METALS of AFRICA

LIMITED

and its Controlled Entities

ABN 75 152 071 095

Financial Report
31 December 2014

Contents

Corporate Information

This financial report includes the consolidated financial statements and notes of Metals of Africa Limited and its controlled entities ("the Group"). The Group's functional presentation currency is AUD ($).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Directors' report on pages 4 to 20. The Directors' report is not part of the financial report.

Directors

Gilbert George
Non-Executive Chairman

Cherie Leeden
Managing Director

Brett Smith
Non-Executive Director

Andrew McKee
Non-Executive Director
Appointed 5 February 2015

Company Secretary

Steven Wood

Registered Office

945 Wellington Street
West Perth WA 6005

Website

http://metalsofafrica.com.au

Share Registry

Automic Registry Services
Level 1, 7 Ventnor Avenue
West Perth WA 6005
T: 08 9324 2099

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Bankers

Westpac Banking Corporation
Level 13, 109 St Georges Tce
Perth WA 6000

Solicitors

GTP Legal
Level 1, 28 Ord Street
West Perth WA 6005

Stock Exchange

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

ASX Code: **MTA**

Letter to Shareholders

Dear Shareholder,

In spite of continuing difficult market conditions for junior exploration companies during 2014, Metals of Africa has achieved a number of notable successes.

Our pipeline of projects yielded an exciting new commodity when we announced the granting of several licences prospective for graphite. Early ground reconnaissance indicated significant anomalism, and an initial drill program at Montepuez Central, in the Cabo Delgado region of Mozambique yielded spectacular intercepts (announced in March 2015), of 145m at over 9.66% TGC at the Buffalo Prospect, including 15m of almost 15% TGC in the oxide zone. Subsequent VTEM results pointed to an even stronger anomaly at the Elephant Prospect at Montepuez Central.

New materials produced from graphite – specifically graphene and its derivatives – are already revolutionising developments in areas as diverse as battery technology, clean-up of nuclear waste, structural materials, computers and environmentally friendly anti corrosive coatings. The appointment of Andrew McKee as a director of Metals of Africa early this year has strengthened our ability to quickly increase knowledge of potential downstream applications in parallel with development of the ore bodies.

While a number of companies in the Cabo Delgado region have announced very large graphite resources, it is our intention to focus on the oxide zone, where we are confident of producing sufficient high grade resources without including the huge amount of fresh material that lies beneath the oxide. It is our view that focusing on the oxide (near surface) zone has advantages of higher grade, easier mineability, easier processing/mineral separation, pointing to a more economically robust operation.

During 2015 we propose to undertake significant programs to increase our understanding of the upstream and downstream potential of our graphite portfolio, and seek early mover advantages in this burgeoning market.

In February and April 2014 Metals of Africa acquired a portfolio of projects from Select Exploration. The portfolio included the highly prospective Kroussou Zinc/Lead project in Gabon. We have now conducted two reconnaissance programs at Kroussou. The first in October 2014 confirmed results of French Geological surveys (BRGM) conducted at Dikaki 50 years ago, where we announced niton assays of surface rock chip exceeding 35% Zinc, and 23% lead. The second field program conducted in February and March of this year is aiming to confirm multiple Mississippi Valley Type (MVT) zinc and lead prospects over a 50km strike length from the original Dikaki lobe surveyed by the BRGM.

Both zinc and lead are commodities where supply in the medium term is projected to fall behind demand growth, as a number of key mines reach the end of their lives. Metals of Africa will develop a program at Kroussou aimed a testing our belief that this is potentially a Tier one asset.

Our drilling programs at Rio Mazoe in October-November 2014 provided further evidence of an extensive BHT-style system, with silver lead zinc and copper occurrences confirmed during the drill program. Rio Mazoe remains a high conviction prospect but the results at Cabo Delgado (graphite) and Kroussou (zinc and lead) dictate that we direct our resources at the latter two. MTA will also continue to engage with the Mozambique Government as we review the effects of recent changes to exploration tenure rents.

During 2014 we raised over $7m through a combination of placements, underwritten rights issue and through the exercise of a number of options. This enabled us to conduct a robust exploration campaign and execute the programs we promised investors.

Our pipeline strategy and focused exploration has resulted in the generation of two new substantial projects in 2014, and enabled us to raise funds in a difficult market environment. In parallel with cost effective exploration on our major projects, we will continue to review and rationalise our pipeline, to ensure we can respond quickly to opportunities and manage geopolitical issues.

I extend a warm welcome to our new Non-Executive Director Andrew McKee, and would also like to acknowledge the support of fellow director Brett Smith, and the work of MTA's Managing Director Cherie Leeden, whose knowledge of the region, and hands-on management of our in-country teams means we are very well-placed for further success.

2015 promises to be an exciting one for Metals of Africa, and on behalf of the Directors, I would like to thank you for your continued support.

Yours faithfully

Gilbert George
Non-executive Chairman

Directors' Report

The Board of Directors present the following report on Metals of Africa Limited and its controlled entities (referred to hereafter as "the Group") for the year ended 31 December 2014.

Directors

The names of the Directors in office during the financial period and until the date of this report are as follows. All Directors were in office for the entire period unless otherwise stated:

Director	**Position**	**Appointed**
Gilbert George	Non-Executive Chairman	1 August 2012
Cherie Leeden[1]	Managing Director	19 July 2013
Brett Smith	Non-Executive Director	1 August 2012
Andrew McKee	Non-Executive Director	5 February 2015

Note:

1. Ms Cherie Leeden changed role from Executive Director (position held since appointment on 19 July 2013) to Managing Director on 28 October 2014,

Principal Activities

Metals of Africa Limited was very pro-active during the 2014 year, on both the exploration and corporate fronts. MTA acquired projects in Tanzania and Gabon, undertook multiple capital raisings and completed significant on-the-ground exploration programs, culminating in drill programs at the Rio Mazoe Base Metal and Montepuez Graphite Projects in late 2014.

The activity at the Montepuez Graphite Project and the Kroussou Zinc Project form the basis of MTA's endeavours in conducting and carrying out a series of studies, including research and development activities in Australia, Singapore and Africa.

Dividends

No dividends were paid during the period.

Review of Operations and Financial Results

The Consolidated Statement of Profit or Loss and other Comprehensive Income shows a net loss attributable to members of $4,045,628 for the period ended 31 December 2014 (31 December 2013: $1,484,958).

During the period the Company continued its focus on delivering shareholder value through the development of its pipeline of exploration projects. The Company was also active on the corporate front, raising capital in a difficult market to enable the exploration of its projects, and pursuing acquisitions that represented potential value to the Company and its shareholders.

On the equity market, the Company closed a loyalty option issue in January 2014, completed placements in June and July 2014, and then completed an additional placement and rights issue in October 2014. These equity raisings have enabled the Company to rapidly develop its portfolio of assets.

Directors' Report (continued)

Review of Operations and Financial Results (cont'd)

The Company commenced its 2014 exploration field program in March 2014. The focus for 2014 was on completing significant ground-work to enable drilling in late 2014. The Company's staff worked in extremely hard in difficult conditions, generating substantial data-sets using a range of geological techniques. External contractors were engaged to provide expertise in what is a complex geological environment, and innovative exploration methods, often involving aerial coverage (to assist with covering large areas), were employed to generate drill targets and support the on-ground work being completed.

In July 2014 the Company had generated multiple drill targets at the Rio Mazoe project, assays returned in August 2014 confirmed high-grade and large flake size graphite from an initial field trip to the Montepuez Central graphite project, and rock chip samples gathered from the Kroussou Project in Gabon had returned high grade lead and zinc mineralisation.

As a result of this exploration project pipeline, the Company is continuously reviewing its licence portfolio and the book value of this portfolio. These reviews often lead to write-downs in capitalised exploration expenditure, particularly in the current economic climate. During the year ended 31 December 2014 the Company wrote down all previously capitalised exploration in regards to its Tanzanian project portfolio.

On the corporate front, in March 2014 the Company completed the acquisitions of five copper-gold projects in Tanzania and three base-metal projects in Gabon, and in August 2014 announced the acquisition of the Balama Central Graphite Project, in the Cabo Delgado province of Mozambique

Significant Changes in State Of Affairs

There were no significant changes in the state of affairs of the Company during the year ended 31 December 2014.

Directors' Report (continued)

Likely Developments and Expected Results of Operations

The Group is continuing the exploration programs associated with the Rio Mazoe Project and Changara JV, the Montepuez Graphite Project, and the Kroussou Zinc/Lead Project in Gabon.

In addition to the exploration activity undertaken, the Group is actively seeking to identify and assess opportunities to acquire other exploration prospects or projects that have the potential to enhance Shareholder value. The Group will maintain an active dialogue with private and public entities in the course of expanding or enhancing the Group's portfolio of assets.

The Group will promote the development of its projects and ensure all activities are carried out in a transparent and responsible way, which contributes to the well-being of local communities in addition to increasing Shareholder value.

After Reporting Date Events

On 16 January 2015 the Company held a general meeting of shareholders, at which shareholders approved the following resolutions unanimously on a show of hands:

Resolution 1: Approval of the issue of the Dombeya Consideration Shares pursuant to the Dombeya Acquisition Agreement

Resolution 2: Approval of issue of Convertible Notes under the Convertible Note Facility

Resolution 3: Issue of Incentive Options – Ms Cherie Leeden

Resolution 4: Ratification of issue of September Placement Shares

Resolution 5: Ratification of issue of July Placement Shares

Resolution 6: Ratification of issue of Mitchell Shares

Ms Leeden was issued the 1,000,000 incentive options as per resolution 3 in February 2015.

On 5 February 2015, Mr Andrew McKee was appointed to the Board as a non-executive director and the Company completed the acquisition of 100% interest in the Balama Central Project (license number 4118) in the world class Cabo Delgado graphite province of Mozambique.

Directors' Report (continued)

Environmental regulation

The Group is subject to significant environmental regulation in respect of mineral exploration activities. The Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of the shareholders, employees and suppliers. The Group's exploration activities are currently regulated by significant environmental regulation under laws of the Commonwealth and states and territories of Australia. The Group aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Company is in compliance with the National Greenhouse and Energy Reporting Act 2007.

The directors are mindful of the regulatory regime in relation to the impact of the organisational activities on the environment.

There have been no known breaches by the Group during the period.

