

**ASX Announcement
Metals of Africa Ltd**

16 December 2015

Contact Details

Cherie Leeden
Managing Director
Metals of Africa Limited
E: cherie@metalsofafrica.com.au

James Moses
Media and Investor Relations
Mandate Corporate
T: +61 420 991 574
james@mandatecorporate.com.au

MTA Capital Structure

Shares on Issue: 210,916,509

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

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

Market Cap. @ \$0.055; A\$11.6m

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

Visual high-grade graphite intersected at Balama Central Project

Maiden JORC Resource anticipated February 2016

Highlights

- Metals of Africa has completed Resource definition drilling at Balama Central Graphite Project
- The project is the strike continuation of Syrah Resources Balama Project
- Drilling targeted a circa 100m wide high-grade graphite zone over a 1.8km strike length
- Mineralisation is present from near-surface and is open at depth and along strike in both directions
- Multiple outcropping high grade graphite/VTEM targets remain undrilled and will be further tested in 2016
- Laboratory assay results are pending and maiden JORC Mineral Resource Estimation expected February 2016
- Graphite end-user company site visits undertaken recently in November

Metals of Africa Limited (ASX: MTA) ("the Company") is pleased to announce positive visual results from its recently completed maiden resource definition drilling program at the Balama Central Graphite Project ("the Project") in the world class Cabo Delgado graphite province of Mozambique, in East Africa.

The Company drilled 20 diamond core holes for a total of 1,605 metres in the program, which targeted shallow oxide graphite primary mineralisation. The average drill hole depth was 80 metres.

The program was extended from 1,000 metres to 1,600 metres due to the encouraging results encountered during drilling. Of the 20 holes drilled, 19 holes intersected high grade graphite mineralisation, and mineralisation remains open along strike and at depth. A significant number of holes ended in mineralisation.

Geology at the Balama Central Project appears to be a strike continuation of Syrah Resources' neighbouring Balama Project.

Samples from the drill program have been sent for laboratory analysis and assay results are pending. The Company expects to confirm a maiden JORC Resource Estimation at the Project in February 2016.

Managing Director, Cherie Leeden commented:

“Based on visual geology from drilling at Balama Central we are confident in delivering a maiden Resource Estimate at the project upon receiving all laboratory and metallurgy results. The Company has already hosted an end-user visit to the project, and we are of the view that we remain undervalued relative to Syrah Resources, whose Balama Project is immediately adjacent to our project. I would like to acknowledge our geology team and Mitchell Drilling for their work in our resource definition drill programs in 2015.”

Metals of Africa has outlined a pathway to fast track development of the project. This includes commencing a Pre-feasibility Study post the confirmation of a JORC Resource Estimate, and, in parallel investigating the viability of establishing a spherical graphite plant in the USA.

Further details on the drill program are provided in the Technical Appendix included in this announcement.



Photograph 1. Diamond drill rig on location at the Balama Central License



Photograph 2. Example of high grade weathered graphite observed (Hole LX014D at 20m)



Technical Appendix

Drill targets were identified using airborne geophysical data flown by the Company (VTEM™ = Versatile Time Domain Electromagnetic). The drill program confirmed a strike length of 1,800 metres of graphite mineralisation, drilled predominantly on 200 x 50 metres spacing with some 400 x 50 metres spaced drill lines (refer to Figure 2). Graphite mineralisation remains open along strike and at depth. The Balama Central resource drill program focused on a small portion of the VTEM anomaly where coincident outcropping graphite mineralisation was present, thus representing a low risk drill program.

Drilling focussed on the Lennox prospect. Diamond core holes were drilled with HQ3 core diameter from the surface. The target mineralisation at the Lennox prospect is a circa 100 metre wide high grade zone of graphite mineralisation within a wider lower grade sedimentary package. Visual logging estimates the average grade to range between 5-15% VGE (visual graphite estimate) with high grade zones expected to host 10-20% VGE. Visual graphite estimates observed by MTA geologists logging the drill core is provided below. Results from holes LX001D, LX002D and LX003D exceed 60 metres of visual graphite observed from very close to surface.

Lennox Prospect Summary of Visual Graphite Mineralisation logged to date.


