

ASX Announcement

Friday 26 March 2010

DRILLING OF COPPER TARGETS COMMENCED WITHIN LEICHARDT EXPLORATION PROJECT

Highlights:

- **5,000 metre drilling campaign commenced within the Leichardt Exploration Project**
- **Drilling to test multiple targets on the Barbara tenement (EPM 16112) including:**
 - **down plunge extensions to the Barbara – North Lode deposit**
 - **Green Zone target – 10 metres @ 1.0% Cu in surface channel sample**
 - **North Gossan target – mapped surface gossan**
- **First phase drilling proposed for Blockade tenement (EPM 16197)**
 - **Trey Bit and Blue Star targets – sites of historical copper workings**

The Board of Mt Isa Metals Limited (MET) is pleased to announce that the 2010 exploration drilling campaign has commenced within the Leichardt Exploration Project.

The Leichardt Exploration Project comprises multiple tenements / tenement applications located approximately midway between Mt Isa and Cloncurry in north-west Queensland. The area is noted for a high concentration of historical copper workings and a number of recent major copper-gold discoveries (figure 1).

A 5,000 metre drilling program has initially been proposed within two tenement areas comprising the Barbara tenement (EPM 16112) and the Blockade tenement (EPM 16197). Both tenements are held in joint venture between Mt Isa Metals Limited (49%) and Syndicated Metals Limited (51% and manager).

Barbara Drilling (EPM 16112)

Drilling to date within the Barbara tenement has focussed on delineating the near-surface extent of sulphide copper mineralisation within the Barbara copper deposit. Positive results from this drilling led to the recent announcement of a JORC compliant resource for the North Lode deposit – refer ASX release – *Maiden Resource Estimate for Barbara North Lode – 01 March 2010*.

The Barbara North Lode deposit remains open down plunge below 150m depth. The current drill program will include multiple holes to test the deposit below the base of current drilling and within the projected higher grade core of the structure (figure 2).

Recent exploration activity from elsewhere within the Barbara tenement (including mapping, surface channel sampling and soil sampling) has also identified additional copper targets that show sufficient potential to warrant drill testing within the current drilling program:

Green Zone – Copper-bearing structure defined over a 400m strike length. Surface channel samples include **10 meters @ 1.0% Cu**, and **15 metres @ 0.63% Cu**. Individual rock chip samples to 2.9% Cu (figure 3).

North Gossan – Gossan mapped at surface. Geochemical results show elevated Cu, Co and As. Located at the possible favourable intersection of the “Barbara” and “Green Zone” structures (figure 3).

Blockade Drilling (EPM 16197)

The Blockade tenement is located approximately 20km south of Barbara and was acquired on the basis of the high concentration of historical copper workings identified within the permit area (figure 1).

No recent drilling has been conducted within the Blockade tenement.

Two historical copper mine sites (Trey Bit and Blue Star) have been selected for drill testing in the current program (figure 4):

Trey Bit – Copper sulphides (including chalcocite and chalcopyrite) have been reported from the sulphide zone at this prospect. Depth to sulphide is reported as approximately 10 metres from surface. The target strike length identified by historical workings is in excess of 250 metres.

Blue Star – At this prospect historical mining / drilling encountered multiple (at least four) stacked lodes developed parallel to a lithological (mafic – felsic) contact.

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

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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.

