

ASX Announcement
30 October 2015

ACTIVITIES FOR THE QUARTER ENDED 30 SEPTEMBER 2015

Quarter Highlights

- **High grade graphite results continue at Montepuez Central Graphite Project in Mozambique, including:**
 - **169.15m @ 10.8% TGC from Elephant Prospect**
 - **105.1m @ 10.0% TGC from Buffalo Prospect**
- **Maiden JORC Resource estimation at Montepuez Central Graphite Project due early November 2015**
- **Ruby Joint Venture negotiated to fund development of Montepuez East Ruby Project in Mozambique**
- **Kroussou Zinc-Lead Project in Gabon advancing, translation of historical exploration results continuing**
- **\$3m raised via oversubscribed placement**

Operations

Mozambique

The Company was pleased to complete its resource definition drilling program at the Montepuez Central Graphite Project in the world class Cabo Delgado graphite province of Mozambique in East Africa subsequent to end of the quarter. This drilling program continued to deliver high grade graphite mineralisation from surface and open at depth at all three mineralised prospects within the Project – Buffalo, Elephant and Lion, including the following intersections that remain open at depth:

- **169.15m @ 10.8% TGC from Elephant Prospect from 0.7m**
- **105.1m @ 10.0% TGC from Buffalo Prospect from 72m**

Each prospect hosts different mineralisation characteristics allowing potential for multiple graphite products and end uses. Flake size is generally large with spectacular jumbo flakes observed along the Elephant Prospect fault zone. Drilling has been completed at the Montepuez Central Graphite Project and a Maiden JORC Resource Estimate is expected in early November 2015.

Other operational highlights from the quarter include:

- **Excellent flake size at the Montepuez Central Graphite Project - significant proportion of large and jumbo size**
- **High quality graphene produced via a commercially scalable process from Company graphite**
- **High grade graphite confirmed at Balama Central Graphite Project in Mozambique**

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The Mozambican Ruby Joint Venture entered into by the Company subsequent to the end of the quarter will see its JV partner, Mozambican Ruby LDA, acquire a 75% in the project. In return the Company will see its 25% free-carried for the initial US\$400,000 worth of exploration expenditure. From that point, the Company's proportion contribution will be deferred and paid out of future profits after the first commercial sale of rubies (in excess of US\$1 million).

Mozambican Ruby Lda intends to commence exploration immediately, with a bulk sampling and geophysics program planned for Q4, 2015 and auger drilling thereafter.

Refer ASX announcement on 20 October 2015 for further detailed information in respect of the Mozambican Ruby JV.

The Company continued with its research and development and programs during the September 2015 quarter, and produced Graphene Oxide (GO) and graphene from graphite at MTA's 100% owned Montepuez Central Project in Mozambique. Three processes were tested with the thermal method, a simple process that is scalable, producing the best results from the Company's samples. The quality of MTA's prepared graphene is comparable with synthetic graphene. This graphene test-work is part of the Company's ongoing graphite evaluation which includes lab analysis, petrology and metallurgy. The ability to produce a quality graphene product further enhances the potential of MTA's Montepuez Central Project as a high value asset.

Gabon

During the quarter the Company focussed its attention on the translation of historical exploration results generated from BRGM drilling in the 1960's. These translations are providing significant information that is enabling the Company to generate advance drill targets with minimal on-ground expenditure.

Corporate

The Company announced a capital raising on 23 September 2015. An oversubscribed placement to raise \$3m, to be completed across two tranches with the first tranche completed to raise \$1.5m and the second tranche to raise the balance of \$1.5m to be completed subject to receipt of shareholder approval at a general meeting to be held on Friday 13 November. The shareholder meeting will also seek approval for directors to participate in the placement by way of an allotment and also via the issue of shares in lieu of salary.

The Placement received strong support from existing shareholders, and also saw the introduction of two new cornerstone investors, Farjoy Pty Ltd and Mr Navin Sidhu.

