METALS of AFRICA
LIMITED

ASX Announcement
Metals of Africa Ltd

2 November 2015

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MTA Capital Structure

Shares on Issue: 167,921,685

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

Unlisted Options 12,171,833
(various price, expiry)

Market Cap. @ $0.060; A$10m

MTA Board

Gilbert George
Non Executive Chairman

Cherie Leeden
Managing Director

Brett Smith
Non Executive Director

Steven Wood
Company Secretary

ASX Code: MTA

www.metalsofafrica.com.au

High Grade Graphite Rock Chip Samples at Balama Central Project

Resource definition drilling has commenced - adjacent to Syrah Resources world class Balama graphite deposit

Highlights

- **Assay results of up to 17.55% TGC and 0.364% Vanadium reported at Balama Central project**
- **Maiden trenching and pitting program has confirmed high grade graphite and vanadium mineralisation at surface over >1km strike length**
- **Targeted mineralisation immediately south-west of Syrah Resources Balama Deposit**
- **Maiden drill program to define JORC resource has commenced**

Metals of Africa Limited (ASX: MTA) ("the Company") is pleased to announce high grade graphite assay results from its surface sampling program at the Balama Central Graphite Project ("the Project") in Mozambique.

The results confirm the visual grade estimates previously reported by the Company (ASX announcement 11 August 2015). The Balama Central project is located in Mozambique's world class Cabo Delgado graphite province and is situated immediately adjacent to Syrah Resources' (ASX: SYR) major Balama graphite project.

Based on the excellent surface sample results in conjunction with a compelling VTEM anomaly, a resource definition drill program has commenced. The aim of the program is to define a JORC resource, and will comprise of circa 12 core holes for a total of 1,000 metres (with holes averaging less than 100 metres in depth) over a six week period. The drilling program will be conducted by Mitchell Drilling.

Two anomalous graphite zones were discovered in the south-eastern portion of the Balama Central project via VTEM geophysics and confirmed via surface pitting and trenching.

The recently discovered prospect that will be the subject of this drill program is called the Lennox Prospect. The Lennox prospect appears to form a strike continuation of graphitic schist extending from Syrah Resources Balama deposit. Figures 1 and 2 provide reference of MTA's license next to Syrah Resources (SYR) Balama deposit license.