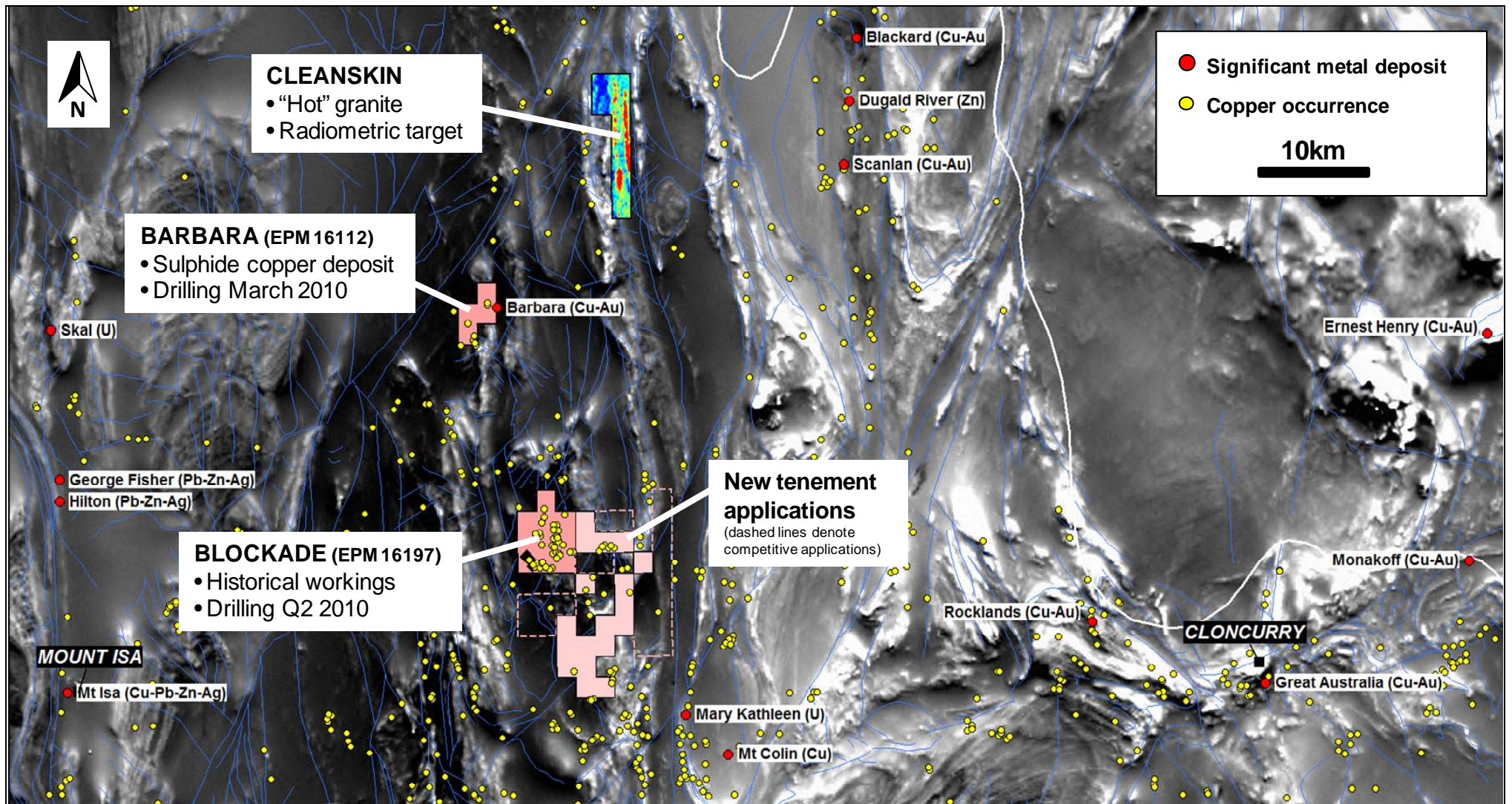


Figure 1 – Leichardt Exploration Project – Location.

