METALS of AFRICA
LIMITED

ASX Announcement
Metals of Africa Ltd

11 December 2014

Contact Details

Cherie Leeden
Managing Director
Metals of Africa Limited
E: cherie@metalsofafrica.com.au

James Moses
Media and Investor Relations
Mandate Corporate
T: +61 420 991 574
james@mandatecorporate.com.au

MTA Capital Structure

Shares on Issue: 129,378,027

Shares Trading: 129,378,027

Listed Options: 57,854,396
($0.15, 07/01/2017)

Unlisted Options
5M ($0.25; 30/6/15)
5M ($0.40; 30/6/15)
3.6M ($0.25; 31/12/15)
2.49M ($0.15; 3/12/16)
600k ($0.168; 3/12/16)
2.5M ($0.093; 31/3/17)

Market Cap. @ $0.09; A$11.6M

MTA Board

Gilbert George
Non Exec Chairman

Cherie Leeden
Managing Director

Brett Smith
Non Exec Director

Steven Wood
Company Secretary

ASX Code: MTA

www.metalsofafrica.com.au

Mozambican Exploration Update Announcement

Summary

- **Balama Central Acquisition Update**
- **High grade graphite observations in drill core at Montepuez Central**
- **Rio Mazoe Drilling Update (zinc)**
- **Non-core tenement review following new Mozambique mining law**

Metals of Africa Limited (ASX: **MTA)** (the Company) is pleased to announce an update to the market regarding its ongoing exploration within Mozambique in East Africa.

1. Graphite Update – Cabo Delgado Province

Balama Central Acquisition

- Due diligence successfully completed, acquisition to proceed

The Balama Central Project is located along strike, immediately adjacent to Syrah Resources' (ASX: SYR) significant Balama Graphite Project (see Figure 1; Project Location Map), which hosts one of the world's largest graphite resource, of 1.15Bt at 10.2% Total Graphitic Carbon (TGC) and 0.23% Vanadium Oxide (V_2O_5).

The Company has formally notified the vendor that it will be proceeding with the acquisition and is currently in the process of transferring license ownership.

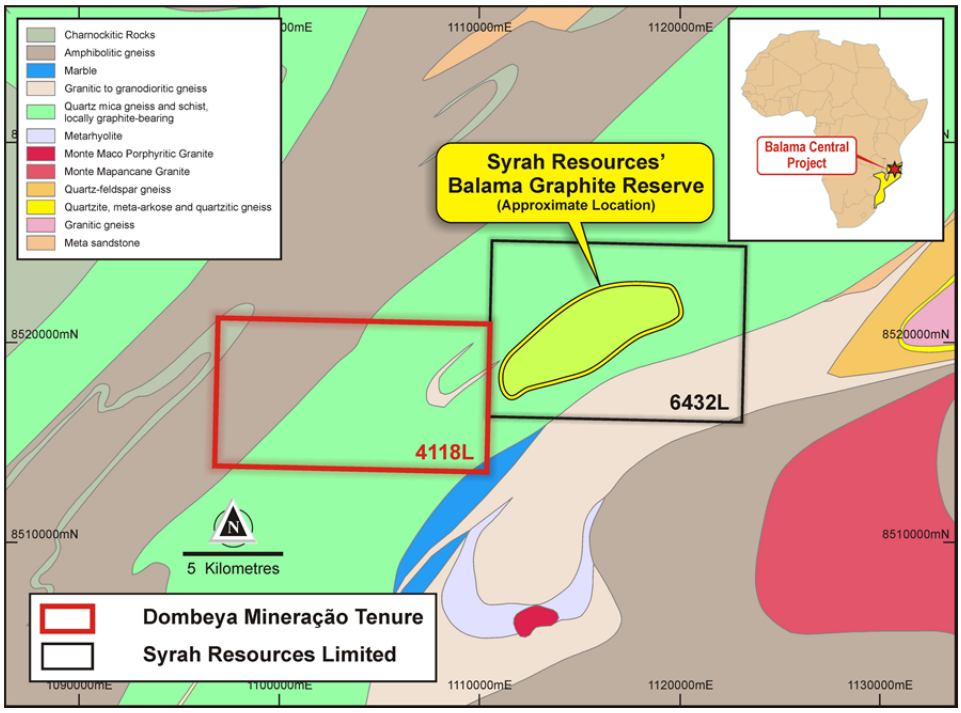

Figure 1. Location of Balama Central Project (Licence 4118)

Montepuez Central Drilling Update

- Visual observations of 10 -20% graphite with intervals occurring at shallow depths
- Follow up drilling to target high grade, wider graphitic zone
- Four diamond rigs continuing until Christmas, with results due on completion of program

Drilling is continuing at the Company's Montepuez Central project located in the Cabo Delgado province of Mozambique. The Company's initial drill holes are designed to test the stratigraphy within the project due to the lack of significant outcrop at surface. Once the stratigraphic sequence is understood additional holes will be planned targeting the higher grade and wider graphitic zones with the aim of defining a resource. Two diamond holes have been completed and initial results are encouraging, with significant graphitic intersections (stated in Table 1) based on visual observation only. The Company currently has four diamond drill rigs operational at the project with the aim of drilling maximum meters before Christmas, which coincides with the onset of wet season. A comprehensive summary of the results will be provided upon the completion of the drill program. Laboratory assay results are anticipated to be received during late January and early February.

Hole ID	From	To	DH Width	Est. % Graphite
MN0001D	8	14	6	5-10
MN0001D	41.1	47.6	6.5	8-10
MN0001D	51.3	52.4	1.1	5-10
MN0001D	54.4	64.5	10.1	5-10
MN0001D	69.4	78.4	9.0	5
MN0001D	79.5	90.5	11.0	3-8
MN0002D	9.0	13.0	4.0	5-10
MN0002D	86.0	93.4	7.4	5-10
MN0002D	107.3	113.0	5.7	10-20
MN0002D	115.0	130.5	15.5	10-20
MN0002D	130.5	138.5	8.0	<5

Table 1 Significant graphite intervals based on observation

Figure 2. Photo of graphitic drill core from Montepuez Central Project MN0002D, 110m, graphitic shear zone with 10-20% graphite.

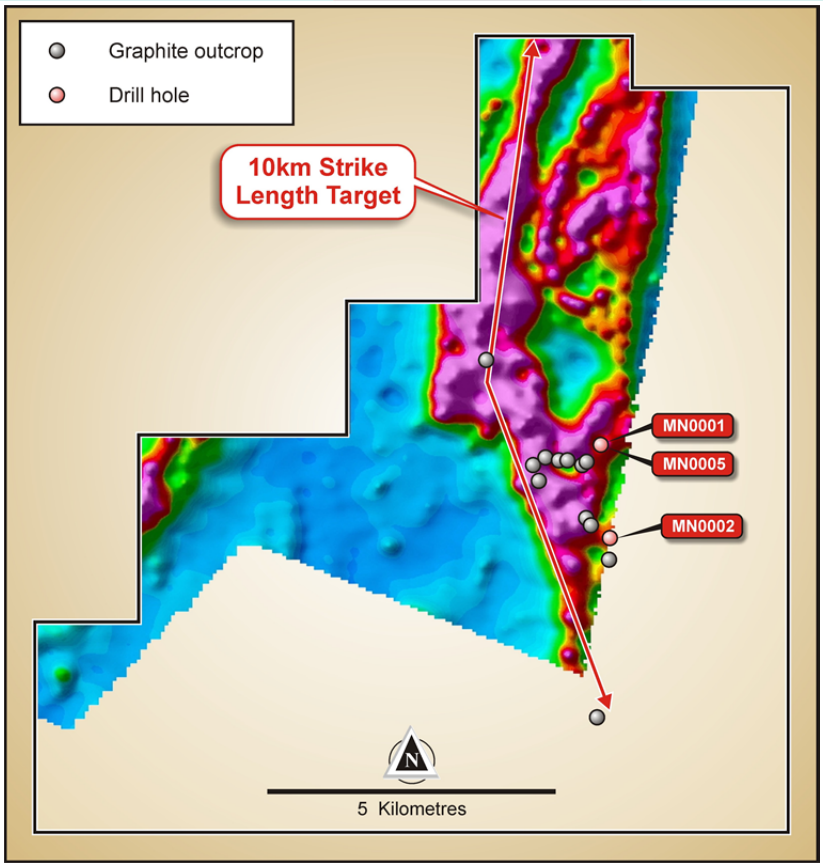

Figure 3. Location of diamond drill holes over VTEM data. Holes 1 and 2 are complete, 5 is underway.

