



ASX Announcement

26 May 2010

NEW COPPER AND COBALT ASSAY RESULTS FROM LEICHARDT EXPLORATION PROJECT

Highlights:

- Assay results received for the first three holes of the Leichardt Project 2010 drilling program
- Copper and cobalt mineralisation recorded in previously untested structures
- Green Zone – Copper
 - 4m @ 1.01% Cu from 56 metres (in GZRC001)
 - 10m @ 0.96% Cu from 82 metres (in GZRC002)
- North Gossan – Cobalt
 - 6m @ 0.18% Co from 40 metres (in NGRC001)
 - Massive sulphide interval with strong potential for adjacent copper mineralisation
- Potential to supplement current Barbara North Lode Inferred Resource inventory¹
- Follow-up drilling underway at both locations

The Board of Mt Isa Metals Limited (MET) is pleased to announce that assay results have been received for the initial three drill holes of the 2010 Leichardt Project drilling program. The results include significant copper and cobalt intersections recorded in previously untested structures.

The Leichardt Project comprises multiple tenements and tenement applications located approximately midway between Mount 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 and copper-gold discoveries ([figure 1](#)).

Drilling to date within the Leichardt Project has focussed on resource delineation of the Barbara copper deposit. The current drill program aims to provide a first pass assessment of multiple copper targets defined at other locations within the Barbara (EPM 16112) and Blockade (EPM 16197) tenements. Both tenements are held in joint venture between Mt Isa Metals Limited (49%) and Syndicated Metals Limited (51% and manager).

¹ Refer ASX release "Maiden Resource Estimate for Barbara - North Lode Copper Deposit" dated 01 March 2010.

Green Zone – Copper

The Green Zone target is defined at surface over a 400m strike length via a +200ppm copper in soil geochemical anomaly and coincident elevated surface channel sample results including 10m @ 1.0% Cu and 15m @ 0.63% Cu (approximate true width) ([figure 2](#)).

Visible copper oxide (malachite) has also been noted at surface associated with a major north-trending fault zone.

The first two drill holes into Green Zone have now been completed (GZRC001 and GZRC002) and have confirmed the presence of potentially mineable widths and grades of chalcopyrite (copper sulphide) mineralisation at shallow depths ([table 1](#)).

Hole No.	East GDA94	North GDA94	TD (m)	Dip	Azi		From (m)	To (m)	Width (m)	Cu (%)	Co (%)
GZRC001	379433	7742270	94	-60	271		56	60	4	1.01	-
							67	89	12	0.60	-
GZRC002	379345	7742070	130	-60	271		55	60	5	0.78	-
							82	92	10	0.96	-
						incl	86	89	3	1.71	-

Table 1 – Green Zone drilling results (at 0.5% Cu cut-off).

North Gossan - Cobalt

The North Gossan target is located at the mapped/projected intersection of the Green Zone and Barbara Faults ([figure 2](#)). Significant copper mineralisation has been defined by drilling on both structures.

The initial drill hole completed at North Gossan (NGRC001) intercepted a zone of strong quartz sulphide alteration (mostly pyrite) from 18 metres depth with a six metre thick massive sulphide zone from 40 metres at the base of the intersection grading 0.18% Co at a 0.1% Co lower cut-off grade ([table 2](#)).

At current metal prices of approximately US\$3/lb for copper and US\$20/lb for cobalt, a cobalt grade of 0.18% equates to approximately 1.2% Cu equivalent grade².

Although the copper values in NGRC001 were low (maximum 0.26% Cu) the intersection is considered very encouraging on the basis of comparison with drill holes recorded 900 metres to the south within the Barbara - North Lode deposit. Several drill holes at Barbara North Lode including BARC043 and BARC048 reported similar cobalt-rich (low copper) intersections adjacent to high grade copper mineralisation.

Hole No.	East (GDA94)	North (GDA94)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Cu (%)	Co (%)
NGRC001	379425	7742675	65	-60	46	40	46	6	-	0.18

Table 2 – North Gossan drilling results (at 0.5% Cu, 0.1% Co cut-off).

² Note that mining and metallurgical recoveries for cobalt and copper are not taken into account and no economic implications are implied in making this comparison.

