

ASX Announcement
31 July 2014

ACTIVITIES FOR THE QUARTER ENDED 30 JUNE 2014

Highlights

- **Exploration work commenced at Montepuez Graphite Project.**
- **Identification of outcropping graphite at Montepuez Graphite Project. 16 samples sent for laboratory analysis. Drilling timetable established.**
- **Continued exploration at the Rio Mazoe Project, identifying high priority drill targets as defined by a combination of interpretation of geological, geochemical and geophysical datasets plus detailed geological mapping, at the Changara JV Project, within the wider Rio Mazoe project area.**
- **Completed a placement on 24 June 2014 to raise \$494,216, by way of issue of 7,604,000 shares at \$0.065 per share, together with 3,802,000 one for two free attaching listed options (exercisable at \$0.15 and expiring 7 Jan 2017). Additional placement completed on 18 July 2014 to raise \$950,000 before costs via the issue of 7,604,000 shares at \$0.125 per share.**

Operations

Mozambique

Metals of Africa Limited (ASX: MTA) continued to rapidly progress exploration at both the Montepuez Graphite Project and the Rio Mazoe base metals project.

A reconnaissance team collected 16 samples from outcropping graphite and trenching at the Montepuez Graphite Project that are to be sent for laboratory analysis. The Company intends to conduct an EM or VTEM survey in August, with a view to generating drill targets prior to drilling at the project later in 2014.

During the quarter the Company identified three new high priority base metal targets at its Rio Mazoe project, located within the Changara JV Project area, as announced to the ASX on 17 July 2014 in accordance with the JORC Code (2012). The targets are:

- **Cassidy Shea prospect:** Very large Zinc-Copper target with spot high grades up to 11.9% Cu and 5.1% Zn.
- **Rhodonite Hill prospect:** Outcrops of Broken Hill type alteration over a 2km strike length and grades up to 14.4% Pb at surface.
- **Downeaster prospect:** 1.4km long Cu anomaly in soils with elevated Pb and Zn and spot high grades up to 28.7% Zn.

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The positive results' from the Company's continued exploration efforts to define these targets has provided MTA with further strong belief in the potential for discovery of a major zinc-copper-lead deposit within the project area. The prospects are shallow drill worthy targets and further exploration will be conducted to define drill targets, with drilling planned to commence by October 2014.

Tanzania

During the wet season when the Mozambique projects are inaccessible, the Company focused its exploration efforts on its Tanzanian assets. The following highlights from the 2014 field season were announced to the ASX on 21 May 2014, in accordance with the JORC Code (2012):

Mukombe Project

- Initial reconnaissance field work has returned high grade copper- gold rock chip results.
- Peak assay results of 2.34g/t Au, 37.5g/t Ag, and 5.39% Cu.
- Follow-up work now planned including soil sampling and mapping.

Godegode Project

- Widespread copper/gold mineralisation identified with recent rock chips returning assays up to 1.03% Cu and 0.73 g/t Au.

Tanga Project

- The Company has completed 1700 soil samples plus geological reconnaissance.
- Elevated gold and copper identified at Buhuli Shear Zone.
- Structure traced for 900m and is open to the north and south along strike, and warrants further exploration work.
- Other prospects within Tanga Project identified as prospective for Ni, Co, Pt, Pd and Cu-Au.

The Company is currently completing a soil sampling program over the Mukombe Project, the results of this will dictate the next phase of exploration.

Corporate

The Company completed on 24 June 2014 a placement to raise \$494,2160 before costs, by way of issue of 7,604,000 shares at \$0.065 per share, together with 3,802,000 one for two free attaching listed options (exercisable at \$0.15 and expiring 7 Jan 2017). The Company utilised its Listing Rule 7.1 15% Placement Capacity for the Placement. Funds raised will be used to enable the Company to progress exploration on major assets in Mozambique, Tanzania and Gabon.

On 18 July 2014 the Company completed a Placement under its Listing Rule 7.1A 10% Placement Capacity, issuing 7,604,000 shares at \$0.125 per share to raise \$950,000 before costs.

For further information please contact:

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Tenement Summary – 30 June 2014

1. MINING TENEMENTS HELD				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Rio Mazoe Project				
540L	Mozambique	Granted	100%	100%
1410L	Mozambique	Granted	100%	100%
1411L	Mozambique	Granted	100%	100%
1442L	Mozambique	Granted	100%	100%
3588L	Mozambique	Granted	100%	100%
1492L	Mozambique	Granted	100%	100%
1509L	Mozambique	Granted	100%	100%
1885L	Mozambique	Granted	100%	100%
Changara JV				
1421	Mozambique	JV	25%	25%
1431	Mozambique	JV	25%	25%
1123	Mozambique	JV	25%	25%
1122	Mozambique	JV	25%	25%
Express Licences				
5701L	Mozambique	Granted	100%	100%
5319L	Mozambique	Granted	100%	100%
5327L	Mozambique	Granted	100%	100%
5328L	Mozambique	Granted	100%	100%
5571L	Mozambique	Granted	100%	100%
5473L	Mozambique	Granted	100%	100%
5572L	Mozambique	Granted	100%	100%
5573L	Mozambique	Granted	100%	100%
6172L	Mozambique	Granted	0%	100%
6216L	Mozambique	Granted	0%	100%
Tanga Gold				
HQP6356	Tanzania	Granted	100%	100%
HQP6357	Tanzania	Granted	100%	100%
HQP6988	Tanzania	Granted	100%	100%
Gabon				
Lastourville (495)	Gabon	Granted	90%	90%
Kroussou (3)	Gabon	Granted	90%	90%

