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ASX Announcement

Monday, 10 August 2009

BARBARA COPPER PROSPECT – NEW SULPHIDE COPPER ZONE IDENTIFIED AT NORTH LODE

Highlights:

- **Near surface high grade copper sulphide mineralisation intersected in first pass drilling in the North Lode area including:**
  - **8 metres at 3.7% Cu and 0.27g/t Au from 32 metres (in BARC19), and**
  - **5 metres at 2.2% Cu from 43 metres (in BARC18);**
- **Excellent potential to define open-pittable sulphide mineralisation in this area;**
- **Deeper North Lode TEM conductor yet to be drilled;**
- **Soil sampling program confirms the Barbara structure is open to the north-west and has also identified new areas anomalous in copper (+500ppm Cu);**
- **Drilling at Barbara Prospect planned to re-commence in early September.**

The Board of Mt Isa Metals (MET) is pleased to announce that a recently completed drilling program at the Barbara Copper Prospect has returned positive results, intersecting near-surface sulphide copper mineralisation in the North Lode.

Barbara is located approximately 50 kilometres northeast of Mount Isa in Northwest Queensland and forms part of the Company's Leichardt exploration project.

Following the grant late last year of the Barbara tenement (EPM 16112), held in joint venture between Mt Isa Metals Limited (49%) and Syndicated Metals Limited (51% manager), a program of ground TEM surveying was completed to assist in drill hole targeting. A combined RC and diamond drilling program incorporating this information was designed to test for down dip extensions of the Barbara deposit (South Lode) and to test beneath gossanous zones along strike to the northwest (North Lode).

The recent drilling program comprised four RC holes at the North Lode and one RC hole and three pre-collared NQ diamond drill holes at the South Lode. A total of 1,333 metres of RC and 543 metres of diamond coring were completed. All the drill holes at Barbara in this program were completed within the joint venture tenement (EPM 16112).

Barbara North Lode

The North Lode is centred approximately 400 metres along strike to the north of the South Lode within the Barbara shear zone and is manifest at surface by several old pits and a pronounced gossan. The sheared and altered zone is approximately 30 to 40 metres wide at surface.

The four holes drilled were designed to provide an initial test of the zone over a restricted (approximately 200 metre) strike length in the central section of the gossan.

The results were highly encouraging with each drill hole returning plus 1% Cu intercepts through shallow sulphide mineralisation. The best result was 8 metres at 3.7% Cu from 32 metres down-hole within a broad zone of 25 metres at 1.44% Cu. These results are consistent with the initial drilling results on the South Lode (external but adjacent to the JV tenement area) and provide encouragement that further drilling here can outline a significant copper deposit (refer Figure 1 and Table 1).

An infill drilling program is currently being planned to test the North Lode to a vertical depth of 100 to 150 metres. A deeper hole to test the TEM anomaly at approximately 250 metres depth is also planned.

It is anticipated that the second phase drilling program will start during the third quarter.