2. Rio Mazoe Drilling Update

- Drilling interests anomalous Zinc zones
- Petrology confirms Cassidy Shea mineralisation is consistent with the Broken Hill style deposit
- Exploration, including RC drilling is on-going (will conclude mid-December)
- On-going third party interest in Rio Mazoe with strong outlook for zinc

Rio Mazoe Background

The Company listed on the ASX on the back of the Rio Mazoe Project in October 2012. In November of the same year, the Company secured the neighbouring geology known as the Changara JV via a joint venture with AIM listed Baobab Resources. Metals of Africa is currently earning into 80% of the Changara JV project. The Rio Mazoe project is considered prospective for Broken Hill Type mineralisation (BHT) based on it boasting the right type and age geology and metamorphic grade. A massive regional soil sampling program identified 39 anomalous geochemical targets, many of which boast outcropping zinc-lead-copper-silver mineralisation at the surface. A variety of geophysical techniques including: ground magnetics, IP (gradient array and pole-dipole), EM, SQUID and ground gravity have been deployed at selected geochemical prospects within the project in an attempt to narrow down the metal source.

Rio Mazoe November-December 2014 Drill program

A diamond ("DD") and reverse circulation ("RC") drilling program at the Company's Changara JV Project commenced in mid-November 2014 and is nearing completion, with one RC hole currently in progress. The diamond drill component of the program is completed for a total of 1186.84 drill metres in 6 holes. One hole in the nine-hole reverse circulation program remains to be completed. To date, 1040 drill metres in 8 holes have been completed.

The drilling program commenced after extensive preparatory work that included, targeted appraisal of outcrops, local and prospect scale mapping, infill 50m by 50m soil geochemistry, detailed ground magnetic survey, gradient array and pole-dipole induced polarisation ("IP"), and a moving loop transient electromagnetic survey ("EM"). Collectively, the work identified two main prospects: the Cassidy Shea and Rhodonite Hill areas within the Changara JV. The exploration model and target mineralisation the Company is exploring for at Changara is Broken Hill – type ("BHT") base metal mineralisation.

Semi-regional scale 25m by 200m soil geochemistry revealed the Cassidy Shea area to be the most prospective zone in view of the extensive Zn and Pb in-soil-anomalism and its comparatively poor outcrop. The Cassidy Shea area was also targeted for a detailed 50 m-line-spaced ground magnetic survey to assist in mapping the lithological units. The IP and EM survey also covered large parts of the Cassidy Shea area.

Mapping and the ground magnetic survey successfully identified two fold closures (Figures 5-7) and the trend of the main lithologies. The geology at Cassidy Shea comprises a psammite unit enveloped in a discontinuous biotite and felspathic gneiss on one side and amphibolite unit on the other side. In places, the biotite gneiss was deformed to a schist. The base metal anomaly is wholly hosted within the psammite.

The EM and IP surveys identified three anomalies referred to as Anomaly 1, 2, and 3. Anomalies 1 and 3 are in locations with distinct Zn-in-soil anomalism (Figure 5). Zn-in-soil anomalism only covers part of Anomaly 2. Anomaly 1 is considered the best target due to its more distinct geochemical and geophysical signature. An area of Pb-in-soil anomalism was also noted about 400 m's to the north-northeast of Anomaly 1.

Both the DD and RC holes targeted the above anomalies in the Cassidy Shea region. In addition, a DD was drilled at Rhodonite Hill to test under an outcrop where amazonite had been noted (amazonite is a Pb-rich feldspar which may occur around BHT base metal mineralisation). The location of the drill holes are shown in Figure 4 and a cross-section of the Anomaly 1 drilling is shown in Figure 7. Annexure A gives details of the drill-hole locations, targets and results.