For further information please contact:

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Tenement Summary – 30 September 2015

1. MINING TENEMENTS HELD				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
<i>Rio Mazoe Project</i>				
1411	Mozambique	Granted	100%	100%
1442	Mozambique	Granted	100%	100%
3588	Mozambique	Granted	100%	100%
1509	Mozambique	Granted	100%	100%
1885	Mozambique	Granted	100%	100%
<i>Express Licences</i>				
5572	Mozambique	Granted	100%	100%
5473	Mozambique	Granted	100%	100%
6216	Mozambique	Granted	100%	100%
6251	Mozambique	Granted	100%	100%
6253	Mozambique	Granted	100%	100%
5345	Mozambique	Granted	100%	100%
5350	Mozambique	Granted	100%	100%
6187	Mozambique	Granted	100%	100%
6191	Mozambique	Granted	100%	100%
6170	Mozambique	Granted	100%	100%
6172	Mozambique	Granted	100%	100%
6167	Mozambique	Granted	100%	100%
6254	Mozambique	Granted	100%	100%
<i>Gabon</i>				
Lastourville (495)	Gabon	Granted	90%	90%
Kroussou (3)	Gabon	Granted	90%	90%
Mbongou	Gabon	Granted	90%	90%

2. MINING TENEMENTS ACQUIRED/DISPOSED				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
ACQUIRED Nil				
DISPOSED Nil				

3. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter

4. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS ACQUIRED OR DISPOSED				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
ACQUIRED Nil				
DISPOSED Nil				

About the Montepuez Graphite Project

The Montepuez Graphite Project is located in the Cabo Delgado Province, in Mozambique, and is 100% owned by Metals of Africa. It comprises three exploration licenses, all of which are partially underlain by the litho-stratigraphic rock units which are known to contain major graphite mineralisation to the south at Balama (Syrah Resources Limited - ASX: SYR) and Balama North (Triton Minerals Limited - ASX: TON). Much of the Montepuez project occurs within the same regional geological setting as these large graphite deposits.

About Metals of Africa Limited (MTA)

Metals of Africa (ASX: MTA) is a diversified minerals exploration company dedicated to exploring for world class deposits in Africa. The Company's core commodity targets are: zinc and graphite. The Company prides itself on environmental best practise and in promoting positive community relations and development.

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

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Ms. Cherie Leeden, who is Executive Director of the Company. Ms Leeden is a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Leeden consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Metals of Africa Limited

ABN

75 152 071 095

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(404)	(2,604)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(387)	(1,059)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	17
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (R&D Refund)	110	110
Net Operating Cash Flows		(679)	(3,536)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(679)	(3,536)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(679)	(3,536)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,475	1,475
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	(81)	(81)
	Net financing cash flows	1,394	1,394
	Net increase (decrease) in cash held	715	(2,142)
1.20	Cash at beginning of quarter/year to date*	1,004	3,861
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,719	1,719

*note final cash position disclosed in 31 December 2014 quarterly was understated due to an exchange rate miscalculation. Opening cash is correct as per 1.20 and 31 December 2014 audited financial statements.

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	118
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director fees and consulting.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

n/a

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	600
4.2 Development	-
4.3 Production	-
4.4 Administration	300
Total	900

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,719	1,004
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,719	1,004

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Mozambique Nil Gabon Nil		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil		

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	167,921,685	167,921,685		Ordinary fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	a) 5,477,548 (drill-for-equity) 32,780,395 (tranche placement) ¹	a) 5,477,548 32,780,395		
7.5	*Convertible debt securities (description)	1,160,349 (as per appendix 3B lodged 17 April 2015, and note 1 below)	-	nil	
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	a) nil b) 339,651 (converted to Ordinary shares)	-	nil	
7.7	Options (description and conversion factor)	3,666,666 1,955,167 600,000 57,854,396 2,500,000 1,000,000 2,450,000	Unquoted Unquoted Unquoted Quoted Unquoted Unquoted Unquoted	Exercise price \$0.25 \$0.15 \$0.168 \$0.15 \$0.093 \$0.26 \$0.15	Expiry date 31 Dec 2015 3 Dec 2016 3 Dec 2016 7 Jan 2017 31 March 2017 4 February 2018 31 Dec 2017
7.8	Issued during quarter				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

1. The issue of the Convertible Notes will enable 50% of the invoiced amounts under certain specified drilling agreements to be satisfied through the issue of Shares by the Company, up to a maximum of \$1,500,000 (excluding taxes), until the end of 2015. The conversion price of the Convertible Notes will be the volume weighted average market price of the Company's Shares on the ASX for the five trading days prior to the day that an invoice for drilling activities is issued. Any drilling agreement that is to include consideration by way of the convertible notes has to be agreed by the Company and the Noteholder prior to each drilling campaign.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here: Date: 30 October 2015
(Director/Company secretary)

Print name: Steven Wood
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Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

+ See chapter 19 for defined terms.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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