

ASX Announcement

11 May 2011

HIGH GRADE COPPER-GOLD DRILLING RESULTS FROM THE BLUE STAR PROSPECT – MOUNT ISA

Highlights:

- **Significant copper-gold intersections recorded from follow-up reverse circulation drilling of the Blue Star Prospect (Number 2 Reef) – Mount Isa.**
- **Assay results include:**
 - **14m @ 1.10% Cu and 0.20g/t Au from 23m (BSRC 007)**
(incl. 2m @ 3.76% Cu and 0.50g/t Au from 35m)
 - **9m @ 6.12% Cu and 0.69g/t Au from 85m (BSRC 008)**
(incl. 4m @ 9.89% Cu and 1.05g/t Au from 86m)
 - **7m @ 1.55% Cu and 0.12g/t Au from 38m (BSRC 014)**
- **Mineralisation on the No. 2 Reef open along strike (to the south-east) and at depth.**
- **Additional RC drilling at Blue Star to commence shortly.**

The Board of Mt Isa Metals Limited (MET) is pleased to advise that significant copper-gold assay results have been received from further drilling at the Blue Star Prospect located approximately 45 kilometres east of Mount Isa (figure 1).

The Blue Star Prospect is situated within the Blockade exploration permit (EPM 16197) and forms part of the West Leichardt Joint Venture between MET (49%) and Syndicated Metals Limited (51% and manager).

The current reverse circulation (RC) drilling program (comprising 9 drill holes for 676 drilled metres) was completed to follow up encouraging shallow first pass drilling results reported from the prospect in late 2010.

The Blue Star copper-gold prospect is defined at surface by a zone of shallow historical copper workings that exploited multiple “reef” structures. The current drilling program focussed on the assessment of the steeply dipping, north-west striking, Number 2 Reef which has generated the most significant copper-gold drill intersections in the prospect to date (figure 2).

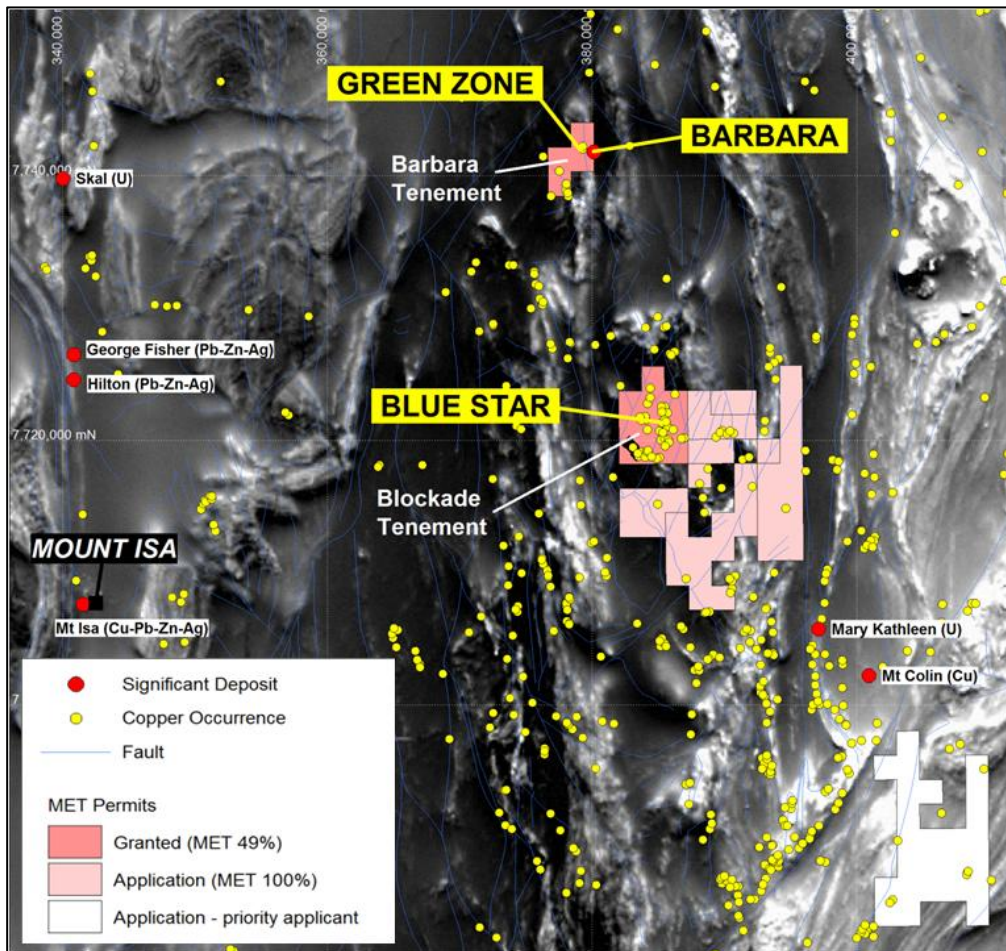


Figure 1 – Leichardt Project – showing prospect / tenement locations.