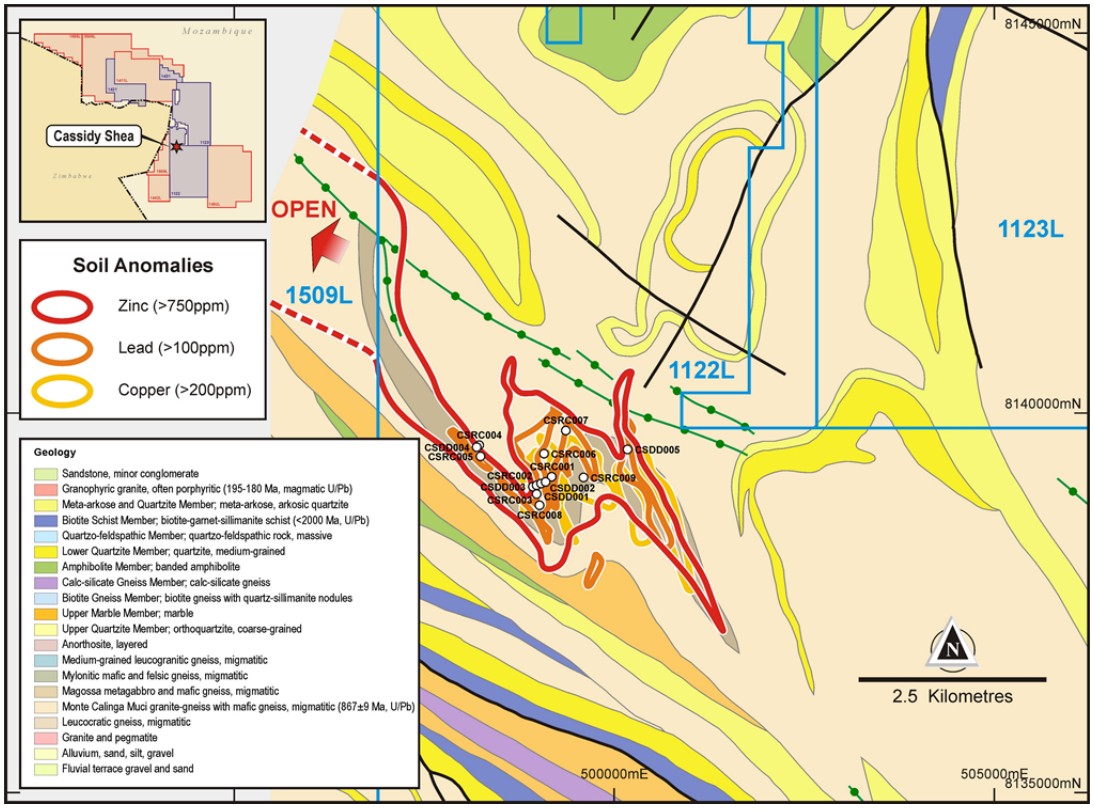

Figure 4. Cassidy Shea Prospect regional geology and drill collar locations

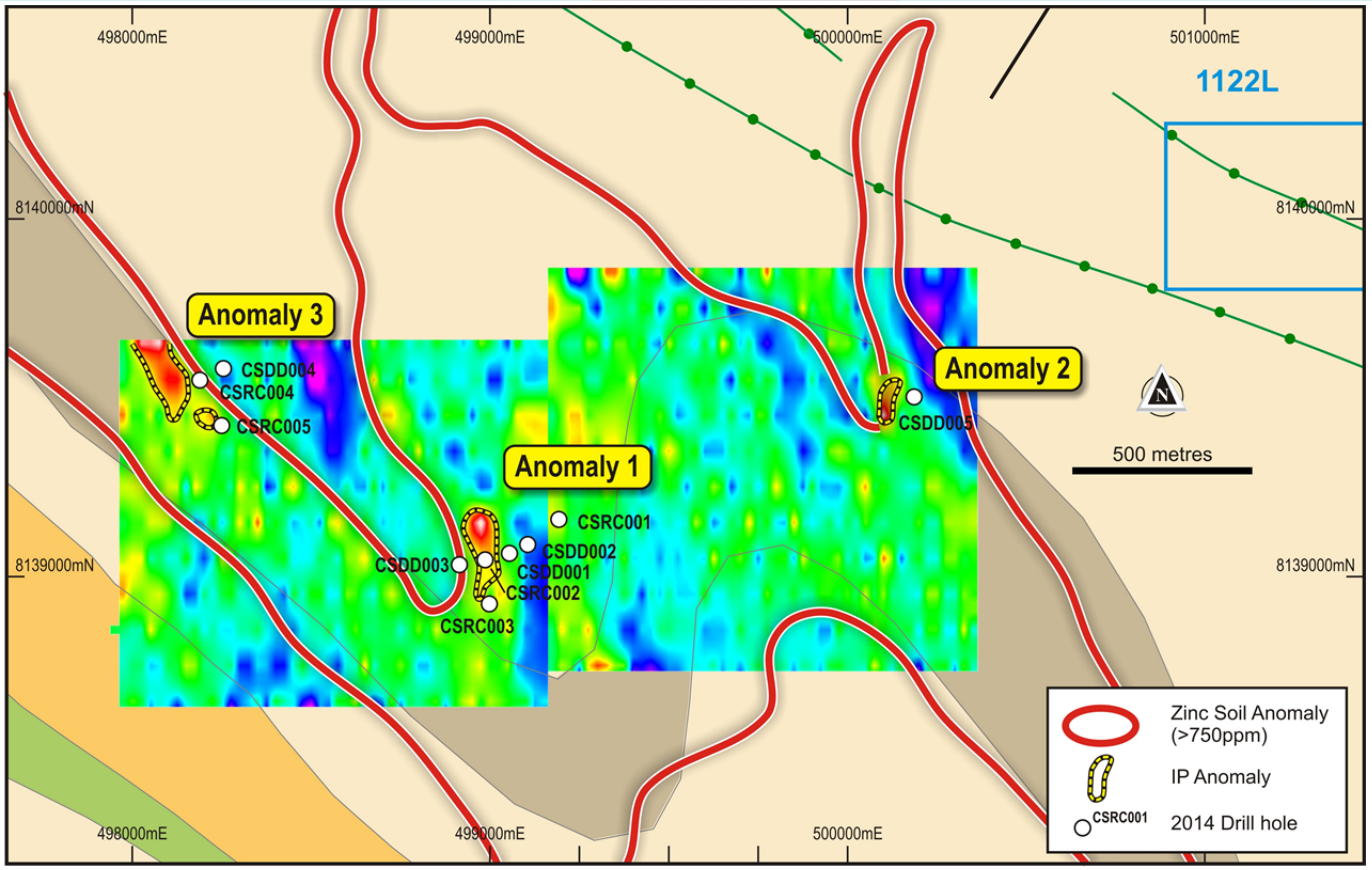

Figure 5. Cassidy Shea IP gradient array ground geophysics data depicting holes that targeted IP anomalies

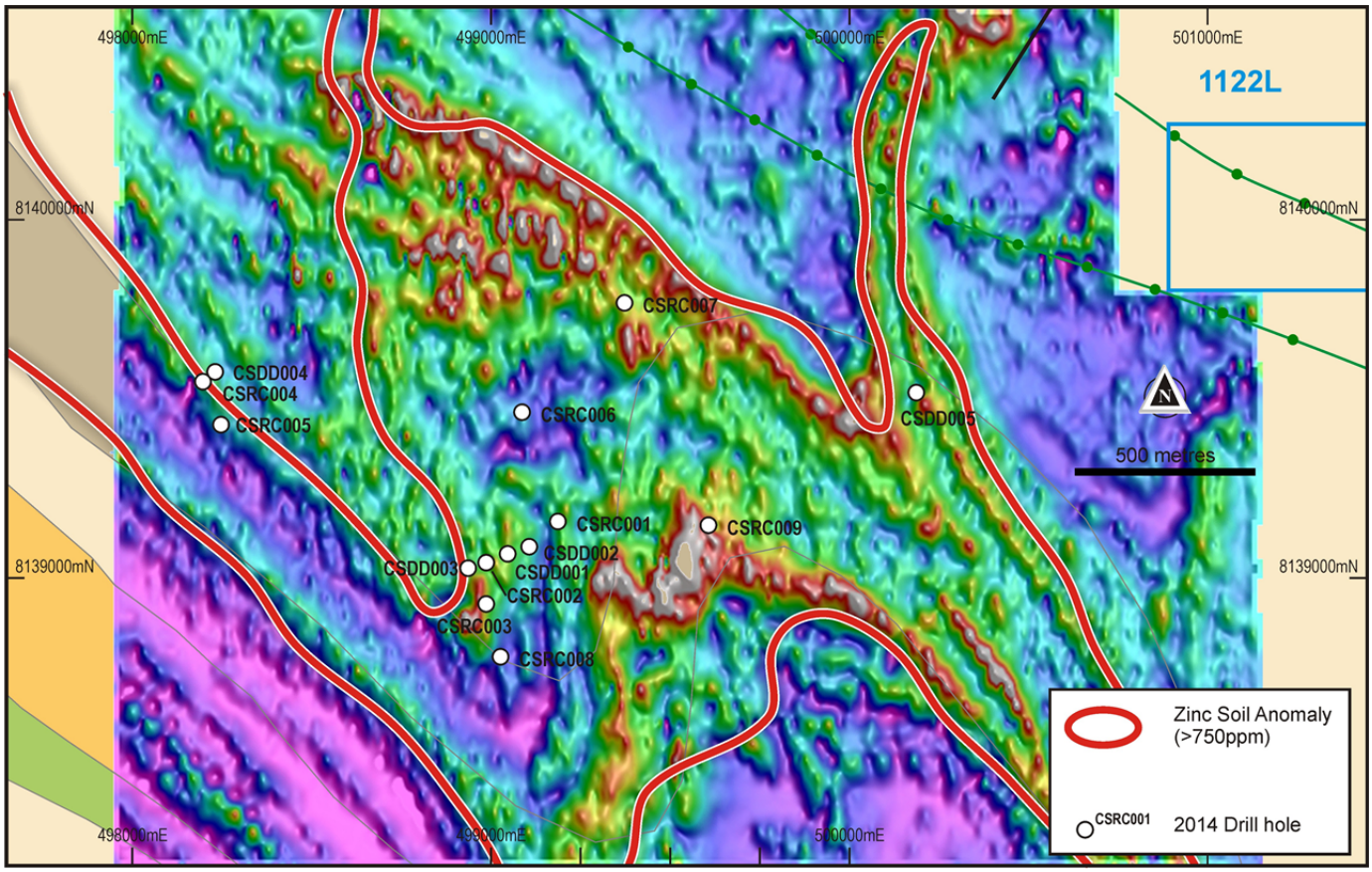

Figure 6. Cassidy Shea ground magnetic survey data depicting drill hole collar locations