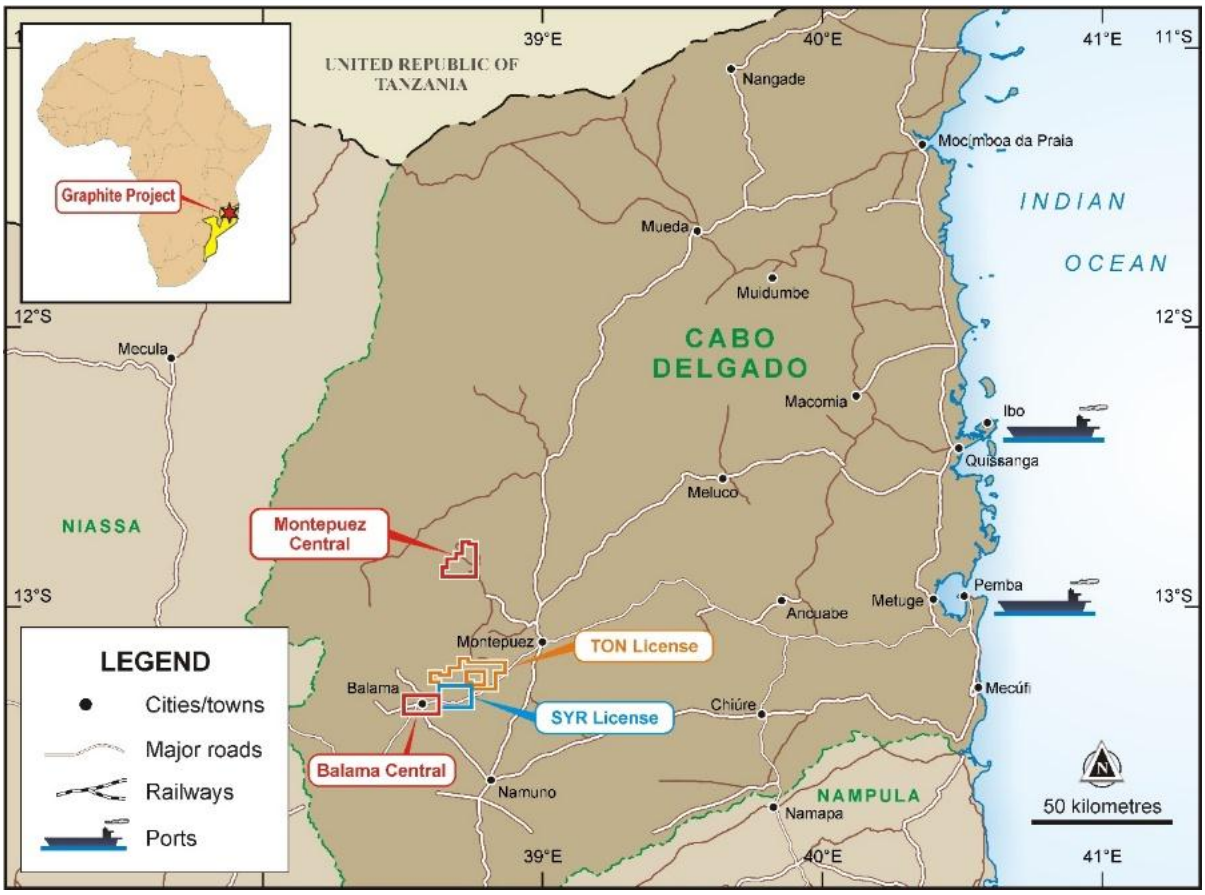

Figure 1. Location map of MTA's Mozambique graphite licenses including Balama Central Project in Cabo Delgado province of Mozambique.

