

Quarterly Activities Report

June 2010



Free gold in quartz vein from Yacti Prospect – Burkina Faso.

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Highlights

West African Gold

- MET secures the largest land position held by any ASX-listed explorer in Burkina Faso¹:
 - permit area now exceeds 5,000km²
 - more than 24 artisanal gold sites
 - 300km strike length of potential gold-bearing greenstones
 - 7 individual project areas
- 1 million ounce gold potential identified across multiple project areas.
- High grade gold assay results received from initial sampling of the Yactibo Project area.
- Nabanga Prospect field work:
 - multiple gold-bearing quartz veins identified
 - grab samples of quartz vein material average 14.48g/t Au
 - vein system extends over a 3.5km strike length
- Yacti Prospect field work:
 - quartz vein grab samples up to 15.85g/t Au
- MET secures strategic Ouargaye exploration permit:
 - consolidates ownership in the Yactibo Project area
 - secures additional artisanal gold sites and structural gold targets

Mount Isa Copper, Gold and Cobalt

- Positive assay results received from step-out drilling on the Barbara North Lode copper deposit:
 - 9m @ 2.05% Cu and 0.18g/t Au (from 219m, BARC 055)
 - 9m @ 1.74% Cu and 0.28g/t Au (from 31m, BARC 058)
 - 5m @ 2.73% Cu and 0.16g/t Au (from 148m, BARC 061)
- New Barbara North Lode drilling results indicate potential to extend the current Indicated and Inferred Mineral Resource position.
- Drilling of Barbara “regional” targets confirms new copper and cobalt mineralised structures:
 - North Gossan – 6m @ 0.18% Co (from 40m, NGRC 001 – massive sulphide interval)
 - Green Zone - 4m @ 1.01% Cu (from 56m, GZRC 001)
- Additional tenement applications lodged in the Mount Isa region:
 - Boomara Project - 312km² (copper-gold targets)
 - Leichardt Project - 80km² (copper targets)

¹ Permits held under 3 year option agreements. Permit area includes 19 granted permits and 4 permit applications.

Exploration – West Africa

During the quarter the Company announced it had achieved a number of significant milestones in the implementation of its gold exploration strategy in Burkina Faso, West Africa. These milestones included:

- finalisation of option agreements to secure access to more than 5,000km² of exploration permits
- commencement of on-ground exploration activities (1st June 2010), and
- receipt of high grade gold assay results from initial sampling programs in the Yactibo Project area.

The Company is now very well placed to deliver ongoing positive results from its substantial permit portfolio and ongoing exploration activities in the region.

About Gold in Burkina Faso

West Africa is a world-class gold province. More than fifty major gold deposits have been discovered across the region to date including multiple large-scale discoveries in Burkina Faso (figure 1).

Gold deposits in Burkina Faso are generally hosted within “greenstone” rocks – so named because of their dark grey-green colour. Greenstone gold provinces comprise some of the world’s largest historical gold producing regions including the Yilgarn Gold Province (WA) and the Abitibi Greenstone Belt (Canada).

Exploration in Burkina Faso (and West Africa) is substantially less well advanced than for comparable greenstone provinces in other parts of the world. MET believes that this lack of exploration “maturity” provides exceptional opportunities for the discovery of additional world-class gold deposits.

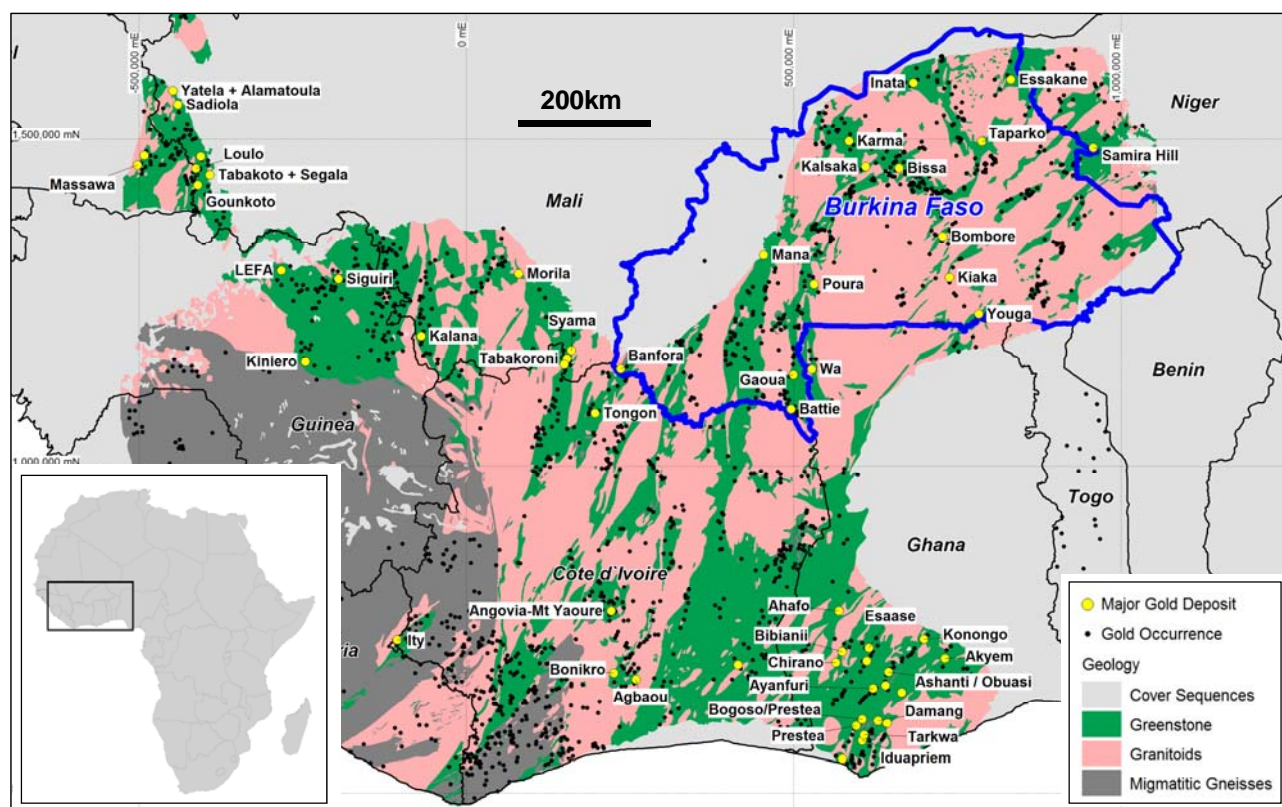


Figure 1 – West African Gold Province – showing major gold deposits.