- LX001D - 63m @ 5 -10% VGE from 5m
- LX002D - 60m @ 5 -15% VGE from 22m
- LX003D - 65m @ 5 -10% VGE from 3m
- LX004D - 30m @ 5 -10% VGE from 15m
- LX007D - 50m @ 5 -15% VGE from 50m
- LX009D - 40m @ 5 -15% VGE from 60m
- LX011D - 45m @ 5 -15% VGE from 16m
- LX012D - 50m @ 5 -10% VGE from 50m
- LX013D - 22m @ 5 -10% VGE from 29m
- LX014D - 22m @ 5 -10% VGE from 8m, 18m @ 5 -10% VGE from 35m, 38m @ 5 - 15% VGE from 60m
- LX015D - 15m @ 5% - 10% VGE from 5m
- LX016D - 45m @ 10 - 15% VGE from 25m

Laboratory analytical results are required to confirm these visual graphite grade range estimates with total graphitic carbon percentages and the drill core is presently being dispatched from Mozambique for analysis at ALS in Brisbane, Australia. MTA will report these results when they are finalised, likely in January 2016.

Preliminary structural core orientation studies estimate dip of stratigraphy containing mineralisation to range between 30-50° and some folding relationships were also identified, however further geoscientific assessment is required to confirm these observations. The reported drill intersection lengths are apparent width and not true width. Please refer to Figures 3 and 4 which depict interpreted and representative geological cross sections.

The mineralisation and geology shows good correlation between drill holes and drill lines and MTA is optimistic of obtaining an Indicated & Inferred classified resource based on the existing drill holes. In anticipation of achieving a classified resource, MTA is preparing dispatch of 30 metallurgical samples to characterise the graphite mineralogical properties to Actlabs in Canada. These results will be reported when analysis is completed.

Metals of Africa is conducting a series of research and development activities in both Australia and abroad in establishing the best process methodology in graphite (including spherical graphite) exploration 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.

Figure 1 shows the location of MTA's Balama graphite license relative to MTA's Montepuez license which reported a JORC compliant resource of 61.6Mt @ 10.3% Total Graphitic Carbon (TGC) and 0.26% V₂O₅ with calculated contained graphite of 6.3Mt and 163Kt V₂O₅ in November 2015. Also shown are nearby Syrah Resources Ltd and Triton Minerals Ltd Balama Graphite Projects.

Figure 2 shows the drill collar locations of the 20 maiden holes drilled on the Balama Central License on the Lennox Prospect. The map shows the VTEM conductor survey used to target the drill holes.

