



METALS *of* AFRICA

LIMITED

**METALS OF AFRICA LIMITED
AND ITS CONTROLLED ENTITIES**
ACN 152 071 095

Interim Financial Report

For the period ended 30 June 2015

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These half-yearly financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these half-yearly financial statements are to be read in conjunction with the 2014 annual report and any public announcements made by Metals of Africa Limited during the period from 1 January 2015 to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' Report

Your Directors present their half-yearly report on the consolidated entity consisting of Metals of Africa Limited ("Metals of Africa" or "the Company") and the entities it controlled at the end of, or during, the period 1 January 2015 to 30 June 2015 ("the Group").

Directors

The persons who were Directors of Metals of Africa Limited during the interim reporting period and up to the date of this report are:

Mr Gilbert George	Non-Executive Chairman
Ms Cherie Leeden	Managing Director
Mr Brett Smith	Non- Executive Director

Review of Operations

The Group's operating loss for the period of 1 January 2015 to 30 June 2015 was \$2,489,762 (30 June 2014: \$781,379).

Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

The Company has continued to provide investors with exploration updates since 30 June 2015, and these announcements can be viewed on the Company's website and also the ASX website.

Auditor's Independence Declaration

The Auditor's Independence Declaration under section 307C of the Corporation Act 2001 can be found on the following page.

This report is signed in accordance with a resolution of the Board of Directors.



Cherie Leeden
Managing Director

Perth, Western Australia
11 September 2015

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

As lead auditor for the review of Metals of Africa Limited for the half-year ended 30 June 2015, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 11 September 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2015

		Consolidated 6 months ended 30 June 2015	Consolidated 6 months ended 30 June 2014
	Note	\$	\$
Revenue and other income	2	19,429	10,172
Accounting and audit fees		(61,293)	(36,465)
Consulting & company secretarial expenses		(243,031)	(162,713)
Corporate advisory		(32,300)	-
Salaries and wages		(17,816)	(61,986)
Share based payments		(62,698)	(8,532)
Travel and entertainment		(159,524)	(39,622)
Compliance fees		(24,191)	(40,408)
Director fees		(220,181)	(158,554)
Other Advisory Fee		(143,650)	-
Insurance		-	(4,378)
Equipment hire		(496)	(13,091)
Legal fees		(17,628)	(14,047)
Office costs		(9,352)	(7,584)
Rent		(5,000)	(34,400)
Other operational expense		(221,255)	(89,159)
Other expense		-	(78,726)
EE&E write off	5	(1,290,776)	(41,886)
Loss before income tax		(2,489,762)	(781,379)
Income tax expense		-	-
Net loss for the period attributable to the owners of Metals of Africa Limited		(2,489,762)	(781,379)
Other comprehensive income/(loss)			
<i>Items that may be classified to profit or loss</i>			
Exchange differences on translation of foreign operations		(477,071)	(869,206)
Other comprehensive income/(loss) for the period, net of tax		(477,071)	(869,206)
Total comprehensive loss for the period attributable to the owners of Metals of Africa Limited		(2,966,833)	(1,650,585)
Loss per share from continuing operations attributable to the ordinary equity holders of Metals of Africa Limited			
Basic loss per share (cents)		(1.92)	(1.04)

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

Consolidated Statement of Financial Position

As at 30 June 2015

	Note	Consolidated as at 30 June 2015 \$	Consolidated as at 31 Dec 2014 \$
ASSETS			
Current Assets			
Cash & cash equivalents		967,424	3,862,065
Trade & other receivables	4	413,782	175,723
Total Current Assets		1,381,206	4,037,788
Non-Current Assets			
Property, plant & equipment		360,795	445,480
Prepaid exploration licence		311,251	57,845
Exploration & evaluation expenditure	5	10,199,802	10,791,712
Total Non-Current Assets		10,871,848	11,295,037
TOTAL ASSETS		12,253,054	15,332,825
LIABILITIES			
Current Liabilities			
Trade & other payables	6	247,514	423,150
Total Current Liabilities		247,514	423,150
TOTAL LIABILITIES		247,514	423,150
NET ASSETS		12,005,540	14,909,675
EQUITY			
Issued capital	7	17,669,755	17,649,755
Reserves	8	3,101,036	3,535,408
Accumulated losses		(8,765,251)	(6,275,488)
TOTAL EQUITY		12,005,540	14,909,675

