

ASX Announcement

Monday 1st March 2010

MAIDEN RESOURCE ESTIMATE FOR BARBARA - NORTH LODE COPPER DEPOSIT

Highlights:

- **Maiden resource estimate completed for the Barbara North Lode copper deposit**
- **Combined Indicated and Inferred Mineral Resource of 740,000 tonnes at 1.23% Cu for 9,100 tonnes of contained copper (0.5% Cu cut-off grade)**
- **Deposit open at depth with multiple targets along strike and in close proximity providing excellent potential for a significant expansion of the existing resource inventory**
- **5,000 metre drilling campaign to commence in early March.**

The Board of Mt Isa Metals Limited (MET) is pleased to announce that a maiden resource estimate has been completed for the Barbara North Lode copper deposit based on the limit of early stage drilling.

The combined Indicated and Inferred Mineral Resource estimate is 740,000 tonnes at 1.23% Cu containing 9,100 tonnes of copper, based on an 0.5% Cu minimum cut-off grade. The resource estimate was completed by Hellman & Schofield Pty Ltd, an independent geological consultancy.

The Barbara Copper Prospect is located approximately 50km north-east of Mt Isa and forms part of the Company's broader Leichardt Exploration Project. The Barbara Copper Prospect – North Lode is held in joint venture between Mt Isa Metals Limited (49%) and Syndicated Metals Limited (51% and manager).

The early stage drilling completed at North Lode during 2009 focused on a limited area of the total Barbara mineralised system and was carried out to an average maximum depth of 150 metres from surface.

The mineralisation defined to date at North Lode has a 300 metre strike length, dips at 50° to 60° to the south-west, and appears to have a moderate to steep south-east plunge (refer Figure 1).

The North Lode mineralisation is open down plunge below 150m depth.

The Barbara North Lode resource estimates based on a 0.5% copper and 1.0% copper cut-off grade are tabulated below (tables 1 and 2). Note that approximately 10% of the resource (in terms of tonnes) is within the oxidised and partially oxidised domains.

Category	Tonnes	Cu %	Au g/t	Cu Tonnes	Au Ounces
Indicated	281,000	1.35	0.1	3,790	900
Inferred	459,000	1.16	0.1	5,310	1,480
Total	740,000	1.23	0.1	9,100	2,380

Table 1. Barbara North Lode Resource Estimate (0.5% Cu cut-off).

Average density of 2.89t/m³ for sulphide, 2.59t/m³ for oxide; minor rounding errors; significant figures quoted do not imply precision and are used to minimize round-off errors.

Category	Tonnes	Cu %	Au g/t	Cu Tonnes	Au Ounces
Indicated	137,000	2.04	0.1	2,800	440
Inferred	185,000	1.83	0.1	3,380	600
Total	322,000	1.92	0.1	6,180	1,040

Table 2. Barbara North Lode Resource Estimate (1.0% Cu cut-off).

Average density of 2.89t/m³ for sulphide, 2.59t/m³ for oxide; minor rounding errors; significant figures quoted do not imply precision and are used to minimize round-off errors.

Forward Program

A new 5,000 metre RC and diamond drilling program has been proposed for the Leichardt JV aimed at expanding the current copper resource and testing a number of other advanced copper-gold targets.

Drill targets recently identified in close proximity to the Barbara North Lode include:

- Green Zone - a 400m long mineralised structure defined at surface by visible copper minerals and rock chip samples including 10m @ 1.00% Cu.
- North Gossan – recently identified surface gossan co-incident with a +100ppm Cu in soil anomaly.

Drilling is expected to commence in early March.

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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.

The data in this report that relates to Mineral Resources for the Barbara North Deposit is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Tear is a full-time employee of Hellman & Schofield Pty Ltd. Mr Tear 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 Tear consents to the inclusion in the report of the Mineral Resource in the form and context in which they appear.