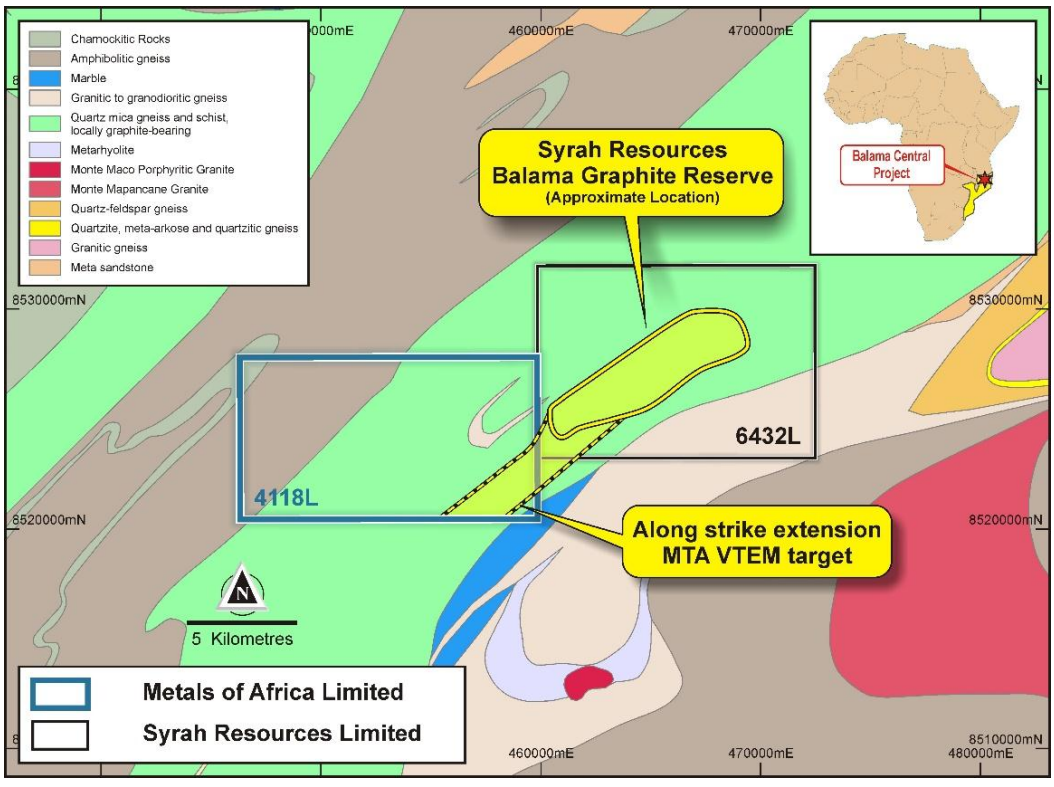

Figure 2. Balama Central Project over regional geology

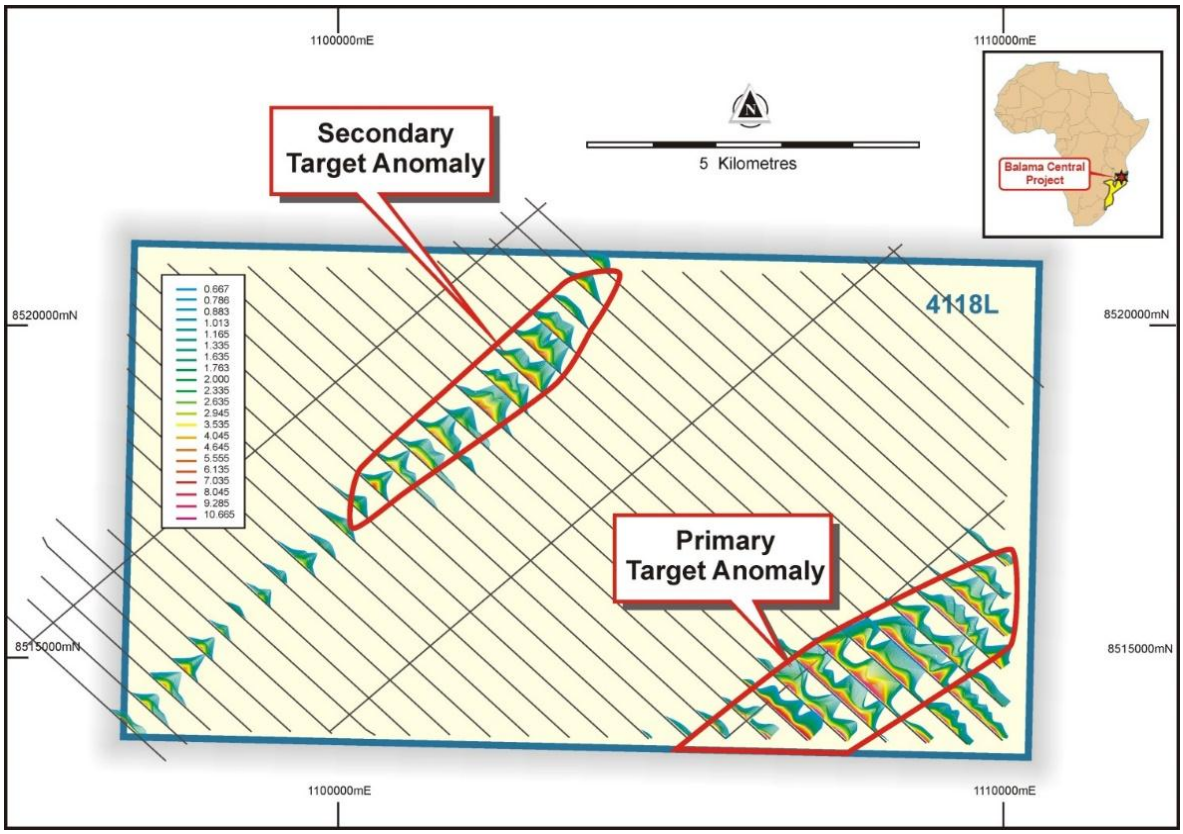

Figure 3. VTEM data. High grade graphite mineralisation has been confirmed as the cause of the Primary Target Anomaly.

Technical Appendix

Pit Sample Results

MTA conducted a two phase pitting program to test a VTEM conductor anomaly at Balama Central. Initial pit sampling was completed on a 400x200m grid and this was later infilled to 200x200m due to the discovery of high grade graphite at surface during phase one. Only results from Phase 1 sampling have been received and are reported as phase 2 pitting is ongoing with the aim of assisting with optimum drill hole dips.

The objective of the initial pitting program was to confirm the rock type and confirm dip of strata in which to plan maiden drill holes, 22 pits were dug in phase 1 and 9 pits have been dug to date in phase 2. The exploration pits were excavated by hand measuring 2x2m on average and samples comprised chips from insitu residual partially oxidised soil profiles and grab samples of partially oxidised rocks.

The Laboratory results for mineralised samples returned from the Lennox Prospect are reported in table 1 and figure 2, the results are highly encouraging with average 9.05% total graphitic carbon (TGC) and 0.15% V_2O_5.