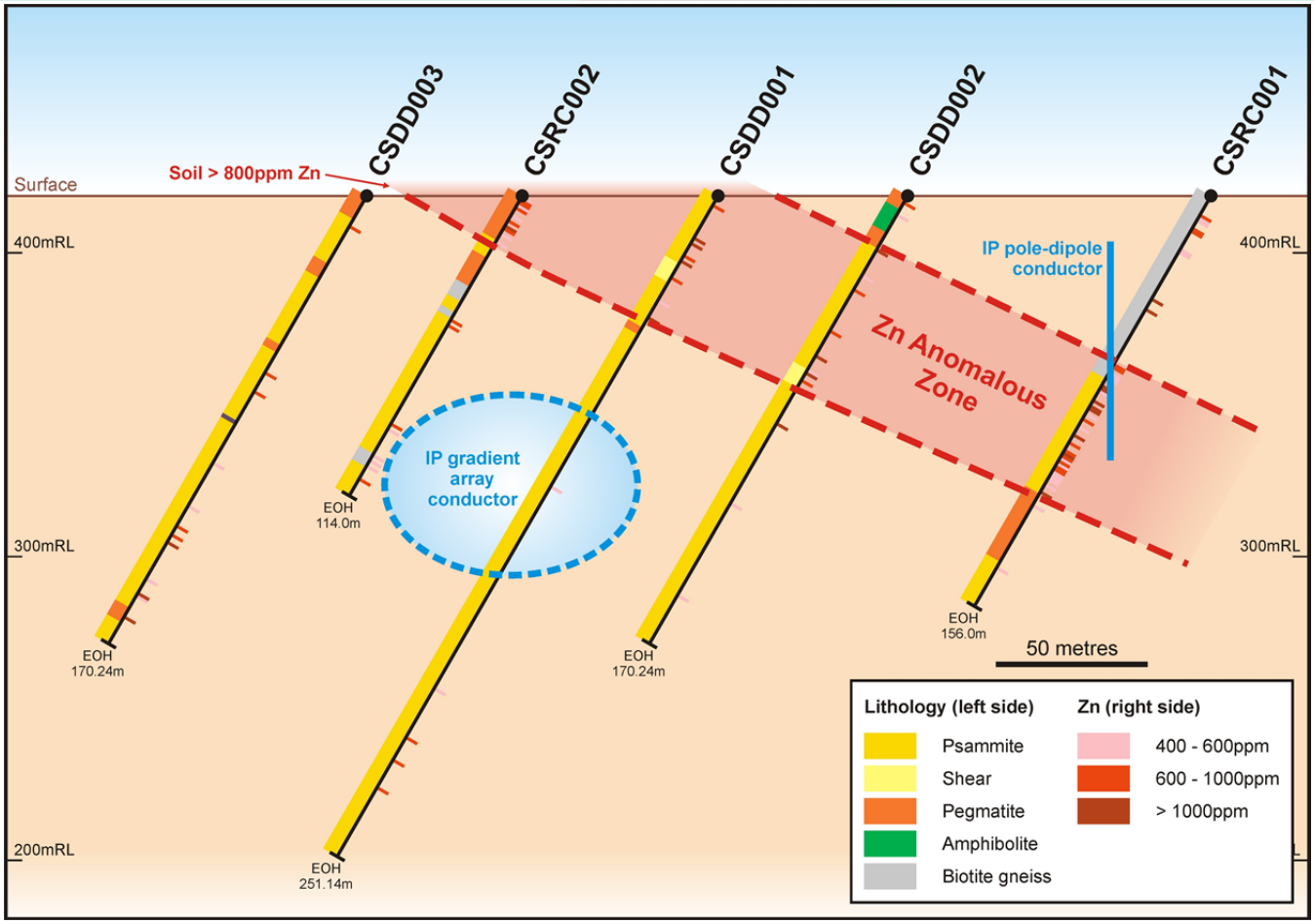

Figure 7. Cassidy Shea representative cross section

The Cassidy Shea drill holes intersected an assemblage of psammite, biotite gneiss, pegmatite and quartz veins. To a lesser extent, amphibolite and dolerite were also intersected. All holes intersected anomalous Zn, and to a lesser extent Pb, with Zn values ranging from 400 ppm up to 6000 ppm (0.60% Zn) based on portable XRF analysis. The in-hole Zn anomalism is patchy but does extend at times for up to tens of metres. Where multiple drill holes were completed on a section (Figure 7), these Zn anomalous zones could be loosely correlated between holes. The mineral phase carrying the Zn was not observable in the field with a hand lens.

Based on petrology previously completed on selected surface outcrops, it is assumed that the Zn is contained in a combination of Zn-silicates, within oxide phases or as mirco-sphalerite inclusions in magnetite. To determine the host of the Zn detailed petrological study will be required. Rare pyrite, pyrrhotite and galena were seen in core but these minerals are contained in small, late-stage veins and fractures that are not related to BHT mineralisation. All analyses was completed on-site using a hand held portable XRF unit (refer Annexure A). At this stage only sections of the diamond core were analysed. Care was taken to analyse all of the rock types observed in-core, such that as much analytical data from a representative suite was obtained as possible. 1 kg subsamples were taken from the RC cuttings and a subsample from every 1 to 8 m analysed depending on the values obtained (refer Annexure A).

The origin of the geophysical anomalies is still somewhat enigmatic. Furthermore, the drilling did not intersect an explanation for the IP geophysical anomalies that were interpreted to represent disseminated sulphides.

The Zn anomalism appears to be distributed within a sub-unit or patches of the psammite. This trend is observed both at the prospect scale and within the drill holes. However, no diagnostic feature could be macroscopically observed in the field, which would differentiate a Zn-anomalous psammite from one which is not anomalous. The Zn anomalism may be associated with the widespread Mn phases present within the psammite. The rocks in the Cassidy Shea area are also characterised by the widespread presence of magnetite.

The distribution and origin of both Mn and magnetite and their possible association with Zn-Pb anomalism will require further study.

The hole drilled at Rhodonite Hill intersected a sequence of biotite and feldspar gneisses and pegmatite. Rhodonite (based on hand lens identification only) was also observed in quartz-rich portions of the gneisses. Zn values in the order of 200 to 600 ppm and Pb values in the order of 200 to 600 ppm were obtained. These analyses were obtained in psammite and quartz-feldspar gneiss.

In summary, the drill holes intersected a metamorphosed and zinc enriched sedimentary package of rocks that support the Company's BHT model however did not intersect mineralisation of economic significance. Eight representative rock samples from Cassidy Shea Prospect were sent to Australia, for petrology investigation via thin section analysis. It was concluded that 'all samples exhibit BHT characteristics' – refer to Figure 8 over page.

The continuing appreciation in the zinc metal price has brought international attention to underexplored zinc projects. The Company is currently in discussions with two parties regarding a potential JV or acquisition with respect to its Rio Mazoe project which remains prospective however requires additional in ground exploration.

