

ASX Announcement Metals of Africa Ltd

18 July 2014

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MTA Capital Structure

Shares on Issue: 93,248,001

Shares Trading: 65,743,647

Listed Options: 57,082,001
(\$0.15, 07/01/2017)

Unlisted Options
5M (\$0.25; 30/6/15)
5M (\$0.40; 30/6/15)
4M (\$0.25; 31/12/15)
2.49M (\$0.15; 3/12/16)
600k (\$0.168; 3/12/16)
3M (\$0.093; 31/3/17)

Market Cap. @ \$0.235; A\$21.9M

MTA Board

Gilbert George
Non Exec Chairman

Cherie Leeden
Executive Director

Brett Smith
Non Exec Director

Steven Wood
Company Secretary

ASX Code: MTA

www.metalsofaufrica.com.au

Placement and Exercise of Unlisted Options – s708 Notice

Metals of Africa Limited (ASX: MTA) (“Metals or “the Company”) advises that two separate new fully paid ordinary share allotments have occurred today, together the “New Shares”, being:

1. A placement of 7,604,000 shares at \$0.125 to raise \$950,500; and
2. An allotment of 2,000,000 shares upon the exercise of unlisted options, to raise \$186,000.

A completed Appendix 3B in respect the allotments is attached.

Information required under Listing Rule 3.10.5A

As the above equity issue of 7,604,000 ordinary shares was made under the Company’s Listing Rule 7.1A placement capacity, Metals hereby provides the information as required under Listing Rule 3.10.5A:

- a) Under Listing Rule 7.1A the total securities to be issued under the placement is 7,604,000, which will result in a dilution to existing shareholders of 9.09%.
- b) The equity securities were issued by the Company as a placement under Listing Rule 7.1A and not as a pro-rata issue or other type of issue in which existing ordinary security holders would have been eligible to participate as it was considered to be the most efficient and expedient method for raising the funds required to achieve the Company’s stated objectives.
- c) The placement was not underwritten.
- d) The Company will pay a fee of 4% (plus GST) of the total placement funds.

Secondary Trading Exemption Notice

The Corporations Act 2001 (“the Act”) restricts the on-sale of securities without disclosure, unless the sale is exempt under Section 708 or 708A of the Act. By Metals giving this notice, on-sale of the New Shares will fall within the exemption offered by Section 708A (5) of the Act.

The Company hereby notifies the ASX under Section 708A(5)(e) of the Act that:

- a) The Company issued the New Shares without disclosure to investors under Part 6D.2 of the Act;
- b) As at the date of this notice the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and with Section 674 of the Act; and
- c) As at the date of this notice there is no “excluded information” as defined in Section 708A(7) and (8) of the Act in relation to the Company.

-ENDS-

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ABN 75 152 071 095

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Metals of Africa Limited

ABN

75 152 071 095

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | 1. Fully paid ordinary shares
2. Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1. 2,000,000
2. 7,604,000 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1. Fully paid ordinary shares
2. Fully paid ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>1. Yes – fully paid ordinary shares</p> <p>2. Yes - Fully paid ordinary shares</p>
<p>5 Issue price or consideration</p>	<p>1. \$0.093 per share</p> <p>2. \$0.125 per share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>1. Issued on the exercise of unlisted options.</p> <p>2. The shares were issued to allow the Company to rapidly advance the Company's exploration activities at the Montepuez Graphite Project, in addition to providing on-going working capital to existing projects.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>30 May 2014</p>

+ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	1. nil 2. nil
6d	Number of +securities issued with security holder approval under rule 7.1A	1. nil 2. 7,604,000
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	1. nil 2. nil
6f	Number of +securities issued under an exception in rule 7.2	1. 2,000,000 Exception 4 - An issue on the conversion of convertible securities 2. nil
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	1. n/a 2. Yes. Issue date – 18 July 2014 15 day VWAP (as at 14 July 2014, the date when the securities were agreed to be issued) – \$0.127 75% of 15 day VWAP - \$0.095 Source of data - Comsec
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	n/a
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 – 300,000 7.1A – 200,000

