

ASX Announcement

06th May 2010

MET EXPANDS BURKINA FASO GOLD PORTFOLIO.

Highlights:

- Three year option agreements secured over 4 additional gold properties in Burkina Faso.
- Pepin project area sits on the strike extension of the +1Moz Sabce gold trend
- MET optioned properties in Burkina Faso now comprise:
 - 3,243 km² permit area (includes 2,125 km² of “greenstones”)
 - 27 artisanal gold sites / gold occurrences
- Permit area equivalent to a 30km wide belt extending from Kalgoorlie to Kambalda (St Ives) in the WA goldfields.
- Immediate commencement of reconnaissance exploration activities planned.

The Board of Mt Isa Metals Limited (MET) is pleased to advise that the company has finalised agreements that provide an option to acquire a 100%¹ interest in a further four gold exploration permits in Burkina Faso, West Africa.

The permits comprise a total area of 869km² and are located in multiple greenstone belts across Burkina Faso. The permits include approximately 657km² of highly prospective greenstone belt rocks – host to a significant number of large gold deposits in the region (figure 1).

The new agreements further extend MET’s current tenement position in Burkina Faso (as announced to the market on the 28th April 2010 – *MET to Acquire Eleven Gold Properties in Burkina Faso*), and is the result of significant reconnaissance, negotiations and effort by MET’s senior management on the ground in Burkina Faso since October 2009.

MET’s total optioned land position now comprises:

- 3,243 km² total area / 2,125 km² greenstones
- 209 kilometre strike length of prospective greenstone belt rocks
- 27 artisanal gold sites / gold occurrences

¹ Subject to a net 10% Government free carry interest (as is applicable to all exploration permits in Burkina Faso).

Managing Director Peter Spiers commented, “We are very pleased to have extended our optioned land position in Burkina Faso. The new agreements further consolidate our position in one of the most exciting gold exploration regions in the world today.”

“Our combined land position in Burkina Faso is now equivalent in area to a 30km wide belt extending from Kalgoorlie to Kambalda (St Ives) in the Western Australian goldfields,” he said.

The Pepin permit (application) is particularly interesting in that it is located within the Kalsaka-Bissa region of north-central Burkina Faso which hosts several major gold deposits and continues to yield impressive exploration results by third party explorers. The Pepin permit also lies within the strike extension of the +1Moz Sabce gold trend (figure 2).

Burkina Faso is regarded by MET as one of the most richly gold endowed areas of sub-Saharan Africa and is host to current exploration, development and mining operations being advanced by numerous companies including Ampella Resources, Iamgold, Cluff Gold, Etruscan Resources, Riverstone Resources and SEMAFO. More than ten gold deposits have been discovered to date in Burkina Faso with a size in excess of one million ounces gold².

The new agreements provide for a three year option period and include, an up-front payment of US\$7,500 (single lump sum signing payment covering all agreements) followed by per-permit payments of US\$7,500 at the end of a 60 day due diligence period³. The options can be maintained by staged annual cash payments ranging from US\$10,000 per permit at the end of the first year of the option period, up to US\$45,000 per permit at the end of the third year of the option period.

If MET elects to participate to the end of the third year 100% ownership of the permits will be transferred to MET. MET has a right to withdraw from the agreements at any time. The vendors will be entitled to a 1.0% royalty over any gold produced from the properties.

Reconnaissance exploration on the permits is scheduled for commencement immediately upon the conclusion of due diligence. MET will commence early drilling programs as soon as large targets are defined by reconnaissance exploration and the assessment of artisanal sites.

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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.

² Source JORC and 43-101 compliant company reports

³ "Due Diligence" payment on permit applications will occur at permit grant.