Follow-up drilling is currently underway at Green Zone and North Gossan. The current drilling program will also include:

- first pass drilling of copper targets on the Blockade tenement including the historical Blue Star and Trey Bit mine sites, and
- further down-plunge drill testing of the Barbara copper deposit

MET considers the Leichardt region to be highly prospective for discovery of additional copper deposits and is seeking to extend its tenement position in the area. MET is therefore pleased to advise that it recently lodged an application for the 80km² Bulonga Permit (EPMA 18671, competitive with 3rd parties) located 40 kilometres to the south-east of the Blockade permit ([figure 1](#)). The Bulonga application is held 100% by MET.

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.

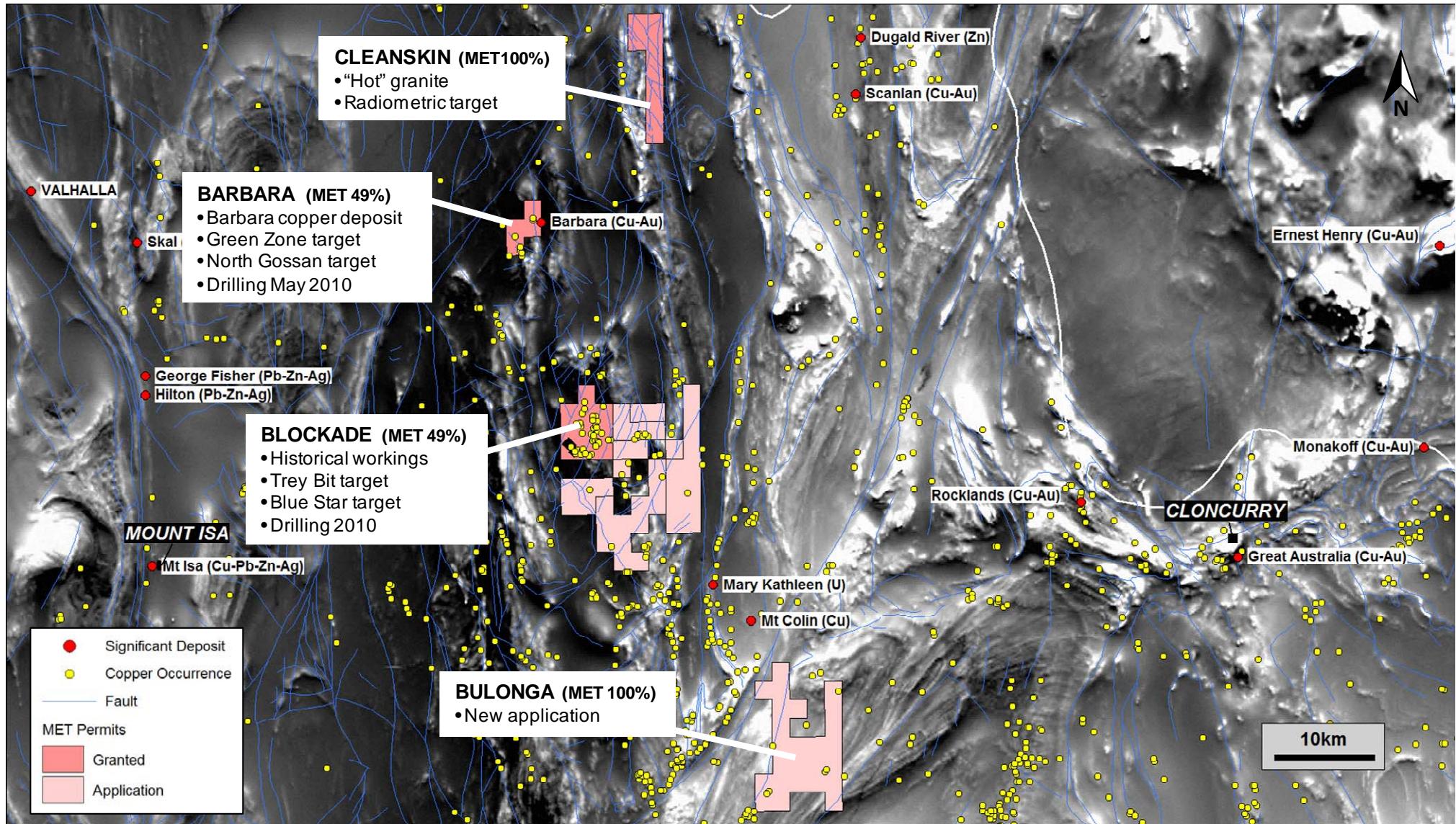


Figure 1 – Leichhardt Exploration Project – Location.

