

ASX Announcement

23 April 2012

NEW GOLD DISCOVERY – BOUNGOU GOLD PROSPECT, SOUTH-EAST BURKINA FASO

Highlights:

- Initial reverse circulation (RC) drilling at Boungou Gold Prospect intersects wide intervals of gold mineralisation from surface.
- Broad intersection widths (typically 8 to 20 metres) and shallow dips (typically 10° to 20°) presents favourable geometries and potential to define significant volumes of near-surface gold mineralisation.
- Significant drill intersections include:
 - 4m @ 2.92g/t Au (from 12m) in BORC007
 - 12m @ 1.60g/t Au (from surface) in BORC008
 - 20m @ 1.36g/t Au (from 16m) in BORC011
 - 24m @ 0.62g/t Au (from 28m) in BORC012
 - 28m @ 1.27g/t Au (from 40m) in BORC013
 - 8m @ 1.71g/t Au (from 72m) in BORC014
 - 8m @ 1.47g/t Au (from 100m) in BORC015
 - 4m @ 2.34g/t Au (from 100m) in BORC020
 - 8m @ 8.21g/t Au (from 84m) in BORC021
 - 8m @ 1.62g/t Au (from surface) in BORC028
- Highest grade / most contiguous intersections recorded in the “Natougou” area at the eastern margin of the primary soil anomaly:
 - Natougou area gold mineralisation open-ended in cross section and defined over a 300m down-dip extent.
 - Natougou-trend soil anomaly open-ended and defined over a 750 metre strike length to date – additional soil sample results pending to extend soil anomaly to a minimum 1.5 kilometre strike length.
- Gold-in-soil anomalism in the broader Boungou area open-ended in all directions at the limit of the current (6km x 4km) soil sample area.
- Significant areas of additional soil anomalism remain to be drill tested.
- RC drilling to re-commence this week – focussed on step-out drilling in Natougou area.

Maiden RC Drilling Results

The Board of Mt Isa Metals Limited (MET) is pleased to advise that significant assay results have been received from the maiden reverse circulation (RC) drilling program at the Company's **Boungou Gold Prospect** in south-east Burkina Faso (figure1).

The drilling program focussed on testing beneath a large-scale high-order gold-in-soil anomaly defined by MET during the 2011 field season.

The drill assay results include significant widths (up to 28 metres) of gold mineralisation (typical grade range 0.5g/t to 2.0g/t Au) at the south-east margin of the soil anomaly – in the **Natougou** area (figure 2). The new drill intersections recorded in the Natougou area represents a new gold discovery and presents an opportunity (through additional drilling) to identify very large volumes of gold mineralisation in close proximity to the surface.

Significant drill intersections recorded in the drill program include:

- 4m @ 2.92g/t Au (from 12m) in BORC007
- 12m @ 1.60g/t Au (from surface) in BORC008
- 20m @ 1.36g/t Au (from 16m) in BORC011
- 24m @ 0.62g/t Au (from 28m) in BORC012
- 28m @ 1.27g/t Au (from 40m) in BORC013
- 8m @ 1.71g/t Au (from 72m) in BORC014
- 8m @ 1.47g/t Au (from 100m) in BORC015
- 4m @ 2.34g/t Au (from 100m) in BORC020
- 8m @ 8.21g/t Au (from 84m) in BORC021
- 8m @ 1.62g/t Au (from surface) in BORC028

Detailed drilling data is provided in table 2.