The Burkina Faso Mining Code was revised in 2003 bringing it in to line with modern transparent mining legislation. As a consequence of this revision, and the high exploration potential, the gold exploration and mining sector in Burkina Faso is currently undergoing a rapid expansion.

Burkina Faso is one of the most active countries for gold exploration in the world today with representation by companies from Australia, North America and Europe.

There are five large-scale gold mines currently in operation in the country, all owned and operated by substantial international companies. One additional gold mine is currently under development. Gold production from Burkina Faso is expected to surpass 750,000 ounces per annum by 2011.

MET Exploration Permits

During the quarter MET announced that it has established a substantial portfolio of highly prospective gold exploration permits and permit applications in Burkina Faso.

The exploration permits (and permit applications) secured under option by MET in Burkina Faso were selected following a comprehensive regional target assessment program. Target selection criteria included, amongst other factors, a favourable geological/structural setting, presence of known gold occurrences (artisanal workings), access to granted tenure, and, a favourable assessment of prior exploration activity.

The MET permits were secured under option agreements that provide MET with the exclusive right to conduct exploration activities and an option to acquire a 100% interest² in each permit by making staged payments over a three year period.

The agreements provide access to multiple gold targets for the Company that warrant immediate exploration investment. The agreements also provide MET with the largest land position of any ASX-listed company active in Burkina Faso today.

MET's Burkina Faso exploration permits include:

- total permit area greater than 5,000km² (granted permits and applications)
- more than 24 artisanal gold sites
- 300km strike length of potential gold-bearing greenstones

A significant number of recent gold discoveries in West Africa have been facilitated by follow-up of artisanal mining activity. MET has explicitly targeted artisanal gold sites as an important component of its permit acquisition program. This strategy has already generated success with high grade gold assays reported by MET from the Yactibo Project area (refer commentary on exploration activity below).

The location of the Company's exploration permits (grouped into broader project areas) as at 30 June 2010 is presented in figure 2.

² Subject to a net 10% Government free carry interest.

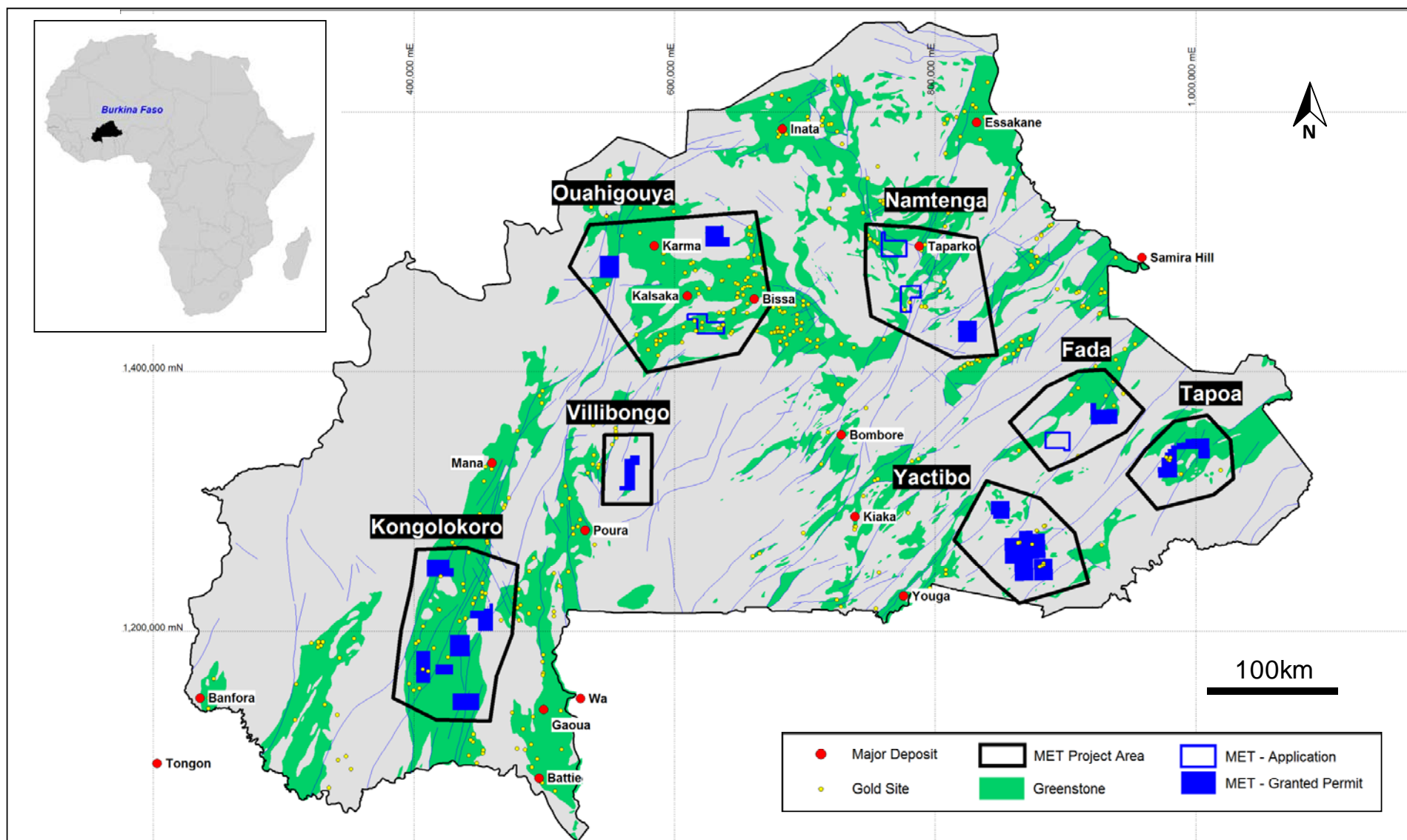


Figure 2 - Location of MET Burkina Faso exploration permits and project areas (as at 30 June 2010).