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

Consolidated Statement of Changes in Equity

For the half year ended 30 June 2015

Consolidated 6 months ended 30 June 2015	Issued Capital	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2015	17,649,755	2,052,389	1,483,019	(6,275,488)	14,909,675
Loss for the period	-	-	-	(2,489,762)	(2,489,762)
Other comprehensive income/(loss)	-	-	(477,071)	-	(477,071)
Total comprehensive income/(loss) for the period	-	-	(477,071)	(2,489,762)	(2,966,833)
Transactions with owners in their capacity as owners:					
Shares issued, net of transaction costs (note 7(a))	20,000	-	-	-	20,000
Share based payments (note 8(a))	-	42,698	-	-	42,698
Balance at 30 June 2015	17,669,755	2,095,087	1,005,948	(8,765,250)	12,005,540

Consolidated 6 months ended 30 June 2014	Issued Capital	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2014	10,166,667	1,244,590	648,414	(2,229,860)	9,829,811
Loss for the period	-	-	-	(781,379)	(781,379)
Other comprehensive income/(loss)	-	-	(869,206)	-	(869,206)
Total comprehensive income/(loss) for the period	-	-	(869,206)	(781,379)	(1,650,585)
Transactions with owners in their capacity as owners:					
Shares issued, net of transaction costs (note 7(a))	863,182	-	-	-	863,182
Options issued for Gabon acquisition (note 8(a))	-	209,319	-	-	209,319
Loyalty options issued (note 8(a))	-	532,800	-	-	532,800
Share based payments (note 8(a))	-	8,532	-	-	8,532
Balance at 30 June 2014	11,029,849	1,995,241	(220,792)	(3,011,239)	9,793,059

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half year ended 30 June 2015

	Consolidated 6 months ended 30 June 2015 \$	Consolidated 6 months ended 30 June 2014 \$
Cash flows from operating activities		
Receipts from customers	3,935	25,050
Payments to suppliers and employees	(1,484,727)	(974,983)
Interest received	15,494	10,172
Net cash (outflow) from operating activities	(1,465,298)	(939,761)
Cash flows from investing activities		
Payment for prepaid exploration licence	(311,249)	-
Payments for exploration and evaluation expenditure	(996,510)	(488,653)
Net cash (outflow) from investing activities	(1,307,759)	(488,653)
Cash flows from financing activities		
Proceeds from loyalty options	-	532,800
Proceeds from share issue	-	494,260
Capital raising costs	-	(36,078)
Net cash inflow from financing activities	-	990,982
Net increase/(decrease) in cash and cash equivalents	(2,773,057)	(437,432)
Cash and cash equivalents at beginning of the financial period	3,862,065	859,762
Effect of exchange rate fluctuations on cash held	(121,584)	(31,000)
Cash and cash equivalents at end of the period	967,424	391,330

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

Notes to the Consolidated Financial Statements

1. Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 30 June 2015 have been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 31 December 2014 and any public announcements made by Metals of Africa Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 30 June 2015. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the company and, therefore, no change is necessary to Group accounting policies.

Going Concern

The Directors believe that the consolidated entity will continue as a going concern. As a result the financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. During the half-year ended 30 June 2015, the consolidated entity incurred a net loss of \$2,489,762 and had net operating cash outflows of \$1,465,298.

The ability of the group to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. Should the group not achieve funding in this way, there will be 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.

Notes to the Consolidated Financial Statements (continued)

2. Revenue and Other Income

	Consolidated 6 months ended 30 June 2015	Consolidated 6 months ended 30 June 2014
Bank interest	15,494	4,937
Other income	3,935	5,235
Total other income	19,429	10,172

3. Segment Information

Operating Segments

The Group has a single operating segment, being mineral exploration within East Africa. For this division the Group's Executive Director is responsible for overseeing the operations of the division. The Group is domiciled in Australia.

