



METALS of AFRICA
LIMITED

ASX Announcement Metals of Africa Ltd

5 February 2015

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MTA Capital Structure

Shares on Issue: 129,378,027

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

Unlisted Options 19,255,166
(various price, expiry)

Market Cap. @ \$0.065; A\$8.41m

MTA Board

Gilbert George
Non Exec Chairman

Cherie Leeden
Executive Director

Brett Smith
Non Exec Director

Steven Wood
Company Secretary

ASX Code: MTA

www.metalsofafrica.com.au

Metals of Africa acquires Balama Central Graphite Project

Highlights

- Metals of Africa has acquired 100% of the Balama Central Project in the world class Cabo Delgado Graphite Province in Mozambique.
- Balama Central Project is located along strike and immediately adjacent to Syrah Resources' major Balama Graphite Project.
- 3km x 1km conductive anomaly identified from recent VTEM survey.
- This indicates a ~3 km strike extension of Syrah's Balama deposit into the Balama Central Project.
- Company plans to commence drilling of the Balama Central EM target in Q2, 2015.

Metals of Africa Limited (ASX: MTA) (the Company) is pleased to announce that it has acquired a 100% interest in the Balama Central Project (license number 4118) in the world class Cabo Delgado graphite province of Mozambique.

The acquisition expands the Company's project area in the Cabo Delgado province and complements its other graphite projects in Mozambique.

The Balama Central Project is located along strike and 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 resources, of 1.15Bt at 10.2% Total Graphitic Carbon (TGC) and 0.23% Vanadium Oxide (V₂O₅).

A recent VTEM survey flown over the Balama Central Project produced encouraging results which indicate a conductive anomaly, approximately 3 km long by 1 km wide, coincident with the strike of stratigraphic conductors hosting the mineralisation at Syrah's project area.

A zone of approximately 1.5km by 200m, within the anomaly, generated the strongest response from the VTEM survey, and will form the Company's immediate target (see Figure 2, Preliminary VTEM data).

MTA Managing Director Cherie Leeden said:

"Our VTEM survey has revealed a conductor of considerable dimensions within our recently acquired license, along strike of one of the world's most valuable graphite deposits. We will now design a drill program based on the VTEM data and will obtain the standard regulatory approvals required to commence drilling of the conductor after the current wet season."