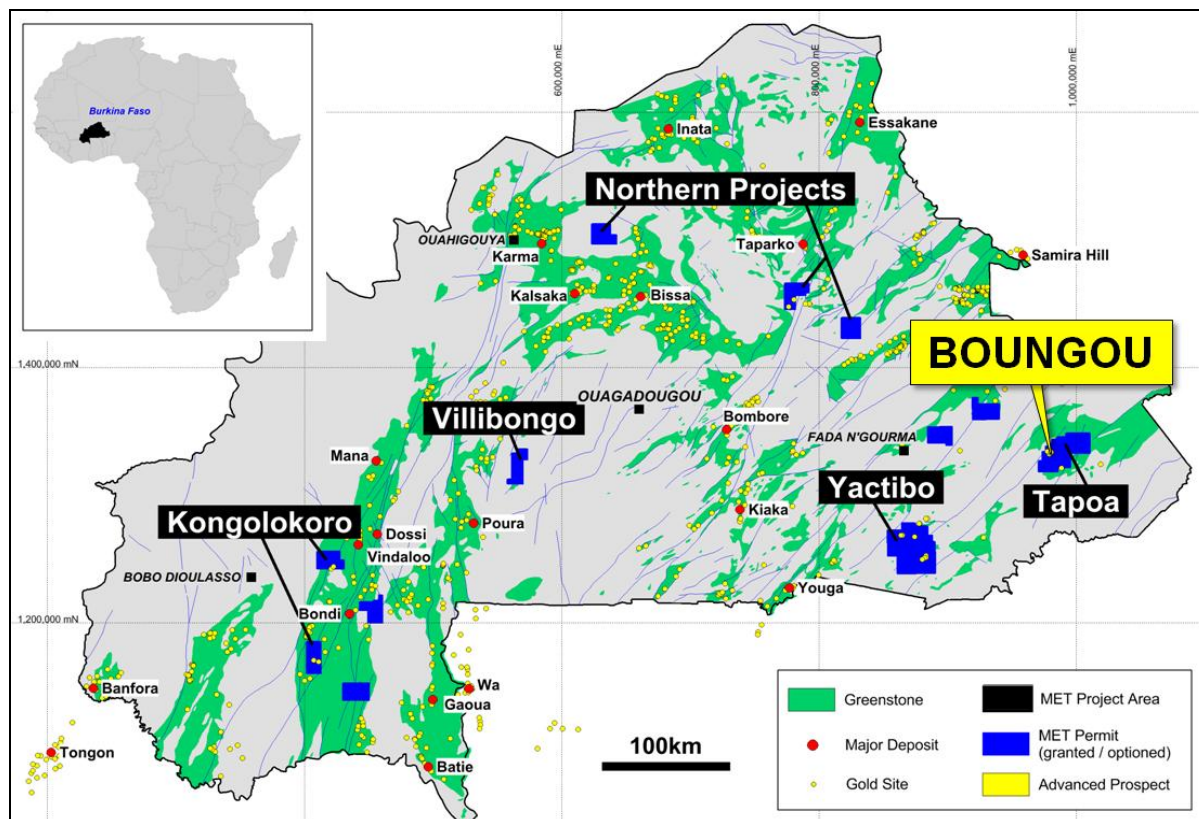


Figure 1 – Burkina Faso location diagram.