Yactibo Project (MET option - 100%)

During the quarter the Company commenced exploration within the Yactibo Project area in south-eastern Burkina Faso. The Yactibo Project comprises six granted exploration permits with a total area of 1,262km² (figure 3).

The Yactibo Project permits are considered prospective for the discovery of large-scale gold deposits due to the presence of prospective greenstone host rocks, multiple artisanal mining sites and complex structures observed in regional geophysical data.

Also during the quarter the Company received high grade gold assay results from first pass grab sampling at the Nabanga and Yacti artisanal sites (figure 3).

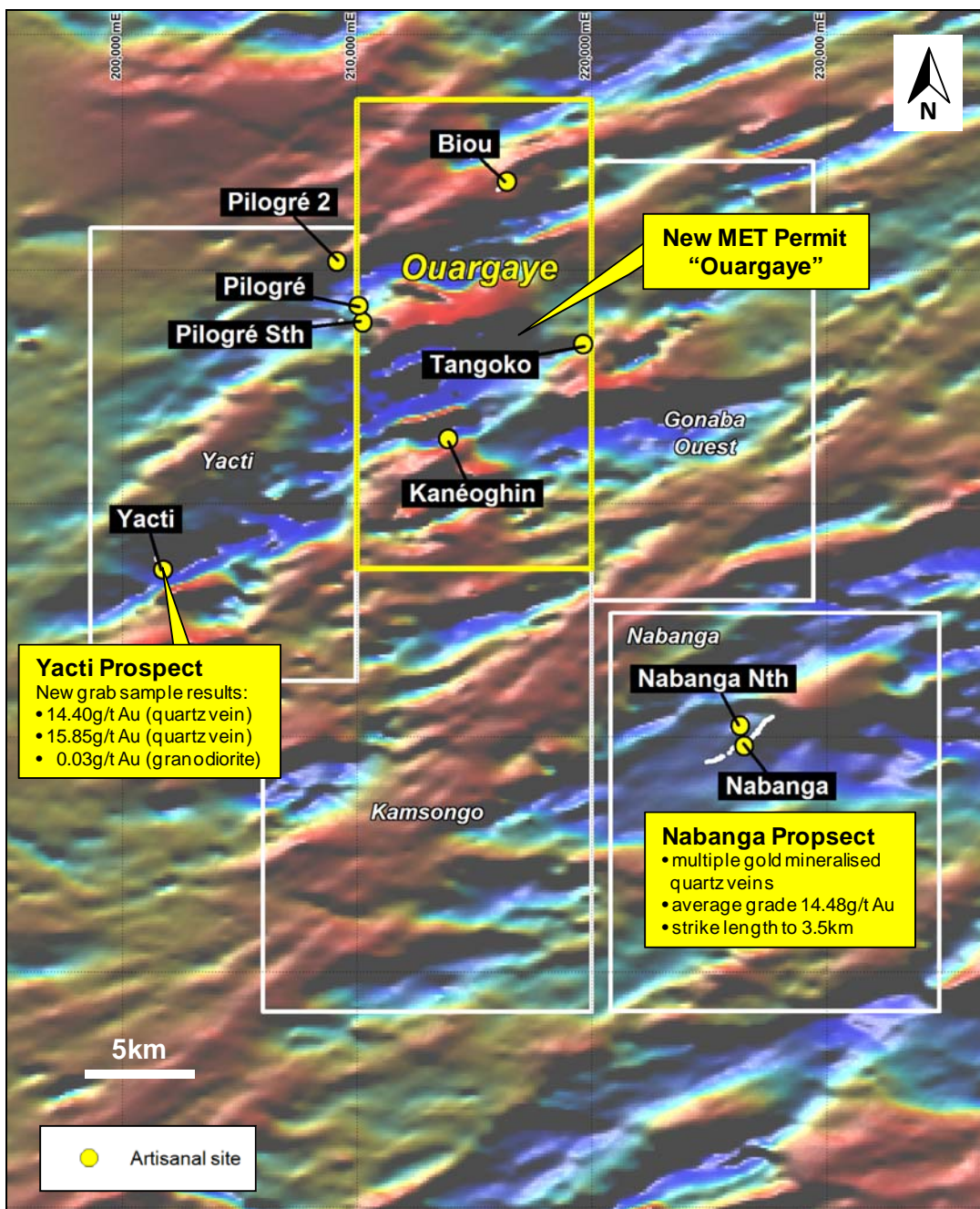


Figure 3 – Yactibo Project – Location of permits and gold sites (MET Comi-Yanga permit not shown).

Nabanga Prospect

During the quarter significant high grade gold assay results were received from initial sampling of the Nabanga Prospect (figure 3).

The assays comprised results for 48 composite grab samples of mineralised quartz vein material from shallow artisanal workings and include:

- average gold grade 14.48g/t Au (median gold grade 10.38g/t Au)
- 25 out of the 48 samples collected >10.00g/t Au
- 44 out of the 48 samples collected >1.00g/t Au
- maximum grade 129.0g/t Au

Artisanal mining at Nabanga extends to a maximum depth of approximately 20 metres from surface (limited by the water table and soft ground conditions) and is focused on the exploitation of “visible” quartz veins.

Vein width observed in the Nabanga workings is variable and typically ranges from 0.2 metres to 2.0 metres true width (figure 4).

Artisanal workings at Nabanga are focussed on the exploitation of gold mineralisation in two sub-parallel veins with an overall NE-SW trending orientation (figure 5).



Figure 4 – Nabanga Prospect - Artisanal mining activity.

The dominant Nabanga vein can be traced over a strike length of 3.5 kilometres. High grade gold grab samples were recorded along the entire length of the structure (figure 5).

Gold mineralisation in the lower grade Nabanga North structure is defined over a shorter but still significant 600 metre strike length.

Both structures are open ended with mineralised samples restricted by the current extent of artisanal workings.

Limited sampling completed by MET between the two structures has also indicated potential for the discovery of additional sub-parallel mineralised vein sets with spot assay values of 19.4g/t Au and 129.0g/t Au recorded in quartz vein material.

Analysis of high resolution satellite imagery indicates at least six sub-parallel veins are developed over a 900 metre wide zone of artisanal workings.