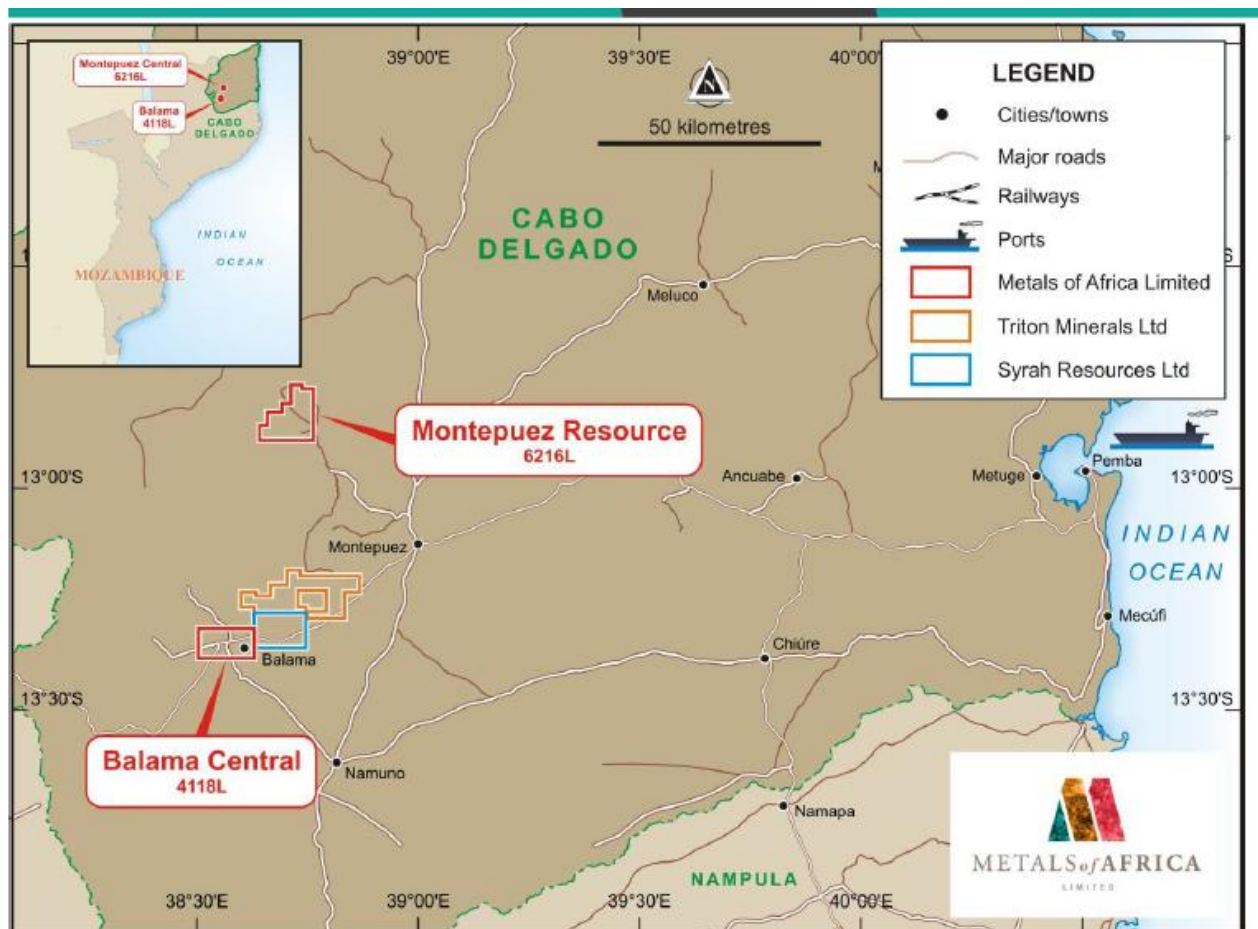


Figure 1. Location map of MTA's Balama Central license 4118L relative to its Montepuez Resource on license 6216L with nearby competitors Syrah Resources Ltd and Triton Minerals Ltd.