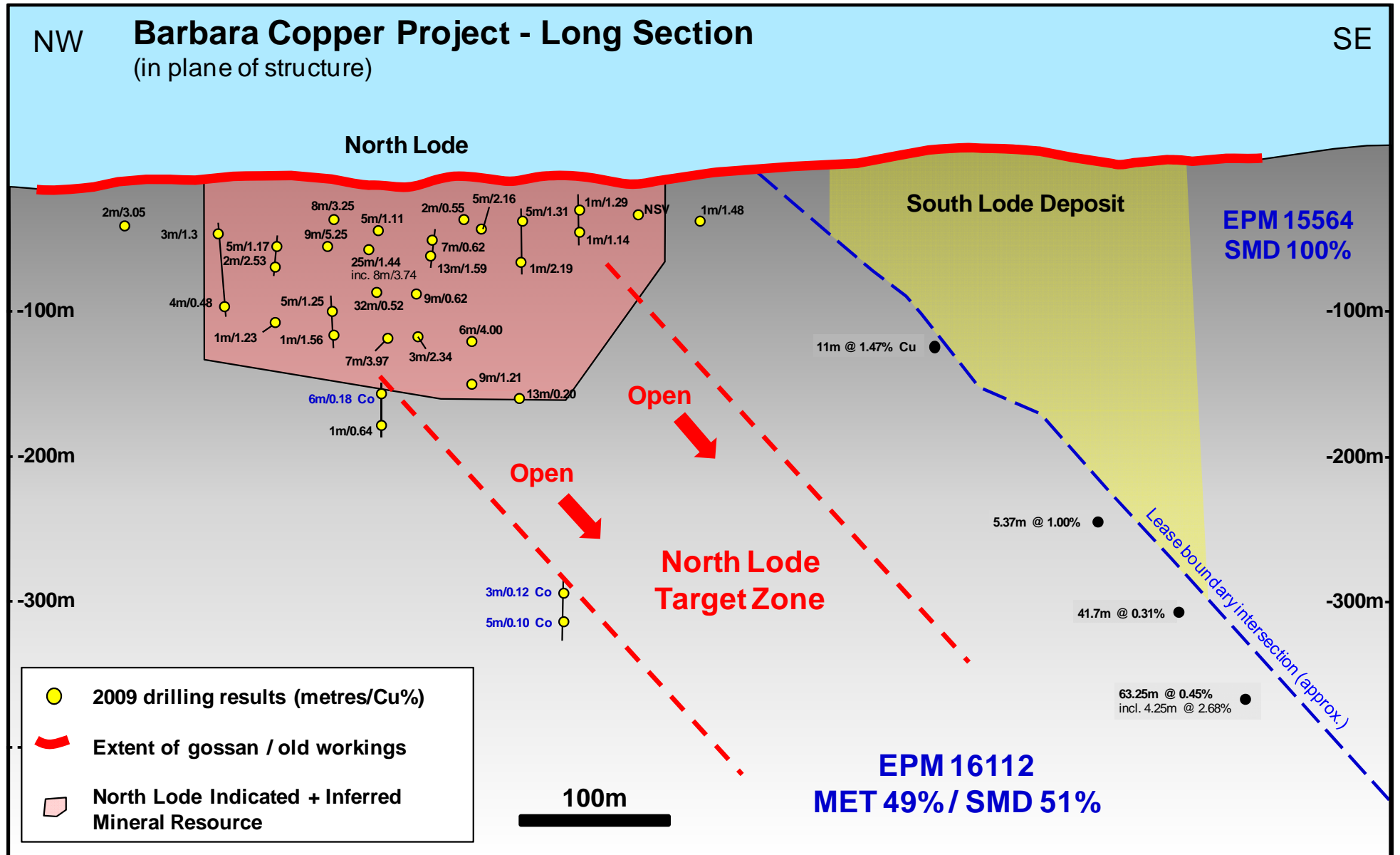


Figure 2 – Barbara Copper Deposit - Long section.