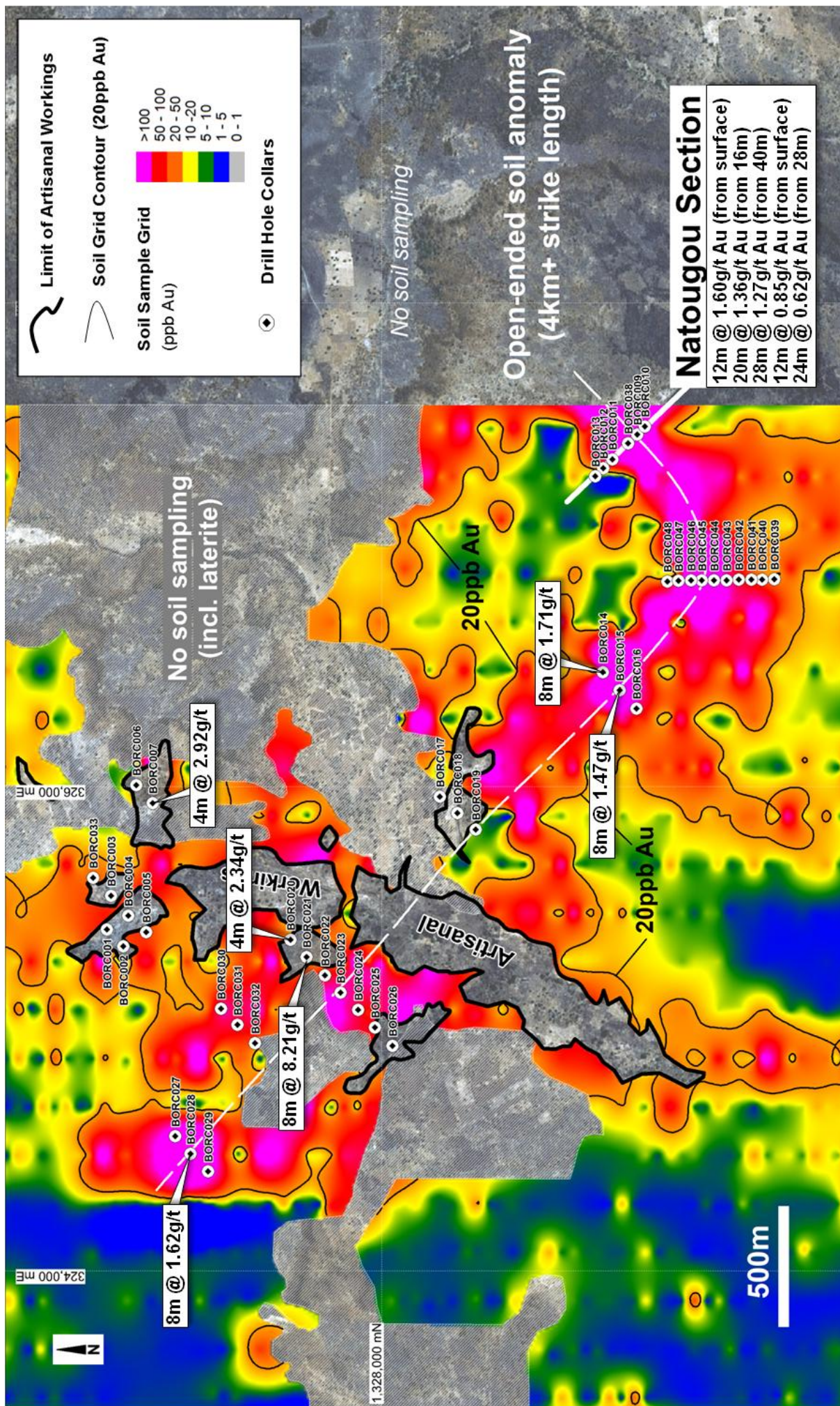


Figure 2 – Location diagram of Boungou soil anomaly showing drill hole collars and significant drill intersections.

Gold Mineralisation Intersected in Flat-lying Structures

Gold mineralisation in the Bounbou Prospect area is interpreted to be hosted in large-scale relatively flat-lying structures developed below widespread surface gold-in-soil anomalism.

The interpreted shallow dip of the gold mineralised structures (typically 10° to 20°) presents a large surface area of mineralised structure in close proximity to the surface and also provides a highly favourable orientation from an exploration and potential mine development perspective.

Forty eight (48) RC drill holes have been completed to date in the Bounbou area. The drilling has focussed on the southern end of the Bounbou soil anomaly and has been completed on broad-spaced cross sections (typically greater than 500m apart) (refer figure 2).

Sporadic gold drill intersections were recorded from drilling in the central and western parts of the soil anomaly (figure 2). Intersections in this area include **8m @ 8.21g/t Au** (from 84m in BORC021) and **4m @ 2.34g/t Au** (from 100m in BORC020). The intersections are interpreted to intersect a shallow (north-east) dipping structure. Additional follow-up drilling is proposed.

Significant near-surface gold mineralisation was intersected from drilling in the Natougou area - at the eastern margin of the soil anomaly - refer figure 2 and commentary below.

Natougou – A New Gold Discovery

The significant new drill intersections recorded by MET from the Natougou area define a new gold discovery.