Information on Directors

Cherie Leeden (appointed 19 July 2013)	Managing Director
Qualifications	BSc Applied Geology (Hons)
Experience	Ms Leeden is a member of the Australian Institute of Geoscientists. Ms Leeden has been involved in mining and exploration for the past ten years with her primary experience relating to coal and iron projects.
Current Directorships	Nil
Former directorships in last 3 years	Select Exploration Ltd: Non-Executive Director appointed 10 January 2011, resigned 18 September 2014
Number of shares held	2,638,762 (as at date of report.)
Number of options held	348,259 unlisted ($0.40, 30/06/2015) 348,259 unlisted ($0.25, 30/06/2015) 1,686,911 listed ($0.15, 7/01/2017) 1,000,000 unlisted ($0.15, 3/12/2016) Issued subsequent to 31 December 2014 and held at date of this report: 1,000,000 unlisted ($0.26, 4/02/2018)

Directors' Report (continued)

Information on Directors (cont'd)

Gilbert George (appointed 1 August 2012)	Non-Executive Chairman
Qualifications	BSc (Hons) MEc
Experience	With a Masters Degree in Economics from a prestigious Japanese university, Gilbert has a wide range of experience in international business development and management. In addition to exceptional business credentials he has worked hard for the charities sector and also has his hand in script and film development in the Indie sector that fosters up-and-coming new talent. Formerly a senior bilingual Australian embassy official in Tokyo, he established his own business development consultancy in 1988. He is the principal of Gilbert George & Associates Pty Ltd which has provided strategic advice to companies in Australia, Africa, Japan, the US and Europe and been involved in over $950 million of new investment in Australia, in the resource, IT, food processing and service sectors. Resource experience includes Iron, Gold, Manganese, oil and heavy mineral sands. In October 2009 he was appointed as an independent member on Japan's most innovative wave energy body, the Tokyo Wave Power Initiative, a committee including the city of Tokyo, regional governments and national agencies involved in the promotion of Japan's new energy sources.
Current directorships	Bedley Holdings Pty Ltd Ocean Power Technologies (Australasia) Pty Ltd Victorian Wave Partners Pty Ltd
Former directorships in last 3 years	Mindax Ltd – Director appointed 2004, resigned 31 May 2014 Governor Holdings Pty Ltd – company de-registered 26 September 2014
Number of shares held	3,009,236 (as at date of report)
Number of options held	1,000,000 ($0.25, 31/12/2015) 191,456 ($0.25, 30/06/2015) 191,456 ($0.40, 30/06/2015) 1,644,208 ($0.15, 7/01/2017)

Directors' Report (continued)

Information on Directors (cont'd)

Brett Smith (appointed 1 August 2012)	Non-Executive Director
Qualifications	BSc (Hons), MAUSIMM MAIG
Experience	Brett Smith has acquired over 20+ years of experience in the mining and exploration industry as a geologist, manager, consultant and director. His industry experience is broad, dominated by exploration and resource definition.
Current Directorships	Executive Director - Cauldron Energy Limited Managing Director - Corazon Mining Limited Non-Executive Director – Iron Mountain Mining Limited
Former directorships in last 3 years	Non-Executive Director – Jacka Resources Limited – resigned 20 May 2014 Non-Executive Director – Blackham Resources Limited – resigned 7 June 2013
Number of shares held	326,256 (as at date of report)
Number of options held	1,000,000 ($0.25, 31/12/2015) 54,000 (0.15, 7/01/2017) 70,513 (0.15. 7/01/2017)

Andrew McKee (appointed 5 February 2015)	Non-Executive Director
Experience	Andrew McKee has over 35 years of broad-based executive experience in all aspects of exploration, financing, development and operations of mining in Western Australia. Mr McKee has highly developed board room skills in strategy, analysis, planning and risk, and has experience in executive directorship positions in publicly listed Australian companies for over two decades.
Current Directorships	n/a
Former directorships in last 3 years	n/a
Number of shares held	nil
Number of options held	Subject to shareholder approval, Mr McKee will be issued 1,000,000 unlisted director options (exercise price $0.15, 3 year expiry from date of issue), vesting one third each and every twelve months on the anniversary of Mr McKee's appointment as director; and 1,500,000 unlisted incentive options (exercise price $0.15, 3 year expiry from date of issue), which will vest upon the Company's market capitalisation returning to AUD$15,000,000 for 5 or more consecutive ASX trading days.

Directors' Report (continued)

Information on Directors (cont'd)

Director Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Group during the period are:

	Number of Meetings Eligible to Attend	Number of Meetings directors' attended
Number of Meetings Held	7	7
Number of Meetings Attended		
Director		
Mr Gilbert George	7	7
Ms Cherie Leeden	7	7
Mr Brett Smith	7	7

Retirement, election and continuation in office of directors

In accordance with the Constitution, the appropriate directors will retire at the annual general meeting and, being eligible, offer themselves for re-election.

Company Secretary

Mr Steven Wood, BCom. CA, was appointed to the position of Company Secretary on 18 January 2012. Mr Wood is an employee of Grange Consulting Group Pty Ltd which provides a unique range of corporate services to listed and unlisted companies.

Financial Position

The net assets of the Group have increased from $9,829,811 on 31 December 2013 to $14,909,675 on 31 December 2014. The Group's working capital, being current asset less current liabilities, has increased from $899,417 on 31 December 2013 to $3,614,278 on 31 December 2014.

Shares under Option

Unissued ordinary shares of Metals of Africa Limited under option at the date of this report are as follows:

Date Options Granted	Expiry Date	Issue Price of Shares	Number Under Option
12 July 2012	31 December 2015	$0.25	3,000,000
24 October 2012	30 June 2015	$0.25	5,000,000
24 October 2012	30 June 2015	$0.40	5,000,000
28 March 2013	31 December 2015	$0.25	666,666
3 December 2013	3 December 2016	$0.15	2,350,000
3 December 2013	3 December 2016	$0.168	600,000
2 January 2014	7 January 2017	$0.15	22,298,794
7 February 2014	7 January 2017	$0.15	30,931,208
31 March 2014	31 December 2016	$0.15	138,500
31 March 2014	31 March 2017	$0.093	2,500,000
23 June 2014	7 January 2017	$0.15	3,802,000
12 August 2014	7 January 2017	$0.15	822,394
5 February 2015	4 February 2018	$0.26	1,000,000

Total un-issued ordinary shares under option at the date of this report are 78,109,562.

Directors' Report (continued)

Shares Issued on the Exercise of Options

There were 2,549,999 options exercised during the financial period.

Insurance of Officers

The Group has executed a policy with an appropriate level of Directors and Officers Liability Insurance and paid a premium of $12,155 during the period.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Group.

Proceedings on Behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001.

Non-Audit Services

The Group may decide to employ its auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group is important.

During the period the following fees were paid or payable for services provided by BDO:

	Consolidated 31 December 2014 $	Consolidated 31 December 2013 $
Audit Services		
Amounts received or accrued, due and receivable by BDO Audit (WA) Pty Ltd		
- An audit or review of the financial reports of the consolidated entity	48,401	55,000
Total remuneration for audit services	**48,401**	**55,000**
Non-Audit services		
Amounts received by BDO Tax (WA) Pty Ltd, being related practices of BDO Audit (WA) Pty Ltd		
- Preparation of Tax Returns and Advice	12,883	8,303
Total remuneration for non-audit services	**12,883**	**8,303**

Directors' Report (continued)

Non-Audit Services (cont'd)

The board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Audited Remuneration Report

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration.
B Details of remuneration.
C Service agreements.
D Share-based compensation.
E Director share and option holdings
F Additional information.

The names of the Directors in office during the period are as follows:

Director	Position	Appointed
Gilbert George	Non-Executive Chairman	1 August 2012
Cherie Leeden	Managing Director	19 July 2013
Brett Smith	Non-Executive Director	1 August 2012

Mr Andrew McKee was appointed to the Board as a non-executive director on 5 February 2015.
Mr Richard Bevan resigned from the Board as Executive Director on 19 July 2013.

A <u>Principles used to determine the nature and amount of remuneration</u>

The Board has elected not to establish a remuneration committee based on the size of the organisation and has instead agreed to meet as deemed necessary and allocate the appropriate time at its board meetings.

The following items are considered and discussed as deemed necessary at the board meetings:

- make specific recommendations to the board on remuneration of directors and senior officers;
- recommend the terms and conditions of employment for the Executive Director;
- undertake a review of the Executive Director's performance, at least annually, including setting with the Executive Director goals for the coming year and reviewing progress in achieving those goals;
- consider and report to the Board on the recommendations of the Executive Director on the remuneration of all direct reports; and
- develop and facilitate a process for Board and Director evaluation.

Directors' Report (continued)

Remuneration Report (cont'd)

A Principles used to determine the nature and amount of remuneration (cont'd)

Non-Executive Directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the board. The Chair's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market.

Non-executive directors do not receive performance-based pay.

Directors' Fees

The current base fees were last reviewed with effect from 6 February 2015. Prior to this they were based on rates set at the listing of the Company on the ASX, being 24 October 2012. No remuneration is performance based, albeit the directors' share and option holdings ensure that their goals are aligned with the Company's share price.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders.

The maximum currently stands at $300,000 per annum and was approved by shareholders via the adoption of a revised constitution at a general meeting of shareholders on 6 July 2012.

The following fees have applied:

Base Fees	12 months ended 31-Dec-14	12 months ended 31-Dec-13
Non-executive chairman	$55,000	$70,604[1]
Non-executive director	$55,000	$55,000

1. Mr Gilbert George's fee as Non-Executive Chairman was reduced from $75,000 to $55,000 per annum effective 1 August 2013.

Additional fees

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Retirement allowances for directors

Superannuation contributions required under the Australian Superannuation Guarantee Legislation will be made as part of the directors' overall fee entitlements where applicable.

Directors' Report (continued)

Remuneration Report (cont'd)

A Principles used to determine the nature and amount of remuneration (cont'd)

Executive pay

In determining executive remuneration, the board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the company's strategic and business objectives and the creation of shareholder value;
- transparent; and
- acceptable to shareholders.

The executive remuneration framework has two components:

- Base pay and benefits, including superannuation; and
- Long-term incentives through participation in the Metals of Africa Employee Share Option Plan.

Benefits

No benefits other than noted above are paid to Directors or Management except as incurred in normal operations of the business.

Long term incentives

Options are issued at the Board's discretion, and where applicable are subject to shareholder approval. 138,500 unlisted options ($0.15, 3/12/2016) were issued on 31 March 2014 to a key consultant to the Company. The directors received 822,394 attaching listed options ($0.15, 7/1/2017) to the shares they received in lieu of their salary for the months of May and June 2014.

Remuneration consultants

Remuneration consultants have not been used in determining the remuneration paid.

Remuneration Policy

The Company's current remuneration policy is based on its status as a junior exploration company. The entity's performance is dependent upon exploration success, and as such remuneration is maintained at a reasonable level to enable the attraction of key employees whilst ensuring the maximum amount of the Company's capital where possible is directed toward exploration.

Directors' Report (continued)

Remuneration Report (cont'd)

B Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors and the key management personnel of the Group are found below:

31 December 2014	Short- term employee benefits: Cash salary & Fees	Other	Non Monetary Benefits	Post-employment benefits: Super-annuation Pensions	Share-based payments: Options	Shares	Total	Total Remun-eration Represented by Options
Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Non-executive directors								
Gilbert George	45,833	-	-	-	5,359	29,615	80,807	6.63
Brett Smith	45,833	-	-	-	5,359	29,615	80,807	6.63
Sub-total	**91,666**	-	-	-	**10,718**	**59,230**	**161,614**	**6.63**
Executive directors								
Cherie Leeden	192,389	-	-	-	18,752	103,630	314,771	5.96
Sub-total	**192,389**	**-**	**-**	**-**	**18,752**	**103,630**	**314,771**	**5.96**
Total key management personnel compensation (Group)	**284,055**	**-**	**-**	**-**	**29,470**	**162,860**	**476,385**	**6.19**

The above table includes values for share based payments at their fair value, being the value of the shares ($0.065) and options (free attaching) at the point in time the shareholders approved in August 2014 the directors election to take equity in lieu of cash payments for their director fees in May and June 2014. These fair values are based on the share and option prices at the date of the shareholder meeting, and not the terms of the placement completed in June 2014, which was the point in time the directors agreed to take equity in lieu of cash payments for their director fees. According to the accounting standard AASB 2, the fair value at the date of shareholders meeting approving the equity issue (grant date) to the directors should be calculated for the purpose of recognising the share based payment issued to directors and employees, and this fair value is outlined above and below.

Mr Smith's services as non-executive director were provided by Topaz Corporate Pty Ltd for which the Company was charged $45,833 (excl. GST). Mr Smith is a director and shareholder of Topaz Corporate Pty Ltd. Mr George's services non-executive chairman were provided by Gilbert George and Associates Pty Ltd for which the Company was charged $45,833 (excl. GST). Mr George is a director and shareholder of Gilbert George and Associates Pty Ltd.