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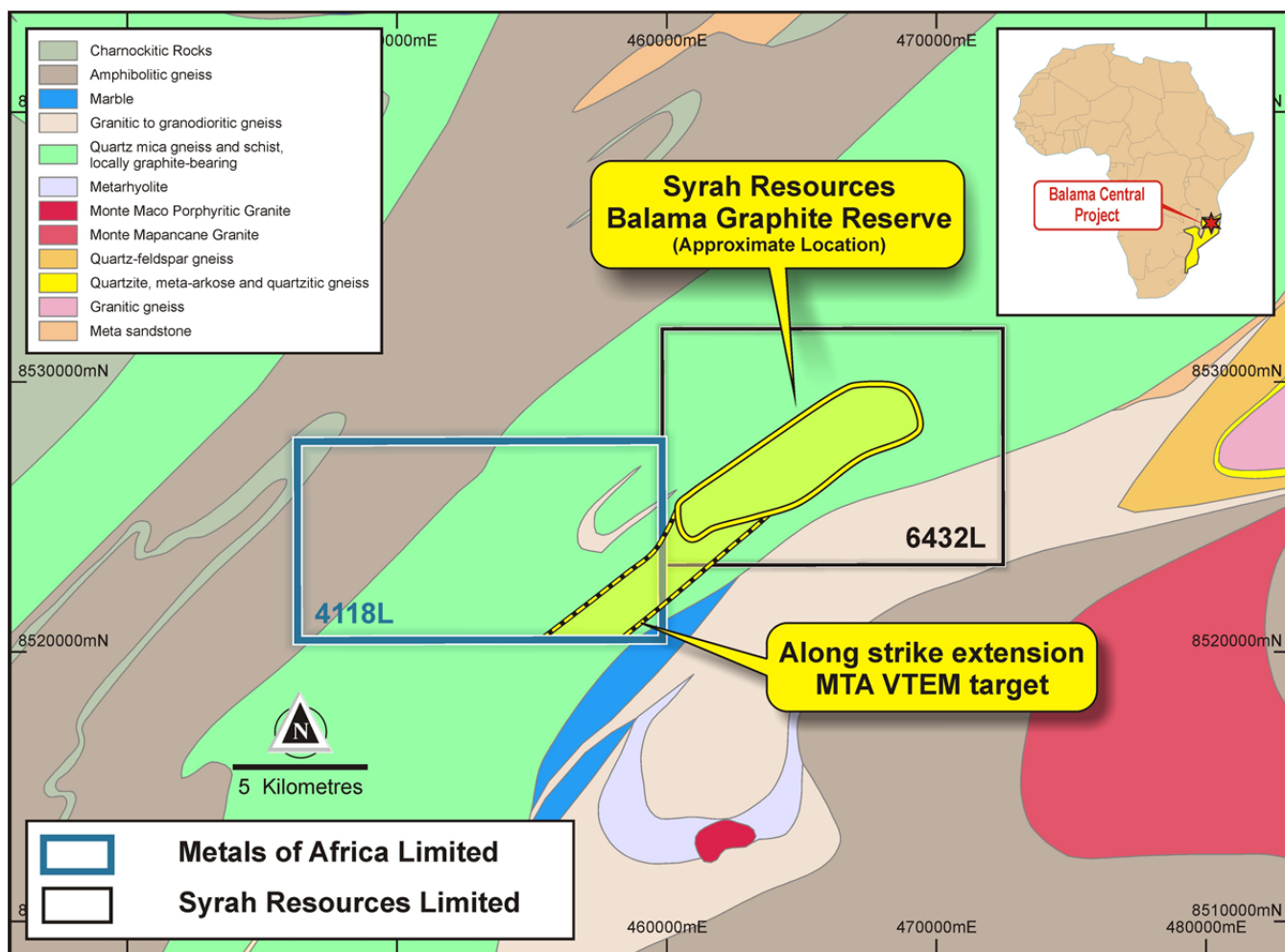


Figure 1. Location of the Balama Central Project and Syrah Resources Balama Graphite Project

Key Terms of Acquisition Agreement for Balama

A summary of the final acquisition terms are:

- Total of US\$250,000 (US\$50,000 first cash payment + US\$200,000 second cash payment).
- On the Completion Date the Buyer will issue to the Seller or its nominee such number of fully paid ordinary shares in the Buyer (Consideration Shares) as would have a market value of US\$200,000 using the lower of the volume-weighted average mid-market share price for the period of 10 trading days prior to the Signature Date and 10 trading days prior to the Completion Date, and using the US\$/AUD\$ exchange rate on the Signature Date and Completion Date as appropriate, such issuance being the second part payment for transfer of the Licence.

There are no residual royalties payable.

The Company's shareholders recently resolved at a general meeting of shareholders held on 16 January 2015 to approve the issue of the shares pursuant to this acquisition, and the issue of these shares together with the second cash payment will be completed shortly.