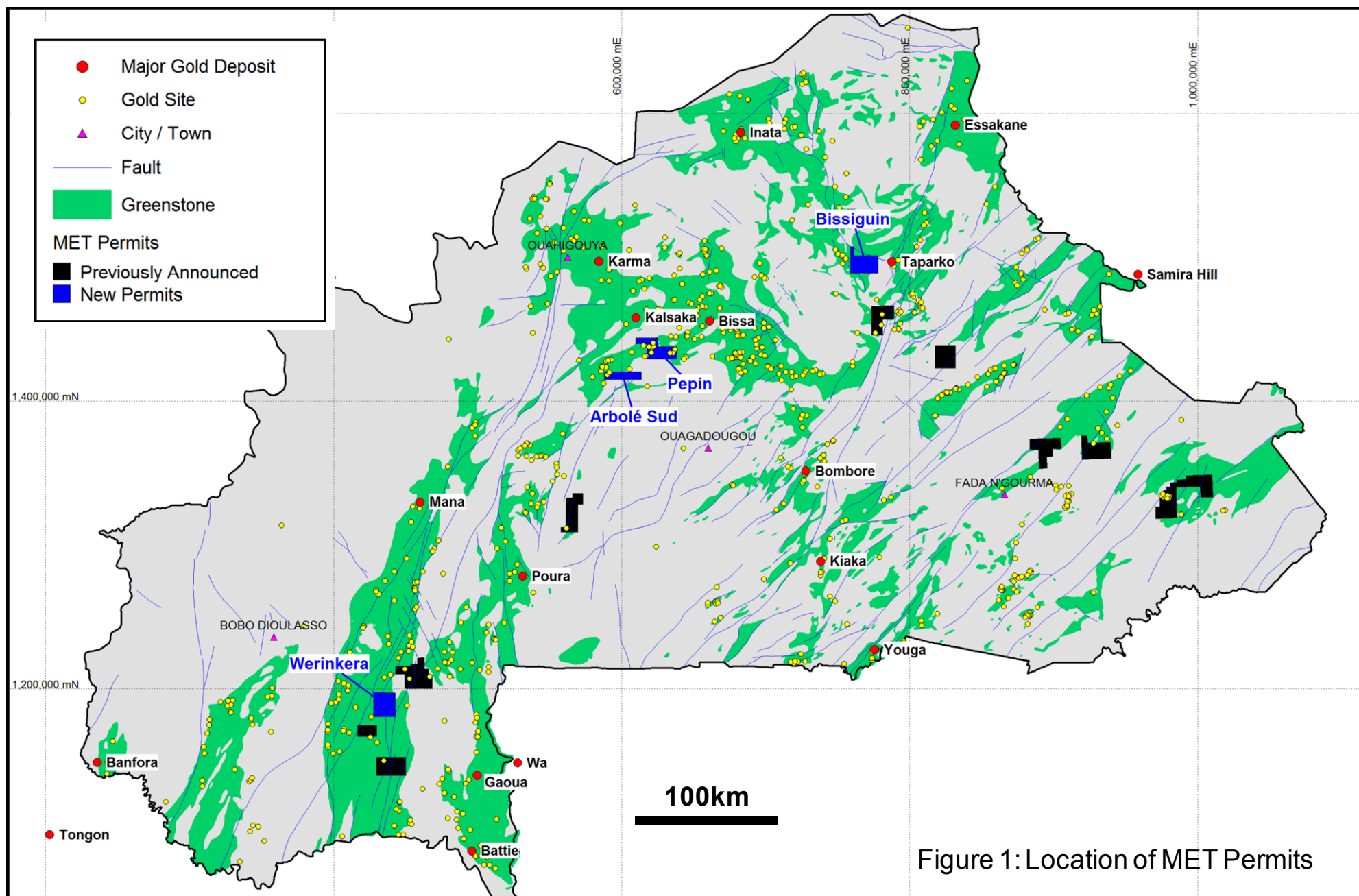


Figure 1: Location of MET Permits