Pit #	Sample #	TGC	V2O5
13B	BS007	12.95	0.05
15E Float sample, not insitu	BS005	8.47	0.12
15E	BS009	2.79	0.06
17I	BS008	17.55	0.36
19G	BS006	6.51	0.11
BL002	BS010	9.29	0.16
13C	BS011	7.62	0.24
13C	BS012	9.91	0.11
13C	BS013	6.33	0.14
PB0269	BS00014	9.03	0.11
Average Grade		**9.05**	**0.15**

Table 1. Laboratory results returned for the Lennox Prospects showing TGC and V_2O_5 (refer figure 2 for sample location)

The project geology comprises granitic gneiss, schist, quartzite and graphitic schist with frequent graphitic psammo-pelite similar to Syrah's Balama project. The rocks are dominated by coarse granoblastic quartz with frequent 10%-15% bright green vanadiferous sericite and roscoelite. Surface mapping indicates stratigraphy dips moderately 50°-70° towards 280°–300°. Coarse graphite flake size was observed in the pits ranging 0.5 to 1.0mm.

Plate 1. Pit BL002 (sample ID BS010) showing graphite-sericite-quartz schist which returned 9.29% TGC and 0.16% vanadium with coarse flake material.

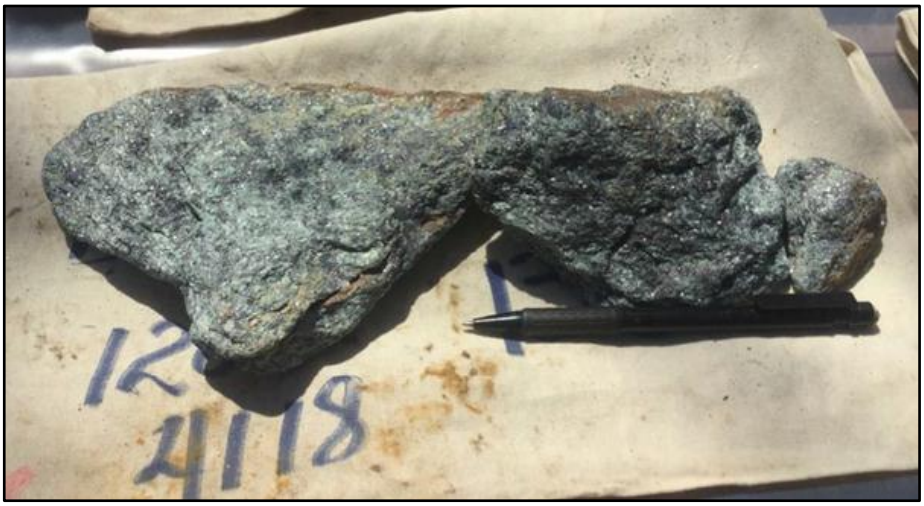

Plate 2. Pit 13C (sample ID BS012) taken 1.2m below surface with high grade graphite-sericite-schist which returned 9.91% TGC and 0.11% vanadium.

Figure 4 is a summary map showing a small portion of MTA's Balama Central Project VTEM anomaly with dimensions measuring 900m strike X 600m width with surface pit sample results returned, planned drill hole locations for Lennox Prospect within the mapped graphitic schist stratigraphy and other important summary geological information.