31 December 2014	Director Fees agreed to be paid via equity issue	Shares issued	Deemed Price per share	Deemed Value	Shares Fair Value at date of approval	Options issued	Deemed Price per option	Deemed Value	Options fair value at date of approval	Total Fair value at Date of Approval
Directors	**$**	**#**	**$**	**$**	**$**	**#**	**$**	**$**	**$**	**$**
Non-executive directors										
Gilbert George	9,167	141,026	0.065	9,167	29,615	70,513	-	-	5,359	34,974
Brett Smith	9,167	141,026	0.065	9,167	29,615	70,513	-	-	5,359	34,974
Sub-total	**18,334**	**282,052**	**-**	**18,334**	**59,230**	**141,026**	**-**	**-**	**10,718**	**69,948**
Executive directors										
Cherie Leeden	32,076	493,477	0.065	32,076	103,630	246,738	-	-	18,752	122,382
Sub-total	**32,076**	**493,477**	**-**	**32,076**	**103,630**	**246,738**	**-**	**-**	**18,752**	**122,382**
Total KMP compensation (Group)	**50,410**	**775,529**		**50,410**	**162,860**	**387,764**		**-**	**29,470**	**192,330**

Directors' Report (continued)

Remuneration Report (cont'd)

	Short- term employee benefits			Post-employment benefits		Share-based pay-ments	Total	Total Remuneration Represented by
31 December 2013	**Cash salary & Fees**	**Other**	**Non Monetary Benefits**	**Super-annuation Pensions**	**Retire-ment Benefits**	**Shares**		**Options**
Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Non-executive directors								
Gilbert George[1]	70,604	-	-	-	-	-	70,604	-
Brett Smith	55,000	-	-	-	-	-	55,000	-
Sub-total	**125,604**	-	-	-	-	-	125,604	-
Executive directors								
Richard Bevan[3]	82,258	-	-	7,421	-	-	89,679	-
Cherie Leeden	88,453	100,250[2]	-	-	-	63,834	252,537	25.3
Sub-total	**170,711**	**100,250**	**-**	**7,421**	**-**	**63,834**	**342,216**	**18.7**
Total key management personnel compensation (Group)	**296,315**	**100,250**	**-**	**7,421**	**-**	**63,834**	**467,820**	**13.6**

1. Mr Gilbert George's fee as Non-Executive Chairman was reduced from $75,000 to $55,000 per annum effective 1 August 2013.
2. This fee of $100,250 relates to geological consulting work performed by Ms Leeden for the Company prior to her appointment as Executive Director.
3. Mr Richard Bevan resigned 19 July 2013.

C Service agreements

Executive Directors

Name	Term of Agreement	Base Salary including Superannuation	Termination Benefit
Executive			
Cherie Leeden	Open	AUD$281,928 (equivalent of USD$230,000 at 31 December 2014)	Relevant notice periods apply, being 1 months' notice with reason or 3 months without reason.

Non-executive Directors

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the director.

Name	Term of Agreement	Base Salary including Superannuation	Termination Benefit
Non-Executive			
Chairman – Gilbert George	Open	$55,000	Nil. Subject to re-election by shareholders.
Director – Brett Smith	Open	$45,000	Nil. Subject to re-election by shareholders.
Director – Andrew McKee	Open	$45,000	Nil. Subject to re-election by shareholders.

Non-executive directors are subject to standard terms and conditions including around duties to the Group, confidentiality and disclosure. Mr Brett Smith was being paid $55,000 per annum until February 2015, at which point his fee was amended to $45,000 per annum.

Directors' Report (continued)

Remuneration Report (cont'd)

D Share-based compensation

Options

The following options were issued to directors during the year:

	Date Options Granted	Number of Options Granted	Expiry Date	Exercise Price	Value per option at grant date	% vested
Mr Gilbert George	12 August 2014	70,513	17 January 2017	$0.15	$0.08	100
Mr Brett Smith	12 August 2014	70,513	17 January 2017	$0.15	$0.08	100
Ms Cherie Leeden	12 August 2014	246,738	17 January 2017	$0.15	$0.08	100
	Total	**387,764**				

Free attaching options that attached to shares issued to directors in lieu of fees. The shares were issued to directors on the same terms of a placement announced 12 June 2014. The options vested immediately.

Options granted carry no dividend or voting rights.

No shares were provided on the exercise of remuneration options for the period.

Shares

The directors received the following shares in lieu of director fees during the year:

	Date Shares Issued	Number of Shares Issued Granted	Fair Value per share at grant date
Mr Gilbert George	12 August 2014	141,026	$0.21
Mr Brett Smith	12 August 2014	141,026	$0.21
Ms Cherie Leeden	12 August 2014	493,477	$0.21
	Total	**775,529**	

Directors' Report (continued)

Remuneration Report (cont'd)

E Director Share and Option Holdings

Share holdings

The numbers of shares in the Group held during the financial period by each director of Metals of Africa Limited and other key management personnel of the Group, including their personally related parties are set out below.

31 December 2014 Name	Balance at the start of the period	Received during the period on the exercise of options	Granted as compensation[1]	Other changes[2]	Balance at the end of the period
Directors					
Gilbert George	2,098,261	-	141,026	769,949	3,009,236
Cherie Leeden	1,920,285	-	493,477	225,000	2,638,762
Brett Smith	72,000	-	141,026	113,230	326,256
Total	**4,090,546**	**-**	**775,529**	**1,108,179**	**5,974,254**

1. Shares received in lieu of salary and fees.
2. Shares acquired according to terms of Rights Issue in October 2014.

31 December 2013 Name	Balance at the start of the period	Received during the period on the exercise of options	Other changes	Balance at the end of the period
Directors				
Gilbert George	473,560[1]	-	441,658[2] 1,183,043[3]	2,098,261
Richard Bevan	40,000	-	-	40,000[4]
Cherie Leeden	1,708,122	-	212,163[2]	1,920,285
Brett Smith	60,000	-	12,000[3]	72,000
Total	**2,281,682**	**-**	**1,848,864**	**4,130,546**

1. Total shareholding was incorrectly disclosed in the 2012 accounts as 373,560, due to non-disclosure by Mr George of 100,000 shares. This holding was corrected via an announcement to the ASX on 24/9/13.
2. Shares were acquired as a result of Mr George and Ms Leeden's holding in Express Resources Limited.
3. Shares were acquired as a result of entitlement under the Rights Issue that closed on 13 November 2013.
4. Holding as at Mr Bevan's resignation on 19 July 2013.

Directors' Report (continued)

Remuneration Report (cont'd)

Option holdings

The numbers of options over ordinary shares in the Group held during the financial period by each director of Metals of Africa Limited and other key management personnel of the Group, including their personally related parties are set out below.

2014 Name	Balance at the start of the period	Granted as compensation[2]	Exercised	Other changes[1]	Balance at the end of the period	Vested and exercisable	Unvested
Directors							
Gilbert George	1,382,912	70,513	-	1,573,695	3,027,120	3,027,120	-
Cherie Leeden	1,696,518	246,738	-	1,440,173	3,383,429[3]	3,383,429	-
Brett Smith	1,000,000	70,513	-	54,000	1,124,513	1,124,513	-
Total	**4,079,430**	**387,764**	**-**	**3,067,868**	**7,535,062**	**7,535,062**	**-**

1. Acquired as part of loyalty option prospectus issue in January 2014.
2. Options issued in lieu of salary/ fees and according to terms of rights issue in October 2014.
3. Ms Leeden received a further 1,000,000 options subsequent to the end of the 31 December 2014 period.

2013 Name	Balance at the start of the period	Granted as compensation	Exercised	Other changes	Balance at the end of the period	Vested and exercisable	Unvested
Directors							
Gilbert George	1,382,912	-	-	-	1,382,912	1,382,912	-
Richard Bevan	1,000,000	-	-	-	1,000,000	1,000,000	-
Cherie Leeden	696,518	1,000,000	-	-	1,696,518	1,696,518	-
Brett Smith	1,000,000	-	-	-	1,000,000	1,000,000	-
Total	**4,079,430**	**1,000,000**	**-**	**-**	**5,079,430**	**5,079,430**	**-**

Directors' Report (continued)

Remuneration Report (cont'd)

F Additional Information

Voting and comments made at the Group's 2014 Annual General Meeting:

In accordance with Listing Rule 3.13.2, it is confirmed that the following resolutions put to the AGM of Metals of Africa Limited shareholders, held on 30 May 2014, were unanimously passed on a show of hands:

Resolution 1: Adoption of Remuneration Report

Resolution 2: Re-election of Ms Cherie Leeden as a Director

Resolution 3: Re-election of Mr Gilbert George as a Director

Resolution 4: Ratification of issue of Shortfall Shares

Resolution 5: Ratification of issue of Shares

Resolution 6: Ratification of issue of Select Options

Resolution 7: Ratification of issue of Incentive Options

Resolution 8: Approval of 10% Placement Facility

Loans to Key Management Personnel

There were no loans made to directors of the Company or other key management personnel during the year ended 31 December 2014.

There are no other transactions with key management personnel during the year ended 31 December 2014

This is the end of Audited Remuneration Report

This report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001.

The lead auditor's independence declaration is set out on page 21 for the period ended 31 December 2014.

This report is made in accordance with a resolution of the directors.

Gilbert George
Non-executive Chairman

Perth, Western Australia, 31 March 2015

Auditor's Independence Declaration

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF METALS OF AFRICA LIMITED

As lead auditor of Metals of Africa Limited for the year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Metals of Africa Limited and the entities it controlled during the period.

JPrue

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 31 March 2015

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the members of Metals of Africa Limited

Report on the Financial Report

We have audited the accompanying financial report of Metals of Africa Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which

Independent Auditor's Report (continued)

has been given to the directors of Metals of Africa Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Metals of Africa Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1(a) in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through debt or equity issues or partial sale of its mineral properties. These conditions, along with other matters as set out in Note 1(a), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included the directors' report for the year ended 31 December 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Metals of Africa Limited for the year ended 31 December 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO
J Prue

Jarrad Prue

Director

Perth, 31 March 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2014

	Note	Consolidated 31-Dec-14 $	Consolidated 31-Dec-13 $
Revenue and other income	2	86,432	1,571
Accounting and audit fees		(83,070)	(75,035)
Consulting and company secretarial fees		(183,421)	(284,762)
Corporate Advisory		(42,500)	(90,076)
Salaries and wages		(362,950)	(316,012)
Share based payment expense	22 (e)	(324,871)	(160,590)
Travel and entertainment		(145,433)	(57,931)
Loss on equity settlement		(47,446)	-
Compliance fees		(145,339)	(90,074)
Directors' fees		(91,666)	(114,208)
Insurance		(17,918)	(13,595)
Equipment hire		(173)	(4,071)
Legal fees		(56,746)	(72,920)
Office costs		(36,132)	(7,543)
Rent		(33,567)	(24,000)
Other expenses		(830,317)	(175,712)
Exploration and Evaluation write off	10	(1,730,511)	-
Loss before income tax		(4,045,628)	(1,484,958)
Income tax expense	3	-	-
Net Loss after Income Tax or the year attributable to the owners of Metals of Africa Limited		(4,045,628)	(1,484,958)
Other Comprehensive Income/(Loss): Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operations		834,605	780,724
Other Comprehensive Income net of tax		834,605	780,724
Total Comprehensive Loss for the period attributable to the owners of Metals of Africa Limited		**(3,211,023)**	**(704,234)**
Loss per share attributable to ordinary shareholders of the Group			
Basic and diluted loss (cents per share)	4	(4.27)	(3.33)

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 31 December 2014

	Note	Consolidated 31-Dec-14 $	Consolidated 31-Dec-13 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	3,862,065	859,762
Trade and other receivables	7	175,723	332,994
Total Current Assets		4,037,788	1,192,756
Non-Current Assets			
Property, plant and equipment	9	445,480	375,794
Exploration & Evaluation Expenditure	10	10,849,557	8,554,600
Total Non-Current Assets		11,295,037	8,930,394
Total Assets		15,332,825	10,123,150
LIABILITIES			
Current Liabilities			
Trade and other payables	11	423,150	293,339
Total Current Liabilities		423,150	293,339
Total Liabilities		423,150	293,339
NET ASSETS		**14,909,675**	**9,829,811**
EQUITY			
Issued Capital	12	17,649,755	10,166,667
Reserves	14	3,535,408	1,893,004
Accumulated Losses		(6,275,488)	(2,229,860)
TOTAL EQUITY		**14,909,675**	**9,829,811**