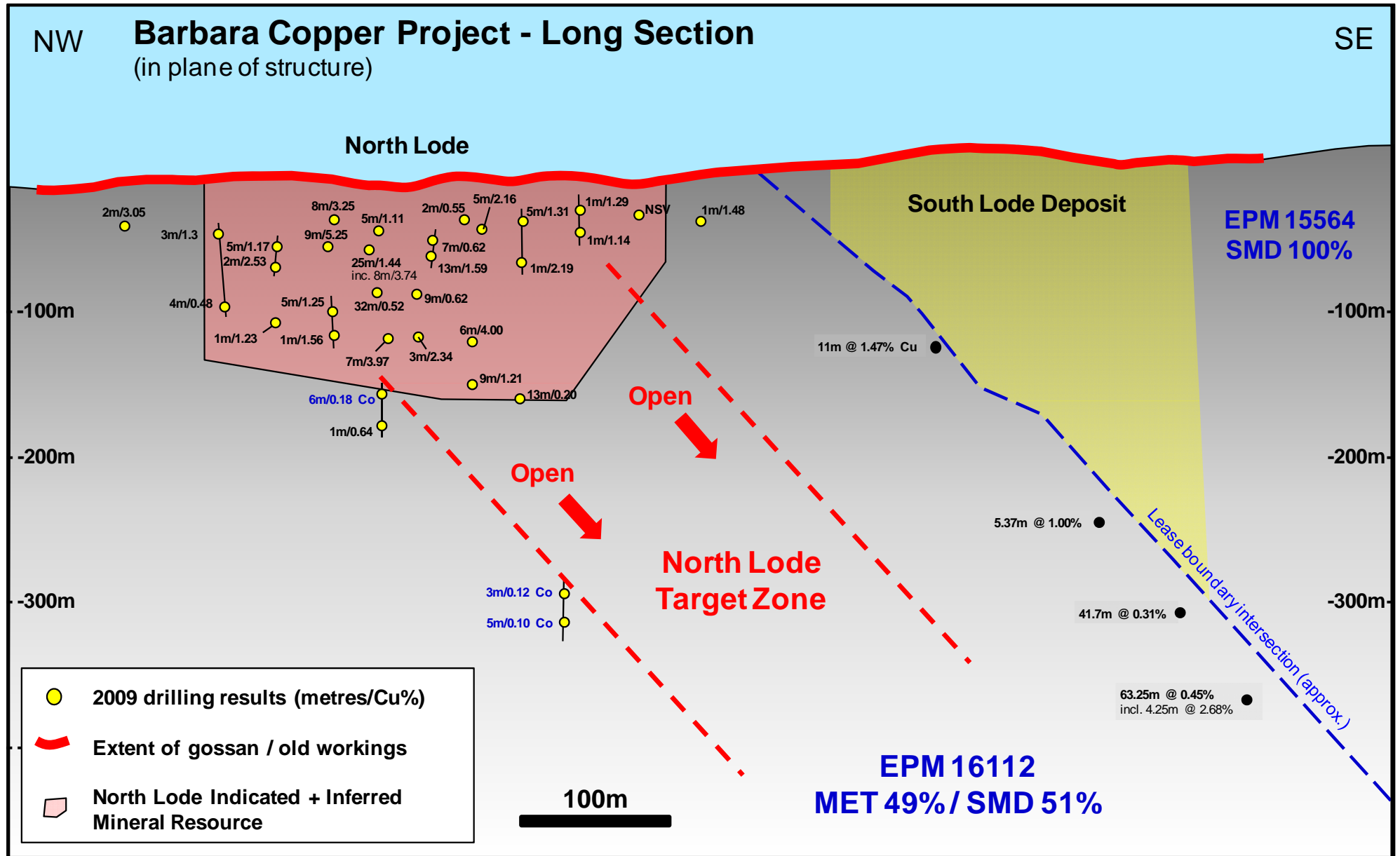


Figure 1. Barbara Long Section

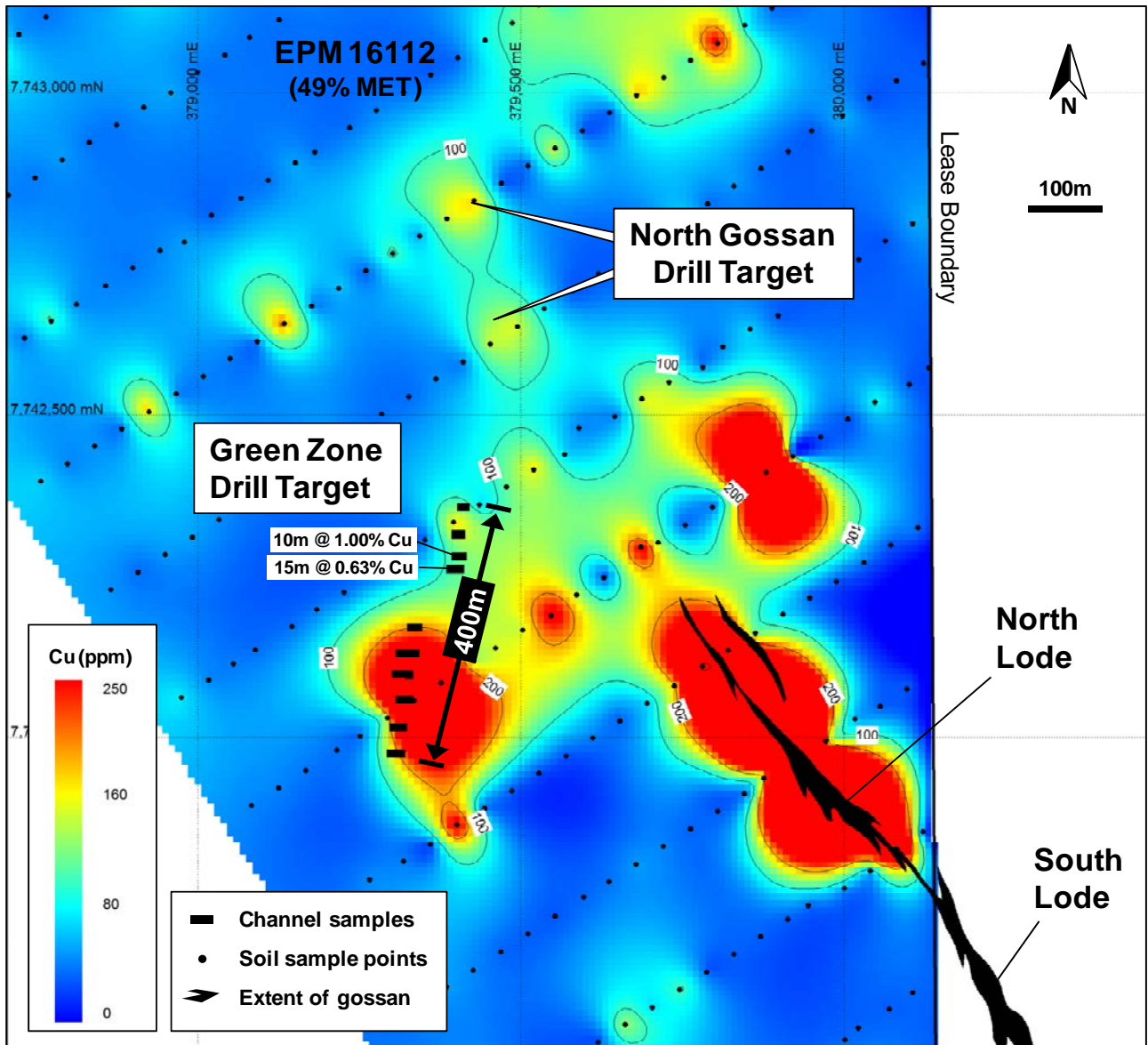


Figure 2 – Barbara North – Additional drilling targets.

Resource Modelling Parameters

The Barbara North Lode deposit is a series of structurally controlled sulphide lodes within rhyodacitic volcanics of the Tewinga Group. Mineralisation comprises semi-massive pyrrhotite/pyrite with chalcopyrite and chalcopyrite stringer veins hosted in Mesoproterozoic-aged volcanics.

The resource estimate is based on drilling results from the Leichardt Joint Venture 2009 RC drilling campaign, managed by Syndicated Metals Limited. Syndicated supplied the drillhole database for the deposit, which Hellman & Schofield Pty Ltd (“H&S”) has accepted in good faith as an accurate, reliable and complete representation of the available data. H&S performed some validation of the data but responsibility for the quality of the data rests with Syndicated. The quality control procedures for assay and sampling used by Syndicated were reviewed by H&S and are considered appropriate, but responsibility for quality control resides solely with Syndicated.