Tanzania				
PL9384/2013 (Dodoma East)	Tanzania	Granted	100%	100%
PL9360/2013 (Kizumbi 1)	Tanzania	Granted	100%	100%
PL9409/2013 (Kizumbi 2)	Tanzania	Granted	100%	100%
PL9309/2013 (Godegode 1)	Tanzania	Granted	100%	100%
HQ-P27239 (Godegode 2)	Tanzania	Granted	100%	100%
HQ-P27216 (Godegode 3)	Tanzania	Granted	100%	100%
HQ-P27217 (Godegode 4)	Tanzania	Granted	100%	100%
PL9310/2013 (Godegode 5)	Tanzania	Granted	100%	100%
PL9380/2013 (Godegode 6)	Tanzania	Granted	100%	100%
HQ-P27498 (Godegode 7)	Tanzania	Granted	100%	100%
HQ-P27238 (Mukombe 1)	Tanzania	Granted	100%	100%
HQ-P27825(Mukombe 2)	Tanzania	Granted	100%	100%
HQ-P27744 (Mkindu 1)	Tanzania	Granted	100%	100%
PL9382/2013 (Mkindu 2)	Tanzania	Granted	100%	100%
PL9356/2013 (Mkindu 3)	Tanzania	Granted	100%	100%
PL9381/2013 (Mkindu 4)	Tanzania	Granted	100%	100%
PL9383/2013 (Mkindu 5)	Tanzania	Granted	100%	100%
PL9385/2013 (Mkindu 6)	Tanzania	Granted	100%	100%

2. MINING TENEMENTS ACQUIRED/DISPOSED				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
ACQUIRED				
6172L	Mozambique	Granted	0%	100%
6216L	Mozambique	Granted	0%	100%
DISPOSED				
Nil				

3. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Changara JV				
1421	Mozambique	JV	25%	25%
1431	Mozambique	JV	25%	25%
1123	Mozambique	JV	25%	25%
1122	Mozambique	JV	25%	25%

4. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS ACQUIRED OR DISPOSED				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
ACQUIRED Nil				
DISPOSED Nil				

About the Montepuez Graphite Project

The Montepuez Graphite Project is located in the Cabo Delgado Province, in Mozambique, and is 100% owned by Metals of Africa. It comprises three exploration licenses, all of which are partially underlain by the litho-stratigraphic rock units which are known to contain major graphite mineralisation to the south at Balama (Syrah Resources Limited - ASX: SYR) and Balama North (Triton Minerals Limited - ASX: TON). Much of the Montepuez project occurs within the same regional geological setting as these large graphite deposits.

About Metals of Africa Limited (MTA)

MTA is a diversified minerals exploration company dedicated to exploring for world class deposits in Africa. MTA's core commodity targets are: lead, zinc, copper and graphite.

In Mozambique, MTA is focused on lead-zinc-silver-copper exploration for a Broken Hill Type target within the Rio Mazoe Project and adjacent Changara project. Running in parallel within Mozambique, the Company is also focused on graphite exploration at its Montepuez project.

In Tanzania, MTA boasts the Mkindu Project where the target is an Olympic Dam-style, Uranium-Iron oxide-Copper-Gold (U-IOCG) deposit. The Kroussou Project in Gabon represents a shallow Mississippi Valley Type lead-zinc-silver target. The Company's management staff reside in Africa, which ensures optimum in-country relationships and maximum resources are spent in-ground.



Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Ms. Cherie Leeden, who is Executive Director of the Company. Ms Leeden is a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Leeden consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Metals of Africa Limited

ABN

75 152 071 095

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(582)	(969)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(134)	(377)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	(7)	(7)
Net Operating Cash Flows		(722)	(1,349)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (costs related to Express Acquisition)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(722)	(1,349)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(722)	(1,349)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	478	1,011
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	-	(93)
	Net financing cash flows	478	918
	Net increase (decrease) in cash held	(244)	(431)
1.20	Cash at beginning of quarter/year to date	672	859
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	428	428

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	-
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

n/a

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

n/a

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	400
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	550

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	428	674
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	428	674

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
	Mozambique Nil			
	Gabon Nil			
	Tanzania Nil			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			
	Mozambique 6172L	Granted	0%	100%
	6216L	Granted	0%	100%
	Gabon Nil			
	Tanzania Nil			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	83,644,001	56,139,647 (27,504,354 subject to escrow)		Ordinary fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	a) 7,604,000	a) 7,604,000	a) Fully paid	a) Fully paid
7.5	*Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	5,000,000 5,000,000 3,000,000 1,000,000 2,350,000 600,000 57,082,001 5,000,000 138,500	Unquoted Unquoted Unquoted Unquoted Unquoted Unquoted Quoted Unquoted Unquoted	Exercise price \$0.25 \$0.40 \$0.25 \$0.25 \$0.15 \$0.168 \$0.15 \$0.093 \$0.15	Expiry date 30 June 2015 30 June 2015 31 Dec 2015 31 Dec 2015 3 Dec 2016 3 Dec 2016 7 Jan 2017 31 March 2017 3 Dec 2016

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.8	Issued during quarter	3,802,000	Quoted	\$0.15	7 Jan 2017
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~/does not~~* (delete one) give a true and fair view of the matters disclosed.

31 July 2014

Sign here: Date:
(Director/Company secretary)

Print name: Steven Wood
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Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

+ See chapter 19 for defined terms.

- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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