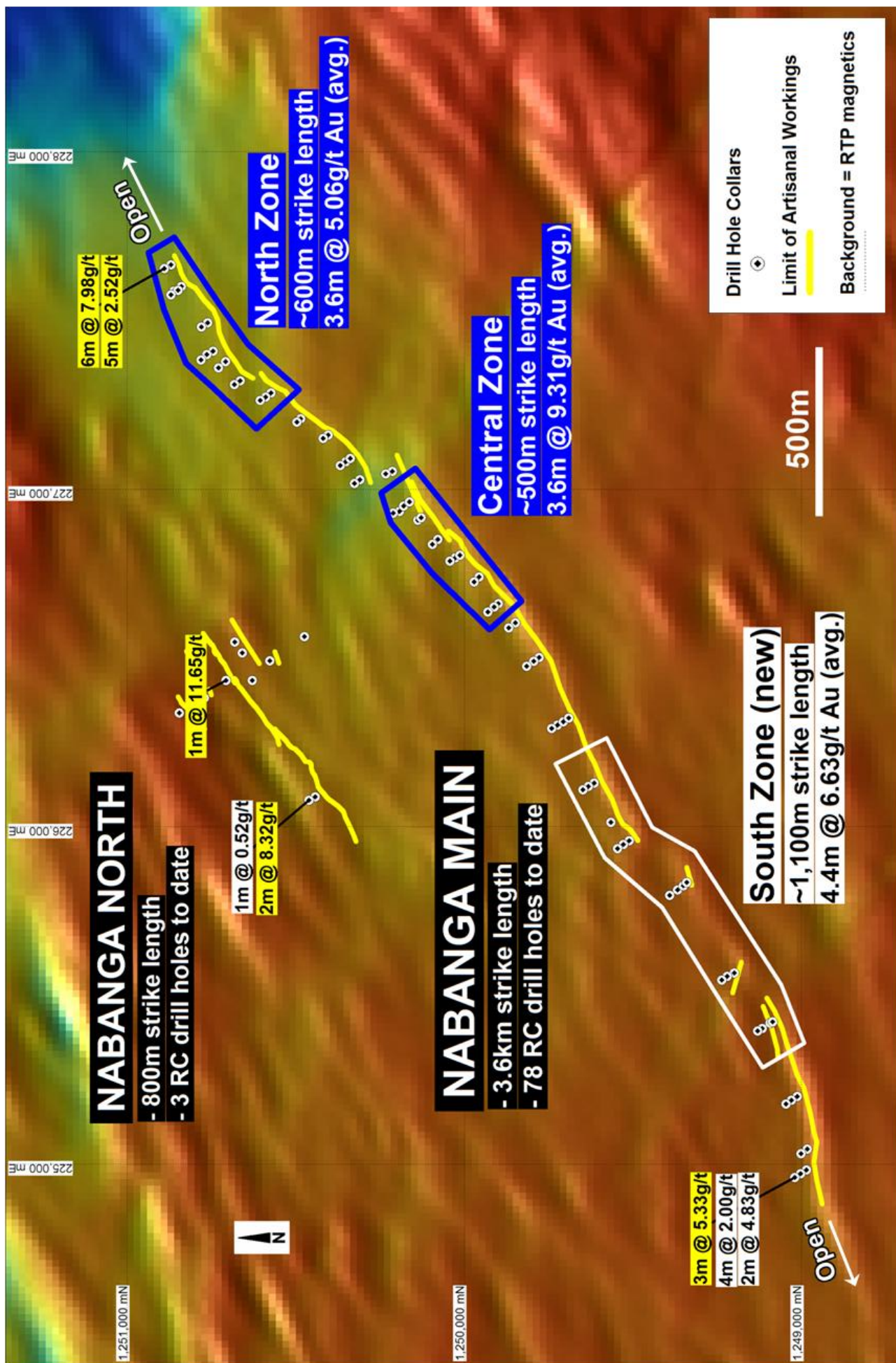


Figure 2 – Nabanga drill status plot – showing location of interpreted of high grade gold zones.

