

**ASX Announcement
Metals of Africa Ltd**

27 January 2016

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MTA Capital Structure

Shares on Issue: 210,916,509

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

Unlisted Options 8,505,167
(various price, expiry)

Market Cap. @ \$0.045; A\$9.49m

MTA Board

Gilbert George
Non Executive Chairman

Cherie Leeden
Managing Director

Brett Smith
Non Executive Director

Steven Wood
Company Secretary

ASX Code: MTA

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Laboratory results confirm high-grade graphite intersected at Balama Central Project

Maiden JORC Resource anticipated Q1 2016

Highlights

- Metals of Africa has received its first batch of laboratory results from Resource definition drilling at Balama Central Graphite Project
- Results indicate a very high grade zone of 17-22.7% TGC within broad high grade mineralisation of 5-9% TGC.
- Results include:
 - 85.55m at 9.33% TGC from 8m including a very high grade zone of 15.85m at 22.69% TGC from 39.2m
- Mineralisation is present from near-surface and is open at depth and along strike in both directions
- Multiple outcropping high grade graphite outcrops remain undrilled
- The project is the strike continuation of Syrah Resources Balama Project
- Further laboratory assay results expected February with a maiden JORC Mineral Resource Estimation to follow
- Graphite end-user discussions and detailed metallurgical test work is ongoing

Metals of Africa Limited (ASX: MTA) ("the Company") is pleased to announce high grade graphite laboratory assay 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 results are highly positive and include a zone of very high grade graphite of 17-22.7% TGC within a broad zone of high grade mineralization, grading 5-9% TGC.

Highlight results include;

- 85.55m at 9.33% TGC from 8m, including 15.85m at 22.69% TGC from 39.2m

Mineralisation is present from near-surface and is open at depth and along strike in both directions. Multiple outcropping high grade graphite outcrops and VTEM targets remain undrilled.

Further laboratory assay results are expected in February and following receipt of these a maiden JORC Mineral Resource Estimation will be delivered.

Background to Balama Central Drilling

Geology at the Balama Central Project appears to be a strike continuation of Syrah Resources' neighbouring Balama Project. MTA conducted a maiden resource definition drill program at the project in November and December 2015. Drilling targeted an approximately 100 metre wide high-grade graphite zone over a 1.8km strike length. The program drilled 20 diamond core holes for a total of 1,605 metres and targeted shallow oxide graphite primary mineralisation. The average drill hole depth was 80 metres.

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. The program was extended from 1,000 metres to 1,600 metres due to the encouraging results encountered during drilling.

Managing Director, Cherie Leeden commented:

"Our first batch of assay results from drilling at Balama Central confirm we have a very high grade graphite zone of 17-22.7% TGC that is enveloped by mineralisation ranging from 5-9% TGC. In addition, there are multiple high grade outcrops yet to be drilled which indicates that this maiden drill program has only scratched the surface of the project's potential. We remain confident in delivering a maiden Resource Estimate at the project upon receiving all laboratory and metallurgy results. Our feasibility study has commenced at our nearby Montepuez Graphite project and will commence at our Balama Central project as soon as our maiden JORC resource is unveiled. We are of the view that we remain undervalued relative to Syrah Resources, whose Balama Project is immediately adjacent to our project."

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

Laboratory results provide confirmation of previously reported Visual Graphite Estimates (VGE) for five of the twelve holes reported 16 December 2015 from the Lennox Prospect and continue to provide MTA optimism of achieving an Inferred and Indicated JORC compliant resource for the Lennox Prospect during quarter one 2016. Laboratory results for the remaining seven holes are anticipated in February 2016.

Laboratory results confirming significant graphite drill hole intersections are summarised in Table 1 with grades for Total Graphitic Carbon (TGC) and Vanadium (V). The best returned intersection includes hole LX002D with 84.55m @ 9.33% TGC and 0.17% V from 8.0m incl. 15.85m @ 22.69% TGC and 0.47% V from 39.2m with mineralisation to end of hole. Hole LX007D returned 113.25m @ 6.79% TGC and 0.11% V from 1.3m incl. 18m @ 17.2% TGC and 0.34% V from 76m.

Hole ID	Laboratory confirmed drill results for Lennox Prospect
LX001D	51.85m @ 4.96% TGC & 0.08% V from 5.3m
LX002D	84.55m @ 9.33% TGC & 0.17 % V from 8.0m incl. • 15.85m @ 22.69% TGC & 0.47% V from 39.2m
LX003D	71.00m @ 6.62% TGC & 0.10% V from 0m
LX004D	44.90m @ 5.53% TGC & 0.10% V from 0.8m
LX005D	43.7m @ 6.16% TGC & 0.05% V from 1.3m
LX006D	51.00m @ 8.41% TGC & 0.14% V from 18.0m incl. • 8.00m @ 17.02% TGC & 0.27% V from 30.5m
LX007D	113.25m @ 6.79% TGC and 0.11% V from 1.3m incl. • 18.00m @ 17.2% TGC and 0.34% V from 76.0m

Table 1. Summary table of Lennox Prospect laboratory results recently received for diamond drill holes drilled in November and December 2015.