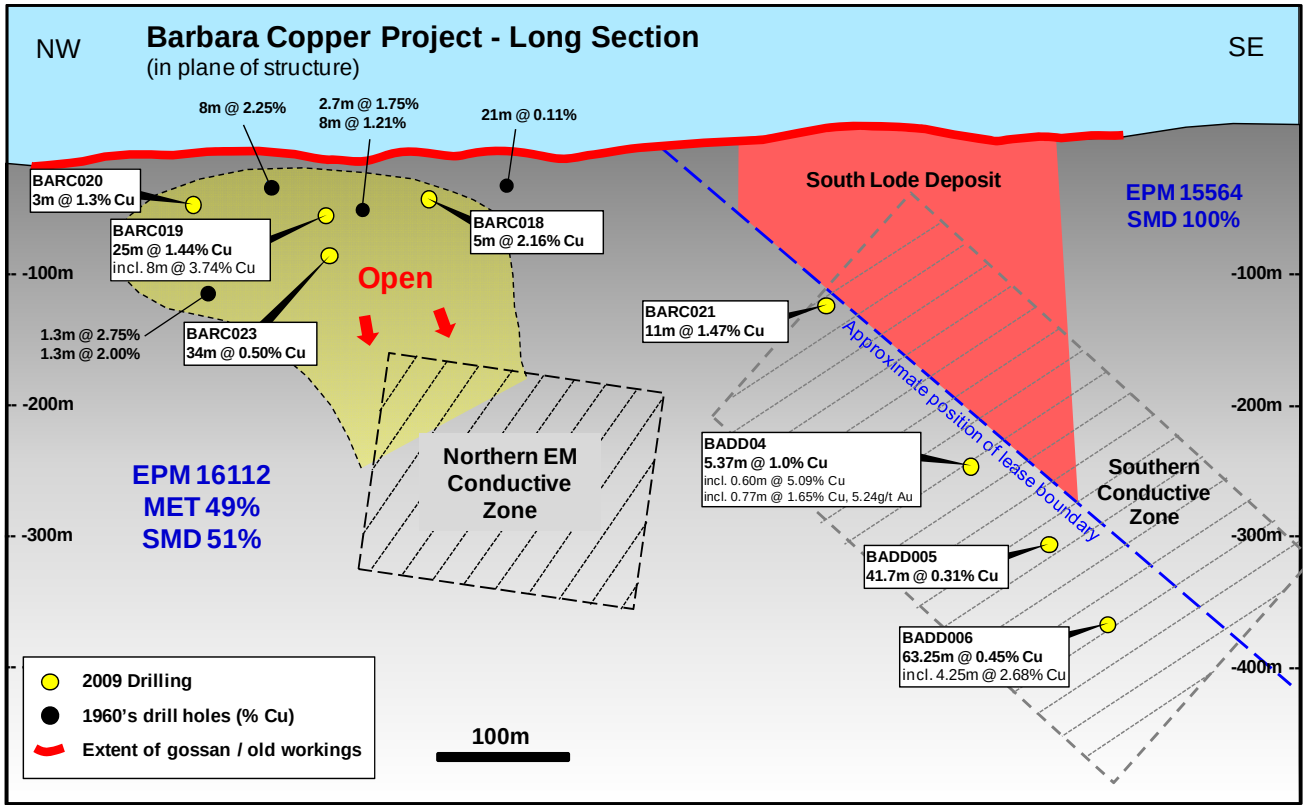

Figure 1: Barbara Long Section.

Barbara South Lode

Three pre-collared diamond holes and one RC hole were completed to test the interpreted down plunge extension of the Barbara South Lode within the joint venture tenement.

Each hole intercepted the mineralised zone which contained significant widths of stringer, massive and semi-massive sulphides (mostly pyrrhotite) with local higher grade (+1% copper) intervals (refer Figures 1 and 2).

Interpretation of the drilling results suggests that the high grade core of the lode is possibly plunging at a shallower angle than anticipated (ie: external to the JV tenement) and that the holes drilled may have intercepted the lower edge of the lode.

Significant intercepts include 5.37 metres at 1% Cu and 0.8g/t Au in BADD004, 4.25 metres at 2.68% Cu and 0.26g/t Au in BADD006 and 11 metres at 1.47% Cu and 0.11g/t Au in BARC021 (refer Table 1).

The drilling indicates that the altered and mineralised zone is increasing in width at depth and to the south with estimated true widths of + 30 metres in BADD005 (41.7 metres averaging 0.31% Cu) and +50 metres in BADD006 (63.25 metres at 0.45% Cu). The prevalence of magnetite is also increasing at depth and to the south.