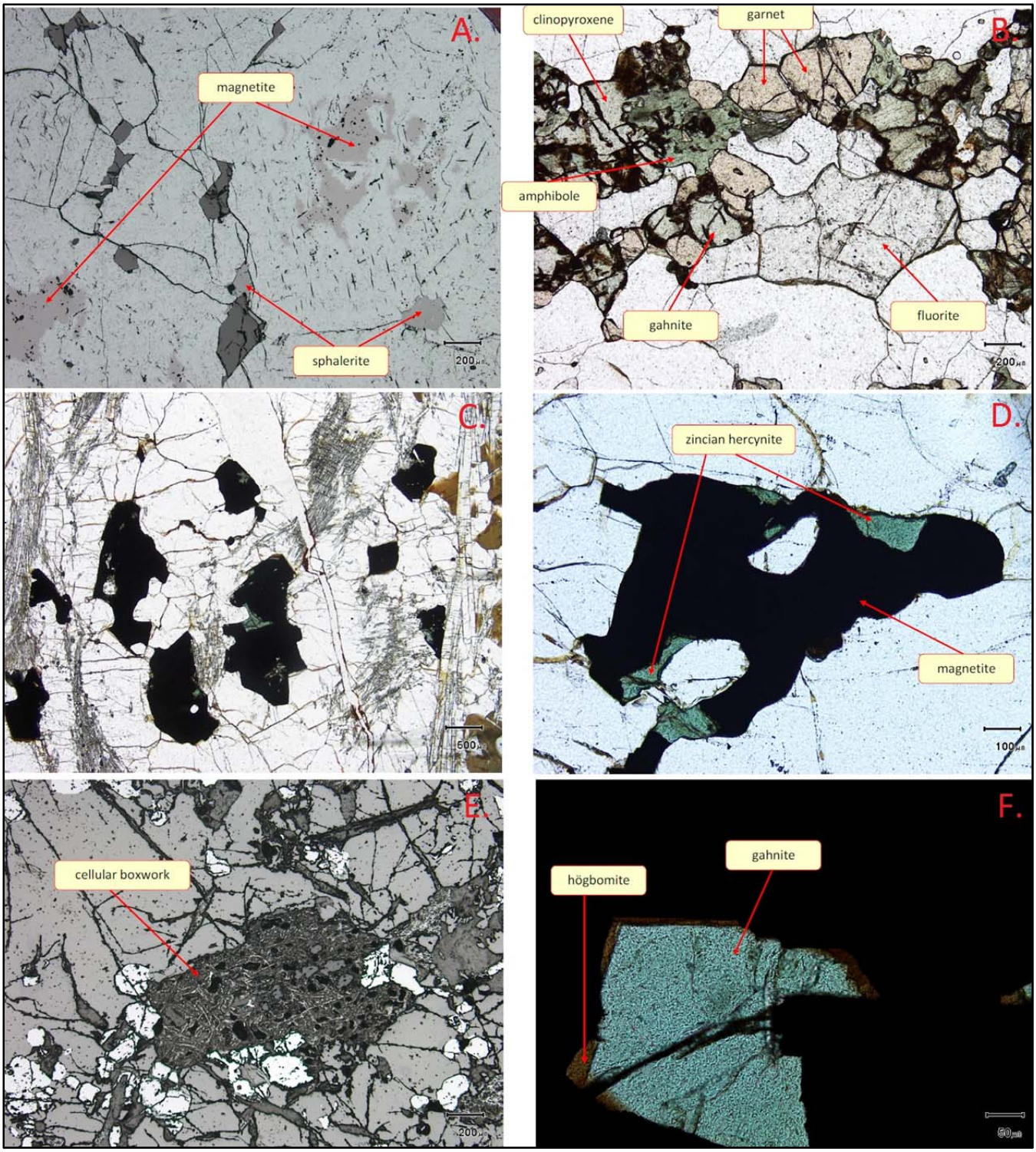

Figure 8. A selection of photomicrographs from Cassidy Shea rock samples. A. Reflected light microscope shows relict magnetite and sphalerite sitting within martitised magnetite. B. The photomicrograph shows the complex textural relationships between quartz, gahnite, fluorite, amphibole, clinopyroxene and garnet. C. Note the green zincian hercynite contained within the magnetite (black) and the fabric forming sillimanite. D. Textural relationships between magnetite and exsolved zincian hercynite. E. Cellular boxwork of goethite replacing sphalerite. Note the abundance of hematite (white-grey). F. Large gahnite grain with partial rims of hogbomite sitting within oxidised magnetite.

3. Mozambique Implements New Mining Law

The Government of Mozambique has recently enacted Law No. 28/2014 (New Mining Tax Law) which introduces a new tax framework for the Mining sector in Mozambique. The New Mining Tax Law replaces the previous regime and will enter into force on 1 January 2015. A consequence of the New Mining Tax Law is that exploration license annual rent in Mozambique will increase significantly, as per Table 2 below. As a result of the increased surface tax, which will make Mozambique one of the most expensive countries in the world to hold mineral exploration tenure, the Company has been forced to review and rationalise its project pipeline of mineral exploration tenure in Mozambique. At this stage it is intended that the Company will narrow its 2015 exploration efforts in Mozambique to focus on the relatively advanced graphite and vanadium exploration assets in Cabo Delgado (Montepuez Central and Balama Central), whilst relinquishing any early-stage licences that, whilst representing longer-term potential exploration upside, will not be economical for the Company to retain.

Exploration License Annual Rent	Present Surface Tax (Law 13/2007)	New Surface Tax (Law 28/2014)
Years 1 & 2	2.50 Mt/ha	17.50 Mt/ha
Year 3	6.25 Mt/ha	43.75 Mt/ha
Years 4 & 5	13.00 Mt/ha	91.00 Mt/ha
Year 6	15.00 Mt/ha	105.00 Mt/ha
Year 7	20.00 Mt/ha	210.00 Mt/ha
Year 8	25.00 Mt/ha	210.00 Mt/ha

Table 2. Summary of exploration license surface rent in Mozambique pre and post 1 January 2015.
Note: AUD $1 = approximately 27 Mt (Mozambican meticals)

Whilst the New Mining Tax Law has proven to be restrictive to the Company's wider exploration efforts in Mozambique, it will allow Metals of Africa to increase its exploration efforts within Gabon on the Kroussou lead/zinc Project in 2015, which has recently generated positive exploration results (refer ASX announcement 28 October 2014). The Company believes that this renewed focus (on both the graphite/vanadium projects in Mozambique and zinc project in Gabon) will result in the Company maintaining its commitment to spend the maximum amount of expenditure possible in-ground, and generate positive exploration results for its shareholders.

The Company intends to recommence active field exploration at its Kroussou zinc/lead Project in Gabon in January 2015. The Kroussou project will form a high priority drill target for the Company in 2015.

-ENDS-

About Metals of Africa Limited

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

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Ms. Cherie Leeden, who is Managing 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.

ANNEXURE A

Table 1 Collar and summary information for drill holes at the Changara project. The topography is flat in the area an all holes have been assigned a nominal RL of 420 m (average elevation of the terrane in the area)

	Hole	Target	Completed	E_UTM	N_UTM	Azmth On	Dip	Length M	Type	Comment
Cassidy Shea										
	CSDD001	Anomaly 1, Zn-in-soil anomaly and EM conductor	16/11/2014	499 050	8 139 070	250	-60	251.14	DD	shear and adjacent psammite with patchy Zn anomalism; highest Zn 1166 ppm
	CSDD002	Anomaly 1, down dip of Zn anomalous zone in CSDD001	19/11/2014	499 110	8 139 090	250	-60	170.24	DD	geology and anomalism correlate with CSDD001; highest Zn 1376 ppm
	CSDD003	western end of Anomaly 1, drill through interpreted fault and under outcrops with limonite	21/11/2014	498 940	8 139 030	250	-60	170.24	DD	silicified-looking psammite near pegmatite with Zn value of 4123 ppm; 6027 ppm Zn within pegmatite
	CSRC001	EM conductor 140 m east of Anomaly 1	22/11/2014	499 190	8 139 160	250	-60	156	RC	highest Zn value 2516 ppm in psammite; top 70 m of hole mostly biotite gneiss followed by psammite and pegmatite; psammite-biotite gneiss contact possible source of EM anomaly
	CSRC002	Anomaly 1 surface soil anomaly drilled between CSDD001 and CSDD003	25/11/2014	498 990	8 139 045	250	-60	114	RC	entire hole averages about 420 ppm Zn with no values above 960 ppm; in contrast to the other RC holes CSRC002 made water
	CSRC003	southern Anomaly 1, targeted to drill under outcrop with limonite and magnetite	28/11/2014	498 990	8 138 930	250	-60	120	RC	anomalous Zn values near top and bottom of hole with highest 3668 ppm Zn; patchy Pb values in the order of 150 to 250 ppm Pb associated with upper hole Zn anomalism
	CSDD004	Anomaly 3, Zn-in-soil anomaly and EM conductor	25/11/2014	498 200	8 139 550	240	-60	194.94	DD	anomalous Zn values near top of hole; highest Zn 3423 ppm in psammite
	CSRC004	Anomaly 3, EM conductor, east of CSDD004 hole collar	29/11/2014	498 234	8 139 578	240	-60	120	RC	elevated Zn within high 100's, low 1000's between 74 and 109 m; highest value of 4675 ppm Zn
	CSRC005	southern end of Anomaly 3; test soil anomaly and drill under garnetite outcrop	2/12/2014	498 250	8 139 430	240	-60	120	RC	elevated Zn within high 100's, low 1000's between 14 and 55 m; highest value of 2499 ppm Zn; 24 to 33 anomalous PB in the order of 300 ppm with a peak of 787 ppm Pb