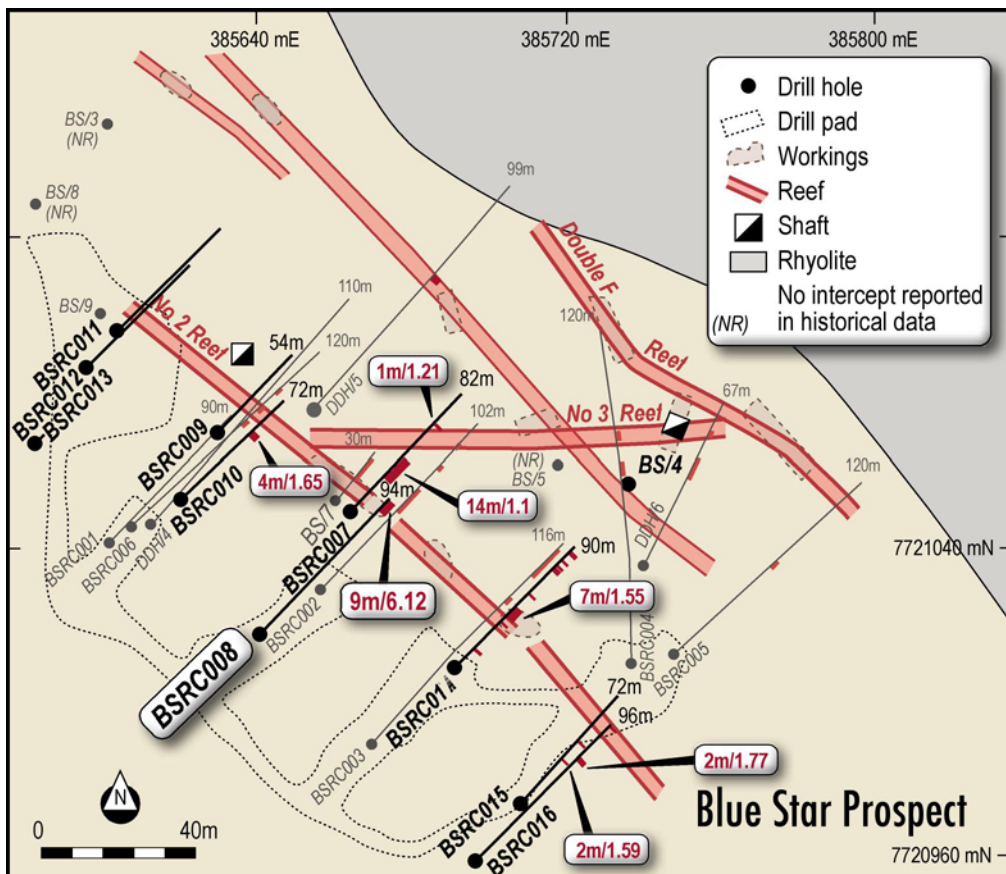


Figure 2 – Blue Star Prospect – showing drill hole and reef locations.

All of the most significant assay results received from the current drilling program at the Blue Star Prospect were recorded from the Number 2 Reef. These intersections included:

- **14m @ 1.10% Cu and 0.20g/t Au from 23 m (BSRC 007)**
(incl. 2m @ 3.76% Cu and 0.50g/t Au from 35m)
- **9m @ 6.12% Cu and 0.69g/t Au from 85m (BSRC 008)**
(incl. 4m @ 9.89% Cu and 1.05g/t Au from 86m)
- **4m @ 1.65% Cu and 0.23g/t Au from 47m (BSRC 010)**
- **7m @ 1.55% Cu and 0.12g/t Au from 38m (BSRC 014)**

The Number 2 Reef intersections define a steeply dipping mineralised structure with generally elevated copper and gold assay values on the hangingwall and footwall contacts.

A schematic cross section through the central segment of the Number 2 Reef (drill hole BSRC 008) is provided at figure 3.