The lateral distribution of gold mineralisation in rocks adjacent to the mined quartz veins is unknown (not sampled to date) as is the depth extent of gold mineralisation along the two main vein trends.

The high grade assay results received from this first sampling program at Nabanga are highly encouraging and validate MET's strategy of targeting prospective greenstone host rocks in areas of known artisanal workings.

The assays demonstrate that Nabanga is a significant gold mineralised system. The next step will be to determine the full extent of the gold mineralisation through detailed prospect scale exploration.

Surface sampling at Nabanga will be extended and include trenching to define the total width of gold mineralisation.

Drill testing will be required to assess continuity of gold mineralisation at depth and will be scheduled immediately following positive results from expanded surface sampling at the Nabanga site.

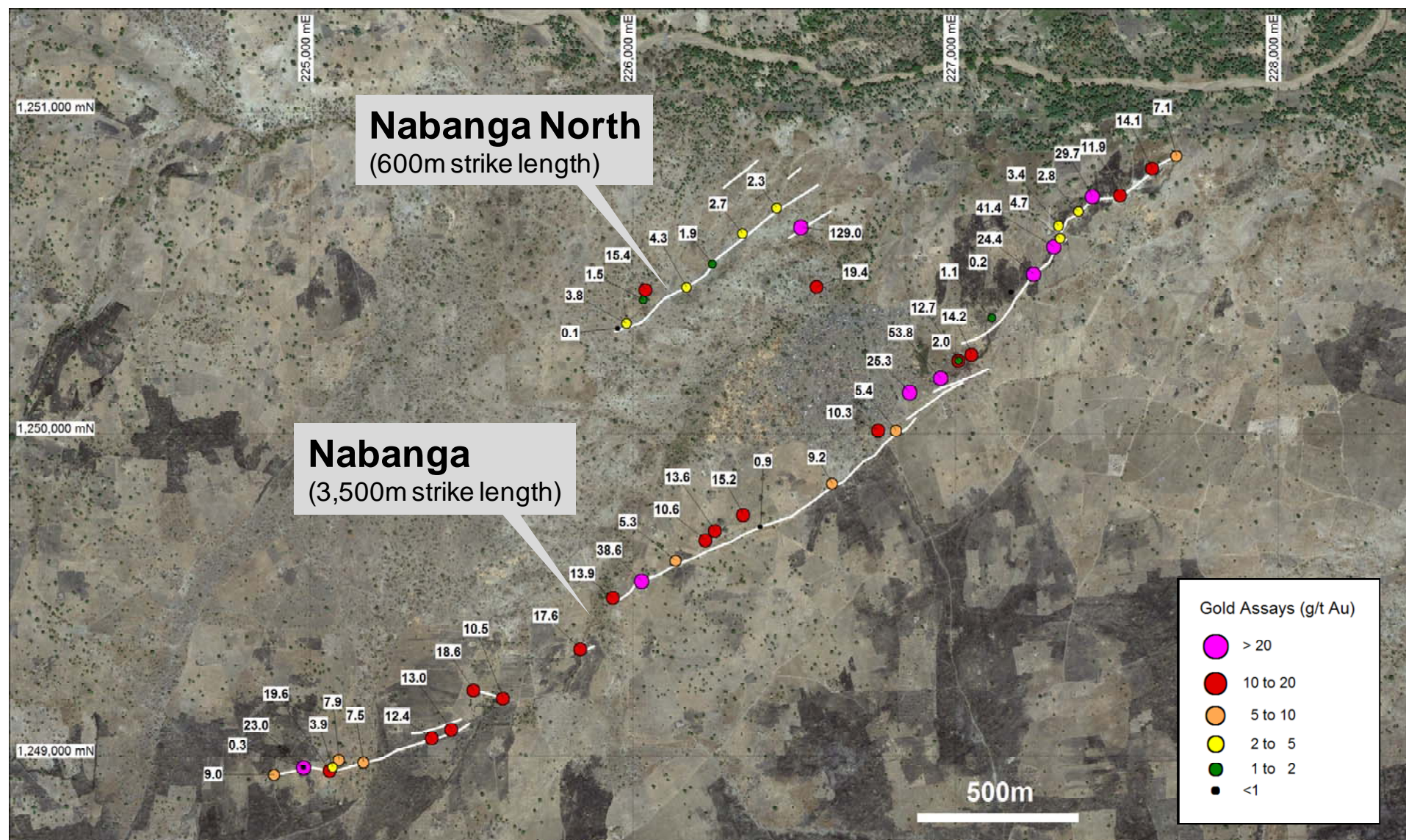


Figure 5 – Nabanga Prospect – Composite grab sample gold assay results over main vein trends.

Yacti Prospect

During the quarter high grade gold assay results were received from limited (3) reconnaissance grab samples of shallow artisanal gold workings at the Yacti Gold Prospect – located 25km to the north-west of Nabanga (figure 6).

Assay results comprised:

- 14.40g/t Au – quartz vein material
- 15.85g/t Au – quartz vein material
- 0.03g/t Au – granodiorite host rock

These additional gold assay results (together with multiple artisanal gold mining sites) support the Company's view that gold mineralisation is widespread throughout the broader Yactibo Project area.



Figure 6 – Yacti Prospect - Artisanal mining activity.

Ouargaye Permit – Option Agreement

On the basis of positive assay results received from the Nabanga and Yacti Prospects the Company was also pleased to announce during the quarter that it had finalised an additional three year option agreement to secure the “Ouargaye” permit (figure 3).

The Ouargaye agreement further consolidates the Company's land position in the highly prospective Yactibo region and secures access to:

- additional high priority structural targets identified in regional geophysical data, and
- additional artisanal gold mining sites at Pilogre, Biou, Tangoko and Kaneoghin.

Tapoa Project (MET option - 100%)

During the quarter MET commenced exploration within the Tapoa Project area and completed first pass assessment of various artisanal gold sites within the western “Boungou” permit.

The Tapoa Project is located in the far east of Burkina Faso and comprises two granted exploration permits with a total area of 500km² (figure 7).

In the Tapoa Project area MET is targeting gold mineralisation in regional-scale structures hosted within mafic volcanic “greenstone” rocks.

Three artisanal sites were sampled during the initial reconnaissance site visit.