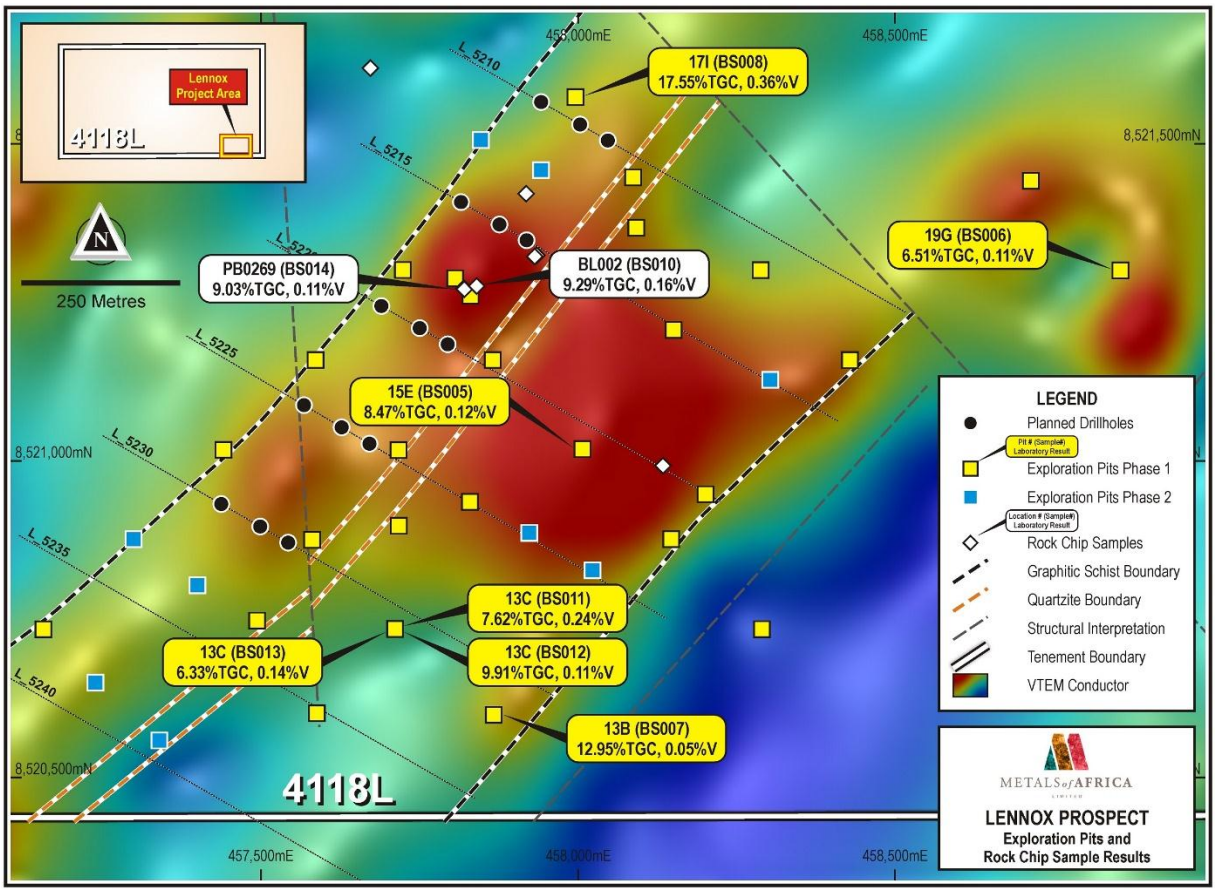

Figure 4. MTA's Balama Central Project showing the targeted VTEM anomaly with surface pit sample results, interpreted geology and locations of planned drill holes. Final draft to be received from CAD.

Balama Central Drill Program

Lennox Prospect

The drill program will be conducted over the next 6 weeks with the objective to delineate a JORC compliant resource. Drill lines will be spaced on 400m sections with hole spacing 50-100m with the objective to derive an inferred resource. Should drilling confirm geological and mineralization strike continuity as presently interpreted in figure 2, further infill drilling on 200m sections will be conducted to generate an indicated resource during the same drill program.