The Number 2 Reef intersection recorded in drill hole BSRC 008 is the most significant intersection recorded from the Blue Star Prospect to date. The intersection includes a **4 metre interval** close to the hangingwall contact grading **9.89% copper and 1.05g/t gold**.

The intersection in BSRC 008 is also open at depth.

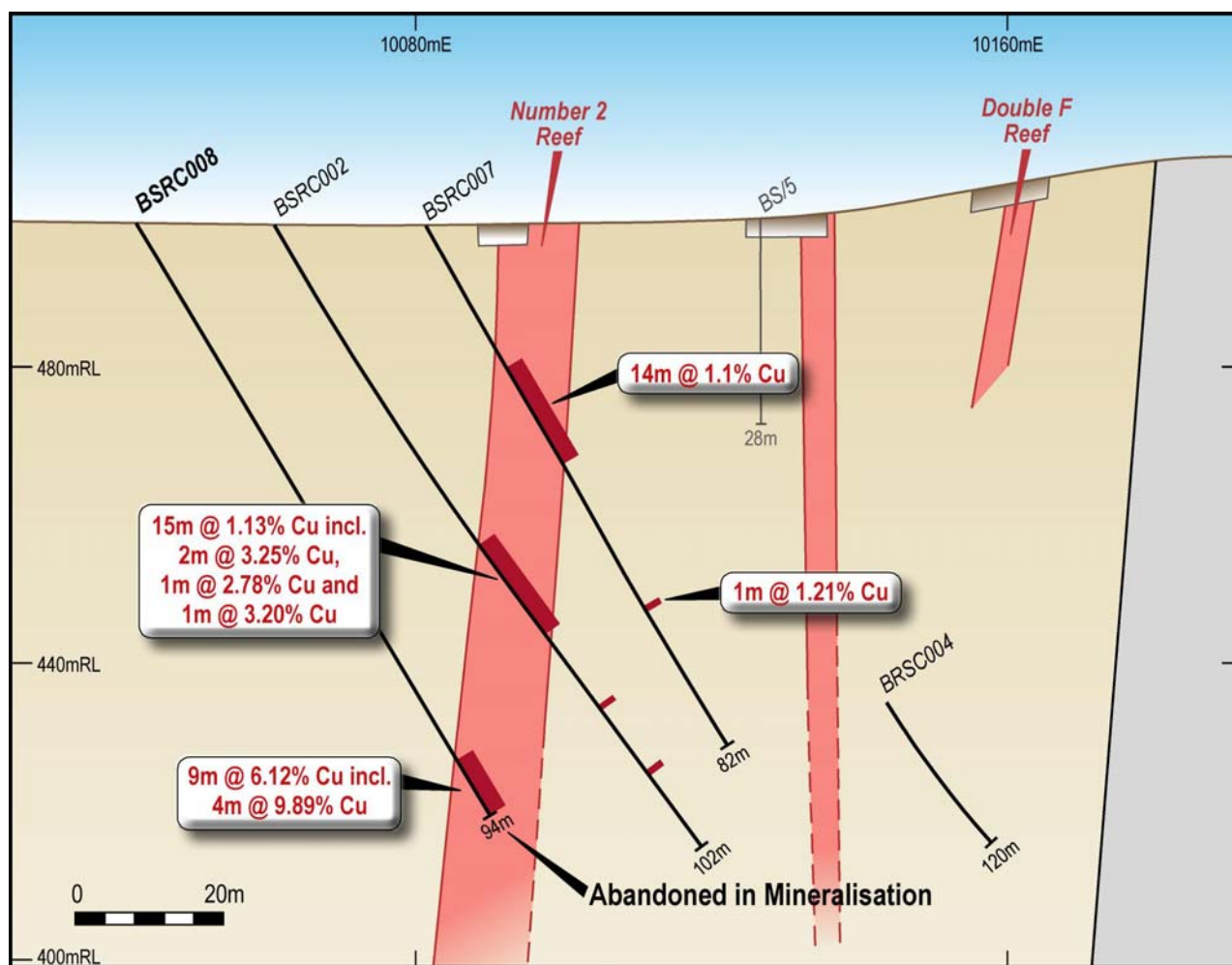


Figure 3 – Blue Star Prospect – Cross section.

It should be noted that drill hole BSRC 008 was terminated in copper mineralisation before the planned final depth due to loss of air pressure. Therefore, potential exists to further extend the width of mineralisation in this area through completion of drilling into the footwall of the reef.