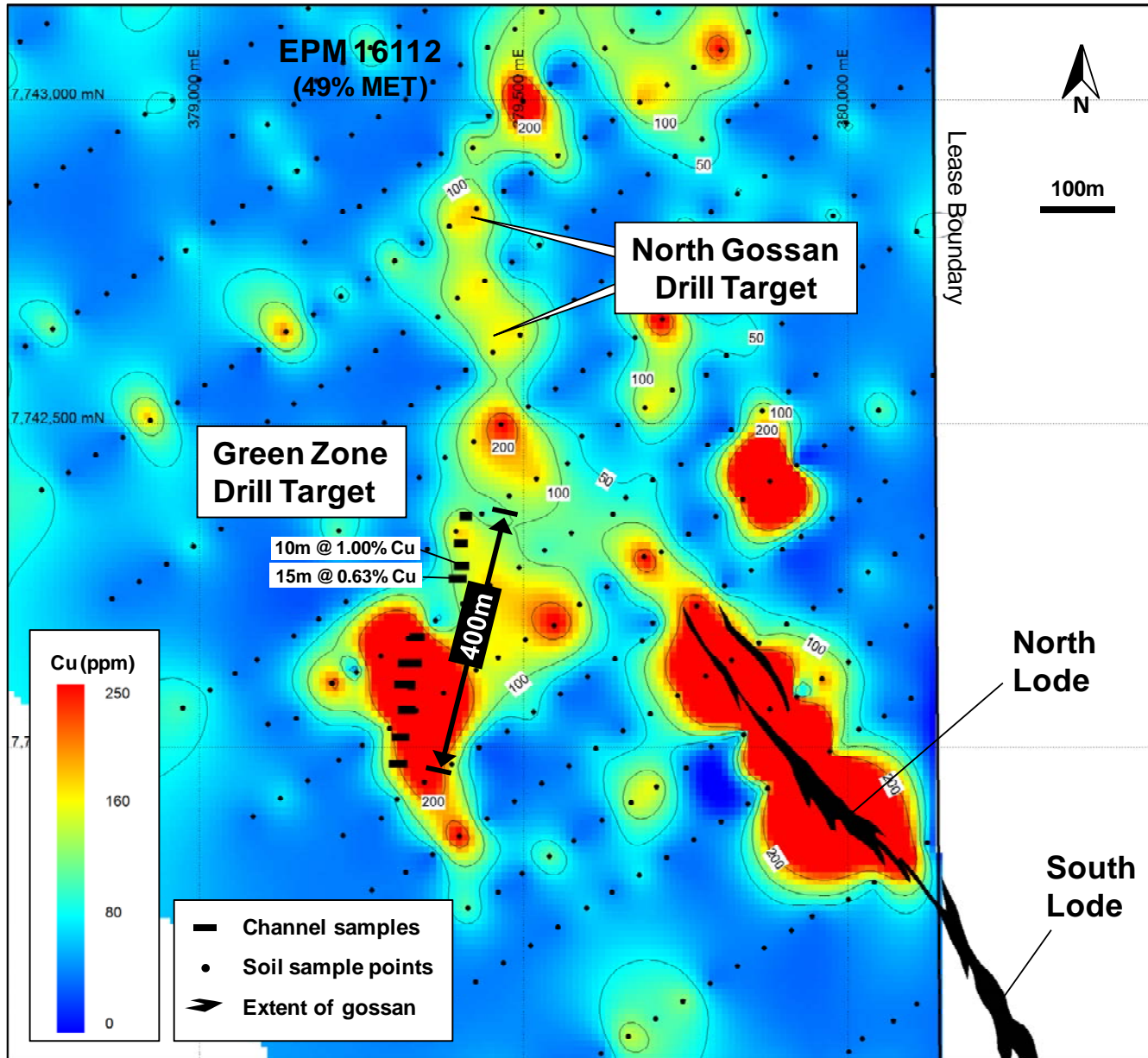


Figure 3 – New drill targets – Barbara tenement.

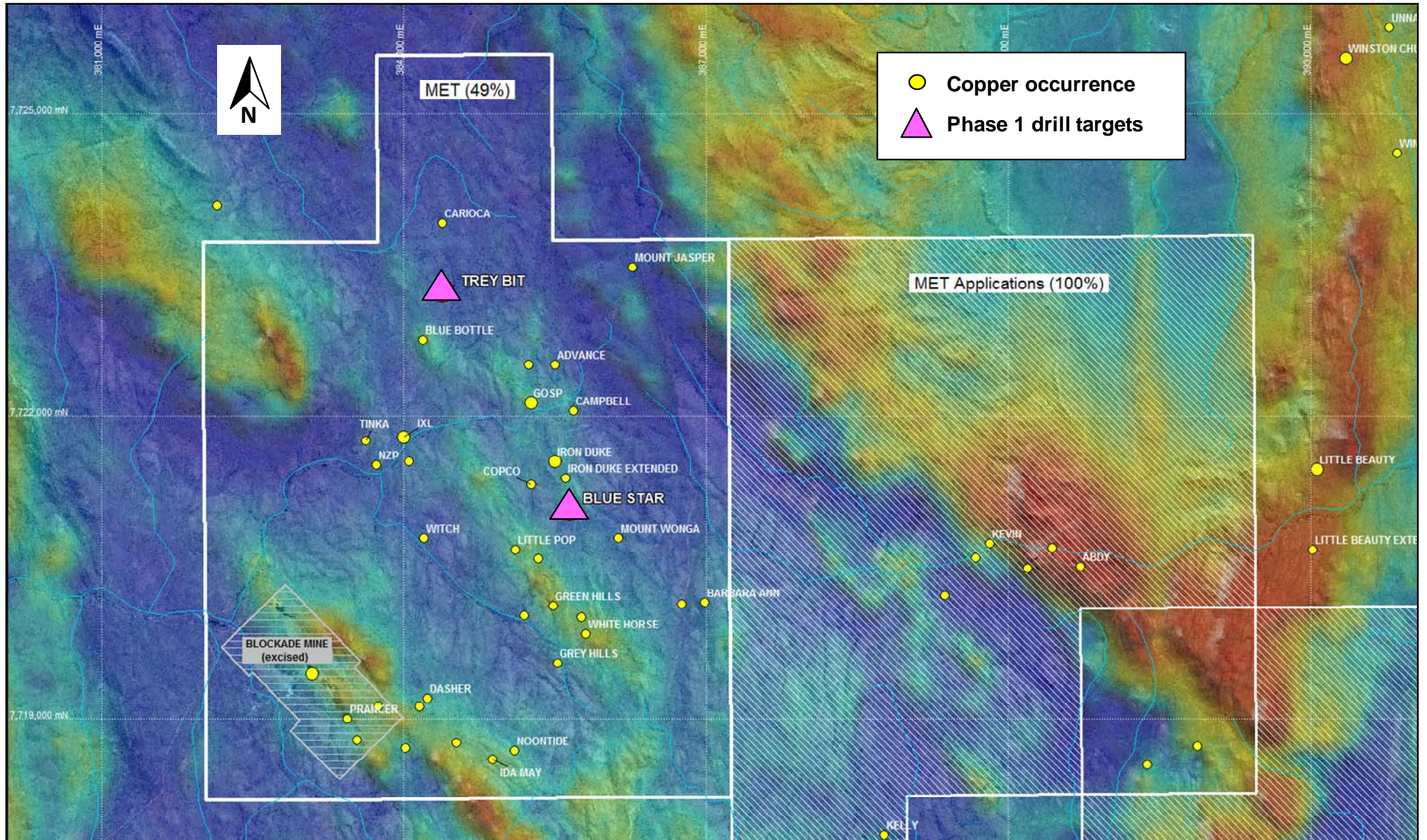


Figure 4 – Blockade tenement – Phase 1 drill targets and historical copper workings (background = TMI magnetic image).