

14 December 2016

## **DFS to be enhanced by Spherical Graphite project study inclusion**

### **Key points:**

- **Company to include a Spherical Graphite prefeasibility study in ongoing Definitive Feasibility Study (DFS), to be released in Q1 2017,**
- **Inclusion of Spherical Graphite prefeasibility study is in line with Company's strategy of becoming a significant player in the spherical graphite (anode material in a lithium ion battery) sector,**
- **Spherical Graphite study was planned to be included in DFS at a later date, but delay in DFS due to drill sample processing by third parties means it can now be included immediately,**
- **Inclusion of Spherical Graphite study will greatly enhance DFS economics and provide a more "complete" processing/ mining/ economic study,**
- **DFS results to date remain strongly encouraging, and**
- **Company's Graphite concentrate product has been verified by end users located in Japan, China and the USA. Marketing discussions continue to advance in all three countries.**

Graphite development company Metals of Africa Limited (ASX: MTA) ("the Company") wishes to advise that the DFS focussed on the Company's proposed Montepuez flake graphite operation in Mozambique, which was originally foreshadowed to be released in December 2016, will now be released in early Q1 2017. The updated timing of the release of the DFS has presented the Company with an opportunity to now include a Spherical Graphite prefeasibility study with the release of the DFS.

The Montepuez Project contains two high grade graphite resources that are being included in the DFS, known as the Buffalo and Elephant Resources. Drill core samples relating to the Elephant resource (infill drilling was completed in October 2016) and required to complete the DFS were delayed by factors outside of the Company's control, associated with customs import/export and a laboratory in Perth.

While disappointed with the delay, the Company is pleased that it has provided an opportunity to produce a more "complete" DFS, taking into account not only both the Buffalo and Elephant Resources, but also the inclusion of a Spherical Graphite prefeasibility study. The inclusion of this spherical graphite prefeasibility study is in line with the Company's strategy of becoming a significant player in the spherical graphite (anode material in a lithium ion battery) sector.

The Company advises that its co-owned spherical graphite pilot plant located in Tennessee, USA is now fully operational.

### **Metals of Africa Managing Director Cherie Leeden commented:**

**"The delay to the DFS has provided us with an opportunity to include the prefeasibility study for the Spherical Graphite project, which is a critical component of the Company's strategy to supply a high quality, traceable product directly to the lithium-ion battery market."**

**"Our Company is in a unique position in that our co-owned spherical graphite facility located in the USA is fully operational. By January 2017 we aim to be producing anode ready material for battery end-user qualification. The potential of the battery minerals industry is enormous and graphite is a key ingredient in all Lithium ion batteries, arguably the most important battery of our time."**

**"We are advancing high quality projects in the best graphite province in the world. Completing our Definitive Feasibility Study in Q1 2017 will allow the spherical graphite economic parameters to be included in the study, which is our Company's main focus and should deliver robust value for our shareholders."**

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