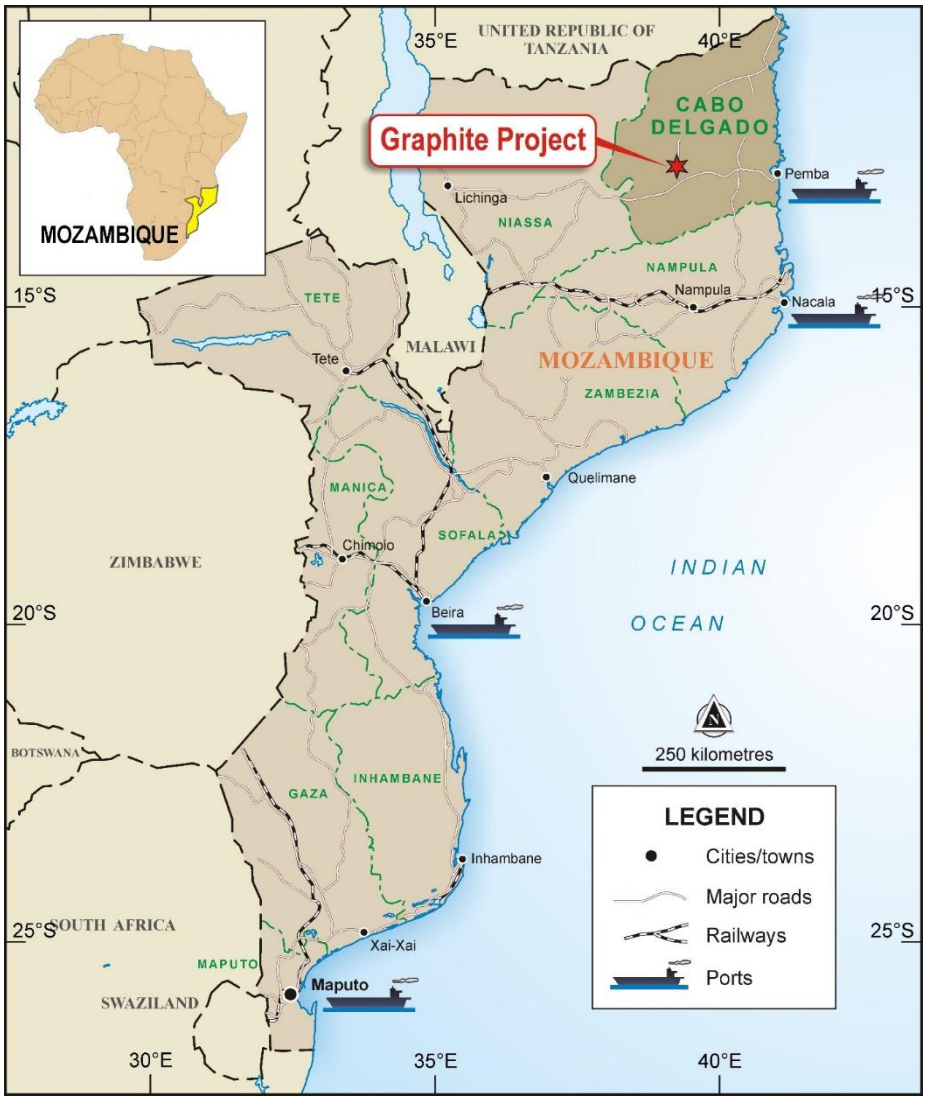

Figure 5: Mozambique Country Location Map and general location of the project area.

On behalf of Board of Directors Metals of Africa Ltd

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About Metals of Africa Limited

Metals of Africa (ASX: MTA) is a diversified minerals exploration company dedicated to exploring and developing world class deposits in Africa. The Company's core commodity targets are: zinc/lead and graphite. The Company is maintaining a dual focus: on its graphite assets (Montepuez and Balama) located in Mozambique and on its lead-zinc asset (Kroussou) located in Gabon. The Company prides itself on environmental best practice and positive community relations.

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

Competent Persons Statement

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

JORC Code, 2012 Edition – Table 1 Appendix 1 to Announcement: High Grade Graphite Rock Chip Samples at Balama Central Project

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	MTA Commentary
Sampling techniques	· *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* · *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* · *Aspects of the determination of mineralisation that are Material to the Public Report.* · *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	· Samples in report have been taken from hand dug surface pit samples measuring on average 2m x 2m with maximum depth 3m · Pit samples taken from pit wall as per standard field practise
Drilling techniques	· *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	· No drilling results have been reported
Drill sample recovery	· *Method of recording and assessing core and chip sample recoveries and results assessed.* · *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	· There is no drill sample recovery to report

	· *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	
Logging	· *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* · *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* · *The total length and percentage of the relevant intersections logged.*	· Surface pit sampling has been reported and a single surface rock chip grab sample PB0269 · Full lithological quantitative logs were taken for each of the pits dug with pit size and location, survey, lithological logging and extensive sample information extracted for each pit. · Samples are measured from surface to bottom of pit with sample lengths measured · Refer Appendix 2 for further detail on reported samples
Sub-sampling techniques and sample preparation	· *If core, whether cut or sawn and whether quarter, half or all core taken.* · *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* · *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* · *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* · *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* · *Whether sample sizes are appropriate to the grain size of the material being sampled.*	· Submitted pit samples comprise rock chips from insitu residual partially oxidised soil profiles and grab samples of partially oxidised rocks. Entire samples were submitted to the laboratory. · The batch was sent for analysis with two CRM's one graphite, one vanadium, a blank and a single duplicate
Quality of assay data and laboratory tests	· *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* · *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* · *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable*	· Samples were submitted to ALS Johannesburg for sample preparation and geochemical analysis was completed by ALS in Brisbane. · Samples were sorted, oven dried at 105°C, crushed to -2mm and a 300g subsample taken for pulverising in an LM5 to 85% passing -75um. · Loss on Ignition (LOI) has been determined between 105° and 1050° C. Results are reported on a dry sample basis.