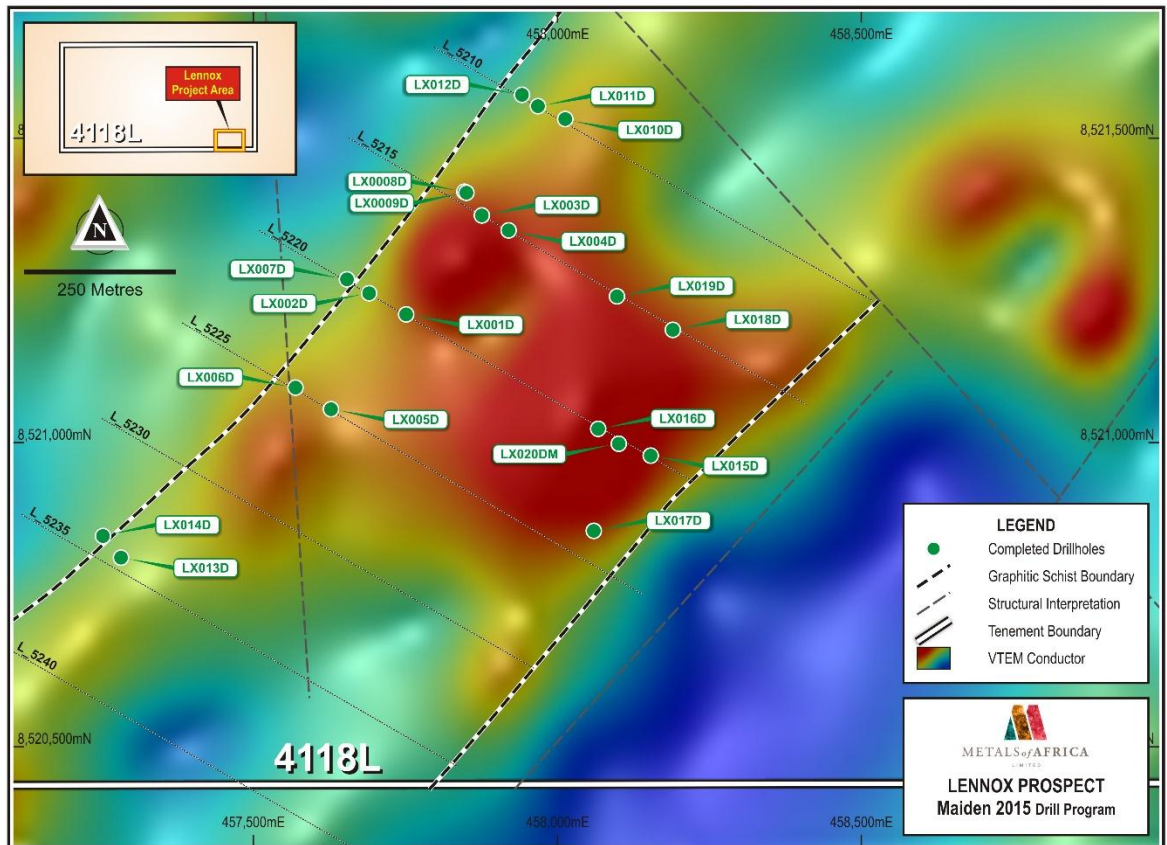


Figure 2. Map showing MTA's Balama Central – Lennox Prospect with the 20 maiden drill holes with VTEM conductor survey

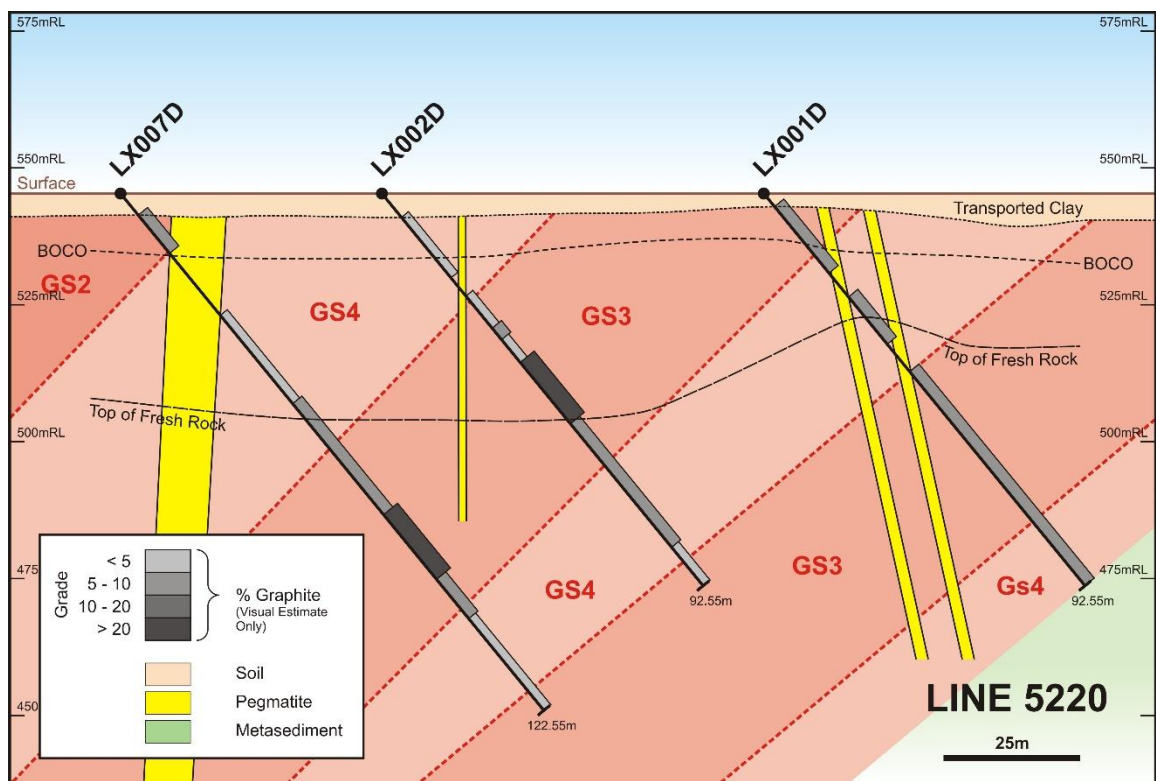


Figure 3. Line 5220 cross section. The red colour illustrates the graphite mineralised units.

