

ASX Announcement

06 June 2012

NEW DRILL INTERSECTIONS LINK CENTRAL AND NORTH ZONE TARGET AREAS AND EXTEND NABANGA HIGH GRADE GOLD MINERALISATION TO A 2.3 KILOMETRE STRIKE LENGTH.

Highlights:

- New high grade assay results received from reverse circulation (RC) drilling at Nabanga Gold Project, south-east Burkina Faso.
- High grade gold mineralisation within the Nabanga Project area now defined over a 2.3 kilometre strike length linking the previously separate South Zone, Central Zone and North Zone target areas.
- New drill intersections in the North Zone area:
 - define a significant new high grade strike extension, and
 - extend high grade gold mineralisation to 200m depth
- New North Zone drill intersections include:
 - 7.0m @ 2.63g/t Au from 166m (in NARC273)
 - 1.0m @ 23.30g/t Au from 158m (in NARC279)
 - 3.0m @ 22.65g/t Au from 78m (in NARC319)
 - 3.0m @ 11.55g/t Au from 126m (in NARC321)
 - 8.0m @ 18.13g/t Au from 116m (in NARC323)
(incl. 4.0m @ 32.50g/t Au - from 116m)
 - 7.0m @ 6.60g/t Au from 93m (in NARC324)
- High grade gold mineralisation open at depth along a significant proportion of the 2.3km long Nabanga gold deposit.
- Resource modelling commenced by specialist consultants H&S Consultants Pty Ltd (formerly Hellman and Schofield).
- Additional RC drill holes in progress to incorporate new high grade zones into maiden resource model.

High Grade Gold Mineralisation - 2.3 Kilometre Strike Length

The Board of Mt Isa Metals Limited (MET) is pleased to advise that assay results have been received for a further 14 RC drill holes from the Nabanga Gold Project in south-east Burkina Faso.

The high grade drilling results that continue to be received from the project area confirm the Nabanga deposit as a significant gold discovery.

The new drill assay results are highly significant in that they:

- highlight potential for previously unknown high grade zones beneath areas of lower grade mineralisation at surface
- confirm high grade gold mineralisation in the Nabanga deposit over **a continuous 2.3 kilometre strike length** – effectively linking the previously discrete South Zone, Central Zone and North Zone target areas, and
- extend high grade gold mineralisation in the North Zone area to a **minimum 200 metre depth** (the limit of RC rig capacity) - mineralisation remains open below this depth

A schematic long section of the Nabanga deposit is provided at figure 1. This figure highlights the location of the new zones of high grade gold mineralisation identified in the North Zone area and the 2.3 kilometre strike length of high grade gold mineralisation now defined at Nabanga.

The new RC drill hole intersections from the North Zone area include:

- **7.0m @ 2.63g/t Au from 166m (in NARC273)**
- **1.0m @ 23.30g/t Au from 158m (in NARC279)**
- **3.0m @ 22.65g/t Au from 78m (in NARC319)**
- **3.0m @ 11.55g/t Au from 126m (in NARC321)**
- **8.0m @ 18.13g/t Au from 116m (in NARC323)**
(incl. 4.0m @ 32.50g/t Au - from 116m)
- **7.0m @ 6.60g/t Au from 93m (in NARC324)**

Detailed data for the new assay results from the North Zone area are provided in table 1.

To date assay results have been received for 226 RC drill holes from within the core of the Nabanga deposit (ie: within the 2.3km strike length shown within figure 1). **The average down-hole drill intersection for all such holes is 3.8 metres @ 6.13g/t Au¹.**

More than 90% of all drill holes completed within this core target area have recorded drill intersections greater than 0.5g/t Au.

Gold mineralisation at Nabanga remains open at depth and along strike. Significant and high grade drill intersections have been recorded at base (limit) of current RC drilling across multiple cross sections.

¹ Down hole intersection lengths reported in this announcement may be multiplied by 0.8 to approximate true widths based on an average dip of the structure of 60° and an average drill hole inclination of -65°. Note however this conversion factor will not be applicable to all drill hole intersections due to local variability of the dip of the Nabanga structure and the inclination of individual drill holes.

Nabanga Longitudinal Section (metre gram contour)