Gold mineralisation in the Natougou area is developed in a thick (20 to 28 metres wide), relatively flat lying (~10° dipping) altered shear zone hosted in Birimian greenstone rocks.

Gold mineralisation at Natougou was intersected from surface and has been defined over a **300 metre** down-dip extent in cross section (figure 3). Mineralisation at Natougou is open at depth below the deepest drilling (the mid-point intersection in BORC013 is only 45 metres from surface).

Grade within the Natougou structure appears to be zoned with a higher grade component developed towards the hangingwall of the structure (refer figure 3 – 0.25g/t Au and 0.50g/t Au lower cut-off grade outlines).

Average grades for the three Natougou drill holes that intersect the entire width of the structure (ie: not truncated at surface) at various cut-off grades is as follows:

Drill Hole	0.25g/t Au cut-off Grade	0.50g/t Au cut-off Grade
BORC011	20m @ 1.36g/t Au	16m @ 1.59g/t Au
BORC012	24m @ 0.62g/t Au	12m @ 0.96g/t Au
BORC013	28m @ 1.27g/t Au	16m @ 1.90g/t Au
Average	24m @ 1.08g/t Au	15m @ 1.53g/t Au

Table 1 – Natougou area – average drill intersection data.

The drill assays results received from the Natougou area to date presents a highly attractive bulk tonnage exploration drilling target. Additional RC drilling of the Natougou discovery is planned.

Natougou Area Cross Section (viewed to south-west)