	levels of accuracy (ie lack of bias) and precision have been established.	· Analysis includes Total Carbon Total Sulphur analysis by LECO, LOI TGA and ICP-AES. · The detection limits and precision for the TGC and TS analysis are considered adequate for the phase of the exploration program and potential resource estimate. · QAQC protocols include the use of; a coarse blank to monitor contamination during the preparation process, Certified Reference Material (CRM) and duplicate pit sample at a rate of 1:20. · Four CRM's (GGC001, GGC004, GGC005 and GGC010) are used to monitor analysis of laboratory for graphitic carbon, carbon and sulphur for all of MTA's graphite project in Mozambique. · One base metal CRM (AMIS 346) is being utilised to monitor vanadium. · The batch was sent for analysis with two CRM's one graphite, one vanadium, a blank and a single duplicate
Verification of sampling and assaying	· *The verification of significant intersections by either independent or alternative company personnel.* · *The use of twinned holes.* · *Documentation of primary data, data entry procedures, data verification.* · *Discuss any adjustment to assay data.*	· No independent geological consultants have been utilised at this early stage of the work program. · No adjustments have been made to the reported assay data.

Location of data points	· *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* · *Specification of the grid system used.* · *Quality and adequacy of topographic control.*	· All spatial data across the projects is collected in WGS84 UTM Zone 37 South with locations collected using a Garmin 62s GPS device which typically have a ±5m error. · Phase 1 pits were sampled on 400mx200m grid with phase 2 pits infilled to roughly equate 200x200m. Phase 2 pits are ongoing. · No topographic control is in place for the sampled pits however MTA uses DEM data that was obtained from the heliborne VTEM survey flown in 2014 and is suitable for this stage of the exploration work program.
Data spacing and distribution	· *Data spacing for reporting of Exploration Results.* · *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* · *Whether sample compositing has been applied.*	· Pit sample spacing is adequate to test graphitic schist and regional dip of stratigraphy. · No sample compositing has been applied, the reported laboratory results are single samples.
Orientation of data in relation to geological structure	· *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* · *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	· Pits were dug to confirm lithology including graphitic schist and stratigraphy strike and dip in which to plan drill holes. The pit mapping indicates moderate stratigraphic dip 50°-70° towards 280°–300°.
Sample security	· *The measures taken to ensure sample security.*	· The samples are stored in the company's field base until laboratory dispatch. At which point the samples are shipped by courier to ALS – Johannesburg, South Africa for sample preparation and the pulps couriered to ALS Brisbane Australia for geochemical analysis. · Any visible signs of tampering are reported by the laboratory and none have been reported to date.
Audits or reviews	· *The results of any audits or reviews of sampling techniques and data.*	· No audits or reviews of sampling techniques have been undertaken to date.

Section 2 Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	· *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* · *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	· The Balama Central project, license 4118l comprises an area covering 96 km² and is held by Dombeya Mineracao Limitada. Metals of Africa Limited via a locally owned subsidiary Suni Resources Lda has complete power of attorney over license 4118 until it is transferred into Suni Resources Lda. The license has met all criteria to allow for the transfer under Mozambican laws and this transfer is anticipated imminently. · This announcement provides information regarding the newly discovered Lennox Prospect on the Balama Central Project. · All statutory approvals have been acquired to conduct exploration activity and the Company has established a good working relationship with the government departments of Mozambique. · The company is not aware of any impediments relating to the licenses or area.
Exploration done by other parties	· *Acknowledgment and appraisal of exploration by other parties.*	· The project area has been mapped at 1:250,000 scale as part of nation-wide geological study prepared by a consortium funded by the Nordic Development Fund. The project area has also been flown with regionally spaced airborne geophysics (magnetics and radiometrics) as part of a post war government investment initiative. · Tenure history includes; ○ 2011 June 29; held by Dombeya Mineracao covering an area 9,600Ha ○ 2013; held by Frontier Rare Earths 70% ○ 2014; MTA enters acquisition agreement and