	Hole	Target	Completed	E_UTM	N_UTM	Azmth On	Dip	Length M	Type	Comment
	CSDD005	Anomaly 2 soil geochemistry and EM anomaly	29/11/2014	500 190	8 139 520	250	-60	200.14	DD	generally low Zn (in the order of 200 ppm) with a high of 1122 ppm Zn in garnet-rich psammite; EM anomaly could be due to pegmatite-psammite contact
	CSRC006	Pb in-soil-anomaly about 400 m north-northeast of Anomaly 1	3/12/2014	499 090	8 139 465	240	-60	120	RC	intersected psammite and biotite gneiss, the top 85 m of the hole is Zn anomalous in the order of 1000 ppm Zn (values between 2736 and 405 ppm Zn) ; section between 12 and 39 m Pb values range between 217 and 806 ppm Pb)
	CSRC007	Pb anomaly, structure, position Q	5/12/2014	499 376	8 139 770	230	-60	140	RC	anomalous Zn between 0 and 40 m (171 to 3337 ppm Znand 93 to 140 (605 to 6061 ppm Zn); 111 to 138 high Pb (186 to 356 ppm Pb
	CSRC008	fold hinge, southeast of Anomaly 1	7/12/2014	499 030	8 138 782	250	-60	150	RC	anomalous Zn between 0 and 103 m (between 203 and 2112 ppm Zn)
	CSRC009	IP anomaly on flank of fold	in progress	499 610	8 139 150	260	-60		RC	not yet available
Rhodonite Hill										
	RHDD001	drill under quartz-feldspar gneiss with rhodonite and pegmatite containing amazonite	2/12/2014	500 460	8 147 610	240	-60	200.14	DD	Zn values in theorder of 200 to 600 ppm from 10 to 101 m and Pb in the order of 200 to 600 ppm from 87 to 102 m; anomalism located in psammite and quartz-feldspar gneiss

JORC Code, 2012 Edition – Table 1 Appendix to Announcement:

PART 1 - Rio Mazoe Project JORC Section – Cassidy Shae Base Metal Exploration Drilling

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	MTA Commentary
Sampling techniques	· *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* · *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* · *Aspects of the determination of mineralisation that are Material to the Public Report.* · *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules)*	· Geological mapping completed over areas that had previously been sampled and analysed for soil geochemistry using a portable XRF in laboratory conditions with QA/QC checks completed. · Soil samples were taken initially at either 1.2kmx200m or 800x200m or 400x50m sample spacing and later infilled to 200x25m spacing. The soil samples were taken from about 30cm depth and sieved with a 200# sieve. At least 250 grams was collected from each sample site. A subsequent infill program to 50 x 50 m in selected areas was taken from about 5 cm below the surface and not sieved. · Portable XRF (pXRF) analysis was conducted on rock chip samples collected during mapping to aid mineral identification and to provide indicative metal grades through spot checks of rock chips. · Only limited rock chips grades are reported; wet chemical analysis of selected samples is planned to provide more accurate and precise metal grades. · In field pXRF measurements of soils completed to confirm magnitude of soil geochemistry anomalism. · The Company has taken all care to ensure calibration of field pXRF unit and complies with its internal QA/QC procedure using recognised standards and testing blanks and duplicate samples. · Use of pXRF is only completed after calibration of the unit and systematic rock chip analysis is done with analysis of standards, blanks, and duplication in the

	may warrant disclosure of detailed information.	order of three/hundred samples.
Drilling techniques	· *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	Conventional wireline diamond drilling techniques using a Sandvick DE710 unit. A pre-collar was drilled to about 2.5 m by mud rotary drilling. HQ core drilling was undertaken through oxidised rock to a depth of about 40 m. At about this depth fresh, un-fractured rock was found and the remainder was drilled with NQ. A standard recovery tube was used Selected parts of the core were oriented using a crayon tipped spear. RC drilling was completed by a Schramm T450 rig with a 350 psi/900 cfm on board compressor. A booster and auxiliary compressor was on-site and used when required. All samples collected were dry. A face sampling hammer and 4 ½ rods were used throughout the drill program.
Drill sample recovery	· *Method of recording and assessing core and chip sample recoveries and results assessed.* · *Measures taken to maximise sample recovery and ensure representative nature of the samples.* · *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Diamond core was placed into metal or plastic core trays. All core was photographed. Core recoveries were measured and exceed 97%. Only minor core loss occurred in rare sections of broken ground. RC samples were collected in 400 by 800 mm plastic bags placed under the sample recovery cyclone. Every metre drilled was placed in a separate plastic bag. The bags were folded over a placed in rows next to the drill site. The sample obtained is considered to be representative of the rocks drilled. No preferential loss or gain of fine or coarse material was noted.
Logging	· *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* · *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*	The core was geologically logged by qualified geologists. Core recoveries and RQD's were logged by a qualified geotechnican. The drill holes are of an early exploration nature and were drilled to determine whether base metal mineralisation is present at depth below geochemical and geophysical anomalies. RC drill chips were logged by a qualified geologist. Chips were also collected in chip trays for future reference

	· *The total length and percentage of the relevant intersections logged.*	The logging is of a qualitative nature commensurate with the level of detail required in first-pass exploratory drilling
Sub-sampling techniques and sample preparation	· *If core, whether cut or sawn and whether quarter, half or all core taken.* · *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* · *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* · *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* · *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* · *Whether sample sizes are appropriate to the grain size of the material being sampled.*	· Selected parts of the core were analysed in the core tray by portable XRF unit. · A 1 to 2kg subsample of all RC samples was taken with a sampling spear. Care was taken that a representative sample of each bagged m was taken. A selection of subsamples were assayed by pXRF · No sample preparation was necessary or undertaken · Representativeness of subsamples was ensured by geological logging. · Three standards, blanks, and duplicates were used per 100 samples analysed to comply with the internal company QA/QC procedures.
Quality of assay data and laboratory tests	· *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* · *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations*	· The rock chip samples were analysed with a pXRF unit in the field · The samples were assayed using a 9 month old handheld/portable XRF Machine owned by the Company. The XRF operator is a qualified geologist or technician and has received a 2 day onsite refresher training course by the manufacturer of the handheld XRF machine within the past 6 months. · The handheld XRF machine details are: Brand: Olympus Innov-X- ·Systems Model: Delta Professional XRF Analyser.

	factors applied and their derivation, etc. · *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	· The Company has taken all care to ensure no contamination occurred and has a QA/QC procedure which involves the insertion and analysis of at least: 3 x standards, 3 x blanks and 3 x duplicates per every 100 samples. · The pXRF was calibrated prior to use with 90 second reading completed for each sample using the three different filters (30 second readings for each filter).
Verification of sampling and assaying	· *The verification of significant intersections by either independent or alternative company personnel.* · *The use of twinned holes.* · *Documentation of primary data, data entry procedures, data verification* · *Discuss any adjustment to assay data.*	· no significant intersections were obtained; the program is one of early exploration · all drill hole locations and samples were recorded on paper and in electronic form · all sample analyses were downloaded directly in electronic form from the portable XRF unit. · no adjustments to the assay data were made
Location of data points	· *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* · *Specification of the grid system used.* · *Quality and adequacy of topographic control.*	· A hand-held GPS (Garmin 62S) was used to locate drill collars (nominal horizontal error of 5 metres) and reported using the coordinate system WGS84 UTM (Zone 36 South). In view of the relatively flat terrane and the error in elevation of handheld GPS units, an elevation reading was not taken. All holes were assigned the average elevation of 420 m RL. · No downhole survey was completed in the diamond or RC holes. · No DGPS survey has yet been undertaken. · The terrain is largely flat to gently undulating.
Data spacing and distribution	· *Data spacing for reporting of Exploration Results.* · *Whether the data spacing and distribution is sufficient to establish the degree of geological*	· The drill spacing is adequate to test the targeted anomalies in a first-pass exploration drill program. · First pass exploration drilling; no resource estimate is made.

	and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. · *Whether sample compositing has been applied.*	· No sample compositing has been applied.
Orientation of data in relation to geological structure	· *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* · *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	· The level of sampling is appropriate for first-pass exploration drilling. Care was taken to sample and analyse all rock types that could be discerned in diamond core and RC chips · The deposit type sought is primarily controlled by lithology and not structure. All holes were drilled as near as possible at right angles to compositional layering.
Sample security	· *The measures taken to ensure sample security.*	· The samples are stored in the company's field base at Changara.
Audits or reviews	· *The results of any audits or reviews of sampling techniques and data.*	· The data and results were examined by MTA staff and its subcontractors.