## Maiden Resource Targeted by March 2012

RC drilling is scheduled to resume at Nabanga at the end of the current wet season rains (anticipated by the end of October 2011). The drilling will primarily be directed towards establishing a maiden resource estimate for the Nabanga deposit by March 2012 and will include:

- near-surface infill drilling of identified high grade “shoots”
- deep drilling (to ~150m vertical depth) below high grade “shoots”

RC drilling will also test **strike extensions** of the Nabanga structure beyond the limit of the current artisanal workings. MET has recorded strong gold mineralisation at the limit of the RC drill pattern completed to date at both ends of the Nabanga structure (figure 2) including open intersections of:

- 3 metres @ 5.33g/t Au (from 58 m in NARC064) – *at west end of current drilling*
- 6 metres @ 7.98g/t Au (from 46m in NARC088) – *at east end of current drilling*

Further to the above additional RC drilling will also be completed over the **Nabanga North Lode** (a separate structure located ~800m north-west of the Nabanga Main Lode) (figure 2). The Nabanga North Lode has been defined over an 800 metre strike length and included first pass RC drill intersections of:

- 2 metres @ 8.32g/t Au (from 25m in NARC019)
- 1 metre @ 11.65g/t Au (from 18m in NARC024)

MET has recently finalised a new RC drilling contract (40,000 metre program) to facilitate the planned drilling at Nabanga and other project areas.