Information regarding the results of each reportable segment is included below.

Segment Performance 30 June 2015	Exploration Africa \$	Corporate \$	Total \$
Revenue and other income	3,935	15,226	19,429
Reportable segment (loss)	(1,485,248)	(1,004,514)	(2,489,762)

Segment Assets 30 June 2015	Exploration Africa \$	Corporate \$	Total \$
Segment assets			
Cash	148,452	818,972	967,424
Exploration and evaluation	9,793,364	406,438	10,199,802
Other	998,706	87,121	1,085,827
Total segment assets	10,940,522	1,312,531	12,253,053

Segment Liabilities 30 June 2015	Exploration Africa \$	Corporate \$	Total \$
Segment liabilities			
Creditors	73,205	169,239	242,444
Other	5,070	-	5,070
Total segment liabilities	78,275	169,239	247,514

Notes to the Consolidated Financial Statements (continued)

3. Segment Information (continued)

Segment Performance 30 June 2014	Exploration Africa \$	Corporate \$	Total \$
Revenue and other income	5,272	4,900	10,172
Reportable segment (loss)	(216,077)	(565,302)	(781,379)

Segment Assets 31 December 2014	Exploratio n 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	Exploratio n 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)

4. Trade & other receivables

	Consolidated as at 30 June 2015 \$	Consolidated as at 31 Dec 2014 \$
GST receivable	33,276	36,974
Other Receivables	380,506	138,749
Total other receivables	413,782	175,723

Due to the short term nature of current receivables the carrying amount is assumed to be the same as their fair value.

Notes to the Consolidated Financial Statements (continued)

5. Exploration & Evaluation Expenditure

	Consolidated 6 months ended 30 June 2015 \$	Consolidated 12 months ended 31 Dec 2014 \$
Non-Current		
Exploration and Evaluation at cost	10,199,802	10,791,712
Movement		
Opening balance	10,791,712	8,554,600
E&EE attributable to acquisitions of subsidiaries	-	863,591
Exploration expenditure capitalised during the period	996,509	2,255,101
Exploration expenditure written off during the period	(1,290,776)	(1,730,511)
Foreign exchange difference	(297,643)	848,931
Total Exploration & Evaluation Expenditure	10,199,802	10,791,712

Recovery of the carrying amount of exploration & evaluation expenditure is dependent on the successful development and commercial exploration or sale of the respective tenement areas.

6. Trade and Other Payables

	Consolidated as at 30 June 2015 \$	Consolidated as at 31 Dec 2014 \$
Trade and other payables	217,445	395,150
Accruals	30,069	28,000
Total other payables	247,514	423,150

Due to the short term nature of current payables the carrying amount is assumed to be the same as their fair value.

Notes to the Consolidated Financial Statements (continued)

7. Issued Capital

	Consolidated 6 months ended 30 June 2015 \$	Consolidated 12 months ended 31 Dec 2014 \$
Ordinary fully paid shares	17,669,755	17,649,755

(a) Movements for the half year ended 30 June 2015

Date	Details	No. of Shares	Issue Price	\$
1 January 2015	Opening Balance	129,378,027		17,649,755
23 June 2015	Stocks Digital Issue	285,715	\$0.07	20,000
30 June 2015		129,663,742		17,669,755

(b) Movements for the year ended 31 December 2014

Date	Details	No. of Shares	Issue Price	\$
1 January 2014	Opening Balance	71,040,001		10,166,667
7 February 2014	Mkindu Acquisition (note 9 (b))	5,000,000	\$0.081	405,000
23 June 2014	Placement	7,604,000	\$0.065	494,260
18 July 2015	Placement	7,604,000	\$0.125	950,500
18 July 2014	Option exercise	2,000,000	\$0.093	186,000
12 August 2014	Shares issued 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	-		345,020
	Less: Share Issue Costs			(357,399)
31 December 2014		129,378,027		17,649,755

Notes to the Consolidated Financial Statements (continued)