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the year ended 31 December 2014

	Note	Consolidated 31-Dec-14 $	Consolidated 31-Dec-13 $
Cash flows from operating activities			
Receipts from customers		20,000	-
Payments to suppliers and employees		(1,486,800)	(1,446,449)
Net interest received		27,661	1,571
Net cash (outflow) from operating activities	15	**(1,439,139)**	**(1,444,878)**
Cash flows from investing activities			
Cash received from asset acquisition		-	21,613
Payments made for property, plant and equipment		(184,556)	(120,836)
Payments for exploration expenditure		(2,312,946)	(1,302,015)
Net cash (outflow) from investing activities		**(2,497,502)**	**(1,401,238)**
Cash flows from financing activities			
Proceeds from share issue		6,747,257	1,934,000
Proceeds from loyalty option issue		532,800	-
Capital raising costs		(356,826)	(136,963)
Net cash inflow from financing activities		**6,923,231**	**1,797,037**
Net increase/ (decrease) in cash and cash equivalents		2,986,590	(1,049,079)
Cash and cash equivalents at beginning of year		859,762	1,908,841
Effect of FX on cash held		15,713	-
Cash and cash equivalents at end of year		**3,862,065**	**859,762**

The above consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the year ended 31 December 2014

Consolidated 31-Dec-13	Issued Capital	Share based payment reserve	Foreign currency translation reserve	Accumulated Losses	Total
	$		$	$	$
Balance at 1 January 2013	**4,715,242**	**1,084,000**	**(132,310)**	**(744,902)**	**4,922,030**
Loss for the period	-	-	-	(1,484,958)	(1,484,958)
Other Comprehensive Income	-	-	780,724	-	780,724
Total comprehensive income/loss for the period	-	-	**780,724**	**(1,484,958)**	**(704,234)**
Transactions with owners directly recorded in equity					
Contributions of equity, net of transaction costs					
Shares issued as part consideration	5,451,425	-	-	-	5,451,425
Share based payments	-	160,590	-	-	160,590
Balance at 31 December 2013	**10,166,667**	**1,244,590**	**648,414**	**(2,229,860)**	**9,829,811**

Consolidated 31-Dec-14	Issued Capital	Share based payment reserve	Foreign currency translation reserve	Accumulated Losses	Total
	$		$	$	$
Balance at 1 Jan 2014	10,166,667	1,244,590	648,414	(2,229,860)	9,829,811
Loss for the period	-	-	-	(4,045,628)	(4,045,628)
Other Comprehensive Income	-	-	834,605	-	834,605
Total comprehensive income/loss for the period	**-**	**-**	**834,605**	**(4,045,628)**	**(3,211,023)**
Transactions with owners directly recorded in equity					
Shares issued net of transaction costs	7,483,088	-	-	-	7,483,088
Options issued for Gabon transaction	-	209,319	-	-	209,319
Loyalty Options issued	-	532,800	-	-	532,800
Share based payments	-	65,680	-	-	65,680
Balance at 31 December 2014	**17,649,755**	**2,052,389**	**1,483,019**	**(6,275,488)**	**14,909,675**

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Metals of Africa Limited and its subsidiaries.

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Metals of Africa Limited is an ASX listed public company, incorporated and domiciled in Australia.
Metals of Africa Limited is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Changes in accounting policy

In the year ended 31 December 2014, the Group has reviewed all the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current period. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and, therefore no change is necessary to the Group's accounting policies. A summary of new and revised accounting standards and interpretations listed below.

AASB 2011-4	Removes the individual key management personnel disclosure requirements from AASB 124 Related Party Disclosures, to achieve consistency with the international equivalent standard. Following the release of revised Corporations Regulations, all of the detailed disclosures will have to be included in the remuneration report in the Directors' Report for financial years commencing on or after 1 July 2013. Aggregate disclosures will still be required for the notes to the financial statements.

Notes to the Consolidated Financial Statements (continued)

1. Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The Group has incurred a net loss after tax for the period ended 31 December 2014 of $4,045,628 (31 December 2013: $1,484,958) and experienced net cash outflows from operating activities of $1,439,139 (31 December 2013: $1,444,878). At 31 December 2014, the Group had working capital of $3,614,638 (31 December 2013: $899,417).

The Directors believe there are sufficient funds to meet the Group's working capital requirements and as at the date of this report the Group believes it can meet all liabilities as and when they fall due. However the Directors recognise that additional funding either through the issue of further shares, convertible notes or a combination of both will be required for the Group to continue to actively explore its mineral properties and meet its work program commitments under the exploration licenses.

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in securing additional funds through debt or equity issues or partial sale of its mineral properties as and when the need to raise working capital arises. Should the Directors not achieve the matters set out above, there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and liabilities in the normal course of business.

The financial report does not include any adjustments that may be necessary if the Group is unable to continue as a going concern.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Metals of Africa Limited (''**Company''** or ''**Parent Entity**'') as at 31 December 2014 and the results of all subsidiaries for the period then ended. Metals of Africa Limited and its subsidiaries together are referred to in this financial report as "**the Group**" or "**the consolidated entity**".

Subsidiaries are all those entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Notes to the Consolidated Financial Statements (continued)

1. Summary of significant accounting policies (cont'd)

(b) Principles of consolidation (cont'd)

Intercompany transactions, balance and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction proves evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries and joint venture entities are accounted for at cost in the financial statements of Metals of Africa Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(c) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Metals of Africa Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit of loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit of loss and other comprehensive income on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

Notes to the Consolidated Financial Statements (continued)

1. Summary of significant accounting policies (cont'd)

(c) Foreign Currency Translation (cont'd)

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange difference is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(d) Contributed equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(e) Income Tax

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Notes to the Consolidated Financial Statements (continued)

1. Summary of significant accounting policies (cont'd)

(e) Income Tax (cont'd)

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(f) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Notes to the Consolidated Financial Statements (continued)

1. Summary of significant accounting policies (cont'd)

(f) Exploration and Development Expenditure (cont'd)

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(g) Investments & financial instruments

Classification

The Group classifies its investments in the following categories;

- Loan and receivables; and
- Financial Liabilities

The classification depends on the purpose for which the investments were acquired. Management determine the classification of its investments at initial recognition.

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(ii) Financial Liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

(h) Trade payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

(i) Impairment of Assets

At each reporting date, or more frequently if events or changes in circumstances indicate that they might be impaired, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Consolidated Statement of Profit or Loss and other Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Non-financial assets other than goodwill that suffered any impairment are reviewed for possible reversal of impairment at the end of each reporting period.

(j) Employee Benefits

(i) *Wages and salaries, annual leave and sick leave*
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) *Long service leave*
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) *Share based payment*
Equity-settled and cash-settled share-based compensation benefits are provided to employees, key consultants and Directors.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

(j) Employee Benefits (cont'd)

that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period; and
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability. Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(k) Share based payment arrangements

The Group from time to time may enter into share based payment arrangements with suppliers or vendors in settlement for goods and services received or acquired. For these equity settled share based payment transactions the Group measures the value of the goods, assets or services received and the corresponding increase in equity, directly, at the fair value of the goods, assets or services received, unless the fair value cannot be estimated reliably. If the entity cannot estimate reliably the

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

(k) Share based payment arrangements (cont'd)

fair value of goods, assets or services received the entity shall measure its value and the corresponding increase in equity, indirectly, by reference to the fair value of equity instruments granted.

(l) Trade and other receivables

Trade receivables are recognised as the amount receivable and are due for settlement no more than 90 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

(m) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(n) Cash and Cash Equivalents

For Statement of Cash Flows presentation proposed, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in rate and bank overdrafts.

(o) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

(o) Revenue Recognition (cont'd)

market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting. Underwriting fee revenue is recognised on the receipt of funds.

All revenue is stated net of the amount of goods and services tax (GST).

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(q) Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definitions, seldom equal the related actual results.

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. If the share based payment is subject to an approval process, grant date is the date when that approval is obtained. The fair value of listed options and shares is determined by the market price of those instruments and the fair value of unlisted options is determined by an internal valuation using Black-Scholes option pricing model.

Exploration and Evaluation Expenditure

The Group capitalises expenditure in relation to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Notes to the Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

(r) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Executive Director, in consultation with the Board of Directors.

The Group operates in one industry, mineral exploration and assessment of mineral projects and in one main geographical segment, being Africa.

(s) Earnings per Share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares note 4.

(t) Property, Plant and Equipment

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each period, the difference between depreciation based on the re-valued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Land is not depreciated. Depreciation on other assets is calculated using the straight‑line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Vehicles: 3‑5 years

Notes to the consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

(t) Property, Plant and Equipment (cont'd)

- Furniture, fittings and equipment: 3-8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When re-valued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(u) Parent entity information

The financial information for the parent entity, Metals of Africa Limited, disclosed in note 25 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Metals of Africa Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) Financial guarantees
Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(iii) Share-based payments
The grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Notes to the consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

(v) Acquisition Accounting

The acquisition method of accounting is used to account for all business combinations. Consideration is measured at the fair value of the assets transferred, liabilities incurred and equity interests issued by the Group on acquisition date. Consideration also includes the acquisition date fair values of any contingent consideration arrangements, any pre-existing equity interests in the acquiree and share-based payment awards of the acquiree that are required to be replaced in a business combination. The acquisition date is the date on which the Group obtains control of the acquiree.

Where equity instruments are issued as part of the consideration, the value of the equity instruments is their published market price at the acquisition date unless, in rare circumstances it can be demonstrated that the published price at acquisition date is not fair value and that other evidence and valuation methods provide a more reasonable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are, with limited exceptions, initially measured at their fair values at acquisition date. Goodwill represents the excess of the consideration transferred and the amount of the non-controlling interest in the acquiree over fair value of the identifiable net assets acquired. If the consideration and non-controlling interest of the acquiree is less than the fair value of the net identifiable assets acquired, the difference is recognised in profit or loss as a bargain purchase price, but only after a reassessment of the identification and measurement of the net assets acquired. For each business combination, the Group measures non-controlling interests at either fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed when incurred. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where the Group obtains control of a subsidiary that was previously accounted for as an equity accounted investment in associate or jointly controlled entity, the Group remeasures its previously held equity interest in the acquiree at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss. Where the Group obtains control of a subsidiary that was previously accounted for as an available-for-sale investment, any balance on the available-for-sale reserve related to that investment is recognised in profit or loss as if the Group had disposed directly of the previously held interest.

Where settlement of any part of the cash consideration is deferred, the amounts payable in future are discounted to present value at the date of exchange using the entity's incremental borrowing rate as the discount rate.

Assets and liabilities from business combinations involving entities or businesses under common control are accounted for at the carrying amounts recognised in the Group's controlling shareholder's consolidated financial statements.

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

Notes to the consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

(w) Joint Arrangements

Interests in joint operations are brought to account by including in the respective classifications the Group's share of individual assets employed, liabilities and expenses incurred. The Group's interest in joint operations will be brought to account using the cost method.

Where part of a joint operation is farmed out in consideration of the farminee undertaking to incur further expenditure on behalf of both the farminee and the entity in the joint operation area of interest, exploration expenditure incurred and carried forward prior to farmout continues to be carried forward without adjustment. Any cash received in consideration for farming out part of a joint operation is treated as a reduction in the carrying value of the related mineral property.