2,300m

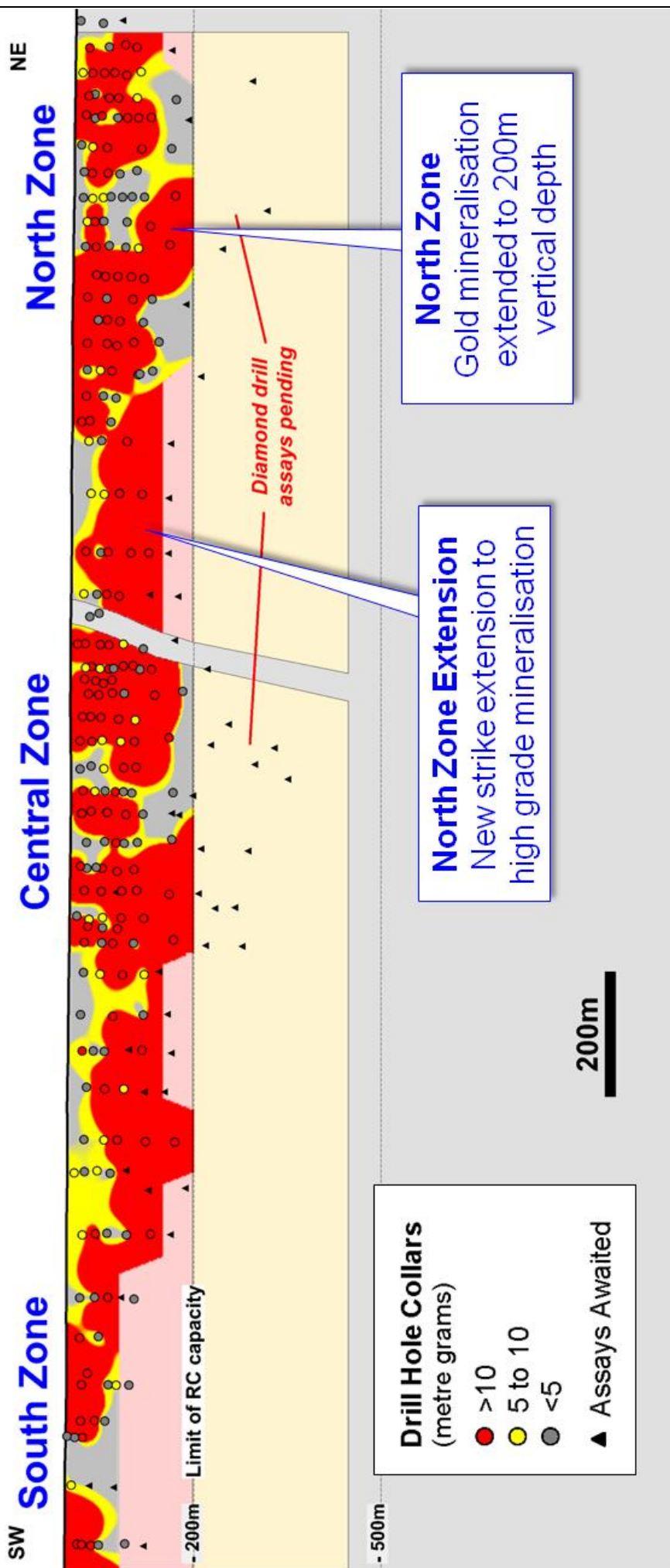


Figure 1 – Nabanga – Schematic longitudinal section (showing indicative metre gram contour and location of drill hole intersections).

New High Grade Gold Mineralisation Intersected in North Zone Area

A schematic longitudinal section through the North Zone area showing the location of all new RC drill hole intersections is provided at figure 2, the longitudinal section illustrates:

- the location of the new high grade strike extension to gold mineralisation in the North Zone area, and
- an extension of high grade mineralisation in the North Zone area to 200m depth (limit of RC rig capacity)

As noted above the new strike extension now links the previously separate South Zone, Central Zone and North Zone target areas into one broadly continuous high grade mineralised structure over a 2.3 kilometre strike length.

Gold mineralisation in the North Zone area remains open at depth below the base of current drilling. Drilling on multiple cross sections has recorded high grade gold intersections at the base of current drilling. These drill intersections (highlighted on figure 2) include:

- 3.0m @ 22.65 g/t Au (from 78m in NARC319) – [cross section 69](#)
- 3.0m @ 11.55g/t Au (from 126m in NARC321) – [cross section 71](#)
- 8.0m @ 18.13g/t Au (from 116m in NARC323) – [cross section 73](#)
- 7.0m @ 6.60g/t Au (from 93m in NARC324) – [cross section 75](#)
- 1.0m @ 23.30g/t Au (from 158m in NARC279) – [cross section 83](#)
- 7.0m @ 2.63g/t Au (from 166m in NARC273) – [cross section 85](#)

Maiden Resource Estimate

Resource modelling of the Nabanga deposit has commenced based on all drill hole assay results received to date. Resource estimation is being conducted by experienced specialists H&S Consultants Pty Ltd (formerly Hellman and Schofield).

Given the new high grade drill hole results announced above, the Company has also elected to complete additional RC drill holes in the high grade “link” zone between the Central Zone and North Zone targets areas (figure 2).

Resource estimation will be completed upon the incorporation of all drill hole results (including the new RC drilling) into the final resource model by H&S Consultants.