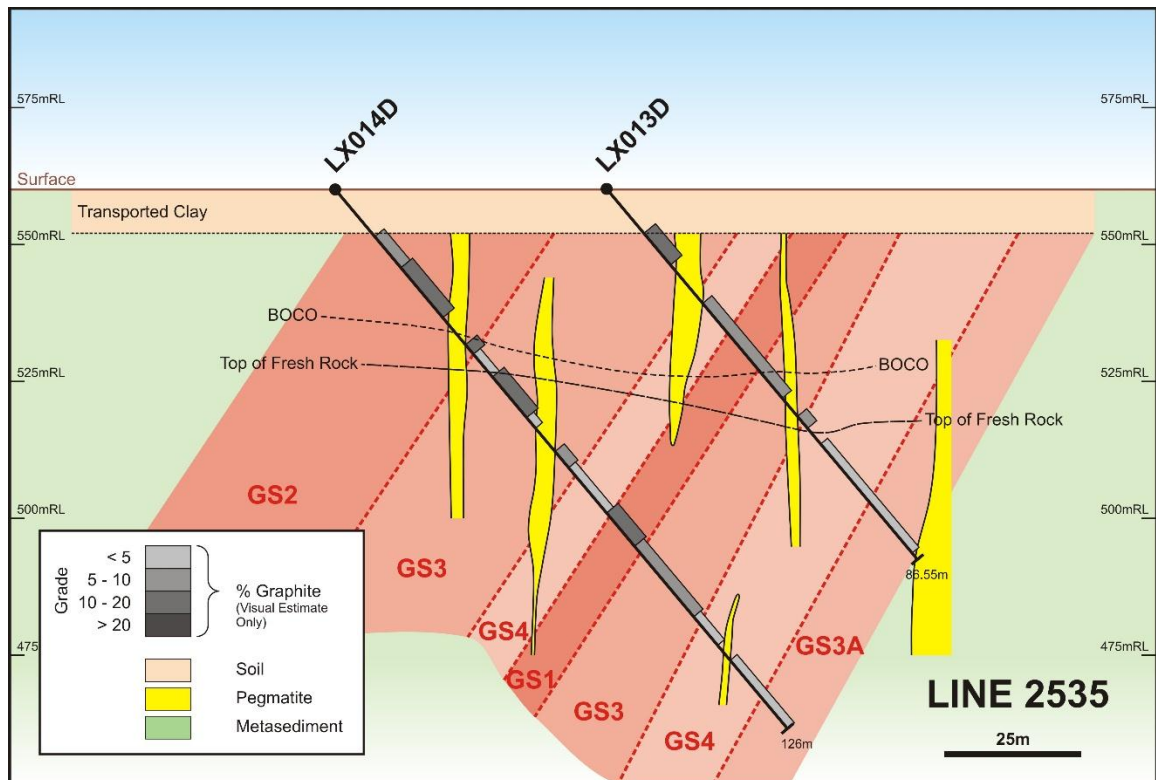


Figure 4. Line 2535 cross section. The red colour illustrates the graphite mineralised units.

On behalf of Board of Directors Metals of Africa Ltd

For further information, please contact

Cherie Leeden
Managing Director
+61 8 9322 7600
admin@metalsofafrica.com.au

About Metals of Africa Limited

Metals of Africa (ASX: MTA) is a diversified minerals exploration company dedicated to exploring for world class deposits in Africa. The Company's core commodity targets are: zinc/lead, copper and graphite. During 2015 the Company will maintain 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: Visual high-grade graphite intersected at Balama Central Project

Section 1 Sampling Techniques and Data

| Criteria | JORC Code explanation | MTA Commentary |
|-----------------------|---|---|
| Sampling techniques | <ul style="list-style-type: none"> · 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. | <ul style="list-style-type: none"> · Only visual graphite estimates observed in drill core have been reported. · No analytical sample results have been reported. |
| Drilling techniques | <ul style="list-style-type: none"> · 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). | <ul style="list-style-type: none"> · Visual graphite estimates have been reported from diamond drill core geological observations. · Diamond core holes were drilled with HQ3 (63.5mm) core diameter from surface. |
| Drill sample recovery | <ul style="list-style-type: none"> · 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. | <ul style="list-style-type: none"> · Diamond core was reconstructed into continuous runs on an iron angle cradle for orientation marking by trained field-technicians, with sample core recovery measured for each core run. |