		resumes control of the license via a power of attorney deed with supporting transfer agreement. ○ 2015; MTA provided with official permissions to conduct ground disturbing work and make public announcements relating to the license whilst it waits for the license name transfer.
Geology	· *Deposit type, geological setting and style of mineralisation.*	· The graphite mineralisation is contained within graphitic schist horizons with very coarse grained graphite crystals. · The Balama Central project is located on the Xixano Complex which is dated 735Ma. The complex consists of meta-supercrustal rocks surrounding mafic igneous and granolithic rocks at the core of a regional NNE-SSW trending synform. The complex comprises intermediate to mafic orthogneiss with intercalations of para-gneiss including mica gneiss, schist, quartz feldspar gneiss, metasandstone, quartzite and marble. The metamorphic grade amphibolite facies with preserved lenses of granulite facies rocks. · The Balama Central rocks found on the project include granitic gneiss, schists, quartzite and graphitic schist ± sericite ± roscoelite. The rocks are typical of the graphitic psammopelite observed in Syrah Resources nearby Balama project. Graphite is coarse flake size in the 0.5-1.00mm range. The rocks are dominated by coarse granoblastic quartz with often 10-15% bright green vanadiferous sericite and roscoelite. · The deposit is disseminated with graphite schist dispersed within gneiss. The metamorphism challenges the protolith rocks and MTA is presently engaging a metamorphic expert to assist with this task. · The graphite forms as a result of high grade metamorphism of organic carbonaceous matter, the protolith in which the graphite has formed may have been globular carbon,

		composite flakes, homogenous flakes or crystalline graphite.

Drill hole Information	· *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  · *easting and northing of the drill hole collar,*
	  · *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar,*
	  · *dip and azimuth of the hole,*
	  · *down hole length and interception depth,*
	  · *hole length.*
	· *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		· No drill hole information has been reported
		· Information pertaining reported samples is provided in Appendix 2

Data aggregation methods	· *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* · *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* · *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	· Only single sample analysis has been reported · No cut-off grades have been applied · No metal equivalent values have been used
Relationship between mineralisation widths and intercept lengths	· *These relationships are particularly important in the reporting of Exploration Results.* · *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* · *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	· Single surface samples have been reported · Only 2x2m pit walls have been mapped to determine lithology and regional strike and dip of units including graphitic schist · No holes have been drilled
Diagrams	· *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being*	· Project location map is provided in figure 1 · Prospect scale location map and reported surface sample

	reported These should include, but not be limited to a plan view of drill hole collar locations.	locations are provided in figure 2
Balanced reporting	· *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to*	· The report is believed to be comprehensive and balanced
Other substantive exploration data	· *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	· Regional airborne geophysical (magnetics, radiometrics) and regional geological mapping was used to assist reconnaissance surface and pit mapping. · Subsequent to mapping, VTEM data was acquired by MTA.
Further work	· *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* · *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	· MTA will commence follow-up drilling on the Lennox Prospect this week for the next 6 weeks. Holes will be drilled on 400m sections and spaced 50-100m with objective to achieve an inferred resource assuming strike and mineralogical continuity supports an inferred resource. Infill drilling may then be conducted on 200m sections with objective to achieve indicated resource status.

Appendix 2 – Summary of Reported pit and rock chip samples from Lennox Prospect

Pit #	Sample #	TGC	V2O5	Easting	Northing		To		Sample Type	Sample Moisture
13B	BS007	12.95	0.05	457867	8520600		2.1		GRAB	Wet
15E	BS005	8.47	0.12	458007	8521018		0.5		FLOAT	Dry
15E	BS009	2.79	0.06	458007	8521018		0.1		GRAB	Dry
17I	BS008	17.55	0.36	457996	8521574		3.0		GRAB	Dry
19G	BS006	6.51	0.11	458855	8521301		3.0		ROCKCHIP	Dry
BL002	BS010	9.29	0.16	457840	8521276		0.1		ROCKCHIP	Dry
13C	BS011	7.62	0.24	457711	8520735		1.70		GRAB	Dry
13C	BS012	9.91	0.11	457711	8520735		2.50		GRAB	Dry
13C	BS013	6.33	0.14	457711	8520735		2.80		GRAB	Dry
PB0269	BS00014	9.03	0.11	457820	8521273	Grab sample			ROCKCHIP	Dry
Average grade		**9.05**	**0.15**							

Table 1 - Summary of Reported pit samples with a single rock chip sample P B0269