Some of the artisanal sites in the Boungou permit have a linear distribution of workings suggestive of simple shear or vein-hosted control on gold mineralisation. Other artisanal sites have a more irregular distribution suggesting alternative controls on gold mineralisation (ie: possible stockwork and laterite occurrences).

Assays were awaited at the end of the quarter.

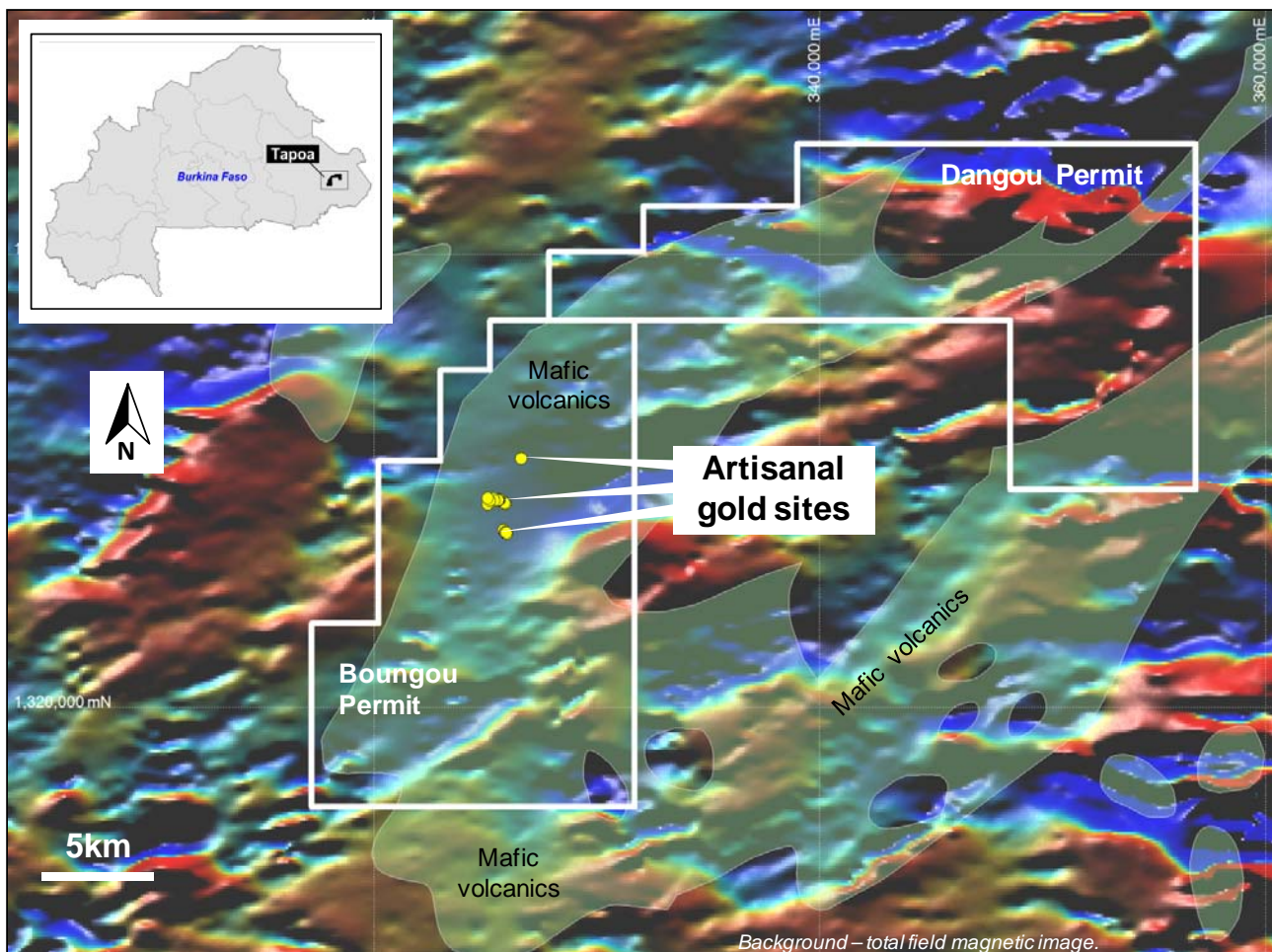


Figure 7 – Tapoa Project - Location of MET permits and sampled artisanal gold sites.



Figure 8 – Tapoa Prospect - Artisanal mining activity.

Other Burkina Faso Project Areas (MET option - 100%)

The Company is progressively implementing exploration programs across all of its project areas in Burkina Faso. Given the significant land position held by the Company (in excess of 5,000km²) this implementation will be a staged process.

Significant exploration results for additional project areas will be reported as they come to hand.

Exploration – Mount Isa Region

The location of the Company's exploration tenements and project areas in the Mount Isa region are shown below:

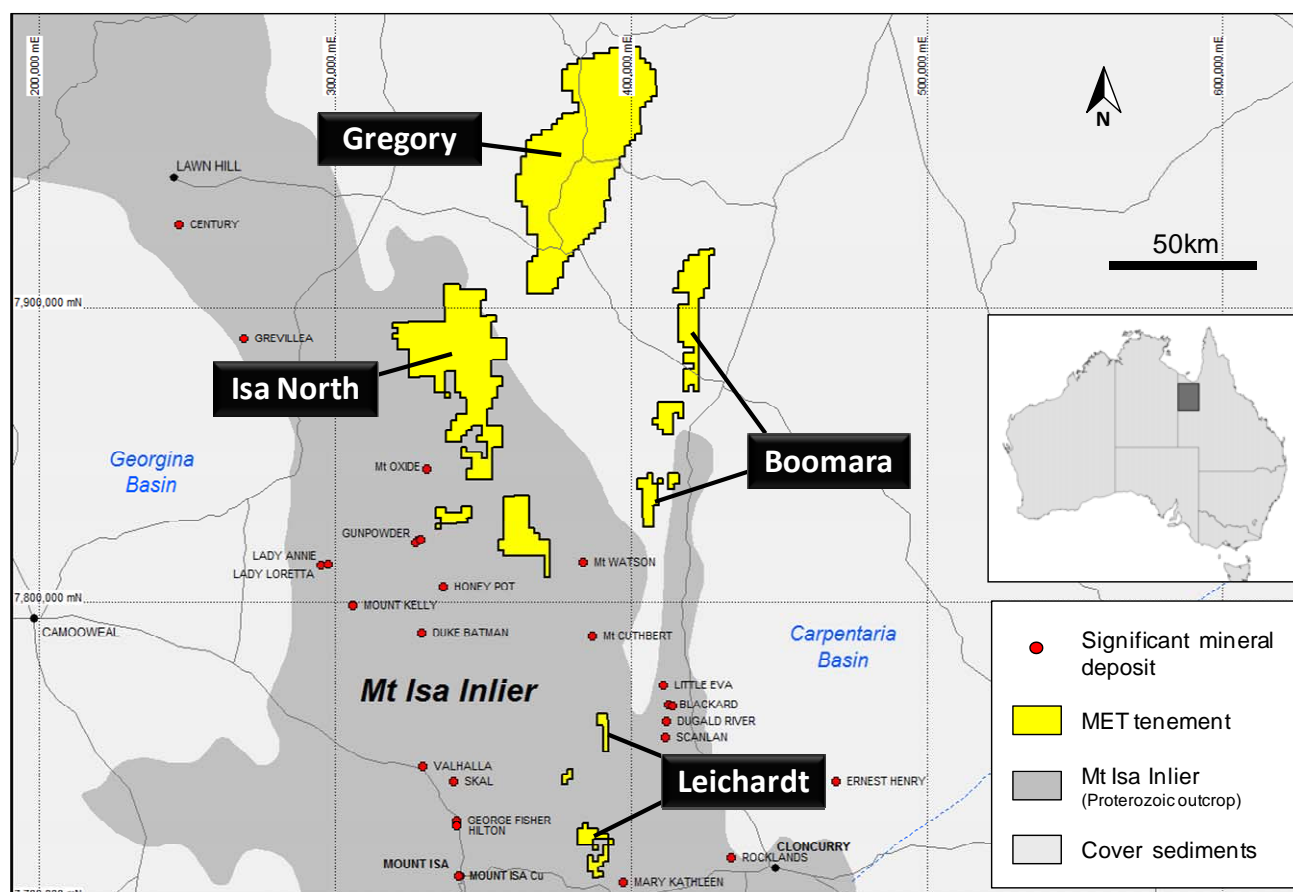


Figure 9 - Location of Mt Isa region project areas (excludes competitive tenement applications).

Leichardt Project (MET 49% to 100%)

During the quarter the Company's exploration activities in the Mount Isa region continued to be focussed within the Leichardt Project area which includes the Barbara North Lode copper deposit and adjacent exploration targets.

The Barbara North Lode copper deposit is held in joint venture between Mt Isa Metals Limited (49%) and Syndicated Metals Limited (51% and manager).

Barbara North Lode – Drilling Results

During the quarter Mt Isa Metals announced further significant assay results from additional drill holes completed within the Barbara North Lode copper deposit.

The drilling has extended the potential for definition of additional open pittable mineralisation within this near-surface sulphide copper deposit.

Drill assay results received during the quarter for the Barbara North Lode deposit are tabulated below (also shown in the longitudinal section at figure 10):

Hole No.	East GDA94	North GDA94	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)
BARC 053	380054	7741570	44	-78	53	<i>Hole abandoned – lost drill bit</i>				
BARC 054	380054	7741571	64	-78	53	<i>Hole abandoned – lost drill bit</i>				
BARC 055	380056	7741572	124	-78	53	210	211	1.0	1.48	0.06
						219	228	9.0	2.05	0.18
BARC 056	379850	7741827	198	-79	57	147	149	2.0	0.55	0.01
						155	160	5.0	0.88	0.03
BARC 057	379862	7741933	144	-60	57	103	104	1.0	0.73	0.04
						131	132	1.0	0.54	0.05
BARC 058	379970	7741849	102	-90	-	31	40	9.0	1.74	0.28
						64	67	3.0	2.48	0.24
BARC 059	379924	7741815	120	-72	50	102	107	5.0	1.30	0.10
BARC 060	379958	7741793	126	-73	57	101	104	3.0	2.22	0.24
BARC 061	379916	7741793	180	-65	57	148	153	5.0	2.73	0.16
						159	161	2.0	0.78	0.09
BADD 010	379929	7741870	131.1	-60	57	<i>Metallurgical hole</i>				
BADD 011	379911	7741929	72.6	-60	32	<i>Metallurgical hole</i>				

Table 1 – Drilling Results – Barbara North Lode

(at 0.5% Cu cut-off grade, true width is approximately 70% of the reported down-hole width).

Drill hole BARC 061 (5m @ 2.73% Cu) was drilled below the current deposit outline (figure 10) and provides significant encouragement that the mineralised lode can be extended down-plunge to the south with additional step-out drilling.

Drill holes BARC 058 to BARC 060 were targeted to extend the existing block model.

The copper intersection recorded in drill hole BARC 055 (9m @ 2.05% Cu) is particularly significant in that it is the first substantial copper intersection to be recorded in what has previously been considered a low grade zone below the “pinch-out” of the South Lode deposit.

The positive results recorded in BARC 055 opens up potential for delineation of an additional zone of sulphide copper mineralisation over a 200 metre strike length between the North Lode and South Lode deposits (figure 11).

Recent drilling at Barbara also included two diamond drill holes (BADD010 and BADD011) completed in the core of the North Lode deposit to provide samples of sulphide mineralisation for metallurgical testing.

