

ASX Announcement

15 September 2010

VTEM SURVEY IDENTIFIES COPPER-GOLD TARGETS WITHIN THE BARBARA EXPLORATION PERMIT

Highlights:

- **Helicopter-borne Versatile Time-Domain Electromagnetic (VTEM) survey completed over the Barbara exploration permit (EPM 16112)**
- **Preliminary results indicate multiple high order “sulphide” drill targets**
- **Further analysis of the survey data and on-ground validation to follow**

The Board of Mt Isa Metals Limited (MET) is pleased to announce preliminary results for a Versatile Time-Domain Electromagnetic (VTEM) survey recently flown over the Barbara exploration permit.

The Barbara permit (EPM 16112) is held in joint venture between MET (49%) and Syndicated Metals (51% and manager). The permit includes the Barbara North Lode copper-gold deposit and adjacent Green Zone and North Gossan targets and is located approximately 50 kilometres north-east of Mount Isa in north-west Queensland.

The VTEM program (which was part of a larger survey by Syndicated Metals) included a total of approximately 87 line kilometres within the Barbara permit. The program comprised an initial 200m line spaced survey over extensions to the prospective rock sequences and structures that host the Barbara copper-gold deposit. This was followed by additional 100 metre line spaced infill surveying over selected target areas including Green Zone, North Gossan and Lilly May.

The survey was conducted by Geotech Airborne Pty Ltd using a helicopter-borne Versatile Time-Domain Electromagnetic (“VTEM”) system. VTEM measures the conductivity of sub-surface features down to a depth of approximately 400 metres and also records magnetic intensity data which enhances the VTEM product.

VTEM surveys are designed to quickly cover large areas and identify high conductivity zones possibly containing massive sulphide. The Barbara Deposit, located along the eastern edge of the survey area, exhibits a classic ground EM response thereby demonstrating the effectiveness of the technique for the survey area.

Preliminary Interpretation

A preliminary interpretation of the survey data by Southern Geoscience Consultants Pty Ltd has identified several higher priority conductors within the Barbara permit (excluding the Barbara deposit itself) and a number of second order conductors for follow-up (Figure 1).

The survey showed that the Barbara North Lode deposit to have an excellent chargeability response over the late channels and it also clearly defined the North Gossan cobalt-rich pyrite body located 400 metres along strike.

The later channels also highlight a number of similar strong responses which require investigation in detail. Initial ground examination of several of the responses indicates that their location is coincident with historic copper workings that have not been previously drilled.

The VTEM anomalies will require thorough ground examination and possibly more detailed ground EM to better define the anomalies and to determine the source of the conductors.

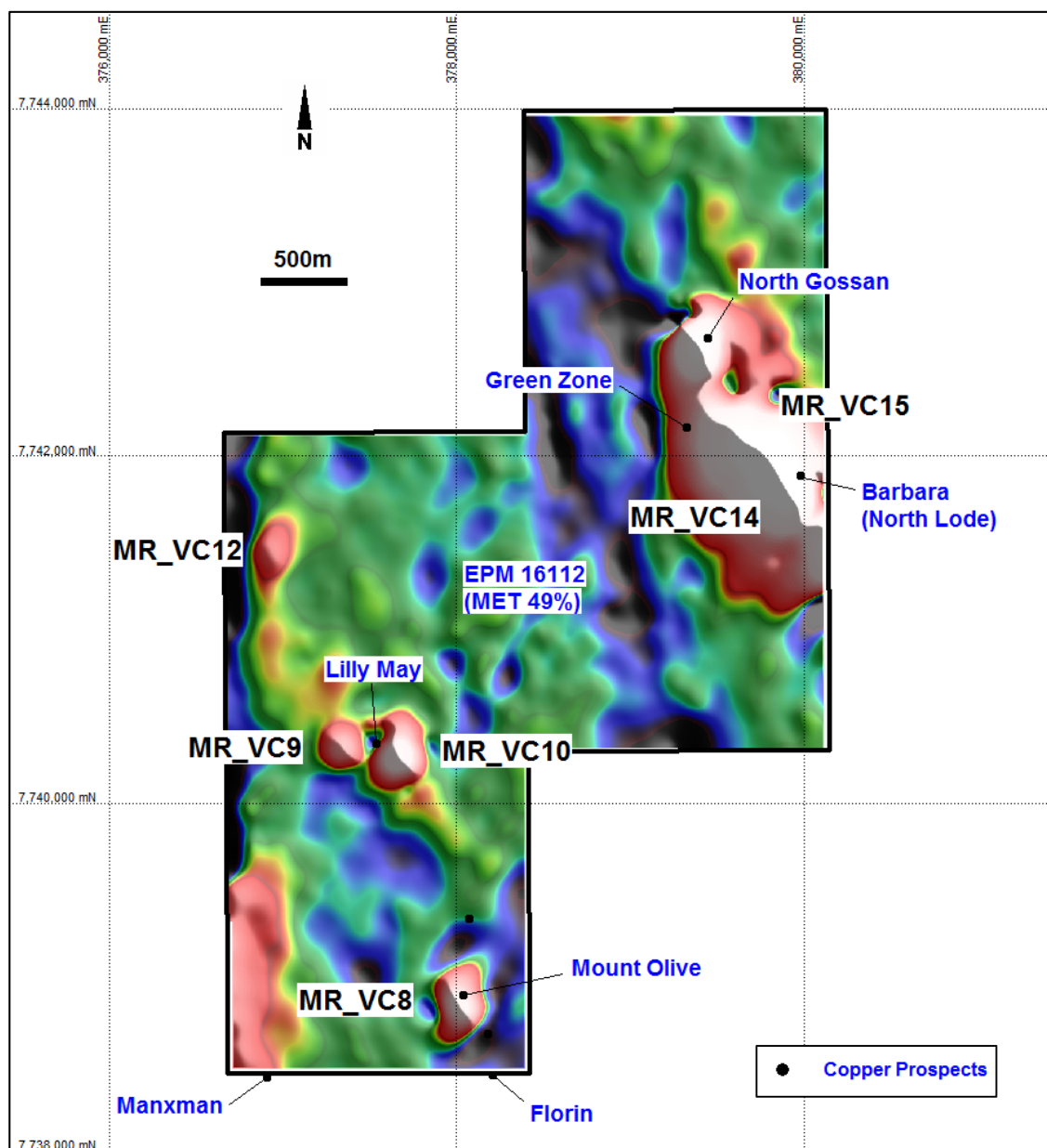


Figure 1 – Barbara Permit – showing gridded VTEM data (Channel 20).

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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.