8. Reserves

	Consolidated 6 months ended 30 June 2015 \$	Consolidated 12 months ended 31 Dec 2014 \$
Foreign currency translation reserve	1,005,949	1,483,019
Share based payment reserve	2,095,087	2,052,389
	3,101,036	3,535,408

(a) Movements for the half year ended 30 June 2015

Date	Details	No. of Options	Recognised in Reserve \$
5 February 2015	Managing Director Option Issue	1,000,000	6,923
1 April 2015	ESOP Option issue	2,300,000	34,277
1 April 2015	Consultant Option issue	150,000	1,498
30 June 2015	Option Expiry	(10,000,000)	-
30 June 2015	Unvested Employee Option Expiry	(533,333)	-
30 June 2015		(7,083,333)	42,698

(b) Movements for the year ended 31 December 2014

Date Issued	Details	No. of Options	Recognised in Reserve \$
2 January 2014	Loyalty option issue	22,298,794	222,988
7 February 2014	Loyalty option issue shortfall	30,981,207	309,812
31 March 2014	Incentive options	138,500	8,532
31 March 2014	Consideration options	5,000,000	209,319
23 June 2014	Placement options – free attaching	3,802,000	-
12 August 2014	Director salary and consultant options – fair value	822,394	57,148
31 December 2014		63,042,895	807,799

Notes to the Consolidated Financial Statements (continued)

8. Reserves (continued)

(c) Managing Director – Incentive Option Issue

1,000,000 unlisted options exercisable at \$0.26 on or before 4 February 2015 were issued to the Company's Managing Director Ms Cherie Leeden as approved by shareholders at a General Meeting of the Company held on 16 January 2015.

The Incentive Options are subject to, and are only exercisable following satisfaction of, the following vesting conditions:

- i. 333,333 Incentive Options vest if the Company's Shares trade at \$0.30 or above for a minimum of 30 consecutive days on or before 22 August 2016.
- ii. 333,333 Incentive Options vest if the Company has raised AU\$5 million in aggregate via way of a capital raising/s or cornerstone investment/s and/or rights issue on or before 22 August 2016 (this vesting condition was satisfied in October 2014).
- iii. 333,334 Incentive options vest if the Company announces a maiden JORC resource within one of its majority owned exploration assets on or before 22 August 2017.

The underlying fair value of the first tranche of Options granted was calculated based on the below, and will be expensed over the coming period until they vest or otherwise:

Valuation Date	Expiry Date	Exercise Price	Granted during the period Number	Fair value per option at Grant Date \$	Total fair value \$
16 Jan 2015	4 February 2018	\$0.26	333,333	\$0.00133	\$443

The fair value of the first tranche of options granted was independently determined using an Option Pricing Model that takes into account the following inputs:

Number of options	333,333
Share Price at Grant Date	\$0.046
Exercise Price	\$0.26
Valuation Date	16 January 2015
Expiration date	4 February 2018
Life of the Options	3 years
Volatility ¹	67%
Risk Free Rate	2.13%

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

Notes to the Consolidated Financial Statements (continued)

8. Reserves (continued)

The underlying fair value of the second and third tranche of Options granted was calculated based on the below, and fully vested during the period:

Valuation Date	Expiry Date	Exercise Price	Granted during the period Number	Fair value per option at Grant Date \$	Total fair value \$
16 January 2015	5 February 2018	\$0.26	666,667	\$0.010	\$6,798

The fair value of options granted is independently determined using a Black-Scholes Option Pricing Model that takes into account the following inputs:

Number of options	666,667
Share Price at Valuation Date	\$0.046
Exercise Price	\$0.26
Valuation Date	16 January 2015
Expiration date	5 February 2018
Life of the Options	3.06 years
Volatility ¹	90%
Risk Free Rate	2.28%

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

Notes to the Consolidated Financial Statements (continued)

8. Reserves (continued)

(d) 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 and to attract and retain experienced employees 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.

Any options issued under the scheme will be valued using the Black Scholes model. The Company has issued options under the Metals of Africa Employee Share Option Plan to employees during the period.