(x) Asset Acquisition

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

(y) Convertible Notes

Certain convertible notes issued by the Group which include embedded derivatives (option to convert to variable number of shares in the Group) are recognised as financial liabilities at fair value through profit or loss. On initial recognition, the fair value of the convertible note will equate to the proceeds received and subsequently the liability is measured at fair value at each reporting period until settlement. The fair value movements are recognised on the profit and loss as finance costs.

Notes to the consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

(z) Standards issued not yet effective

Title of standard	Nature of change	Impact	Mandatory application date/ Date adopted by company
IFRS 15 (issued June 2014) Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	Due to the recent release of this standard the Company has not yet made an assessment of the impact of this standard.	Must be applied for annual reporting periods beginning on or after 1 January 2017. Therefore application date for the Company will be 31 December 2017.
AASB 9 Financial Instruments	AASB 9 (2009), (2010) & (2013) Addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. AASB 9 (2014) Introduces a third measurement category of financial assets (fair value through other comprehensive income) and adds additional application guidance to the contractual cash flows characteristics test and the business model assessment. Includes the requirements for accounting for expected credit losses on financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised. Credit losses will be recognised from initial recognition and updated at the each of each reporting period.	Adoption of AASB 9 is only mandatory for the year ending 31 December 2018. Due to the recent release of this standard, the entity has not yet made an assessment of the impact of these amendments.	Annual reporting periods beginning on or after 1 January 2018

All other pending Standards issued between the previous financial report and the current reporting dates have no application to the Group.

The financial report was authorised for issue on 31 March 2015 by the board of Directors.

Notes to the consolidated Financial Statements (continued)

2. Revenues & Other Income

	Consolidated 31 Dec 2014 $	Consolidated 31 Dec 2013 $
Revenue	-	-
Other Income		
Bank interest	27,662	1,571
Other income	58,770	-
	86,432	1,571

3. Income Tax

		Consolidated 31 Dec 2014 $	Consolidated 31 Dec 2013 $
(a)	**Income tax expense**		
	Current tax	-	-
	Deferred tax	-	-
		-	-
(b)	**Reconciliation of income tax expense to prima facie tax payable:**		
	Loss before income tax	(4,045,628)	(1,484,958)
	Prima facie income tax at 30%	(1,213,688)	(445,487)
	Tax effect of amounts not deductible in calculating taxable income (share based payments)	259,086	48,177
	Temporary differences not recognised	954,602	397,310
	Income tax expense/ (benefit)	**-**	**-**
(c)	**Unrecognised deferred tax assets arising on timing difference and losses**		
	Timing differences relating to foreign operations	773,388	-
	Tax Losses	437,603	163,706
	Other	25,388	9,000
	Total	**1,236,379**	**172,706**

Notes to the consolidated Financial Statements (continued)

4. Earnings per Share

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	Consolidated 31 Dec 2014 Cents	Consolidated 31 Dec 2013 Cents
Loss after income tax	(4,045,628)	(1,484,958)
Basic loss per share attributable to equity holders	(4.27)	(3.33)
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	94,639,690	44,529,512

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

As the Group is loss making there is no diluted EPS calculated.

5. Dividends Paid or Proposed

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

6. Cash and Cash Equivalents

	Consolidated 31 Dec 2014 $	Consolidated 31 Dec 2013 $
Current		
Cash at bank and in hand	3,862,065	859,762
	3,862,065	**859,762**

Cash at bank and in hand earns interest at floating rates based on daily bank rates. Refer note 17 for Financial Risk Management.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

Notes to the consolidated Financial Statements (continued)

7. Trade and Other Receivables

	Consolidated 31 Dec 2014 $	Consolidated 31 Dec 2013 $
Current		
Trade Debtors	79,822	-
GST Receivable	36,974	45,336
Other receivable	58,927	287,658
	175,723	**332,994**

There is no impairment of trade and other receivables that are past due but not impaired. Refer note 17 for Financial Risk Management. Tax receivable relates to VAT amounts in Mozambique.

8. Fair Value

Due to their short term nature, the carrying amounts of current receivables, trade and other payables are assumed to approximate their fair value.

9. Property, Plant & Equipment

Classes of property plant and equipment included are:

- Camping and field equipment
- Furniture and Administrative
- Vehicles
- Tools and Utensils
- Communication equipment

Tangible Fixed Assets	**Consolidated $**
As at January 2013	**132,392**
Additions	272,448
Depreciation	(29,046)
Foreign exchange difference	-
At 31 December 2013	**375,794**

Tangible Fixed Assets	**Consolidated $**
As at January 2014	**375,794**
Additions	184,556
Depreciation	(56,837)
Foreign exchange difference	(58,033)
At 31 December 2014	**445,480**

Notes to the consolidated Financial Statements (continued)

10. Exploration and evaluation expenditure

	Note	Consolidated 31 Dec 2014 $	Consolidated 31 Dec 2013 $
Non-Current			
Exploration and Evaluation at cost		**10,849,557**	**8,554,600**
Movement			
Opening balance		8,554,600	2,962,335
EE&E attributable to acquisitions of subsidiaries	13	863,591	3,612,967
Exploration expenditure capitalised during the period		2,312,946	1,302,015
Exploration expenditure written off during the period		(1,730,511)	-
Foreign exchange difference		848,931	677,283
		10,849,557	**8,554,600**

For further information for the acquisitions during the period, refer to note 13.

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

11. Trade and Other Payables

	Consolidated 31 Dec 2014 $	Consolidated 31 Dec 2013 $
Current		
Trade and other payables	395,150	265,255
Accruals	28,000	28,084
	423,150	**293,339**

Trade payables are non-interest bearing and are normally settled on 60-day terms. Information about the Group's exposure to foreign exchange risk is provided in note 17.

Notes to the consolidated Financial Statements (continued)

12. Issued Capital

	Note	Consolidated 31 Dec 2014 $	Consolidated 31 Dec 2013 $
Ordinary shares fully paid	12a	17,649,755	10,166,667
		17,649,755	**10,166,667**

(a) Shares

Date	Details	No. of Shares	Issue Price	$
1 January 2013	Opening Balance	33,450,001		4,715,242
23 July 2013	Express Acquisition	18,250,000	$0.20	3,654,387
27 September 2013	Placement	6,500,000	$0.10	650,000
10 October 2013	Placement	1,000,000	$0.10	100,000
18 November 2013	Rights Issue	2,612,858	$0.10	261,286
29 November 2013	Rights Issue Shortfall Placement	8,777,142	$0.10	877,714
2 December 2013	Rights Issue Shortfall Placement	450,000	$0.10	45,000
	Less: Share Issue Costs			(136,962)
		71,040,001		**10,166,667**

Date	Details	No. of Shares	Issue Price	$
1 January 2014	Opening Balance	71,040,001		10,166,667
7 February 2014	Consideration Shares - SLT (note 13)	5,000,000	$0.081[1]	405,000
23 June 2014	Placement	7,604,000	$0.065	494,737
18 July 2014	Placement	7,604,000	$0.125	950,500
18 July 2014	Option exercise	2,000,000	$0.093	186,000
12 August 2014	Shares issues in lieu of salary and costs	1,829,406	Various	342,637
20 August 2014	Option Exercise	500,000	$0.093	46,500
15 September 2014	Placement	12,196,011	$0.15	1,829,402
9 October 2014	Rights issue	1,865,454	$0.15	279,818
9 October 2014	Rights issue shortfall	19,689,156	$0.15	2,953,373
10 October 2014	Option conversion	49,999	$0.15	7,500
31 December 2014	Shares to be issued to Mitchell Drilling[3]	-	-	345,020
	Less: Share Issue Costs			(357,399)
		129,378,027		**17,649,755**

1. Issue price based on date of agreement 28th February 2014. MTA share price closed at $0.081.
2. 10,343,200 fully paid ordinary shares were released from ASX escrow on 31 October 2014.
3. The Company entered into an agreement, subsequently approved by shareholders, whereby Mitchell Drilling has agreed to subscribe for up to A$1.5 million of shares in the Company, with MTA and Mitchell having the option, during 2014 and 2015, to settle monthly drilling charges; 50% by way of a cash payment and 50% by way of the issue of shares, with the relevant share price to be calculated via the 5 day volume weighted average price (VWAP) as at the date of invoicing.

The authorised share capital of the Group as at 31 December 2014 was 129,378,027 ordinary shares.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Notes to the consolidated Financial Statements (continued)

12. Issued Capital (cont'd)

(b) Options

Date	Details	No. of Options	Issue Price	$
1 January 2013	Opening Balance	13,000,000	-	1,084,000
28 March 2013	Incentive Options	1,000,000	-	58,470
3 December 2013	Incentive Options	2,950,000	-	102,120
31 December 2013		**16,950,000**		**1,244,590**

Note that an additional 150,000 employee incentive options were issued on 28 March 2013 however the relevant employee ceased employment with the Company prior to any vesting conditions being reached.

Date	Details	No. of Options	Issue Price	$
1 January 2014	Opening Balance	16,950,000		1,244,590
	Unvested Incentive options (note 22)	(333,334)	-	-
2 January 2014	Loyalty option issue	22,298,794	0.01	222,988
7 February 2014	Loyalty option issue	30,981,207	0.01	309,812
31 March 2014	Unlisted Consideration Options to SLT	5,000,000	0.042	209,319
31 March 2014	Unlisted Incentive Options	138,500	0.062	8,532
23 June 2014	Placement	3,802,000	Free	-
18 July 2014	Exercise of options ($0.093 per option)	(2,000,000)	-	-
12 August 2014	Shareholder approved – salary and consultant issue (note 22)	822,394	various	57,148
20 August 2014	Exercise of options ($0.093 per option)	(500,000)	-	-
10 October 2014	Exercise of options ($0.15 per option)	(49,999)	-	-
31 December 2014		**77,109,562**		**2,052,389**

Notes to the consolidated Financial Statements (continued)

12. Issued Capital (cont'd)

Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's capital includes ordinary share capital, partly paid shares and financial liabilities, supported by financial assets.

The Group's capital includes mainly ordinary share capital and financial liabilities supported by financial assets.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The net working capital position of the Group at 31 December 2014 was $3,614,638 (31 December 2013: $899,417). The Group as at 31 December 2014 had $3,862,065 (31 December 2013: $859,762) of cash and cash equivalents and no debt which will be sufficient working capital to fund its basic operational and exploration commitments in the short term.

13. Asset Acquisition

2014

Kansas

On 21 January 2014 Metals of Africa acquired 100% of Mzombe Resources Limited, the holder of three uranium tenements in Tanzania for nil consideration.

Details of the fair value of the assets and liabilities acquired on 21 January 2014 through the acquisition of Mzombe Resources Limited are as follows;

Purchase consideration comprises:

	Note	Number	Price	$
Shares issued to vendor	n/a	-	-	-
Cash paid to vendor		-	-	-
				-

Notes to the consolidated Financial Statements (continued)

13. Asset Acquisition (cont'd)

Net assets/liabilities acquired:

	$
Cash and cash equivalents	-
Trade and other receivables	-
Property, plant and equipment	-
Exploration and evaluation assets	-
Trade and other payables	(796)
Borrowings	(42,690)
Net assets acquired	(43,486)

Mkindu

On 7 February 2014 the Group acquired 100% of the issued capital of Mkindu Pty Ltd ("Mkindu"). The assets of Mkindu include five base and precious metals exploration projects comprised of 12 granted exploration licences and 2 licenses under application.

Purchase consideration comprises:

	Note	Number	Value per Share	Total value $
Shares issued to vendor	12(a)	5,000,000	$0.081	405,000
				405,000

Net assets acquired:

	$
Cash and cash equivalents	-
Trade and other receivables	10,591
Property, plant and equipment	2,357
Exploration and evaluation assets	654,272
Trade and other payables	(262,220)
Net assets acquired	**405,000**

Gabon

On 31 March 2014 the Group acquired three base and precious metals exploration licences, two of which are granted and one which is under application. Exploration has commenced in Gabon. A joint venture entity is to be established in relation to the Gabon licences, and progress was continuing in respect of this as of 31 December 2014.