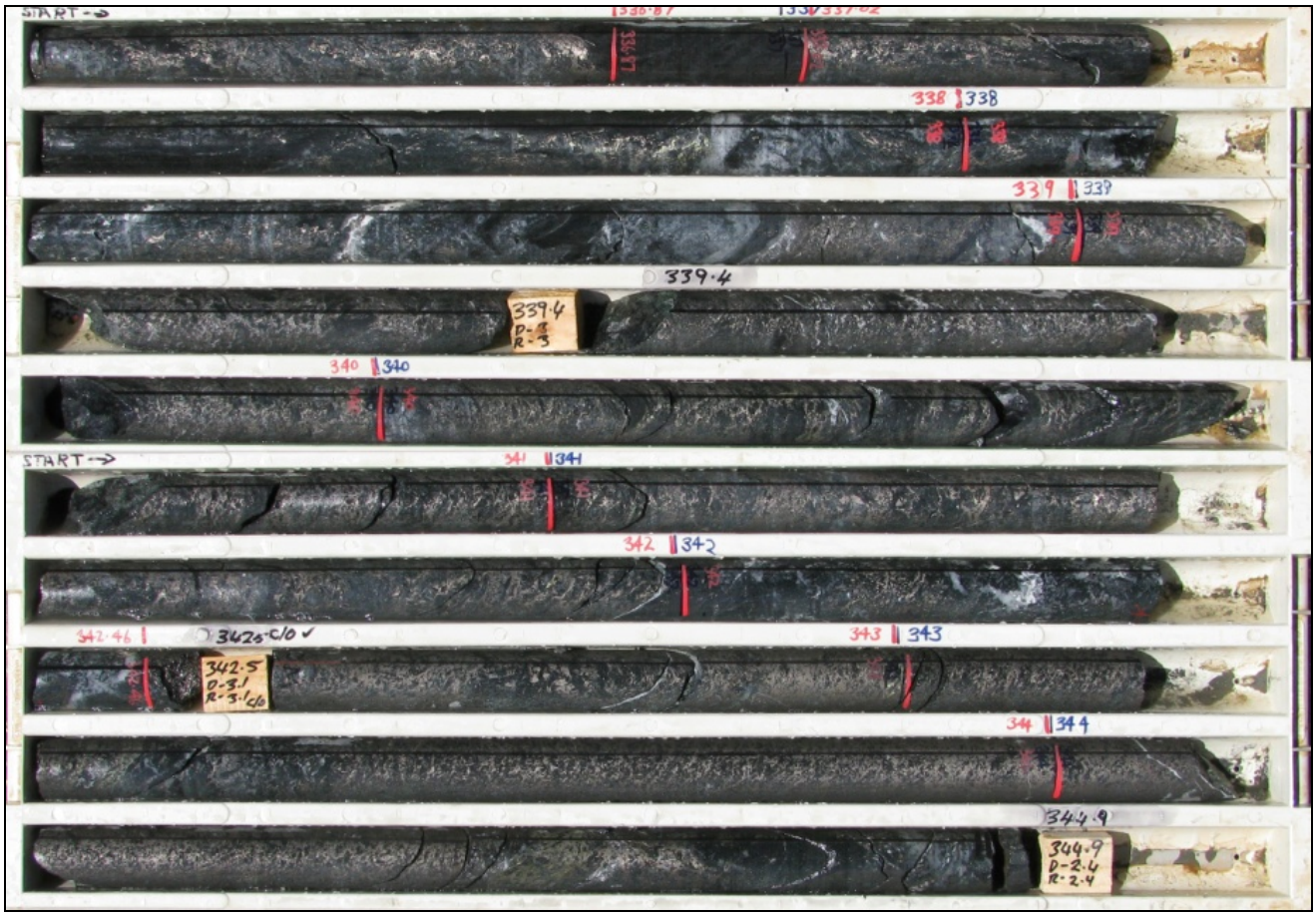

Figure 2: Drill hole BADD005 - Pyrrhotite zone.