| | | |
|---------|--|--|
| | <ul style="list-style-type: none"> · <i>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.</i> | <ul style="list-style-type: none"> · Downhole depths were validated against core blocks and drillers run sheets. · Average core recovery was satisfactory and there was no relationship or bias observed regarding the core recovery and the reported visual graphite estimates. |
| Logging | <ul style="list-style-type: none"> · <i>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.</i> · <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> · <i>The total length and percentage of the relevant intersections logged.</i> · | <ul style="list-style-type: none"> · Drill holes were logged by trained and experienced geologists. · Geological logging of all drill core included; weathering zone, lithology, colour, mineralogy, mineralisation and visual graphite estimates. · The logging and reporting of visual graphite estimates (%) on preliminary logs is semi-quantitative and not absolute. Results are preliminary, and can only be confirmed with laboratory Total Graphitic Carbon % (TGC) analytical results anticipated in January 2016. · Geotechnical logging was conducted on the drill core, verifying core % recovery and capture of RQD and fracture frequency on run intervals. · Core was oriented with alpha and beta measurements recorded. Preliminary assessment of these results indicate shallow to modest dip of host graphite stratigraphy dipping 30-50° westerly. · Given the preliminary nature of the reported results, assessment of the geotechnical and structural measurements is ongoing and shall be reported with laboratory results in 2016. · All data was initially captured on paper logging sheets, and transferred to locked excel format tables for validation and is then loaded into the parent access database. · All diamond drill core has been photographed and archived, firstly after mark-up and secondly after sampling. · Further petrological analysis needs to be conducted on the |

| | | |
|---|--|--|
| | | drilled lithologies to provide further information on protolith. |
| <i>Sub-sampling techniques and sample preparation</i> | <ul style="list-style-type: none"> · <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> · <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> · <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> · <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> · <i>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.</i> · <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> | <ul style="list-style-type: none"> · No analytical results are included in this report. · Geological logging including visual graphite estimates were conducted on whole core. |
| <i>Quality of assay data and laboratory tests</i> | <ul style="list-style-type: none"> · <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> · <i>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.</i> · <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> | <ul style="list-style-type: none"> · No laboratory analytical results are included in this report. |
| <i>Verification of sampling</i> | <ul style="list-style-type: none"> · <i>The verification of significant intersections by either independent or alternative company personnel.</i> | <ul style="list-style-type: none"> · No laboratory analytical results are included in this report. |

| | | |
|--------------------------------------|---|---|
| <i>and assaying</i> | <ul style="list-style-type: none"> · <i>The use of twinned holes.</i> · <i>Documentation of primary data, data entry procedures, data verification.</i> · <i>Discuss any adjustment to assay data.</i> | |
| <i>Location of data points</i> | <ul style="list-style-type: none"> · <i>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.</i> · <i>Specification of the grid system used.</i> · <i>Quality and adequacy of topographic control.</i> | <ul style="list-style-type: none"> · Drill hole collars were surveyed using Garmin 62s GPS device with information recorded in WGS1984 UTM · Zone 37 South datum. The device typically has a $\pm 5\text{m}$ error in the project area. No final survey of the drill hole collars has been conducted. · Reflex ACTII orientation survey tools were used to orientate the drill core and Reflex Ezy shot tools were used to survey the diamond core holes. |
| <i>Data spacing and distribution</i> | <ul style="list-style-type: none"> · <i>Data spacing for reporting of Exploration Results.</i> · <i>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.</i> · <i>Whether sample compositing has been applied.</i> | <ul style="list-style-type: none"> · Diamond drill holes were drilled -50° towards $120-130^\circ$ UTM grid east, in an attempt to drill across stratigraphy, however mineralised intercepts are not perpendicular to stratigraphy but as close as can practically be obtained. · Metallurgical hole LX020DM was drilled -90°. · Drill holes were drilled mostly on 200m line spacing with some 400m spacing (Figure 2 of announcement). · No Mineral Resource or Reserve results are reported. · No analytical results have been reported. · The collar co-ordinates for the reported drill holes pertaining the reported visual graphite estimates is tabulated in |

| | | |
|--|--|---|
| | | Appendix 2 to this table. |
| <i>Orientation of data in relation to geological structure</i> | <ul style="list-style-type: none"> · <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> · <i>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.</i> | <ul style="list-style-type: none"> · Reconnaissance geological mapping and pitting was conducted prior to drilling however most of the area is under 6-8m of oxidised cover. · Some folding relationships were observed in drill core however good correlation was noted between drill holes and drill lines. · Drill core assessment is ongoing with sectional interpretations. |
| <i>Sample security</i> | <ul style="list-style-type: none"> · <i>The measures taken to ensure sample security.</i> | <ul style="list-style-type: none"> · The samples are stored in the company's field base until laboratory dispatch. · |
| <i>Audits or reviews</i> | <ul style="list-style-type: none"> · <i>The results of any audits or reviews of sampling techniques and data.</i> | <ul style="list-style-type: none"> · No audits or reviews have been conducted on the drill core. |