Purchase consideration comprises:

	Note	Number	Value per Option	Total value $
Options issued to vendor	12(b)	5,000,000	0.0418	209,319
				209,319

Notes to the consolidated Financial Statements (continued)

13. Asset Acquisition (cont'd)

Net assets acquired:

	$
Cash and cash equivalents	-
Trade and other receivables	-
Property, plant and equipment	-
Exploration and evaluation assets	209,319
Borrowings	-
Net assets acquired	**209,319**

2013

On 23 July 2013 Metals of Africa Limited acquired 100% of the issued capital of Express Resources Limited. The assets of Express Resources include mineral exploration licenses located in Mozambique and Tanzania.

Details of the fair value of the assets and liabilities acquired on 23 July 2013 through the acquisition of Express Resources Limited are as follows;

Purchase consideration comprises:

	Note	Number	Price	$
Shares issued to vendor	12(a)	18,250,000	-	3,654,387
				3,654,387

Net assets acquired:

	$
Cash and cash equivalents	21,316
Trade and other receivables	30,337
Property, plant and equipment	151,652
Exploration and evaluation assets	3,612,967
Borrowings	(161,885)
Net assets acquired	3,654,387

Notes to the consolidated Financial Statements (continued)

14. Reserves

		Note	Consolidated 31 Dec 2014 $	Consolidated 31 Dec 2013 $
a)	**Reserves**			
	Foreign currency translation reserve		1,483,019	648,414
	Share based payment reserve	12	2,052,389	1,244,590
			3,535,408	**1,893,004**

Options reserve

The option reserve recognises options issued as share based payments. The following options were issued during the period:

2014

Options	Date Issued	Number	Recognised in Reserve
Loyalty option issue	2 January 2014	22,298,794	222,988
Loyalty option issue shortfall	7 February 2014	30,981,207	309,812
Incentive options	31 March 2014	138,500	8,532
Consideration options	31 March 2014	5,000,000	209,319
Placement options – free attaching	23 June 2014	3,802,000	-
Director salary and consultant options – fair value	12 August 2014	822,394	57,148
	Total	**63,042,895**	**807,799**

Notes to the consolidated Financial Statements (continued)

14. Reserves (cont'd)

2013

Options	Date Issued	Number	Recognised in Reserve
Incentive options	28 March 2013	1,000,000	58,470
Incentive options	3 December 2013	2,950,000	102,119
	Total	**3,950,000**	**160,589**

Note that an additional 150,000 employee incentive options were issued on 28 March 2013 however the relevant employee ceased employment with the Company prior to any vesting conditions being reached.

Foreign currency reserves
Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 1(c) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

15. Operating Cash Flow Reconciliation

	Consolidated 31 Dec 2014 $	Consolidated 31 Dec 2013 $
Reconciliation of operating cash flows to profit		
Loss from ordinary activities after income tax	(4,045,628)	(1,484,958)
Add/(less) non-cash items:		
Depreciation	56,837	-
Share based payments:		
In lieu of salaries and fees	324,871	-
Other share based payments	83,446	160,590
Exploration and evaluation expenditure written off	1,730,511	-
Net cash provided by operating activities before change in assets and liabilities (carried forward)	**(1,849,963)**	**(1,324,368)**
Changes in assets and liabilities during the financial period:		
(Increase)/decrease in trade and other receivables	193,954	(180,656)
(Increase)/decrease in GST	-	11,831
Increase/(decrease) in trade and other payables	216,870	48,315
Net cash outflow from operating activities	**(1,439,139)**	**(1,444,878)**

Notes to the consolidated Financial Statements (continued)

16. Non-cash Investing and Financing Activities

	Note	Consolidated 31 Dec 2014 $	Consolidated 31 Dec 2013 $
Issue of vendor shares	13	405,000	3,654,387
Issue of vendor options	13	209,319	-
Total		**614,319**	**3,654,387**

17. Financial Instruments

Financial Risk Management

The Group's activities expose it to a variety of financial risks including foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments; however the Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and ageing analysis for credit risk.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external and internal advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Group.

(a) Foreign exchange risk

The Group is exposed to minimal currency risks that are denominated in currency other than the respective functional currency of the Group entities. Transactions are pre-dominantly denominated in AUD, USD and MZN.

(b) Interest rate risk

The Group is not exposed to cash flow and fair value interest rate risk as at the reporting date. Cash and cash equivalents held at reporting date are subject to floating interest rates and carried at amortised cost.

Notes to the consolidated Financial Statements (continued)

17. Financial Instruments (cont'd)

(c) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis. The Group does not have any significant credit risk exposure to a single counterparty or any Group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

	Consolidated 31 Dec 2014 $	**Consolidated 31 Dec 2013 $**
Westpac Bank AA-	2,805,606	661,698
Standard Bank SA BBB	-	194,251
Unrated	1,056,459	3,813
Total	**3,862,065**	**859,762**

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profits of financial assets and liabilities. As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at reporting date were trade payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments.

At the end of the reporting period, the Group has $423,150 (31 December 2013: $293,339) due within 30-60 days.

Notes to the consolidated Financial Statements (continued)

17. Financial Instruments (cont'd)

(e) Market risk

As at the end of the reporting period, the Group had the following variable rate financial assets:

Consolidated	Weighted average Interest rate	31 December 2014 Carrying Amount $	31 December 2013 Carrying Amount $
Financial assets			
Cash	2.65%	3,862,065	859,762
Total		**3,862,065**	**859,762**

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact of how profit at reporting date would have been affected by changes in the interest rate that management considers being reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Change in profit/ (loss) $	
	Consolidated 31 Dec 2014 $	Consolidated 31 Dec 2013 $
Increase in interest rate by 100 basis points	38,621	8,597
Decrease in interest rate by 100 basis points	(38,621)	(8,597)

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

(f) Fair value

There were no financial assets or liabilities at 31 December 2014 (31 December 2013: Nil) requiring fair value estimation and disclosure.

Notes to the consolidated Financial Statements (continued)

18. Commitments and Contingent Liabilities

In order to maintain mining tenement licences, the economic entity is committed to meet the prescribed conditions under which tenement licences were granted. These commitments may be met in the normal course of operations by future capital raisings and/or farm-out and under certain circumstances are subject to the possibility of adjustment to the amount and timing of such obligations or by tenement relinquishment.

Metals of Africa is subject to the Changara JVA with Capital Resources LDA. The First, Second and Third Works Program as per the below table has been completed, and the Company is currently undertaking the Fourth Works Program to earn in further ownership of the assets. The Company has the right to withdraw from the JV at any time, and will retain the current ownership interest.

Activity	Spend (US$)	Completion Date	Earn in %
1st Works Program	150,000	Completed	25%
2nd Works Program	200,000	Completed	40%
3rd Works Program	250,000	Completed	51%
4th Works Program	660,000 - 1,200,000	Ongoing	80%

The Group has no other commitments to acquire property, plant and equipment and has no contingent liabilities as at the date of report.

Notes to the consolidated Financial Statements (continued)

19. Related Party Disclosure

(a) Parent entities and subsidiaries

Metals of Africa Limited is the ultimate Australian parent entity.

(b) Subsidiaries

Interests in subsidiaries are set out below:

	Country of Incorporation	% Equity Interest 2014	% Equity Interest 2013
Rio Mazowe Limited	Mauritius	100	100
Afriminas Minerais Limitada	Mozambique	90[1]	90[1]
Express Resources Pty Ltd	Australia	100	100
Index Resources Pty Ltd	Australia	100	100
Action Resources Pty Ltd	Australia	100	100
Jackal Resources Pty Ltd	Australia	100	100
Au Resources Pty Ltd	Australia	100	100
Skype Resources Pty Ltd	Australia	100	100
Traction Resources Pty Ltd	Australia	100	100
Cobra Resources Limited	Mauritius	100	100
Tanga Resources Limited	Mauritius	100	100
Savannah Metals Limited	Mauritius	100	100
Rovuma Resources Limited	Mauritius	100	100
Jorc Resources Limited	Mauritius	100	100
Sahara Investments Limited	Mauritius	100	100
Assain Investments Limited	Mauritius	100	100
Greenstone Resources Limited	Mauritius	100	100
Chai Resources Limited	Mauritius	100	100
Niassa Metals SA	Mozambique	100	100
Suni Resources SA	Mozambique	100	100
Niassa Gold SA	Mozambique	100	100
Goldcrest Resources Sa	Mozambique	100	100
Peregrine Resources SA	Mozambique	100	100
Persian Metals Limited	Tanzania	100	100
Kansas Resources Limited	Mauritius	100	-
Mzombe Resources Limited	Tanzania	100	-
Mkindu Pty Ltd	Australia	100	-
Swala Resources Limited	Mauritius	100	-
Siwandu Metals Limited	Tanzania	100	-

[1] This is direct equity interest. The balance of 10% is held indirectly (on trust for the Company) thus resulting in 100% ownership.

Notes to the consolidated Financial Statements (continued)

19. Related Party Disclosure (cont'd)

(c) Key Management Personnel

The following persons were directors of Metals of Africa Limited during the financial period:

Director	Position	Appointed	Resigned
Gilbert George	Non-Executive Chairman	1 August 2012	-
Cherie Leeden	Managing Director	19 July 2013	-
Brett Smith	Non-Executive Director	1 August 2012	-

(d) Other key management personnel

There were no further key management personnel of the Group.

(e) Key management personnel compensation

	Consolidated 31 Dec 2014 $	Consolidated 31 Dec 2013 $
Short-term employee benefits	284,055	396,565
Post-employment benefits	-	7,421
Share based payments	192,330	63,834
Total	**476,385**	**467,820**

(f) Loans to key management personnel

There were no loans made or outstanding to directors of Metals of Africa Limited and other key management personnel of the Group, including their personally related parties.

(g) Other transactions with key management personnel

There were no other transactions with key management personnel.

Notes to the consolidated Financial Statements (continued)

20. Events after the Reporting Date

On 16 January 2015 the Company held a general meeting of shareholders, at which shareholders approved the following resolutions unanimously on a show of hands:

Resolution 1: Approval of the issue of the Dombeya Consideration Shares pursuant to the Dombeya Acquisition Agreement

Resolution 2: Approval of issue of Convertible Notes under the Convertible Note Facility

Resolution 3: Issue of Incentive Options – Ms Cherie Leeden

Resolution 4: Ratification of issue of September Placement Shares

Resolution 5: Ratification of issue of July Placement Shares

Resolution 6: Ratification of issue of Mitchell Shares

Ms Leeden was issued the 1,000,000 incentive options as per resolution 3 in February 2015.

On 5 February 2015, Mr Andrew McKee was appointed to the Board as a non-executive director, and the Company completed the acquisition of 100% interest in the Balama Central Project (license number 4118) in the Cabo Delgado graphite province of Mozambique.

There are no further events subsequent to 31 December 2014 that require disclosure.

21. Auditor's Remuneration

	Consolidated 31 Dec 2014 $	Consolidated 31 Dec 2013 $
Audit Services		
Amounts received or accrued by BDO Audit (WA) Pty Ltd		
- An audit or review of the financial reports of the consolidated entity	48,401	55,000
Total remuneration for audit services	48,401	55,000
Non-Audit services		
Amounts received by BDO (Tax) WA Pty Ltd, being a related practice of BDO Audit (WA) Pty Ltd		
- Preparation of Income Tax Return	12,883	8,303
Total remuneration for non-audit services	**12,883**	**8,303**

Notes to the consolidated Financial Statements (continued)

22. Share-Based Payments

(a) 1) Employee Share Option Scheme

The establishment of the Employee Share Option Scheme was approved by the board of Directors on 1 August 2012. The Employee Share Option Scheme is designed to provide long term incentives for senior managers and above (including executive and non-executive directors) and to attract and retain experience employees, board members and executive officers and provide them with the motivation to make the Group more successful. Under the plan, participants are granted options which only vest if certain performance standards are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

An option may only be exercised after that option has vested and any other conditions imposed by the Board on exercise are satisfied. The options remain exercisable for a period between two or five years from listing date or on cessation of employment. Options are granted under the plan for no consideration.