North Zone - Longitudinal Section (metre gram contour)

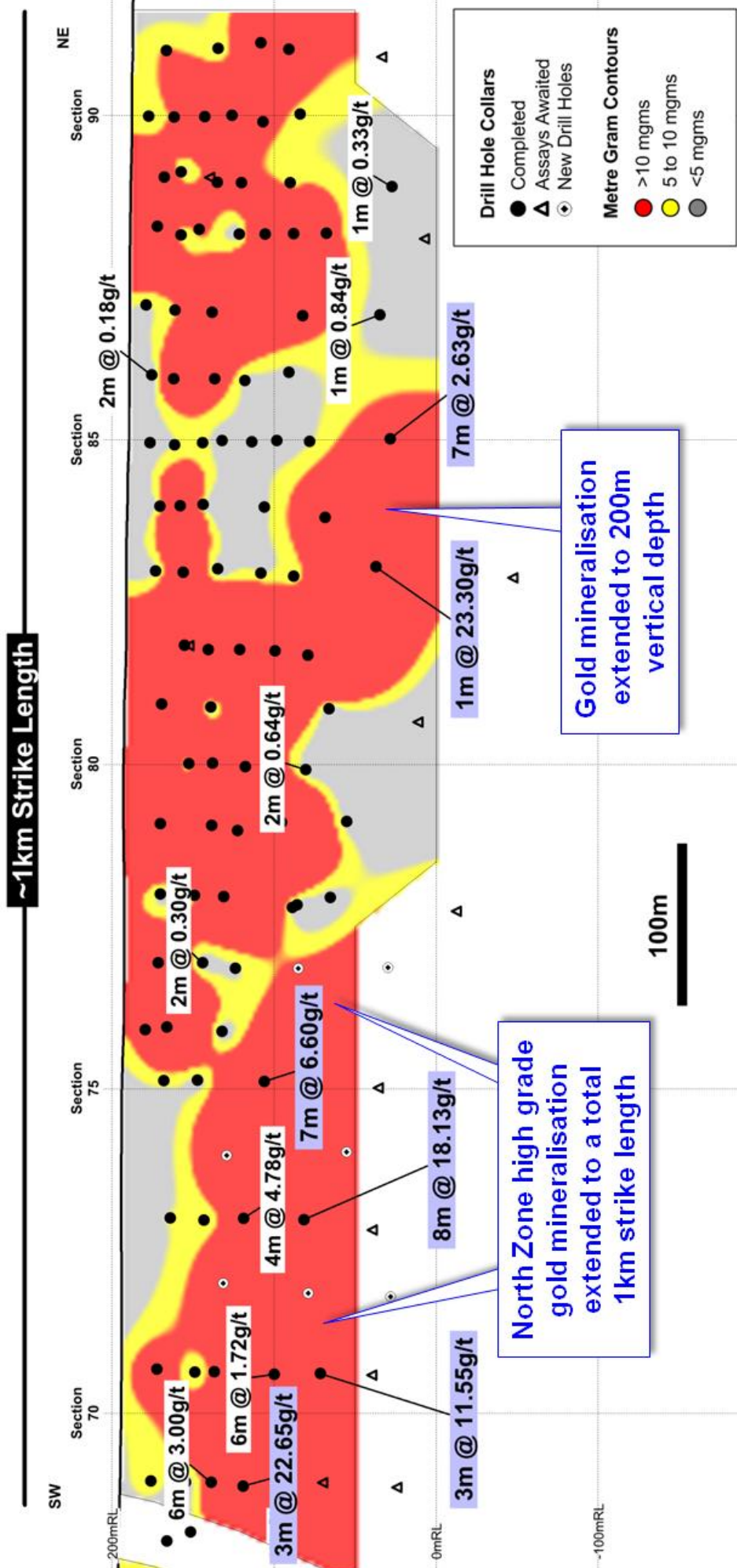


Figure 2 – Nabanga North Zone longitudinal section (new drill hole intersections labelled).

Hole No.	East (WGS84)	North (WGS84)	RL (m)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
NARC123	227,247	1,250,557	192	90	-60	145	NSV			
NARC210	227,537	1,250,770	190	36	-60	145	NSV			
NARC226	227,293	1,250,709	189	147	-60	145	121	123	2.0	0.64
NARC271	227,513	1,250,872	187	165	-70	145	125	126	1.0	0.84
							133	134	1.0	0.75
NARC273	227,414	1,250,881	187	201	-70	145	166	173	7.0	2.63
NARC275	227,564	1,250,942	185	183	-70	145	NSV			
NARC279	227,361	1,250,821	187	174	-70	145	158	159	1.0	23.30
NARC318	227,011	1,250,336	195	111	-70	145	50	52	2.0	1.94
							56	62	6.0	3.00
							66	67	1.0	0.81
NARC319	226,996	1,250,356	195	141	-70	145	78	81	3.0	22.65
							83	84	1.0	0.68
NARC320	227,064	1,250,377	194	129	-70	145	91	92	1.0	1.30
							95	101	6.0	1.73
NARC321	227,053	1,250,395	194	165	-70	145	119	120	1.0	0.82
							126	129	3.0	11.55
NARC322	227,145	1,250,426	194	120	-70	145	0	1	1.0	1.08
							77	81	4.0	4.78
NARC323	227,129	1,250,450	194	150	-70	145	113	114	1.0	0.64
						incl.	116	124	8.0	18.13
NARC324	227,182	1,250,520	192	122	-70	145	93	100	7.0	6.60
							101	102	1.0	0.75
							105	106	1.0	0.69

Table 1 – Summary North Zone Drilling Results (0.5g/t Au cut-off grade).

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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.