The Company issued 2,300,000 options during the period on 1 April 2015 as per the following table:

Valuation Date	Expiry Date	Exercise price	Granted during the period	Fair value per option at grant date \$	Total fair value \$
5 February 2015	31 December 2017	\$0.15	2,300,000	\$0.026	60,148

The options have various vesting conditions, including continuous employment with the group and the delineation of a JORC resource at one of the Company's projects.

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

Number of options	2,300,000
Share Price at Valuation Date	\$0.067
Exercise Price	\$0.15
Valuation Date	5 February 2015
Expiration date	31 Dec 2017
Life of the Options	2.9 years
Volatility ¹	90
Risk Free Rate	2.28%

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

Notes to the Consolidated Financial Statements (continued)

8. Reserves (continued)

(e) Consultant Options

The Company issued 150,000 options during the period on 1 April 2015 as per the following table:

Valuation Date	Expiry Date	Exercise price	Granted during the period	Fair value per option at grant date \$	Total fair value \$
5 February 2015	31 December 2017	\$0.15	150,000	\$0.026	3,923

The options vest in thirds on continuous employment with the group over the three years from date of issue.

The value of the service received could not be reliably measured and as such the options have been measured at their fair value.

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

Number of options	150,000
Share Price at Valuation Date	\$0.067
Exercise Price	\$0.15
Valuation Date	5 February 2015
Expiration date	31 Dec 2017
Life of the Options	2.9 years
Volatility ¹	90
Risk Free Rate	2.28%

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

Notes to the Consolidated Financial Statements (continued)

8. Reserves (continued)

(f) Expenses arising from share based payment transactions

Share based payment expense arises from share based payments granted during the period and the vesting of share based payments granted in prior reporting periods.

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

	Consolidated 6 months ended 30 June 2015 \$	Consolidated 6 months ended 30 June 2014 \$
Options issued to Managing Director	6,923	-
Options issued under ESOP	34,277	-
Options issued to consultants	1,498	8,532
Shares issued (note 7a)	20,000	-
	62,698	8,532

Notes to the Consolidated Financial Statements (continued)

9. Controlled Entities

Interests in subsidiaries are set out below:

	Country of Incorporation	% Equity Interest 2015	% Equity Interest 31 December 2014
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
Mkindu Pty Ltd	Australia	100	100
Select Exploration Limited (Previously 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
Kansas Resources Limited	Mauritius	100	100
Swala Resources Limited	Mauritius	100	100
Boomerang 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
Mzombe Resources Limited	Tanzania	100	100
Siwandu Metals Limited	Tanzania	100	100
Select Explorations Gabon SA	Gabon	90	-

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)

10. Dividends

No dividend has been declared or paid during the period ended 30 June 2015 (30 June 2014: Nil).

11. Commitments

The Group has no other commitments other than those disclosed at 31 December 2014.

12. Events subsequent to Reporting Date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

13. Contingent Assets and Liabilities

There are no identified contingent assets or liabilities as at reporting date (31 December 2014: Nil).

14. Related Party Disclosures

Other than the options issued to the Managing Director as disclosed at note 8(c), transactions with the related parties are consistent with those disclosed in the 31 December 2014 financial report.

Director's Declaration

The directors of the Company declare that:

- 1) The financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - a) comply with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
 - b) give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance, as represented by the results of its operations, changes in equity and its cash flows for the period from 1 January 2015 to 30 June 2015.
- 2) At the date of this statement there are reasonable grounds to believe that Metals of Africa Limited will be able to pay its debts when they become due and payable.

This statement is made in accordance with a resolution of the Board of Directors.



Ms Cherie Leeden
Managing Director

Perth, Western Australia, 11 September 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Metals of Africa Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Metals of Africa Limited, which comprises the consolidated statement of financial position as at 30 June 2015, 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 half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Metals of Africa Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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 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 review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Metals of Africa Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year 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 equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, 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.

BDO Audit (WA) Pty Ltd



Jarrad Prue
Director

Perth, 11 September 2015