Section 2 Reporting of Exploration Results

PART 1 - Rio Mazoe Project JORC Section – Cassidy Shae Exploration Drilling

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	· *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* · *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	License 1122 is an Exploration License held by Capitol Resources Limitada, a company registered in Mozambique and owned by Baobab Resources (BAO: AIM). In 2012, Metals of Africa signed a Joint Venture Agreement with Baobab Resources for the integration of this contiguous tenement, which enables MTA to earn up to 80% interest in a discovery. License 1122 is currently granted and in good standing it expires on 24/10/2015. The surface area of license 1122 is 21,700 hectares. All statutory approvals have been acquired to conduct exploration and Baobab Resources, together with Metals of Africa, have established a good working relationship with the government departments of Mozambique. License 1123 is an Exploration License held by Capitol Resources Limitada, a company registered in Mozambique and owned by Baobab Resources (BAO: AIM). In 2012, Metals of Africa signed a Joint Venture Agreement with Baobab Resources for the integration of this contiguous tenement, which enables MTA to earn up to 80% interest in a discovery. License 1123 is currently granted and in good standing it expires on 18/08/2015. The surface area of license 1123 is 18,900 hectares. All statutory approvals have been acquired to conduct exploration and Baobab Resources, together with Metals of Africa, have established a good working relationship with the government departments of Mozambique. Key Terms of JV: · MTA to be the Operator and run the exploration program · MTA to fund 1st, 2nd and 3rd Work Programs. · BAO has option to co-fund 4th Works program on a pro-rata basis to retain 49% interest. BAO has elected not to co-fund the 4th work program which is currently underway. · If MTA fund total amount for 4th works program, MTA earns 80% interest.

<table>
<tr>
<td></td>
<td></td>
<td>· Thereafter both companies contribute to expenditure proportionately.

JV Term Summary Table:

<table>
<tr><th>Activity</th><th>Completion Date</th><th>Expenditure (US$)</th><th>MTA equity</th><th>BAO equity</th></tr>
<tr><td>1st Works Program</td><td>Aug-13</td><td>150,000</td><td>25%</td><td>75%</td></tr>
<tr><td>2nd Works Program</td><td>Nov-14</td><td>200,000</td><td>40%</td><td>60%</td></tr>
<tr><td>3rd Works Program</td><td>Nov-15</td><td>250,000</td><td>51%</td><td>49%</td></tr>
<tr><td>4th Works Program</td><td>Jun-17</td><td>$660,000 - $1,200,000</td><td>80%</td><td>20%</td></tr>
</table>
At the 80/20 point BAO must contribute proportionately or dilute its interest.</td>
</tr>
<tr>
<td>Exploration done by other parties</td>
<td>· Acknowledgment and appraisal of exploration by other parties.</td>
<td>· Regional soil sampling by Gondwana Geological Consultants.

· The Rio Mazoe project area has been mapped at 1:250,000 scale as part of nation-wide geological studies. The project area has also been flown with regionally spaced airborne geophysics (magnetics and radiometrics) as part of a post war government investment initiative.</td>
</tr>
<tr>
<td>Geology</td>
<td>· Deposit type, geological setting and style of mineralisation.</td>
<td>· Style of mineralisation targeted is Broken Hill Type Lead (Pb), Zinc (Zn), Silver (Ag) and Copper (Cu) Mineralisation.</td>
</tr>
<tr>
<td>Drill hole Information</td>
<td>· A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
· easting and northing of the drill hole collar,
· elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar,</td>
<td>Refer separate table in Annexure 1 which contains a summary of Drill hole Information material to the understanding of the exploration results in the ASX Announcement.</td>
</tr>
</table>

	· *dip and azimuth of the hole,* · *down hole length and interception depth,* · *hole length.* · *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	· *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* · *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* · *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No values were aggregated. The drilling program is of a first-pass exploratory nature. No significant base metal sulphide mineralisation was intersected and no intersections are reported.
Relationship between mineralisation widths and intercept lengths	· *These relationships are particularly important in the reporting of Exploration Results.* · *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	· The mineralisation reported in drill holes is of a geochemical anomalous nature only. The geometry and distribution of the metal in the anomalous zone is not known and may require further study. · There are no mineralisation widths to report.

	· *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	
Diagrams	· *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations.*	· Figures showing the location of soil geochemical anomalies were reported in previous ASX announcements. A geological map and a cross-section of the most drilled prospect are included as figures in this release.
Balanced reporting	· *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to*	Within the announcement it is clearly stated in the comments column of the collar location table what the results are. pXRF results are presented as ranges with highest and lowest values where applicable.
Other substantive exploration data	· *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	· Ground magnetics, soil geochemistry and geological mapping were used to compile the geology of the area.
Further work	· *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* · *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	· This announcement primarily reports initial results and further work is contingent on the review and assessment of all information.

JORC Code, 2012 Edition – Table 1 Appendix to Announcement: Montepuez Project Update

PART 2 - Montepuez Project JORC Section – Cabo Delgado Province Graphite Exploration Drilling

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	MTA Commentary
Sampling techniques	· *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* · *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* · *Aspects of the determination of mineralisation that are Material to the Public Report.* · *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	· The Montepuez Project (licence 6216L) is located in Northern Mozambique, within the Cabo Delgado province. The licence is located 35km from the town the project gets its name from. The project is prospective for graphite and vanadium based on due diligence work and follow up reconnaissance mapping completed during 2014. · The exploration diamond drilling program was undertaken to test prospective stratigraphy and higher order VTEM anomalies on 6216L. · Diamond drilling was undertaken over RC to obtain representative samples for geochemical and physical mineral properties of the graphite. · Geochemical samples were submitted to Bureau Veritas, for Total Graphite Carbon analysis, LOI and ICP/MS.
Drilling techniques	· *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	· Reverse Circulation drilling was limited to the development of water-bores for the project and utilised a 5.5inch hammer. · The exploration drilling was undertaken with diamond drilling. The drill holes were collared with HQ (63.5mm) and

		drilled until the core is competent typically <25mdh and continued with NQ (47.6mm). · Reflex ACTII orientation survey tools were used to orientate the drill core and Reflex Ezy shot tools were used to survey the drillhole
Drill sample recovery	· *Method of recording and assessing core and chip sample recoveries and results assessed.* · *Measures taken to maximise sample recovery and ensure representative nature of the samples.* · *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	· Diamond core recovery is monitored · Geotechnical logging staff monitor the recovery on the rigs · DD sample recovery as determined by the geotechnical logging
Logging	· *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* · *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* · *The total length and percentage of the relevant intersections logged.*	· The RC chips for the water-bore were geologically logged · All drill core has been geologically and geotechnically logged · All data is initially captured on paper logging sheets and validated by a trained geologist. · Geotechnical logging is conducted on all drill core for RQD, fracture frequency
Sub-sampling techniques and sample preparation	· *If core, whether cut or sawn and whether quarter, half or all core taken.* · *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* · *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* · *Quality control procedures adopted for all sub-sampling stages to*	· The samples from the three water-bores were riffle split in the event that significant mineralisation was intercepted. · Core samples were cut using a brick saw, with HQ samples ¼ cored and NQ samples ½ cored. Samples were crushed to -2mm and a 300g subsample taken for pulverising in a mill to 85% passing -75um. · QAQC protocols include the use of; a coarse blank to