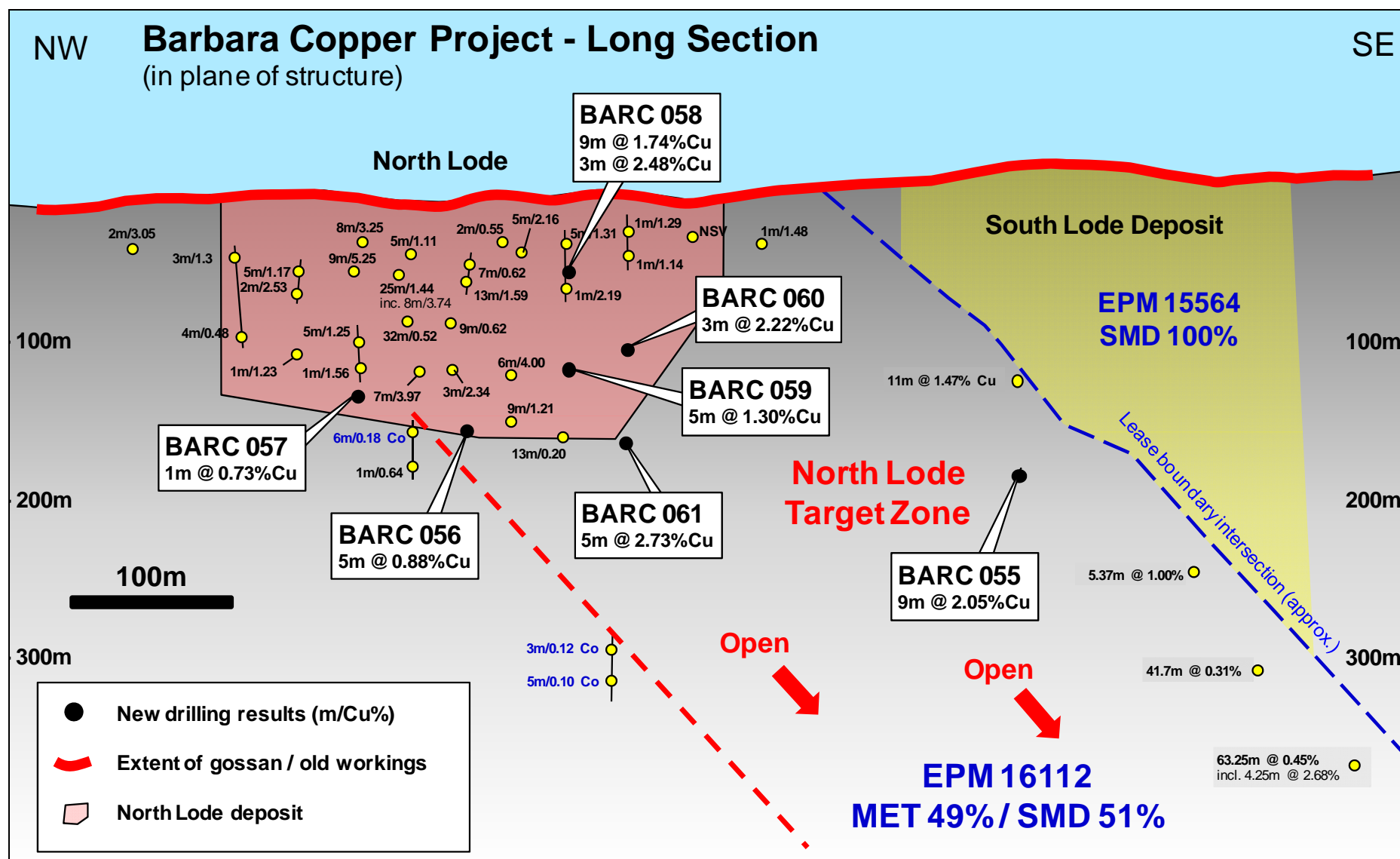


Figure 10 – Barbara longitudinal section.

New Copper – Cobalt Structures Identified

During the quarter the Company was also pleased to advise that first pass drilling had been completed at the Green Zone and North Gossan Prospects located to the north-west of the main Barbara deposit (refer figure 11).

This step-out drilling provided encouraging assay results including significant copper and cobalt intersections in previously untested structures.

Green Zone – Copper

The Green Zone target is located 600 metres north-west of the Barbara North Lode deposit and is defined at surface over a 400m strike length via a +200ppm copper in soil geochemical anomaly and coincident elevated surface channel sample results including 10m @ 1.0% Cu and 15m @ 0.63% Cu (figure 11).

Visible copper oxide (malachite) has been noted at surface at the Green Zone prospect associated with a major north-trending fault zone.

The first two drill holes into Green Zone were completed during the quarter (GZRC001 and GZRC002) and confirmed the presence of potentially mineable widths and grades of chalcopyrite (copper sulphide) mineralisation at shallow depths (refer assay results in table 2).

Hole No.	East GDA94	North GDA94	TD (m)	Dip	Azi		From (m)	To (m)	Width (m)	Cu (%)	Co (%)
GZRC001	379433	7742270	94	-60	271		56	60	4	1.01	-
							67	89	12	0.60	-
GZRC002	379345	7742070	130	-60	271		55	60	5	0.78	-
							82	92	10	0.96	-
						incl	86	89	3	1.71	-

Table 2 – Green Zone drilling results (at 0.5% Cu cut-off).

North Gossan - Cobalt

The North Gossan target is located at the mapped/projected intersection of the Green Zone and Barbara Faults (figure 11). Significant copper mineralisation has been defined by “along-strike” drilling on both structures.

Assay results were received for the initial drill hole completed at North Gossan during the quarter (NGRC001) and included a zone of strong quartz sulphide alteration (mostly pyrite) from 18 metres depth with a six metre thick massive sulphide zone from 40 metres at the base of the intersection grading 0.18% Co (table 3).

Hole No.	East (GDA94)	North (GDA94)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Cu (%)	Co (%)
NGRC001	379425	7742675	65	-60	46	40	46	6	-	0.18

Table 3 – North Gossan drilling results (at 0.5% Cu, 0.1% Co cut-off).

Although the copper values recorded in the initial North Gossan drill hole (NGRC001) were low (maximum 0.26% Cu) the intersection is considered very encouraging on the basis of comparison with drill holes recorded 900 metres to the south within the Barbara - North Lode deposit.

Several drill holes at Barbara North Lode including BARC043 and BARC048 reported similar cobalt-rich (low copper) intersections adjacent to the boundary of high grade copper mineralisation.