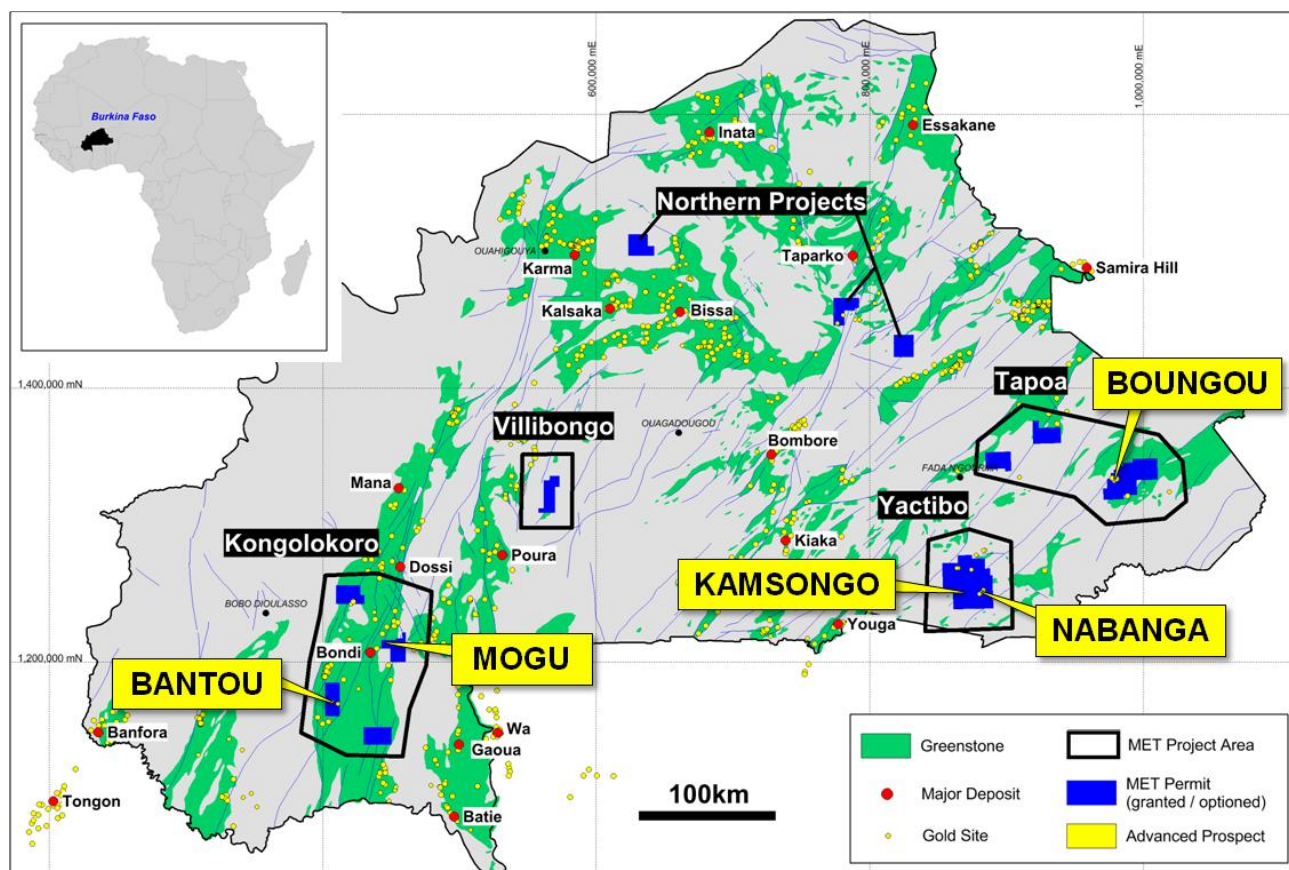


Figure 3 – MET Burkina Faso location diagram.



Hole No.	East (WGS84)	North (WGS84)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
NARC052	225,958	1,249,511	50	-60	145	25	29	4	24.98
						incl. 25	27	2	46.70
NARC053	225,947	1,249,529	82	-60	145	50	52	2	9.80
NARC054	225,935	1,249,546	100	-60	145	69	70	1	0.48
NARC055	225,835	1,249,340	40	-60	145	17	25	8	5.33
						incl. 20	22	2	15.95
NARC056	225,797	1,249,391	90	-60	145	61	62	1	0.97
NARC057	225,422	1,249,086	40	-60	145	16	23	7	3.12
						incl. 19	22	3	5.97
NARC058	225,394	1,249,130	100	-60	145	62	66	4	0.80
NARC059	225,200	1,249,013	40	-60	145	nsv			
NARC060	225,189	1,249,030	71	-60	145	49	51	2	3.82
NARC061	225,178	1,249,046	90	-60	145	59	62	3	1.32
NARC062	224,983	1,248,986	41	-60	145	25	27	2	4.83
NARC063	224,971	1,249,003	70	-60	145	42	46	4	2.00
NARC064	224,960	1,249,020	90	-60	145	58	61	3	5.33
NARC065	225,567	1,249,199	50	-60	145	16	21	5	1.49
NARC066	225,557	1,249,220	85	-60	145	29	34	5	1.15
NARC067	225,546	1,249,236	105	-60	145	34	40	6	2.15
NARC068	226,129	1,249,615	51	-60	145	23	25	2	1.59
NARC069	226,119	1,249,632	82	-60	145	50	52	2	2.17
NARC070	226,109	1,249,649	100	-60	145	71	79	8	14.49
						incl. 72	76	4	27.22
NARC071	226,291	1,249,741	100	-60	145	64	65	1	1.10
NARC072	226,322	1,249,690	45	-60	145	11	16	5	1.59

**Table 2 – Nabanga Drill Results – Interpreted Main Lode Intersections (0.5g/t Au cut-off grade).**

Hole No.	East (WGS84)	North (WGS84)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
NARC052	225,958	1,249,511	50	-60	145	1	2	1	5.98
NARC058	225,394	1,249,130	100	-60	145	20	22	2	1.15
NARC059	225,200	1,249,013	40	-60	145	0	1	1	12.90
NARC060	225,189	1,249,030	71	-60	145	0	1	1	0.78
						10	13	3	1.36
						45	46	1	0.62
NARC061	225,178	1,249,046	90	-60	145	7	8	1	2.03
						27	28	1	1.16
						49	50	1	1.16
						68	69	1	1.48
NARC062	224,983	1,248,986	41	-60	145	0	2	2	1.81
NARC063	224,971	1,249,003	70	-60	145	40	41	1	0.54
NARC064	224,960	1,249,020	90	-60	145	20	21	1	1.94
NARC067	225,546	1,249,236	105	-60	145	98	99	1	0.71
NARC071	226,291	1,249,741	100	-60	145	15	16	1	1.68
						79	80	1	1.28
						83	84	1	0.51
NARC072	226,322	1,249,690	45	-60	145	0	2	2	2.95
						7	8	1	1.77

**Table 3 – Nabanga Drill Results – Other Intersections (0.5g/t Au cut-off grade).**

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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.