300m

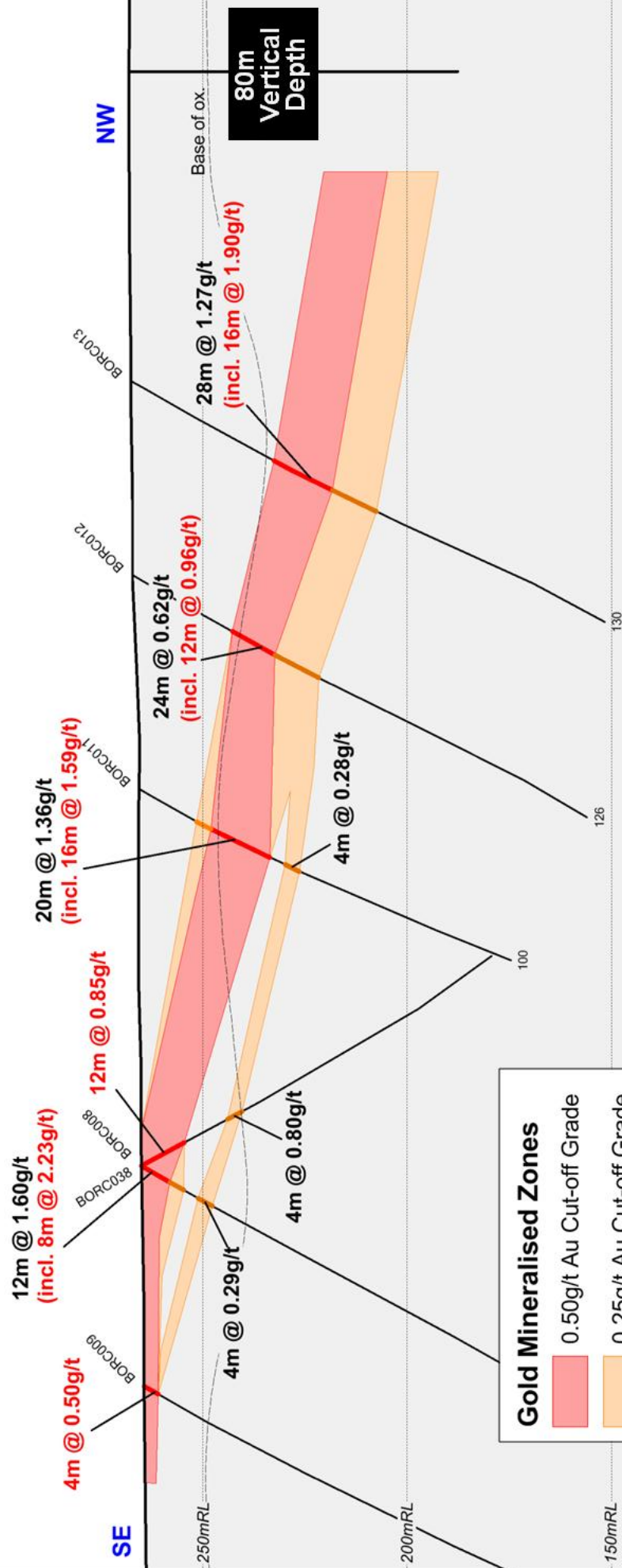


Figure 3 – Natougou area cross section – showing interpreted +0.5g/t Au and +0.25g/t Au outlines.

RC Drilling to Resume this Week

The Company considers that the exploration drilling results received to date from the Bounbou Prospect (Natougou area) are highly encouraging and indicate potential for a typical bulk tonnage West African-style gold deposit.

The orientation and width of the gold mineralised structure/s provides an opportunity to define extensive volumes of gold mineralisation in a geometry that is likely to be attractive for possible future open pit mine development (subject to ongoing exploration success / economic assessment).

The Company has elected to immediately re-commence RC drilling at the Bounbou Prospect. An RC drill rig has been mobilised to site and it is expected that drilling will resume before the end of the current week.

Drilling will be focussed on a broad scale step-out in the Natougou area (80m spaced holes on 160 metre spaced cross sections) to assess the extent of near-surface gold mineralisation.

The Natougou-trend soil anomaly has been defined to date over a 750 metre strike length. The anomaly is open-ended to the north-east at the limit of soil sampling.

Additional soil sampling has been completed at Natougou to seek to extend the anomaly to a minimum 1.5 kilometre strike length. Assay results are pending.

Camp and Regional Scale Potential

To date the Company has completed relatively limited exploration activities in the broader Bounbou area and across the balance of the adjacent permit areas. Significant potential exists to define large-scale gold systems through ongoing exploration programs both in the Bounbou “camp” and regionally.

In the immediate vicinity of the Bounbou Prospect substantial additional areas of extensive gold-in-soil anomalism remain to be drill tested. Additional soil sampling is also required to define the limits to the Bounbou area gold-in-soil anomalism – that is currently defined over a 6km x 4km area – and is “open” with assays above 20ppb to 50ppb Au in all directions (figure 4).

More broadly MET holds a substantial tenement position in the greater project area with approximately 700km² of permits that overlie in excess of 50 strike kilometres of highly prospective greenstone rocks (figure 4).

The Company looks forward to providing future updates on its exploration activities in the Bounbou area.