Options granted under the plan carry no dividend or voting rights. When exercisable, shares allotted pursuant to the exercise of options will be allotted following receipt of all the relevant documents and payments and will rank equally with all other shares.

2) Other Share-based payments arrangements

From time to time the Company may also enter into share based payment arrangements with key consultants, employees, Directors and suppliers in settlement for goods and services received or acquired. The terms and conditions of these arrangements are summarised below.

Notes to the consolidated Financial Statements (continued)

22. Share Based Payments (cont'd)

(b) Share options outstanding at the end of the year have the following terms and conditions.

2014

Grant Date	Expiry Date	Exercise Price	FV per option	Balance at start of period	Granted during the period	Exercised during the period	Forfeited during the period	Balance at end of the period	Vested & exercisable at end of the period
				Number	Number	Number	Number	Number	Number
31 Mar 14	31 Dec 16	$0.150	$0.062[1]	-	138,500	-	-	138,500	46,167
31 Mar 14	31 Mar 17	$0.093	$0.042[2]	-	5,000,000	2,500,000	-	2,500,000	2,500,000
29 Jul 14	7 Jan 17	$0.150	$0.076[3]	-	637,778	-	-	637,778	637,778
12 Aug 14	7 Jan 17	$0.150	-[4]	-	184,616	-	-	184,616	184,616
28 Mar 13	31 Dec 15	$0.250	$0.088	1,000,000	-	-	333,334[5]	666,666	666,666
3 Dec 13	3 Dec 16	$0.150	$0.064	1,000,000	-	-	-	1,000,000	1,000,000
3 Dec 13	3 Dec 16	$0.150	$0.064	1,350,000	-	-	-	1,350,000	1,350,000
3 Dec 13	3 Dec 16	$0.168	$0.064	600,000	-	-	-	600,000	600,000
				3,950,000	**5,960,894**	**2,500,000**	**333,334**	**7,077,560**	**6,985,227**

1. Employee share option plan (ESOP) options vesting equally at 1 June 2014, 1 June 2015, and 1 June 2016 for the continuing engagement with the company. See details of fair value below.
2. 5,000,000 unlisted options exercisable at $0.093 on or before 31 March 2017 were issued to Select Exploration Ltd in respect of the acquisition of a 90% interest in three base metals exploration licenses in Gabon. Two of the licenses are granted and the third is under application. The fair value of the goods and services acquired, being "greenfield" exploration assets, could not be measured reliably and was therefore determined based on the underlying fair value of the Options granted as consideration. See below details of fair value. Refer note 13 for details of the asset acquisition.
3. Share holder approved listed options issued to directors and employees measured at fair value (listing price) on date of shareholder approval.
4. Shares and options issued to supplier in lieu of cash measured at the fair value of the services received. Refer (c) for fair value of shares issued. The total fair value of shares and options issued is calculated by reference to the value of goods and services received which is $12,000 and this value was attributed to shares issued per below.
5. Ms Naomi Scott resigned prior to 30 June 2015 and as such the final one third of her options (333,334) did not vest.

Notes to the consolidated Financial Statements (continued)

22. Share Based Payments (cont'd)

2013

Grant Date	Expiry Date	Exercise Price	FV per option	Balance at start of period	Granted during the period	Exercised during the period	Forfeited during the period	Balance at end of the period	Vested & exercisable at end of the period
				Number	Number	Number	Number	Number	Number
28 Mar 13	31 Dec 15	$0.250	$0.088	-	1,000,000	-	-	1,000,000	333,333
28 Mar 13	29 Oct 15	$0.300	$0.071	-	150,000[1]	-	150,000	-	-
3 Dec 13	3 Dec 16	$0.150	$0.064	-	1,000,000	-	-	1,000,000	-
3 Dec 13	3 Dec 16	$0.150	$0.064	-	1,350,000	-	-	1,350,000	1,350,000
3 Dec 13	3 Dec 16	$0.168	$0.064	-	600,000	-	-	600,000	600,000
				-	**2,950,000**	**-**	**-**	**2,950,000**	**2,283,333**

1. Mr Edgar Chiteka ceased employment with the Company prior to the vesting of any of his related options and as such no option expense was recorded in the Company's accounts.

Fair value of options granted:

The fair value of the unlisted options granted during the year was independently determined using a Black Scholes Option Pricing Model that takes into account the following inputs:

2014

Model Inputs	ESOP	Gabon Consideration
Number of options	1,000,000	1,000,000
Share Price at Grant Date	$0.18	$0.12
Exercise Price	$0.25	$0.15
Grant Date	28/3/13	3/12/13
Expiration date	31/12/15	3/12/16
Life of the Options	2.76 years	3.00 years
Volatility[6]	90%	90%
Risk Free Rate	2.87%	2.50%

2013

Model Inputs	Key consultant	Director	Key overseas consultants	Key Australian consultants
Number of options	1,000,000	1,000,000	1,350,000	600,000
Share Price at Grant Date	$0.18	$0.12	$0.12	$0.12
Exercise Price	$0.25	$0.15	$0.15	$0.168
Grant Date	28/3/13	3/12/13	3/12/13	3/12/13
Expiration date	31/12/15	3/12/16	3/12/16	3/12/16
Life of the Options	2.76 years	3.00 years	3.00 years	3.00 years
Volatility[1]	90%	90%	90%	90%
Risk Free Rate	2.87%	2.50%	2.50%	2.50%

6. The expected volatility is based on historic volatility (based on remaining life of the options), adjusted for any expected chances to future volatility due to publicly available information.

Notes to the consolidated Financial Statements (continued)

22. Share Based Payments (cont'd)

(c) Shares issued to Directors, employees and suppliers

Grant Date		Granted during the period	Fair value per share at Grant Date	Total fair value
		Number	$	$
2014				
12 Aug 14	Directors and Employees	1,275,560	$0.21	267,867
12 Aug 14	Shares issued to suppliers	184,615	$0.07[1]	12,000
3 Dec 14	Mitchell drilling services[2]	-	-	345,020
		1,460,175		**624,887**

1. Shares and options issued to supplier in lieu of cash measured at the fair value of the services received. Refer (b) for fair value of options issued. The total fair value of shares and options issued is calculated by reference to the value of goods and services received which is $12,000 and this value was attributed to shares issued per below.
2. As per note 12(a), The Company entered into an agreement, as announced to the ASX on 3 December 2014 and subsequently approved by shareholders, whereby Mitchell Drilling has agreed to subscribe for up to A$1.5 million of shares in the Company, with MTA and Mitchell having the option, during 2014 and 2015, to settle monthly drilling charges; 50% by way of a cash payment and 50% by way of the issue of shares, with the relevant share price to be calculated via the 5 day volume weighted average price (VWAP) as at the date of invoicing.

2013: Nil

(d) 2013 Express Acquisition – Vendor Shares

18,250,000 shares were issued as consideration for the acquisition of Express Resources Limited ion 23 July 2013 and these were valued as a share based payment based on the fair value of the net assets acquired being $3,654,387.

(e) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	Consolidated 31 Dec 2014	Consolidated 31 Dec 2013
	$	$
Options issued to directors	29,470	63,834
Shares issued to directors	79,415	-
Options issued to employees and consultants	36,210	-
Shares issued to employees and consultants	179,776	96,756
	324,871	**160,590**

Notes to the consolidated Financial Statements (continued)

23. Segment Reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of its exploration and corporate activities. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

The Group operates as a single segment which is mineral exploration within East Africa. The Group is domiciled in Australia.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the financial statements of the Group.

Segment assets
Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities
Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

Notes to the consolidated Financial Statements (continued)

23. Segment Reporting (cont'd)

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- impairment of assets and other non-recurring items of revenue or expense;
- income tax expense;
- deferred tax assets and liabilities; and
- discontinuing operations.

Segment Performance **31 December 2014**	**Exploration East Africa** **$**	**Unallocated** **$**	**Total** **$**
Revenue from external customers	-	-	-
Reportable segment (loss)	**(2,572,529)**	**(1,473,099)**	**(4,045,628)**

Segment Assets **31 December 2014**	**Exploration East Africa** **$**	**Unallocated** **$**	**Total** **$**
Segment assets			
Cash	1,056,459	2,805,606	3,862,065
Exploration and evaluation	10,795,712	53,845	10,849,557
Other	584,229	36,975	621,204
Total segment assets	**12,436,400**	**2,896,426**	**15,332,826**

Segment Liabilities **31 December 2014**	**Exploration East Africa** **$**	**Unallocated** **$**	**Total** **$**
Segment liabilities			
Creditors	(581,603)	(93,582)	(675,185)
Other	252,035	-	252,035
Total segment liabilities	(329,568)	**(93,582)**	**(423,150)**

Summary of Unallocated Revenue Segement

Segment Performance **31 December 2014**	**Unallocated** **$**
Revenue from external customers	47,541
Accounting and audit fees	(61,283)
Consulting and company secretarial	(146,619)
Corporate advisory	(42,500)
Salaries and wages	(122,700)
Share based payments	(324,871)
Travel and entertainment	(123,658)
Compliance	(135,680)
Directors fees	(284,055)
Insurance	(17,918)
Equipment hire	(173)
Legal fees	(53,317)
Office costs	(15,157)
Rent expense	(10,000)
Other	(182,709)
Reportable segment (loss)	**(1,473,099)**

Notes to the consolidated Financial Statements (continued)

23. Segment Reporting (cont'd)

Segment Performance 31 December 2013	Exploration East Africa $	Unallocated $	Total $
Revenue from external customers	-	-	-
Reportable segment profit/(loss)	**9,475**	**(1,494,433)**	**(1,484,958)**

Segment Assets 31 December 2013	Exploration East Africa $	Unallocated $	Total $
Segment assets			
Cash	220,544	639,219	859,763
Exploration and evaluation	8,554,600	-	8,554,600
Other	663,452	45,336	708,788
Total segment assets	**9,438,596**	**684,555**	**10,123,151**

Segment Liabilities 31 December 2013	Exploration East Africa $	Unallocated $	Total $
Segment liabilities			
Creditors	(45,260)	(53,872)	(99,132)
Other	(166,123)	(28,084)	(194,207)
Total segment liabilities	**(211,383)**	**(81,956)**	**(293,339)**

Notes to the consolidated Financial Statements (continued)

24. Parent Entity Information

The following details information related to the parent entity, Metals of Africa Limited, as at 31 December 2014. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	Company 31 Dec 2014 $	Company 31 Dec 2013 $
Current assets	2,842,580	684,555
Non-Current assets	8,297,120	8,672,515
Total assets	**11,139,701**	**9,357,070**
Current liabilities	93,582	83,872
Total liabilities	**93,582**	**83,872**
Contributed equity	17,649,759	10,166,665
Share based payments reserve	2,052,389	1,244,590
Accumulated losses	(8,656,030)	(2,138,056)
Total equity	**11,046,118**	**9,273,199**
(Loss) after income tax	(6,517,973)	(1,494,432)
Other comprehensive income/ (loss) for the period	-	-
Total comprehensive (loss) for the period	**(6,517,973)**	**(1,494,432)**

Guarantees

The Parent Company has not entered into any guarantees in relation to the debts of its subsidiary.