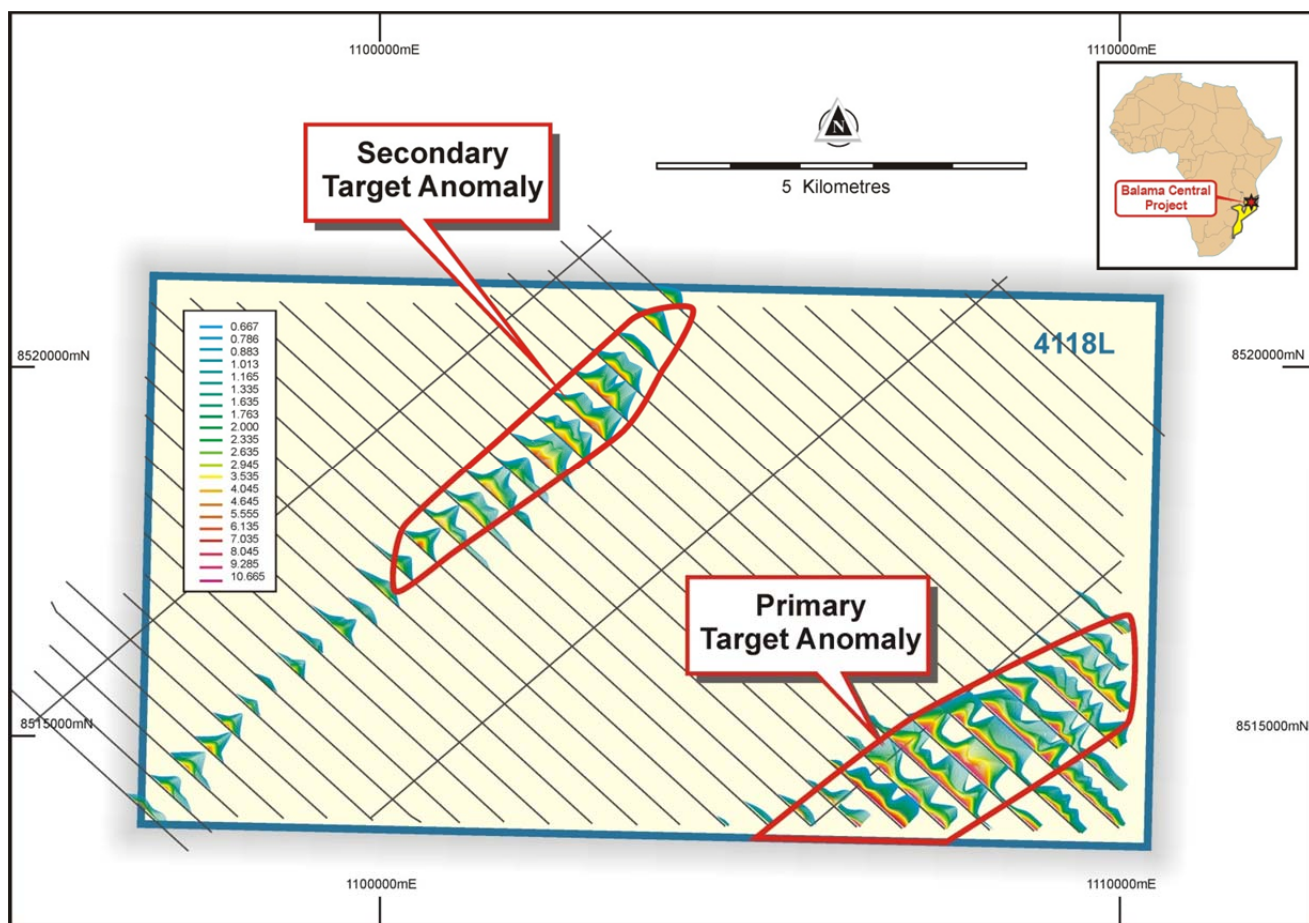


Figure 2. Preliminary VTEM data received from Geotech Airborne Limited illustrating that two conductors have been identified within the Balama project.

About the Balama Central Project

The granted license at the Balama Central Project comprises a surface area of 9600 hectares. It has been subject to country-wide regional geological mapping plus government airborne geophysics surveys flown over the region, which produced magnetics and radiometric data.

Metals of Africa recently conducted a helicopter VTEM and magnetic survey over the entire project area, at a line spacing of 400m. The orientation of the lines were designed perpendicular to the strike of the geology to ensure representative data. The Company has received the preliminary data for the survey.

The VTEM data has revealed two conductors are present within the license. The conductor that is located in the South-East corner of the license is considered a high priority drill target. A secondary, lower priority target exists in the north of the license and is thought to represent a geological contact. The project has not been subject to any other previous exploration.

The project boasts excellent logistics, with a main road passing through the middle of the license. The town of Balama is located in the center of the license, well removed from the VTEM anomaly and main graphite target, and will serve as a convenient base and source of local labour.



Figure 3. Mozambique Country Location Map and general location of Metals of Africa graphite project area.

On behalf of Board of Directors Metals of Africa Ltd

For further information please contact

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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.

Metals of Africa are conducting a series of research and development activities and trials in both Australia and Africa in establishing the best process methodology in mineral exploration, mining and processing. This activity is for the benefit of the Company's holdings and in the licensing of intellectual property as a means of bringing these ideas to the market.



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.