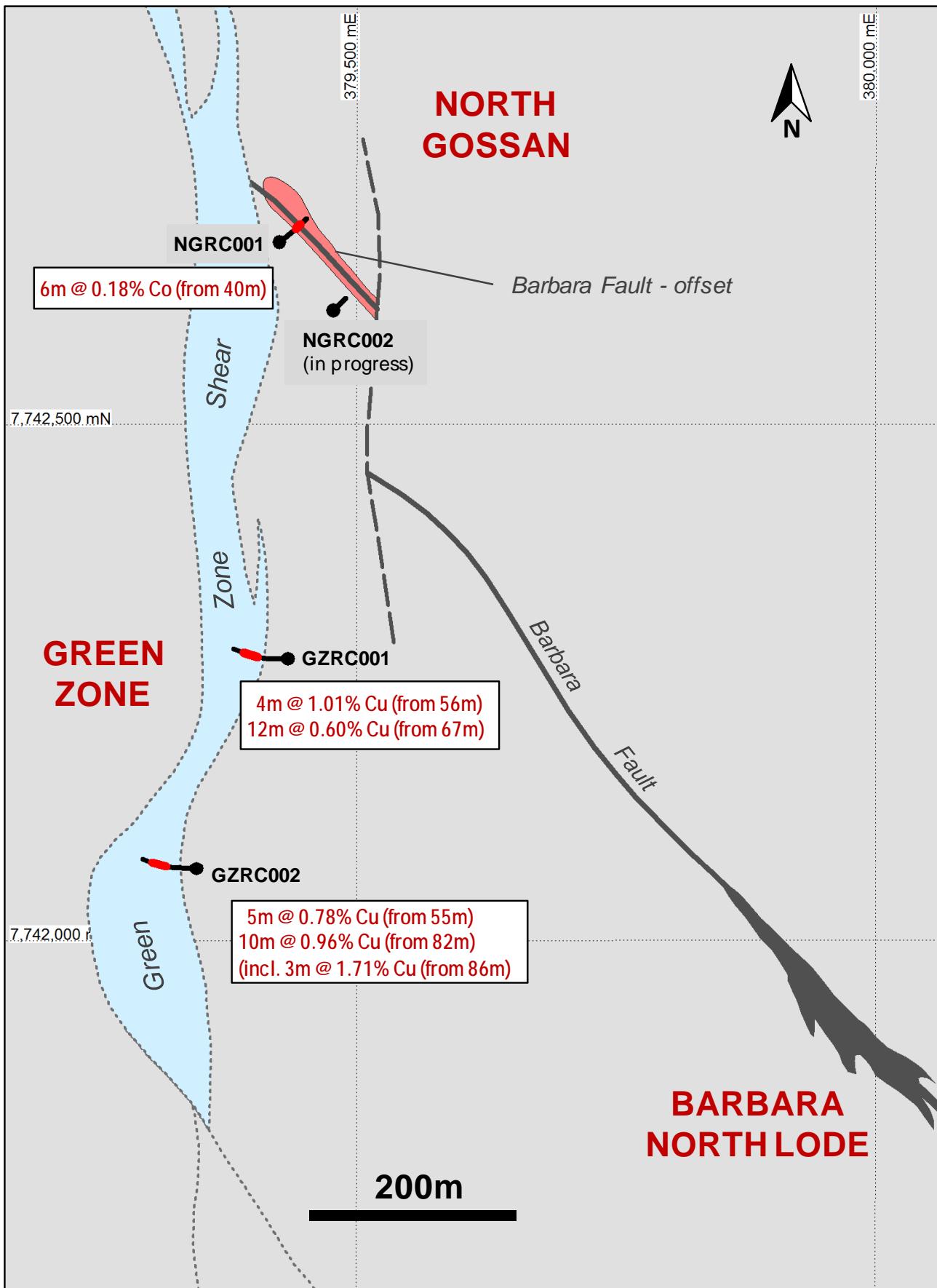


Figure 2 – Drilling results – Green Zone and North Gossan targets.