Contingent Liabilities and Contractual Commitments of the Parent

The Parent Company has no commitments to acquire property, plant and equipment and has no contingent liabilities as at the date of report.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001, and:

(i) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) give a true and fair view of the financial position as at 31 December 2014 and of the performance for the period ended on that date of the consolidated entity; and

(iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements.

(b) In the Directors' opinion, there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by;

Gilbert George – Non-executive Chairman

Perth, Western Australia, 31 March 2015

Corporate Governance Statement

Corporate Governance Statement

The Company's corporate governance statement can be found on the Company's website at http://metalsofafrica.com.au/company/corporate-governance/.

Corporate governance disclosures not included in the Company's corporate governance statement or elsewhere in this report are as follows:

Diversity

The Company is committed to diversity and recognises the benefits arising from employee and board diversity. The Company's Managing Director is a woman, being Ms Cherie Leeden, and up until recently the Company's Country Director in Mozambique was Ms Naomi Scott. The Company's General Geology Manager of Gabon & Tanzania is a woman, in Ms Regina Molloy, and another woman, Ms Alice Nunes, in the Company's Geographical Information System (GIS) Specialist. The Company is diverse not only on a gender basis, and relative to its size employs and engages a range of employees from diverse nationalities and backgrounds. The new Mozambican Country Manager is a Mozambican national, as is Mr Adriano Ouana, the Chief Financial Officer in Mozambique.

The Company has adopted a diversity policy which can be viewed on its website. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Diversity Policy outlines the requirements for the Board to develop objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives. To assist in fostering diversity, the Company to takes diversity of background into account (in addition to candidates' skills and experience in a variety of the specified fields) when selecting new directors, senior management and employees. The application of this diversity policy is exhibited within the Company's diverse workforce, senior management and Board.

Performance Evaluations

Board members regularly provide feedback to one another on the functioning of the Board and its committees. The Board has determined that this informal performance evaluation process is working effectively and achieving the desired outcomes and as such it is not considered necessary to undertake more formal performance evaluations during the period.

Performance feedback is regularly provided to the Managing Director, who is the only executive director, by each of the non-executive directors. The Managing Director's performance is assessed on an on-going basis by the remaining members of the Board.

Non-executive directors regularly provide feedback to one another regarding individual performance. The Board has determined that this informal feedback process has been operating effectively and facilitating open and honest communication and as such it was determined that formal non-executive director performance evaluations were not necessary during the period.

The Managing Director meets with senior management as required to discuss their performance.

ASX Additional Information

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Financial Report is set out below.

1. Shareholdings

The issued capital of the Company as at 24 March 2015 is:

- 129,378,027 ordinary fully paid shares;
- 57,854,396 listed options ($0.15, 7 January 2017); and
- 20,255,166 unlisted options.

All issued ordinary fully paid shares carry one vote per share.

2. Distribution of Equity Securities

Ordinary Shares

Range	Holders	Units	%
1-1,000	24	3,116	0.00
1,001-5,000	55	223,285	0.17
5,001-10,000	90	801,714	0.62
10,001-100,000	429	18,890,260	14.60
100,001-9,999,999	227	109,459,652	84.60
Total	**825**	**129,378,027**	**100.00**

Unmarketable parcels

There were 98 holders of less than a marketable parcel of ordinary shares.

Listed Options ($0.15, 07/01/2017)

Shares Range	Holders	Units	%
1-1,000	0	0	0.00
1,001-5,000	1	1,250	0.00
5,001-10,000	18	144,399	0.25
10,001-100,000	101	4,857,091	8.40
100,001-9,999,999	113	52,851,656	91.35
Total	**233**	**57,854,396**	**100.00**

ASX Additional Information (continued)

3. Top 20 Largest Holders of Listed Securities

Ordinary shares

	Name	Number of Shares	%
1.	TRANSORE INTERNATIONAL (FZE)	7,687,311	5.94
2.	MR JASON PETERSON + MRS LISA PETERSON <J & L PETERSON S/F A/C>	3,850,000	2.98
3.	CORNELA PTY LTD <MACLIVER FAMILY A/C>	3,575,950	2.76
4.	CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	2,326,624	1.8
5.	JB TORO PTY LTD	2,300,000	1.78
6.	LIMEWORKS LIMITED	2,093,209	1.62
7.	AZORES OVERSEAS INC	1,954,643	1.51
8.	DRINA CAPITAL CORPORATION	1,867,479	1.44
9.	ANGLO ARABIAN CORPORATION	1,851,542	1.43
10.	FCG NOMINEES PTY LTD	1,846,473	1.43
11.	PULLMAN CORPORATION	1,756,000	1.36
12.	ROCHAS RESOURCES LIMITED	1,700,720	1.31
13.	BOUSSAL PTY LTD <JOHNSTON SUPER FUND ACCOUNT>	1,668,949	1.29
14.	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	1,666,667	1.29
15.	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,506,000	1.16
16.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,487,189	1.15
17.	BNP PARIBAS NOMS PTY LTD <DRP>	1,370,000	1.06
18.	AKSHAY INVESTMENTS LIMITED	1,327,731	1.03
19.	CELTIC CAPITAL PTY LTD <CELTIC CAPITAL NO 2 A/C>	1,277,981	0.99
20.	MRS JACLYN STOJANOVSKI & MR CHRIS RETZOS & MRS SUSIE RETZOS <RESTZOS EXECUTIVE S/F A/C>	1,250,000	0.97
	Total	**44,364,468**	**34.29**
	Total Remaining Holders Balance	**85,013,559**	**65.71**

ASX Additional Information (continued)

Option holders ($0.15, 07/01/2017)

	Name	Number of Options	%
1.	JETOSEA PTY LTD	3,964,680	6.85
2.	CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	3,000,000	5.19
3.	CORNELA PTY LTD <MACLIVER FAMILY A/C>	2,681,962	4.64
4.	DRINA CAPITAL CORPORATION	1,400,609	2.42
5.	MR ROBERT NEIL GEORGE + MRS NOLA HELEN GEORGE <RN&NH GEORGE SUPER FUND A/C>	1,355,000	2.34
6.	ROCHAS RESOURCES LIMITED	1,275,500	2.20
7.	FCG NOMINEES PTY LTD	1,110,000	1.92
8.	MR TIMOTHY PETER CRUSE + MS AMANDA EDWINA CRUSE <TIAM SUPER FUND A/C>	1,000,000	1.73
9.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	1,000,000	1.73
10.	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	941,250	1.63
11.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	900,000	1.56
12.	FELTRIM PASTORAL CO PTY LTD <STAUGHTON EXEC S/FUND A/C>	850,000	1.47
13.	ZIZIPHUS PTY LTD	825,000	1.43
14.	HARDCORE RESOURCES PTY LTD	822,500	1.42
15.	MR STANLEY KRIARIS & DANIELLE KRIARIS<D&S KRIARIS S/F A/C>	800,000	1.38
16.	RJ WADE PTY LTD <RJ WADE SUPERFUND A/C>	800,000	1.38
17.	CATL PTY LTD<THE MINTO A/C>	750,000	1.30
18.	DARONLYN PTY LTD	750,000	1.30
19.	MARIS AFRICA FUND LP	748,924	1.29
20.	AKSHAY INVESTMENTS LIMITED	736,990	1.27
	Total	**25,712,415**	**44.44**
	Total Remaining Holders Balance	**32,421,981**	**55.56**

ASX Additional Information (continued)

4. Voting Rights

See note 22 of the financial statements.

5. Unquoted securities

The names of the security holders holding more than 20% of an unlisted class of security are listed below: There are 20,255,166 unlisted options over shares in the Company as at 24 March 2015 as follows:

	Unlisted options $0.25 31 December 2015	**Unlisted options $0.25 30 June 2015**	**Unlisted options $0.40 30 June 2015**	**Unlisted options $0.15 3 December 2016**	**Unlisted options $0.168 30 June 2015**	**Unlisted options $0.093 31 March 2017**	**Unlisted options $0.26 4 February 2018**
Gilbert George	1,000,000	-	-	-	-	-	-
Richard Bevan	1,000,000	-	-	-	-	-	-
Brett Smith	1,000,000	-	-	-	-	-	-
Naomi Scott	666,666	-	-	-	-	-	-
Cherie Leeden	-	-	-	1,000,000	-	-	1,000,000
Robert Heaslop	-	-	-	800,000	-	-	-
Bangun Maruli Tua Napitupulu	-	-	-	550,000	-	-	-
Nardie Group Pty Ltd	-	-	-	-	300,000	-	-
Philuchna Pty Ltd	-	-	-	-	300,000	-	-
Jetosea Pty Ltd	-	-	-	-	-	2,500,000	-
Holders less than 20%	-	5,000,000	5,000,000	138,500	-	-	-
	3,666,666	**5,000,000**	**5,000,000**	**2,488,500**	**600,000**	**2,500,000**	**1,000,000**

6. Substantial shareholder notices received as at 25 March 2015

	Name	**Number of Shares**	**% Holding**
1	Transore International (FZE)	7,687,311	5.94

7. Restricted Securities Subject to Escrow

There are no shares subject to escrow.

8. On-market buy back

There is currently no on-market buyback program for any of Metals of Africa Limited’s listed securities.

9. Group cash and assets

In accordance with Listing Rule 4.10.19, the Group confirms that it has been using the cash and assets for the period ended 31 December 2014 in a way that is consistent with its business objective and strategy.

ASX Additional Information (continued)

The Company has an interest in the following projects:

1. MINING TENEMENTS HELD

Tenement Reference	Location	Nature of interest	Interest at 31 March 2015
Rio Mazoe Project			
1509	Mozambique	Granted	100%
1885	Mozambique	Granted	100%
1411	Mozambique	Granted	100%
1442	Mozambique	Granted	100%
1492	Mozambique	Granted	100%
3588	Mozambique	Granted	100%
Changara JV			
1421	Mozambique	JV	51%
1431	Mozambique	JV	51%
1123	Mozambique	JV	51%
1122	Mozambique	JV	51%
Express Licences			
5701	Mozambique	Granted	100%
5473	Mozambique	Granted	100%
5572	Mozambique	Granted	100%
6167	Mozambique	Granted	100%
6170	Mozambique	Granted	100%
6172	Mozambique	Granted	100%
5350	Mozambique	Granted	100%
6187	Mozambique	Granted	100%
6191	Mozambique	Granted	100%
5345	Mozambique	Granted	100%
6251	Mozambique	Granted	100%
6253	Mozambique	Granted	100%
6254	Mozambique	Granted	100%
6216	Mozambique	Granted	100%
PL9544/2014	Tanzania	Granted	100%
PL9748/2014	Tanzania	Granted	100%
PL9384/2013	Tanzania	Granted	100%
PL9750/2014	Tanzania	Granted	100%
PL9843/2014	Tanzania	Granted	100%
Lastourville	Gabon	Granted	90%
Kroussou	Gabon	Granted	90%
Mboungou	Gabon	Granted	90%

ASX Additional Information (continued)

Terms of the JVA with Capitol Resources LDA. These terms were revised during the year ended 31 December 2014.

1. The Company (via subsidiary Afriminas) to be the Operator and run the exploration program.
2. The Company (via subsidiary Afriminas) to fund 1st, 2nd and 3rd Works Programs (completed).
3. If the Company (via subsidiary Afriminas) funds the amount for 4th works program it will earn-in an 80% equity interest.
4. The Company (via subsidiary Afriminas) may withdraw at any time and if:
    - Prior to completion of the 1st Program will retain no equity interest;
    - Post completion of 1st Program will retain the equity interest in the projects that is has earned into at the point of withdrawal.

Activity	Spend (US$)	Completion Date	Earn in %
1st Works Program	150,000	Completed	25%
2nd Works Program	200,000	Completed	40%
3rd Works Program	250,000	Completed	51%
4th Works Program	660,000 - 1,200,000	Ongoing	80%