

ASX Announcement

Tuesday, 29 September 2009

MET EXITS PHOSPHATE PROJECT- \$0.50/t ROYALTY RETAINED

Summary:

- **MET announces withdrawal from the D-Tree Phosphate Project.**
- **A\$0.50/t phosphate royalty retained from any future phosphate production from the former Joint Venture area.**
- **MET announces forward activity to focus on base metal and precious metal exploration.**
- **MET actively engaged in securing a portfolio of additional properties focussed on gold exploration.**

The Board of Mt Isa Metals (MET) wishes to advise that the Company has exited the D-Tree project with Legend International Holdings, Inc. ("Legend").

Legend, as manager of the D-Tree Joint Venture, has invoiced the Company \$1.739 million for the Company's 20% interest in the D-Tree project for the period 1 September 2008 - 30 June 2009. The Company has decided to dilute rather than pay the invoices and in accordance with the Joint Venture agreement, the Company's interest has reduced to less than 5%, thus requiring the Company to exit the Joint Venture.

Further to the above, the Company has agreed to a royalty of A\$0.50 per tonne from any future phosphate product derived from the former D-Tree Joint Venture tenements.

Focus on Base Metal and Precious Metal Opportunities

MET retains a substantial portfolio of exploration properties including in excess of 5,000 km² of predominantly 100%-owned tenements in the Mt Isa region

The Mt Isa region tenements includes project areas where MET is actively targeting a range of deposit styles including copper, copper-gold, lead-zinc and uranium.

Drilling is scheduled to be conducted over two key copper project areas during September and October 2009:

Barbara Copper Project (MET 49%) – 21 hole reverse circulation drilling program testing down dip extensions to copper sulphide intersection reported in mid-August. Previous intersections include:

- BARC19: 5m @ 2.2% Cu from 43m
- BARC19: 8m @ 3.7% Cu and 0.27g/t Au from 32m

Gregory IOCG Project (MET 100%) - Two hole diamond drilling program to provide an initial test of gravity and magnetic geophysical anomalies defined by MET. The project comprises ~2,000 km² of tenements along the northern extension of the regionally mineralised “Gunpowder” Fault trend that have received virtually no prior exploration.

Additional substantial Gold Projects planned

In addition to activities in the Mt Isa region the Company also wishes to advise that it is actively engaged in expanding its current project portfolio with a view to securing additional properties focussed on gold exploration. In keeping with the Company’s stated strategy these project areas are to be located within a recognised world-class gold province.

The Company retained a cash balance of \$5.1m as at the 30th June 2009.

The Board looks forward to updating shareholders on these developments in due course.

For further information please contact:

Mr Peter Spiers
Managing Director
Ph: (07) 3303 0624 or 0409 407 265

Mr Duncan Cornish
Company Secretary
Ph: (07) 3303 0624 or 0407 623 302

Email: info@mtisametals.com.au

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.