Additional Target Generation

A program of soil sampling was completed to test for new mineralised zones within the JV area in the vicinity of the Barbara shear zone. The known mineralisation was clearly defined by the sampling which also demonstrated that the Barbara North Lode is open to the north beyond the northernmost drill hole completed to date - BARC020 (refer Figure 3).

Two new soil anomalies of similar strength to those overlying the Barbara structure (+500ppm Cu), were also outlined within the Barbara tenement (refer Figure 3).

Infill soil and rock chip sampling will be completed over these anomalies to determine their significance.

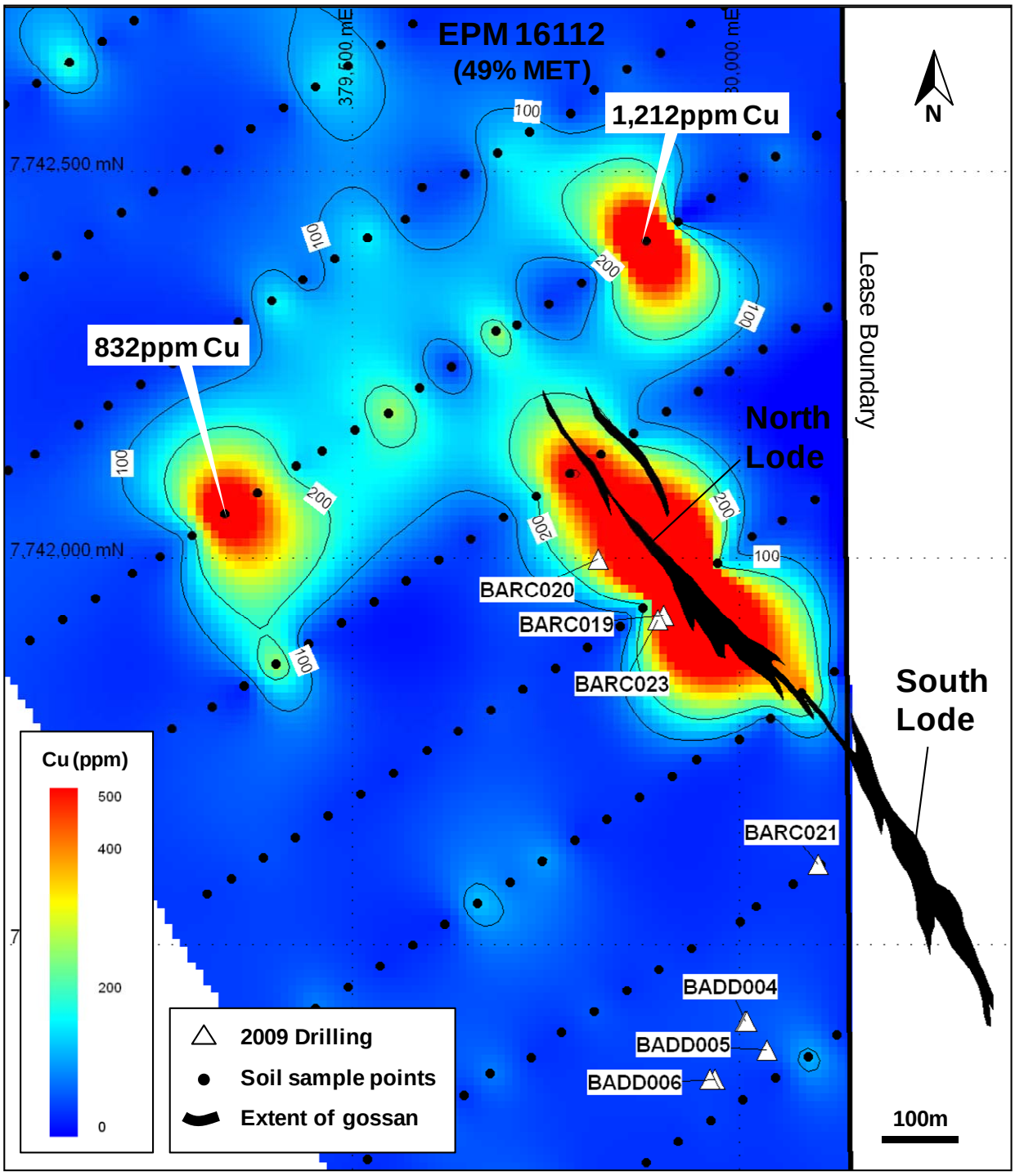

Figure 3: Barbara Prospect – Grid of copper soil samples results.