Section 2 Reporting of Exploration Results

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

| Criteria | JORC Code explanation | Commentary |
|--|--|---|
| <i>Mineral tenement and land tenure status</i> | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> The Balama Central project, license 4118I 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. The Balama Central Project contains the Lennox prospect. 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 license or area. |
| <i>Exploration done by other parties</i> | <ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. | <ul style="list-style-type: none"> The project area has been mapped at 1:250,000 scale as part of a 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. VTEM survey was flown by MTA in late 2014. |
| <i>Geology</i> | <ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. | <ul style="list-style-type: none"> The project is an exploration program in which the company |

| | | |
|--|--|--|
| | | <p>is drill testing a series of VTEM conductors, reconnaissance mapping and pitting demonstrated limited surface outcrop and the drill program targeted the VTEM conductors for graphite mineralisation.</p> <ul style="list-style-type: none"> · The graphite mineralisation is contained within graphitic schist horizons with very coarse grained graphite crystals. · In a regional setting, 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. · Within the license, the Balama geology includes granitic gneiss, schists, quartzite and graphitic schist ± sericite ± roscoelite. The rocks are typical of the graphitic psammopelite observed in Syrah Resources adjacent Balama project and is a strike extension of Lennox. The rocks are dominated by coarse granoblastic quartz with 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 requires further mineral petrological analysis to confirm protolith. · The graphite forms as a result of high grade (amphibolite) 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. |
| <i>Drill hole Information</i> | <ul style="list-style-type: none"> · <i>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:</i> <ul style="list-style-type: none"> · <i>easting and northing of the drill hole collar,</i> · <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar,</i> · <i>dip and azimuth of the hole,</i> · <i>down hole length and interception depth,</i> · <i>hole length.</i> · <i>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.</i> | <ul style="list-style-type: none"> · No analytical results have been reported, only visual graphitic estimates observed from drill core during the 2015 maiden drill hole program. · Refer Appendix 2 for drill hole summary information. |
| <i>Data aggregation methods</i> | <ul style="list-style-type: none"> · <i>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.</i> · <i>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.</i> · <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> | <ul style="list-style-type: none"> · No analytical results have been reported, only visual graphitic estimates observed from drill core during the 2015 maiden drill hole program. |
| <i>Relationship between mineralisation widths and intercept lengths</i> | <ul style="list-style-type: none"> · <i>These relationships are particularly important in the reporting of Exploration Results.</i> · <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> · <i>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’).</i> | <ul style="list-style-type: none"> · Reported downhole intercepts pertaining visual graphitic estimates is from angled core holes which are not perpendicular to mineralised stratigraphy. The reported intercepts are therefore apparent dip and not true dip. Further sectional interpretations are required to report true dip. · Preliminary drill core assessment indicates stratigraphy dipping 30-50° westerly and some folding was noted. Given |

| | | |
|---|--|--|
| | | <p>the preliminary nature of the report, further cross sectional interpretation is ongoing and will be reported in 2016.</p> <ul style="list-style-type: none"> Core assessment conducted to date indicate geology and mineralisation correlates well between holes and sections however further study is required to confirm these preliminary observations. MTA however were sufficiently encouraged by the mineralisation observed in drill core it drilled a metallurgical hole to conduct mineralisation analysis in order to achieve a classified resource. |
| <i>Diagrams</i> | <ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations.</i> | <ul style="list-style-type: none"> Location map of exploration license and drill hole collars are included in the body of the report. |
| <i>Balanced reporting</i> | <ul style="list-style-type: none"> <i>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</i> | <ul style="list-style-type: none"> This report is believed to include all relevant information pertaining reporting of the visual graphite estimates observed in drill core. |
| <i>Other substantive exploration data</i> | <ul style="list-style-type: none"> <i>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.</i> | <ul style="list-style-type: none"> 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. 30x metallurgical samples are being dispatched for mineralogical analysis. |

| | | |
|--------------|---|--|
| Further work | <ul style="list-style-type: none"> · <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> · <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> | <ul style="list-style-type: none"> · MTA will continue geoscientific assessment of the drill core in 2016 to establish true width of the intersected graphitic mineralisation on each section as well as stratigraphic strike and dip and relationship with mineralisation. · Analyse and report analytical results received in 2016. · Assess geometallurgical results. · Assess further work required to achieve a classified resource in 2016. · MTA will conduct a scoping study to determine initial economic parameters |
|--------------|---|--|