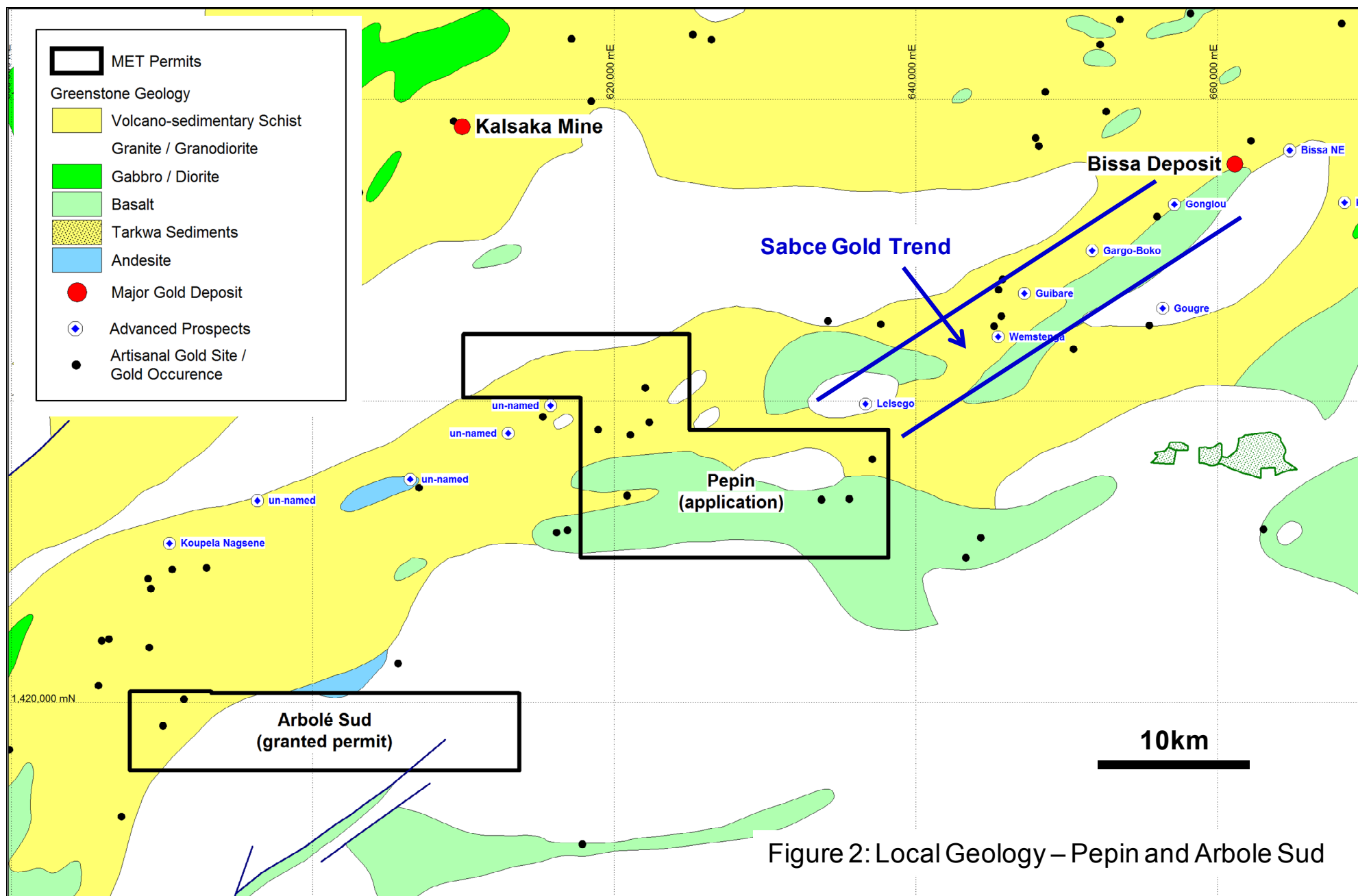


Figure 2: Local Geology – Pepin and Arbolé Sud