Conclusions and Forward Program

The recently completed programs continue to demonstrate the potential of the Barbara area to host significant copper deposits.

The initial drilling on the Barbara North Lode returned positive results with very good potential to define additional near surface copper sulphide mineralisation. In addition the deeper North Lode TEM anomaly is yet to be tested.

Planning is underway on a follow-up infill drilling program on the North Lode which will include testing of the identified TEM conductor.

Soil sampling has also highlighted a number of anomalies of similar strength to the Barbara Lode anomalies in the immediate vicinity.

Drilling is anticipated to recommence at Barbara in early September.

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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.

Barbara North Lode

HOLE	East (GDA94)	North (GDA94)	TD (m)	RC (m)	DD (m)		From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Co (ppm)
BARC018	379,953	7,741,870	96	96	-	-	12	18	**6**	**0.88**	0.09	-	482
						including	14	15	**1**	**1.09**	0.09	-	255
						-	34	35	**1**	**1.58**	0.04	11	274
						-	43	48	**5**	**2.16**	0.10	5	26
BARC019	379,903	7,741,926	68.8	68.8	-	-	32	57	**25**	**1.44**	0.10	2	114
						including	32	40	**8**	**3.74**	0.27	5	261
BARC020	379,818	7,741,999	120	120	-	-	43	46	**3**	**1.30**	0.04	7	685
						-	102	106	**4**	**0.48**	0.03	1	19
BARC023	379,895	7,741,920	102	102	-	-	54	88	**34**	**0.50**	0.05	1	48
						including	59	60	**1**	**1.26**	0.12	4	113
							68	69	**1**	**1.27**	0.11	2	34
							74	75	**1**	**1.31**	0.05	4	46
							79	86	**7**	**0.66**	0.08	1	43

Barbara South Lode

HOLE	East (GDA94)	North (GDA94)	TD (m)	RC (m)	DD (m)		From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Co (ppm)
BADD004	380,008	7,741,400	331.9	201.6	130.3	-	278.23	283.60	**5.37**	**1.00**	0.81	2	200
						including	278.23	279.00	**0.77**	**1.65**	5.24	3	322
							283.00	283.60	**0.60**	**5.09**	0.11	10	480
BADD005	380,036	7,741,363	369.6	202.35	167.25	-	304.55	306.28	**1.73**	**0.72**	0.16	3	655
						-	342.46	344.00	**1.54**	**0.93**	0.02	3	448
BADD006	379,969	7,741,325	447	201.6	245.4	-	363.75	368.00	**4.25**	**2.68**	0.26	5	1,037
						-	411.00	427.00	**16.00**	**0.68**	0.11	1	411
						including	411.00	417.75	**6.75**	**0.88**	0.10	2	598
							424.00	427.00	**3.00**	**1.03**	0.22	3	611
BARC016	380,010	7,741,400	84	84	-	*abandoned (difficult drilling conditions)*							
BARC017	380,036	7,741,363	60	60	-	*abandoned (difficult drilling conditions)*							
BARC021	380,103	7,741,603	161	161	-	-	127	138	**11**	**1.47**	0.15	2	153
						including	127	133	**6**	**2.09**	0.19	3	181
							134	135	**1**	**1.41**	0.27	2	139
BARC022	379,962	7,741,325	30	30	-	*abandoned (difficult drilling conditions)*							

Table 1: Barbara drilling results – August 2009.