| |
|---|
| Appendix 2 – Drill Summary Table |
|---|

| |
|-----------------------|
| Refer below for table |
|-----------------------|

| | Significant intercepts of reported visual graphite estimates (VGE) | | | | | | | | |
|----------|---|------------|---------|-----------|-----------|--------|-----|--------------|---|
| Datum | Collar coordinates are provided in WGS1984 UTM Zone 37 South Datum | | | | | | | | |
| Licence | 4118L Balama Project - Cabo Delgado Province Northern Mozambique | | | | | | | | |
| Prospect | Hole ID | Drill Type | East | North | Elevation | Depth | DIP | Grid Azimuth | Reported significant Visual Graphitic Estimate (VGE) |
| Lennox | LX001D | DD | 457,751 | 8,521,210 | 537.4 | 92.00 | -50 | 115 | LX001D - 63m @ 5 -10% VGE from 5m |
| | | | | | | | | | LX002D - 60m @ 5 -10% VGE from 22m, including 15m @10 – 20% VGE 40m |
| | LX002D | DD | 457,690 | 8,521,245 | 542.3 | 92.55 | -50 | 120 | |
| | LX003D | DD | 457,876 | 8,521,373 | 537.4 | 110.55 | -50 | 130 | LX003D - 65m @ 5 -10% VGE from 3m |
| | LX004D | DD | 457,920 | 8,521,348 | 535.3 | 48.19 | -50 | 130 | LX004D - 30m @ 5 -10% VGE from 15m |
| | LX005D | DD | 457,628 | 8,521,054 | 537.4 | 76.05 | -50 | 130 | |
| | LX006D | DD | 457,569 | 8,521,090 | 542.3 | 110.00 | -50 | 130 | |
| | | | | | | | | | LX007D - 50m @ 5 -10% VGE from 50m, including 15m @15 – 20% VGE from 76m |
| | LX007D | DD | 457,654 | 8,521,268 | 547.0 | 122.55 | -50 | 130 | |
| | LX008D | DD | 457,847 | 8,521,412 | 555.0 | 35.25 | -50 | 130 | |
| | | | | | | | | | LX009D - 40m @ 5 -10% VGE from 60m, including 10m @10 – 20% VGE from 29 |
| | LX009D | DD | 457,850 | 8,521,410 | 551.0 | 113.55 | -50 | 130 | |
| | LX010D | DD | 458,013 | 8,521,531 | 553.0 | 45.60 | -50 | 130 | |
| | | | | | | | | | LX011D - 45m @ 5 -10% VGE from 16m, including 10m @10 – 20% VGE from 18m |
| | LX011D | DD | 457,968 | 8,521,552 | 557.0 | 92.55 | -50 | 130 | |
| | LX012D | DD | 457,942 | 8,521,571 | 542.0 | 131.55 | -50 | 130 | LX012D - 50m @ 5 -10% VGE from 50m |
| | LX013D | DD | 457,282 | 8,520,811 | 559.0 | 86.55 | -50 | 130 | LX013D - 22m @ 5 -10% VGE from 29m |
| | | | | | | | | | LX014D - 22m @ 5 -10% VGE from 8m, 18m @ 5 -10% VGE from 35m, 38m @ 5 -10% VGE from 60m, including 10m @10 – 20% VGE from 75m |
| | LX014D | DD | 457,253 | 8,520,846 | 563.0 | 126 | -50 | 130 | |
| | LX015D | DD | 458,153 | 8,520,978 | 535.0 | 49.55 | -50 | 130 | LX015D - 15m @ 5% VGE from 5m |
| | LX016D | DD | 458,067 | 8,521,022 | 537.0 | 100 | -50 | 130 | LX016D - 45m @ 10 - 15% VGE from 25m |
| | LX017D | DD | 458,060 | 8,520,855 | 537.0 | 40.00 | -50 | 130 | |
| | LX018D | DD | 458,188 | 8,521,186 | 584.0 | 71.55 | -50 | 120 | |
| | LX019D | DD | 458,098 | 8,521,240 | 536.0 | 22.62 | -50 | 130 | |
| | LX020DM | DD | 458,101 | 8,520,998 | 568.0 | 38.3 | -90 | 130 | |