A photograph of drill chips from drill hole BSRC 008 is provided at figure 4. The figure highlights high grade copper and gold values which range up to **12.1% copper** (88-89m) and **1.70g/t gold** (86-87m).

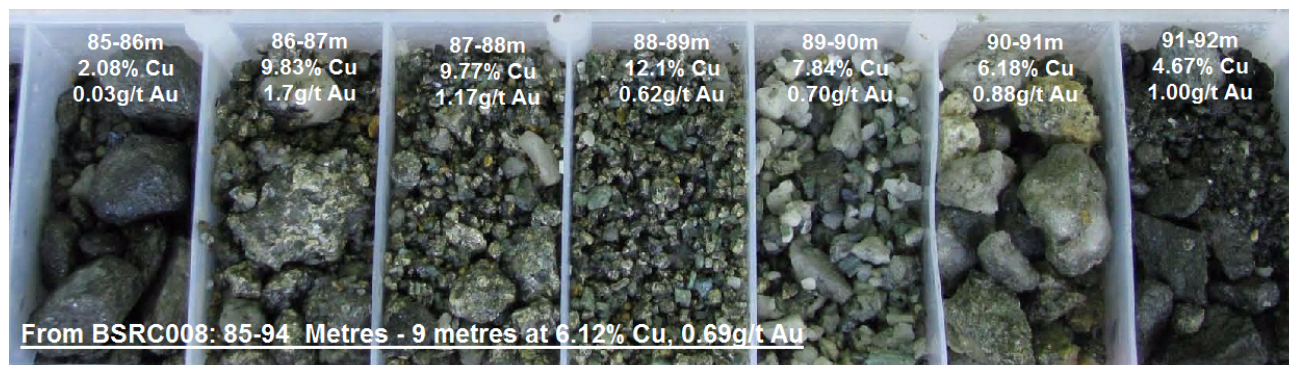


Figure 4 – RC chips from drill hole BSRC008 (Number 2 Reef) .

Follow-up Drilling / Further Assay Results

Further RC drilling is proposed for the Blue Star Prospect. This drilling is anticipated to commence shortly and will predominantly target copper-gold mineralisation on the Number 2 Reef.

In addition to the above, RC drilling has also recently been completed at the Green Zone Prospect (refer figure 1). Assay results for this drilling are awaited.

For further information please contact:

Mr Peter Spiers

Managing Director

Ph: (07) 3303 0624 or 0409 407 265

Mr Duncan Cornish

Company Secretary

Ph: (07) 3303 0624 or 0407 623 302

Email: info@mtisametals.com.au

Further information on Mt Isa Metals can be found on our website www.mtisametals.com.au

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 (GDA94)	North (GDA94)	TD (m)	Dip	Azi		From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Co (ppm)
BSRC 007	385665	7721050	82	-60	45		23	37	14	1.10	0.20	91
						incl.	23	25	2	1.95	0.35	187
						and	35	37	2	3.76	0.50	228
						and	45	47	2	1.14	0.13	93
							60	61	1	1.21	0.11	71
BSRC 008	385642	7721018	94	-60	45		85	94	9	6.12	0.69	328
						incl.	86	90	4	9.89	1.05	505
BSRC 009	385631	7721070	54	-60	45	No significant intersections.						
BSRC 010	385621	7721052	72	-60	45		47	51	4	1.65	0.23	178
						incl.	47	49	2	2.50	0.18	294
BSRC 011	385605	7721096	40	-60	45	No significant intersections.						
BSRC 012	385597	7721086	70	-60	45	No significant intersections.						
BSRC 013	385584	7721067	6	-60	45	No significant intersections.						
BSRC 014	385691	7721009	90	-60	45		14	15	1	0.77	0.09	31
							35	36	1	1.48	0.19	32
							38	45	7	1.55	0.12	36
						incl.	41	42	1	8.12	0.33	89
							53	54	1	1.65	0.06	32
							70	72	2	0.60	0.10	30
							73	74	1	0.69	0.14	45
							77	78	1	0.68	0.17	42
							82	84	2	0.64	0.10	37
BSRC 015	385709	7720975	72	-60	45		29	30	1	1.59	0.19	78
							41	42	1	0.86	0.05	59
BSRC 016	385697	7720960	96	-60	45		72	74	2	1.77	0.37	48

Table 1 – Blue Star Prospect – Assay results (at 0.5% Cu cut-off grade).