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

7 ⁺Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

18 July 2014

8 Number and ⁺class of all ⁺securities quoted on ASX (*including* the ⁺securities in section 2 if applicable)

Number	⁺ Class
70,743,647*	Ordinary fully paid Shares
57,082,001	Quoted options (\$0.15, 7 Jan 2017)
* Note that 5,000,000 of these ordinary fully paid shares are subject to 12 months voluntary escrow until 7 Feb 2015	

⁺ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
	10,343,200	Ordinary fully paid shares escrowed 24 months until 12.10.2014
	3,000,000	Unquoted options (\$0.25, 31 Dec 2015) escrowed 24 months until 12.10.14
	1,741,539	Unquoted options (\$0.25, 30 June 2015) escrowed 24 months until 12.10.14
	1,741,539	Unquoted options (\$0.40, 30 June 2015) escrowed 24 months until 12.10.14
	3,258,461	Unquoted options (\$0.25, 30 June 2015)
	3,258,461	Unquoted options (\$0.40, 30 June 2015)
	1,000,000	Unquoted options (\$0.25, 31 Dec 2015) subject to vesting conditions
	12,161,154	Ordinary fully paid shares escrowed 12 months until 23.7.14
	2,488,500	Unquoted options (\$0.15, 3 Dec 2016)
	600,000	Unquoted options (\$0.168, 2 Dec 2016)
	3,000,000	Unquoted options (\$0.093, 31 Mar 2017)

+ See chapter 19 for defined terms.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/a
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Part 2 - Pro rata issue

11	Is security holder approval required?	N/a
12	Is the issue renounceable or non-renounceable?	N/a
13	Ratio in which the +securities will be offered	N/a
14	+Class of +securities to which the offer relates	N/a
15	+Record date to determine entitlements	N/a
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/a
17	Policy for deciding entitlements in relation to fractions	N/a
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7-7.</small>	N/a
19	Closing date for receipt of acceptances or renunciations	N/a

+ See chapter 19 for defined terms.

20	Names of any underwriters	N/a
21	Amount of any underwriting fee or commission	N/a
22	Names of any brokers to the issue	n/a
23	Fee or commission payable to the broker to the issue	n/a
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	n/a
25	If the issue is contingent on security holders' approval, the date of the meeting	n/a
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/a
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/a
28	Date rights trading will begin (if applicable)	n/a
29	Date rights trading will end (if applicable)	n/a
30	How do security holders sell their entitlements <i>in full</i> through a broker?	n/a
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	n/a

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- 32 How do security holders dispose of their entitlements (except by sale through a broker)? n/a
- 33 ⁺Issue date N/a

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ☒ ⁺Securities described in Part 1
- (b) ☐ All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	n/a				
39	+Class of +securities for which quotation is sought	n/a				
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	n/a				
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	n/a				
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX
may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
- Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

18 July 2014

Sign here: Date:

(Director/Company secretary)

Steven Wood

Print name:

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	33,450,001
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period <p>Note:</p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	23/07/13 - 18,250,000 (Express Resources Acquisition) 27/9/13 – 6,500,000 (placement ratified by shareholders 3 Dec 13) 10/10/13 – 1,000,000 (placement ratified by shareholders 3 Dec 13) 18/11/13 – 2,612,858 (Rights Issue) 29/11/13 – 8,777,142 (Rights Issue Shortfall, LR 7.2 exception 2) 2/12/13 – 450,000 (ratified at AGM 30/5/14) 7/2/14 – 5,000,000 (ratified at AGM 30/5/14) 18/7/14 – 2,000,000 (option conversion)
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	nil
“A”	78,040,001

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	11,706,000
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>23/6/14 – 7,604,000 – placement shares</p> <p>23/6/14 – 3,802,000 – listed options attaching to placement shares</p>
“C”	11,406,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	11,706,000
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	11,406,000
Total [“A” x 0.15] – “C”	<p>300,000</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	78,040,001
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	7,804,000
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	7,604,000
“E”	7,604,000

⁺ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	7,804,000
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	7,604,000
Total [“A” x 0.10] – “E”	200,000 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.