The composite data used for modelling was selected by using approximate 0.2% Cu mineralisation wireframes with input from geological considerations. Resource estimation is based on 451 1m composites from 32 drillholes using a combination of Multiple Indicator Kriging (“MIK”) and Ordinary Kriging for the Main Lode and Inverse Distance Squared for the two sub sections of the L2 Lode. Density for the fresh rock material was based on diamond drill core density measurements from the adjacent Barbara South deposit that were used to establish a regression equation between iron, copper and also taking into account sulphur and oxidation.

Details of the search parameters for the MIK model are included below:

MIK Search 1 with 50% Expansion	Pass No 1	Pass No 2	Pass No 3
X	10m	15m	15m
Y	40m	60m	60m
Z	40m	60m	60m
Composite Data Requirements			
Min Data	8	8	4
Max Data	32	32	16
Octants	4	4	2

The MIK model used a 20 by 10 by 5m panel with a 5 by 5 by 5m single mining unit. Classification of the resources is based on the following table:

Classification	Pass
Indicated	1
Inferred	2-3

Reporting of the resources is based on a 0.5% copper cut off, constrained to within the mineralisation shapes using a volume adjustment factor. In addition a separation was made between fresh rock and weathered rock based on surfaces designed from the drillhole logging. H&S understand that Syndicated conceptually plans to selectively mine the copper deposit by an open pit method and the resources have been classified on this assumption.