	maximise representivity of samples. · *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* · *Whether sample sizes are appropriate to the grain size of the material being sampled.*	monitor the preparation process, Certified Reference Material (CRM) and duplicate ¼ core sampling (all) at a rate of 1:20. · Four CRM (GGC001, GGC004, GGC005 and GGC010) have been obtained to monitor analysis of laboratory for graphitic carbon, carbon and sulphur
Quality of assay data and laboratory tests	· *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* · *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* · *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	· Analytical samples have been submitted to Bureau Veritas, for Total Carbon analysis, LOI and ICP/MS. · Samples were sorted, oven dried at 105°C, crushed to -2mm and a 300g subsample taken for pulverising in an LM5 to 85% passing -75um. · No geophysical tools were used to determine any element · Loss on Ignition (LOI) has been determined between 105 and 1050 degrees Celsius. Results are reported on a dry sample basis. · The detection limits and precision for the TGC analyses are considered adequate for the phase of the exploration program and potential resource estimate
Verification of sampling and assaying	· *The verification of significant intersections by either independent or alternative company personnel.* · *The use of twinned holes.* · *Documentation of primary data, data entry procedures, data verification*	· No independent geological consultants have been utilised at this early stage of the work program · No twinned drill holes have been undertaken on the project to date · All data is initially captured on paper logging sheets and validated by a trained geologist.

	· *Discuss any adjustment to assay data.*	· No adjustments have been made to assay data
Location of data points	· *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* · *Specification of the grid system used.* · *Quality and adequacy of topographic control.*	· All spatial data for the Montepuez project was collected in WGS84 UTM Zone 37 South. · Garmin 62s GPS devices were used to site and plan drill holes. The Garmin devices typically have a ±5m error. · SRTM and regional topographic data sets have been used for this stage of the exploration work program as the project area is flat with no significant relief.
Data spacing and distribution	· *Data spacing for reporting of Exploration Results.* · *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* · *Whether sample compositing has been applied.*	· Drill spacing at the present time is irregular as a result of the initial phase of exploration program. The intent is to drill on 400m sections and 100 – 50m centres. · No sample compositing has been applied.
Orientation of data in relation to geological structure	· *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* · *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	· The orientation of the drilling is not expected to introduce a sampling bias. · The mineralisation style observed to date is shear hosted, with a steep westerly dip.
Sample security	· *The measures taken to ensure sample security.*	· The samples are stored in the company's field base until laboratory dispatch. At which point the samples are shipped by courier to Bureau Veritas - South Africa. · Any visible signs of tampering are reported by the

		laboratory.
Audits or reviews	· *The results of any audits or reviews of sampling techniques and data.*	· No audits or reviews of sampling techniques have been undertaken to date.

Section 2 Reporting of Exploration Results

PART 2 - Montepuez Project JORC Section – Cabo Delgado Province Graphite Exploration Drilling

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	· *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* · *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	· The Montepuez project 6216L comprises an area covering approximately 125.6km², held by Metals of Africa Limited via a locally owned subsidiaries; Suni Resources Lda · All statutory approvals have been acquired to conduct the current exploration activity and the Company has established a good working relationship with the government departments of Mozambique and Maputo. The company is not aware of any impediments relating to the licenses or area.
Exploration done by other parties	· *Acknowledgment and appraisal of exploration by other parties.*	· The project area has been mapped at 1:250,000 scale as part of nation-wide geological study prepared by a consortium funded by the Nordic Development Fund. The project area has also been flown with regionally spaced airborne geophysics (magnetics and radiometrics) as part of a post war government investment initiative. · There is no record of past direct exploration activities on the ground. · A portion of the Montepuez project was flown with VTEM

<table>
<tr><td></td><td></td><td>by a neighbouring license holder</td></tr>
<tr><td>Geology</td><td>· Deposit type, geological setting and style of mineralisation.</td><td>· The project is an exploration program in which the company is drill testing a series of coincident VTEM conductors and prospective stratigraphy with mapped graphitic outcrop occurrences.

· The MTA properties occur on the Xixano Complex and traverse the tectonic contacts between the Nairoto, Xixano and Montepuez Complexes. The Xixano Complex includes a variety of metasupracrustal rocks enveloping predominantly mafic igneous rocks and granulites that form the core of a regional north-northeast to south-southwest-trending synform. The paragneisses include mica gneiss and schist, quartzfeldspar gneiss, metasandstone, quartzite and marble.

· The metamorphic grade in the paragneiss is dominantly amphibolite facies, although granulite facies rocks locally occur. The oldest dated rock in the Xixano Comples is a weakly deformed metarhyolite which is interlayed in the metasupracrustal rocks and which gives a reliable extrusion age of 818 +/- 10 Ma.

· Graphite-bearing mica schist and gneiss are found in different tectonic complexes in the Cabo Delgado Province.</td></tr>
<tr><td>Drill hole Information</td><td>· A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
· easting and northing of the drill hole collar,
· elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar,</td><td>· Refer to Drilling Summary Table below:
<table>
<tr><th>Hole ID</th><th>UTM_E</th><th>UTM_N</th><th>RL</th><th>Depth</th><th>DIP</th><th>Mag Azimuth</th></tr>
<tr><td>MN0001</td><td>470974</td><td>8581550</td><td>386</td><td>204.38</td><td>-60</td><td>106</td></tr>
<tr><td>MN0002</td><td>471124</td><td>8579929</td><td>381</td><td>161</td><td>-60</td><td>112</td></tr>
<tr><td>MN0005</td><td>471113</td><td>8581520</td><td>383</td><td>177.4</td><td>-60</td><td>108</td></tr>
</table></td></tr>
</table>

	· *dip and azimuth of the hole,* · *down hole length and interception depth,* · *hole length.* · *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	· Drilling started on the Project on 28 November 2014.
Data aggregation methods	· *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* · *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* · *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	· No drilling results have been reported to date therefore no aggregate values have been reported.
Relationship between mineralisation widths and intercept lengths	· *These relationships are particularly important in the reporting of Exploration Results.* · *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* · *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	· Additional drilling information is required to adequately understand the relationship between mineralisation widths and intercept lengths. Based on the current limited drilling it is thought that the intercept widths are close to the actual true widths.
Diagrams	· *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations.*	· Appropriate maps and sections (with scales) and tabulations of intercepts have not been included as no drilling results have been reported to date, nor any significant discovery.

Balanced reporting	· *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to*	· Only visual estimates of obvious graphitic zones have been reported. Laboratory analysis is required to confirm or deny the Company's estimates.
Other substantive exploration data	· *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	· Regional airborne geophysical (magnetics, radiometrics) and regional geological mapping was used to assist mapping interpretation. · Subsequent to mapping, VTEM data was acquired from a neighbouring concession holder and MTA flew a VTEM and magnetic survey
Further work	· *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* · *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	· The initial drill holes were designed to test the stratigraphy within the project due to the lack of significant outcrop at surface, and this is currently underway. Once the stratigraphic sequence is understood additional holes will be planned targeting the higher grade and wider graphitic zones with the aim of moving to resource drilling (should zones of adequate grade and dimensions be identified during the stratigraphic drill program) · Further diagrams will be made available once the stratigraphic sequence of the project is further understood. These diagrams will likely highlight the areas of possible extensions, including any geological interpretations and potential future drilling areas. · Four diamond drill rigs are currently actively drilling at the project.