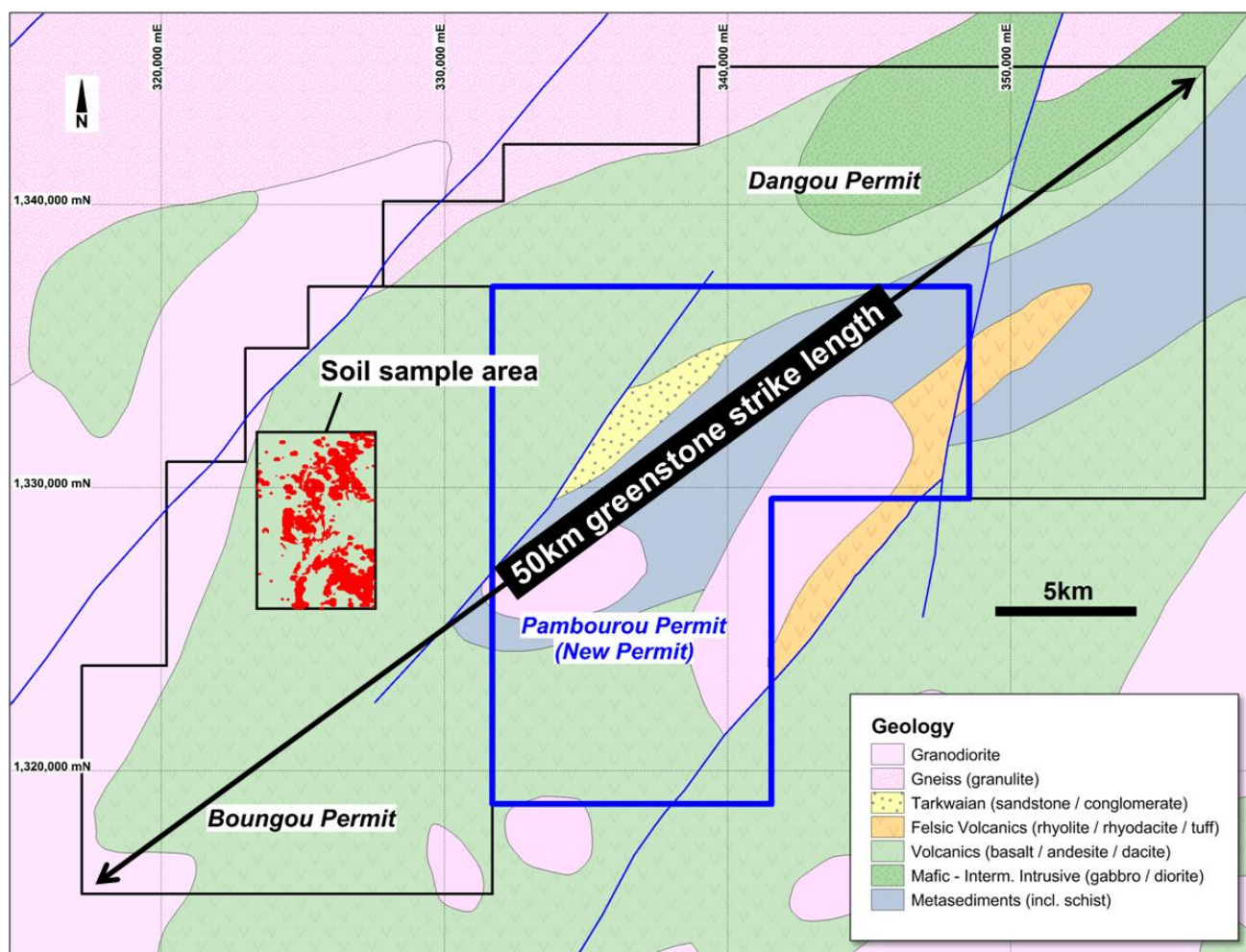


Figure 4 – Tapoa Project geology (inset images shows area of +20ppb gold-in-soils in red).

For further information please contact:

Mr Peter Spiers
Managing Director
Ph: (07) 3198 3040 or 0409 407 265

Mr Peter Harding-Smith
Company Secretary
Ph: (07) 3198 3040 or 0488 771 588

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 (WGS84)	North (WGS84)	RL (m)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
BORC001	325,410	1,329,138	273	100	60	45	nsv			
BORC002	325,341	1,329,071	265	105	60	45	24	32	8.0	0.75
							40	44	4.0	0.50
							88	92	4.0	0.50
BORC003	325,550	1,329,121	260	102	60	45	16	20	4.0	1.24
							72	76	4.0	0.26
BORC004	325,468	1,329,050	273	100	60	45	4	20	16.0	0.47
BORC005	325,399	1,328,976	263	100	60	45	24	36	12.0	0.34
							68	72	4.0	1.05
BORC006	326,007	1,329,017	274	100	60	45	nsv			
BORC007	325,932	1,328,949	272	102	60	45	12	16	4.0	2.92
BORC008	327,419	1,326,980	268	114	60	135	0	12	12.0	1.60
							16	20	4.0	0.29
BORC009	327,456	1,326,941	263	110	60	135	0	4	4.0	0.50
BORC010	327,490	1,326,910	257	114	60	135	nsv			
BORC011	327,353	1,327,044	268	100	60	135	16	36	20.0	1.36
							40	44	4.0	0.28
BORC012	327,317	1,327,082	278	126	60	135	28	52	24.0	0.62
BORC013	327,283	1,327,115	269	130	60	135	40	68	28.0	1.27
BORC014	326,474	1,327,084	263	132	60	45	0	4	4.0	0.32
							72	80	8.0	1.71
							92	96	4.0	0.85
BORC015	326,400	1,327,014	266	111	60	45	56	64	8.0	0.43
							100	108	8.0	1.47
BORC016	326,324	1,326,945	261	138	60	45	32	36	4.0	0.31
							108	124	16.0	0.46
BORC017	325,960	1,327,759	254	107	60	45	72	80	8.0	0.65
BORC018	325,892	1,327,687	246	114	60	45	12	16	4.0	0.39
							32	40	8.0	0.37
							64	72	8.0	0.30
							88	104	16.0	0.33
BORC019	325,824	1,327,611	249	108	60	45	56	68	12.0	0.40
							84	96	12.0	0.27
BORC020	325,368	1,328,378	248	118	60	45	52	56	4.0	0.41
							100	104	4.0	2.34
							116	118	4.0	2.65
BORC021	325,296	1,328,311	270	108	60	45	84	92	8.0	8.21
BORC022	325,221	1,328,235	272	100	60	45	nsv			
BORC023	325,149	1,328,170	263	100	60	45	36	40	4.0	1.80
							48	52	4.0	0.68
BORC024	325,079	1,328,098	263	100	60	45	36	40	4.0	0.28
							60	76	16.0	0.41
BORC025	325,006	1,328,028	251	100	60	45	4	8	4.0	0.33
							60	88	28.0	0.33
BORC026	324,930	1,327,956	250	100	60	45	28	32	4.0	0.45
BORC027	324,556	1,328,856	265	100	60	45	nsv			
BORC028	324,483	1,328,792	264	100	60	45	0	8	8.0	1.62
BORC029	324,411	1,328,720	261	100	60	45	nsv			
BORC030	325,084	1,328,666	265	100	60	45	0	4	4.0	0.82
							52	56	4.0	0.48

Hole No.	East (WGS84)	North (WGS84)	RL (m)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
BORC031	325,017	1,328,597	275	100	60	45	20	24	4.0	1.60
							92	96	4.0	0.28
BORC032	324,941	1,328,525	252	100	60	45	nsv			
BORC033	325,624	1,329,196	265	84	60	45	nsv			
BORC034	326,753	1,330,475	289	100	60	45	nsv			
BORC035	326,723	1,330,438	301	102	60	45	4	8	4.0	0.43
BORC036	326,585	1,330,996	293	100	60	45	16	20	4.0	0.44
BORC037	326,554	1,330,945	317	100	60	45	32	36	4.0	0.37
BORC038	327,419	1,326,980	268	100	60	315	0	12	12.0	0.85
							24	28	4.0	0.80
BORC039	326,858	1,326,374	259	80	90	-	nsv			
BORC040	326,857	1,326,425	259	80	90	-	nsv			
BORC041	326,857	1,326,469	266	80	90	-	nsv			
BORC042	326,856	1,326,520	259	80	90	-	20	24	4.0	0.26
BORC043	326,853	1,326,572	261	80	90	-	nsv			
BORC044	326,853	1,326,623	260	80	90	-	36	40	4.0	1.46
							48	52	4.0	1.12
BORC045	326,853	1,326,674	261	82	90	-	0	4	4.0	0.58
							52	64	12.0	0.33
BORC046	326,854	1,326,718	267	80	90	-	0	4	4.0	1.02
BORC047	326,851	1,326,771	265	85	90	-	12	16	4.0	1.90
BORC048	326,849	1,326,816	268	85	90	-	16	20	4.0	0.26

Table 2 – Boungou RC Drilling Results (0.25g/t Au cut-off grade, 4m composite samples).