

ASX Announcement
30 January 2015

ACTIVITIES FOR THE QUARTER ENDED 31 DECEMBER 2014

Highlights

- **Maiden drill program at Montepuez intersects significant Graphite mineralisation**
- **High grade zinc and lead mineralisation identified at Kroussou Project**
- **Cherie Leeden appointed as Managing Director**
- **Drilling at Rio Mazoe intersects anomalous zinc zones**

Operations

Mozambique

Metals of Africa Limited (ASX: MTA) continued the active exploration of its projects in Mozambique during the December 2014 quarter, focusing on drill campaigns at the Rio Mazoe BHT-type base metal project and the Montepuez Central Graphite Project.

Drilling at the Montepuez Central Graphite Project targeted 3 zones and significant graphite mineralisation was intersected in the majority of drill holes. Drilling at the southern zone intersected a >40m wide mineralised zone over an 800m strike length open to the north and south. Resource drilling to confirm a maiden Mineral Resource is planned as a matter of priority at this Southern zone of the Project. Multiple styles of graphite mineralisation were observed at the project area including shear hosted and graphite dominated metasediments/schist. Multiple prospective areas at the project are to be the subject of targeted follow up drilling in 2015, targeting oxide components to the shallow graphite mineralisation. 409 core samples were sent for laboratory assay in late December 2014, with results expected in early February 2015.

Drilling at the Rio Mazoe project during the quarter intersected anomalous Zinc zones. Petrology analysis has confirmed that mineralisation at Cassidy Shea is consistent with the Broken Hill style deposit the Company is targeting at the project. The Company will continue to progress exploration at this project due to the current strong outlook for Zinc in the global commodity market. Detailed information on the results of this drilling program were announced to the ASX of 11 December 2014.

Gabon

The Company received promising portable XRF Niton (pXRF) results from its first exploration field program at the Kroussou project in Gabon during the quarter, including high grade zinc (up to 35%) and lead (up to 23%) mineralisation at surface. Multiple mineralised outcrops were observed in a single paleovalley, including numerous unexplored and under-explored paleovalleys along the 80km N-S length of the license that requires follow-up work. Rock chip sample assay results are expected shortly with likely shallow base metal drill targets to be generated as a result for the

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Company's 2015 exploration program. Refer ASX announcement 28 October 2014 for further details on the Kroussou Project.

Corporate

The Company lodged a notice of meeting with the ASX on 12 December 2014 for shareholders to consider the following matters:

- Resolution 1: Approval of the issue of Shares pursuant to the Dombeya Acquisition
- Resolution 2: Approval of issue of Convertible Notes under Convertible Note Facility
- Resolution 3: Approval of issue of Incentive Options
- Resolution 4: Ratification of September Placement Shares
- Resolution 5: Ratification of July Placement Shares
- Resolution 6: Ratification of Mitchell Shares (Resolution Withdrawn)

Resolutions 1 to 5 were subsequently approved by shareholders at the general meeting held on 16 January 2015. For further information in relation to the resolutions, please refer to the notice of meeting.

For further information please contact:

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Tenement Summary – 31 December 2014

1. MINING TENEMENTS HELD				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Rio Mazoe Project				
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	51%	51%
1431	Mozambique	JV	51%	51%
1123	Mozambique	JV	51%	51%
1122	Mozambique	JV	51%	51%
Express Licences				
5572L	Mozambique	Granted	100%	100%
5701L	Mozambique	Granted	100%	100%
5473L	Mozambique	Granted	100%	100%
6216	Mozambique	Granted	0%	100%
6251	Mozambique	Granted	100%	100%
6253	Mozambique	Granted	100%	100%
5345	Mozambique	Granted	100%	100%
5350	Mozambique	Granted	100%	100%
6187	Mozambique	Granted	100%	100%
6191	Mozambique	Granted	100%	100%
6170	Mozambique	Granted	100%	100%
6172L	Mozambique	Granted	100%	100%
6167	Mozambique	Granted	100%	100%
6254	Mozambique	Granted	100%	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%
HQ-P27216 (Godegode 3)	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%
PL9843 (Mzombe)	Tanzania	Granted	0%	100%
PL9750 (Mzombe)	Tanzania	Granted	0%	100%

2. MINING TENEMENTS ACQUIRED/DISPOSED

Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
ACQUIRED				
6216	Mozambique	Granted	0%	100%
PL9843 (Mzombe)	Tanzania	Granted	0%	100%
PL9750 (Mzombe)	Tanzania	Granted	0%	100%
DISPOSED				
HQ-P27498 (Godegode 7)	Tanzania	Relinquished	100%	0%
5573L	Mozambique	Relinquished	100%	0%
5571L	Mozambique	Relinquished	100%	0%

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	51%	51%
1431	Mozambique	JV	51%	51%
1123	Mozambique	JV	51%	51%
1122	Mozambique	JV	51%	51%

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")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1,333)	(3,182)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(223)	(982)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	17	27
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	13
	Net Operating Cash Flows	(1,539)	(4,124)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	(54)
	(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	-	(54)
1.13	Total operating and investing cash flows (carried forward)	(1,539)	(4,178)

+ 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)	(1,539)	(4,178)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,065	7,112
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)	(26)	(305)
	Net financing cash flows	3,039	6,807
	Net increase (decrease) in cash held	1,503	2,629
1.20	Cash at beginning of quarter/year to date	1,985	859
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,488	3,488

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

Director fees.

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

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	900
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	1,050

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	3,488	1,985
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,488	1,985

+ 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 5573L 5571L	Relinquished Relinquished	100% 100%	0% 0%
	Gabon Nil			
	Tanzania HQ-P27498 (Godegode 7)	Relinquished	100%	0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased			
	Mozambique 6216	Granted	0%	100%
	Gabon Nil			
	Tanzania PL9843 PL9750	Granted Granted	0% 0%	100% 100%

+ 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	129,378,027	129,378,027		Ordinary fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	a) 21,604,609	a) 21,604,609	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 3,666,666 2,488,500 600,000 57,854,396 2,500,000	Unquoted Unquoted Unquoted Unquoted Unquoted Quoted Unquoted	Exercise price \$0.25 \$0.40 \$0.25 \$0.15 \$0.168 \$0.15 \$0.093	Expiry date 30 June 2015 30 June 2015 31 Dec 2015 3 Dec 2016 3 Dec 2016 7 Jan 2017 31 March 2017
7.8	Issued during quarter				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.9	Exercised during quarter	49,999	49,999	\$0.15	7 Jan 2017
7.10	Expired during quarter	333,333	-	\$0.25	31 Dec 2015
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.

30 January 2015

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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