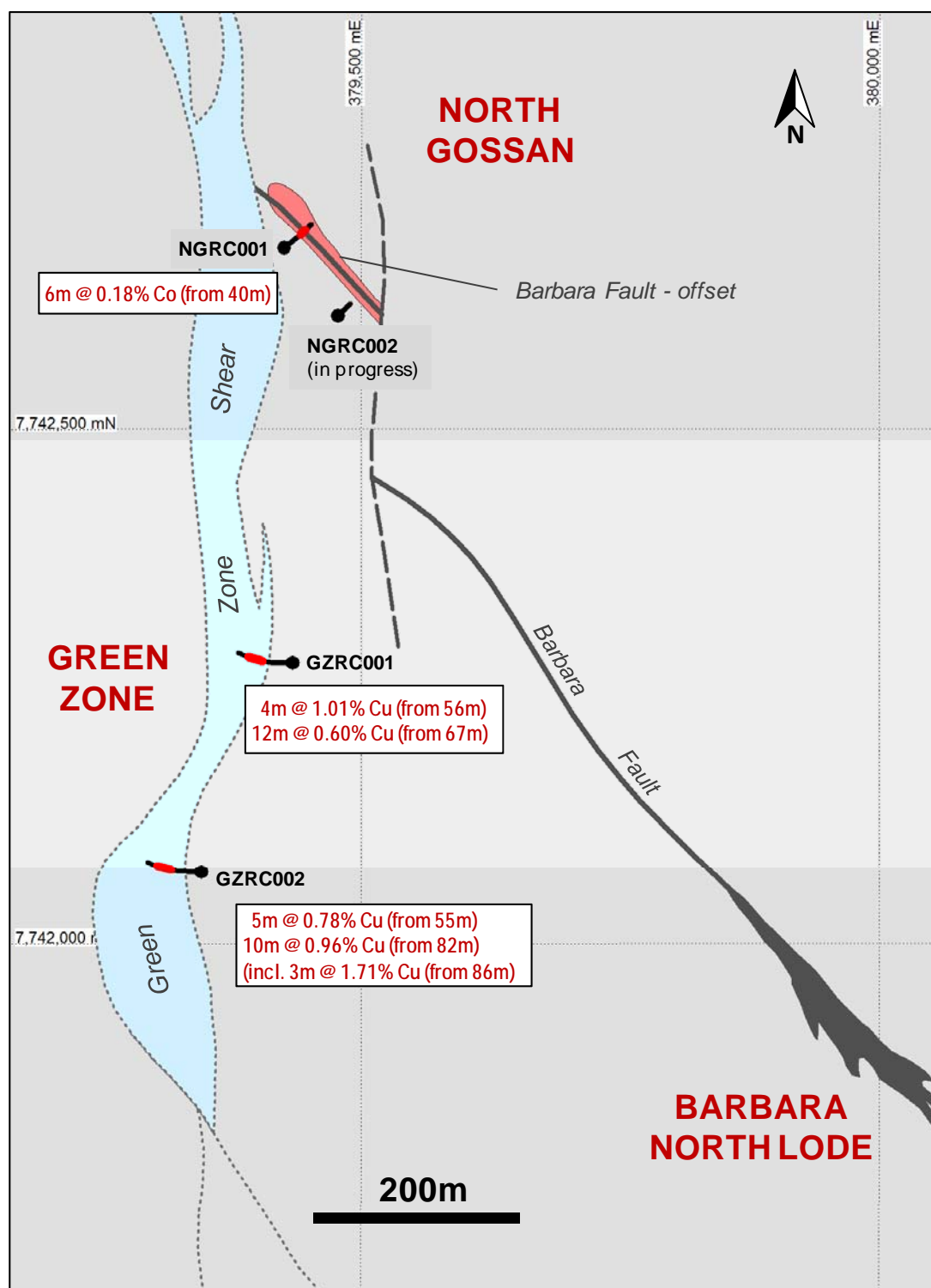


Figure 11 – Drilling Results – Green Zone and North Gossan targets.

Leichardt Project - Forward Program

RC drilling is scheduled to continue within the Leichardt Project area into the third quarter and will include assessment of multiple copper and copper-gold targets including:

- Barbara North Lode
- North Gossan (following up the recent cobalt discovery)
- Green Zone
- Trey Bit (historical copper workings)
- Blue Star (historical copper workings)

The current drilling program is being implemented within tenement EPM 16112 (Barbara) and tenement EPM 16197 (Blockade). Both tenements are held in joint venture between Mt Isa Metals Limited (49%) and Syndicated Metals Limited (51% and manager).

In addition to the above drilling program an airborne VTEM survey (Versatile Time-Domain Electromagnetic survey) of the greater Barbara tenement is planned for the third quarter. VTEM is a geophysical surveying technique that is considered highly effective in identifying buried copper sulphide occurrences.

MET considers the Leichardt region to be highly prospective for discovery of additional copper deposits and is seeking to extend its tenement position in the area. MET was therefore also pleased to advise during the quarter that it had recently lodged an application for the 80km² Bulonga Permit (EPMA 18671, competitive with 3rd parties) located 40 kilometres to the south-east of the Blockade permit.

The Bulonga application is held 100% by MET.

Exploration drilling results for all target areas will be provided as they come to hand.

Boomara Project (MET 100%)

The Boomara Project is located 150km north-east of Mt Isa and comprises two granted tenements totalling 162km² and four tenement applications totalling an additional 494km². The project area is targeting iron-oxide copper-gold (IOCG) deposits on the basis of a complex magnetic basement, interpreted multiple fault systems and evidence of IOCG-style alteration systems.

The target Proterozoic-age rocks in the Boomara region are obscured by younger sedimentary cover and hence conventional surface sampling techniques are not applicable. MET has trialled the use of specialist MMI (mobile metal ion) soil sampling in an attempt to “see through” this cover to buried copper deposits at depth.

The results of the MMI sampling for copper and gold have proved inconclusive and have not defined any targets of sufficient quality for drill testing.

Future targeting activity in the Boomara area will focus on geophysical data.

Corporate

Cash Reserves

Cash reserves and liquid investments held by the Company totalled approximately \$1.2 million at the end of the quarter.

Capital Structure (at 30 June 2010)

Share price (MET): \$0.175
 Issued shares: 103.75m (52.29m under escrow)
 Unlisted options: 13.20m

Market Capitalisation: \$18.2 million (at 30 June 2010)

Major Shareholders

Shareholder	Shares Held	%
D'Aguilar Gold Ltd	50,000,000	48.2%
Tinkler Investments Pty Ltd	19,445,180	18.7%
Indium Investments Pty Ltd	2,256,198	2.2%
Other (all <2% issued capital)	32,048,622	30.9%
Total	103,750,000	100.0%

Table 4 - Summary of major shareholders at 30 June 2010.

For further information please contact:

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Mr Duncan Cornish
 Company Secretary
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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.