The strike length of the graphite mineralisation exceeds 1,800m and is open along strike to the north and south, and is open at depth for all drilled sections 200x50m and 400x50m, the Lennox Prospect therefore has excellent potential to increase prospect tonnage with further drilling.

Laboratory results for holes LX009D, LX011D, LX013D, LX014D, LX015D and LX016D are anticipated in February 2016. Resource Estimation Consultants, RungePincockMinarco (RPM) have recently conducted a site visit to the Lennox prospect and have conducted a geological assessment. MTA remain optimistic of achieving a maiden JORC compliant resource by Q1 2016. Metallurgical samples are also being analysed, this test work is expected to take a few months to complete.

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.

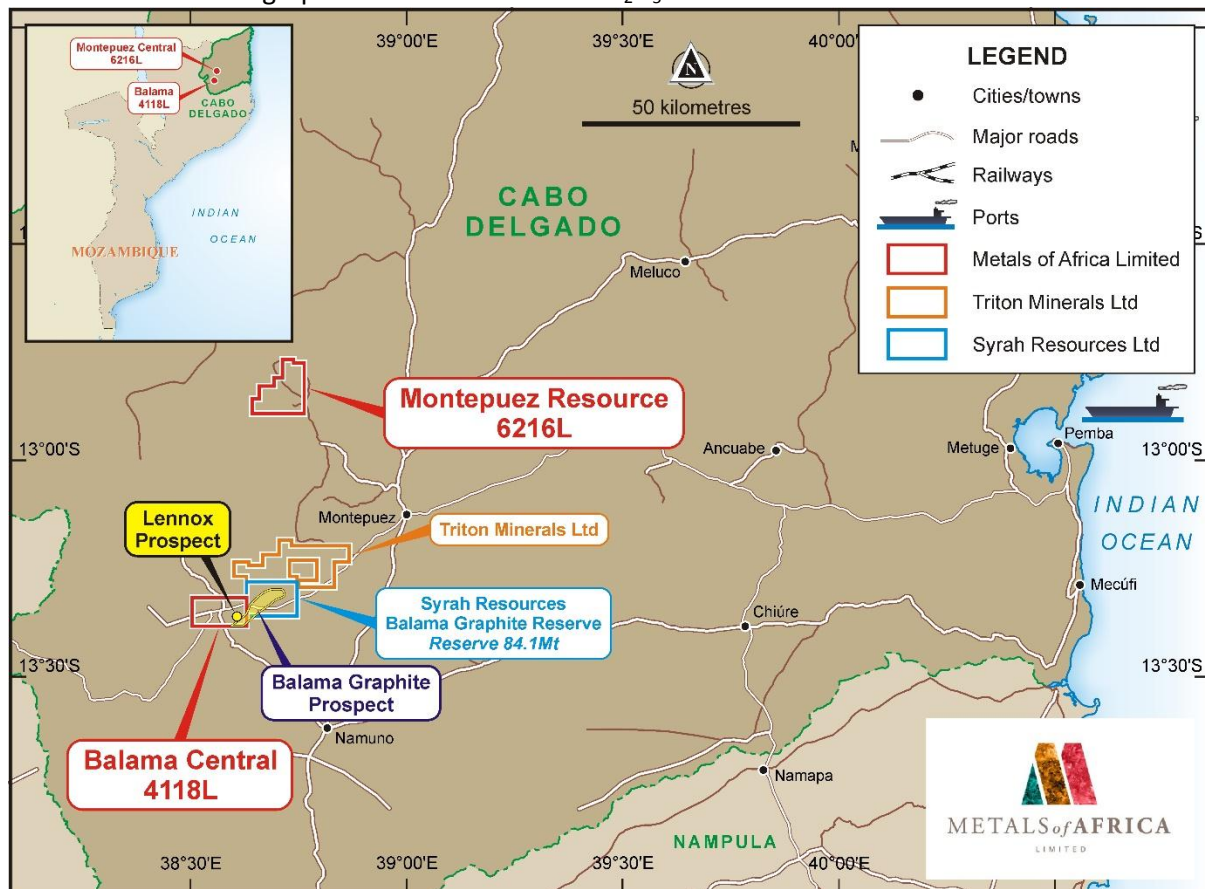


Figure 1. Location map of MTA's Balama Central license 4118L with the Lennox Prospect shown relative to MTA's Montepuez Resource project. Lennox Prospect is a strike extension of Syrah Resources Balama Project geology.

The returned laboratory results are from the Lennox Prospect maiden drill program completed in November and December 2015 in which 20 drill holes targeted a VTEM™ (Versatile Time Domain Electromagnetic) anomaly, drill hole locations are shown in Figure 2. The reported drill core results were analysed by ALS Laboratory in Brisbane, Australia. The dip of the graphite host stratigraphy ranges from -50 - 70° westerly and the drill holes were drilled -50° easterly, therefore the reported drill core intersection lengths are apparent width and not true width. Figures 3-5 refer cross sections which provide detail on the stratigraphic attitude of the mineralised graphitic units labelled GS1 to GS4 with drill results annotated for holes received to date. Diamond drill holes were drilled HQ3 diameter from surface. Geological assessment and interpretation is ongoing with resource studies.

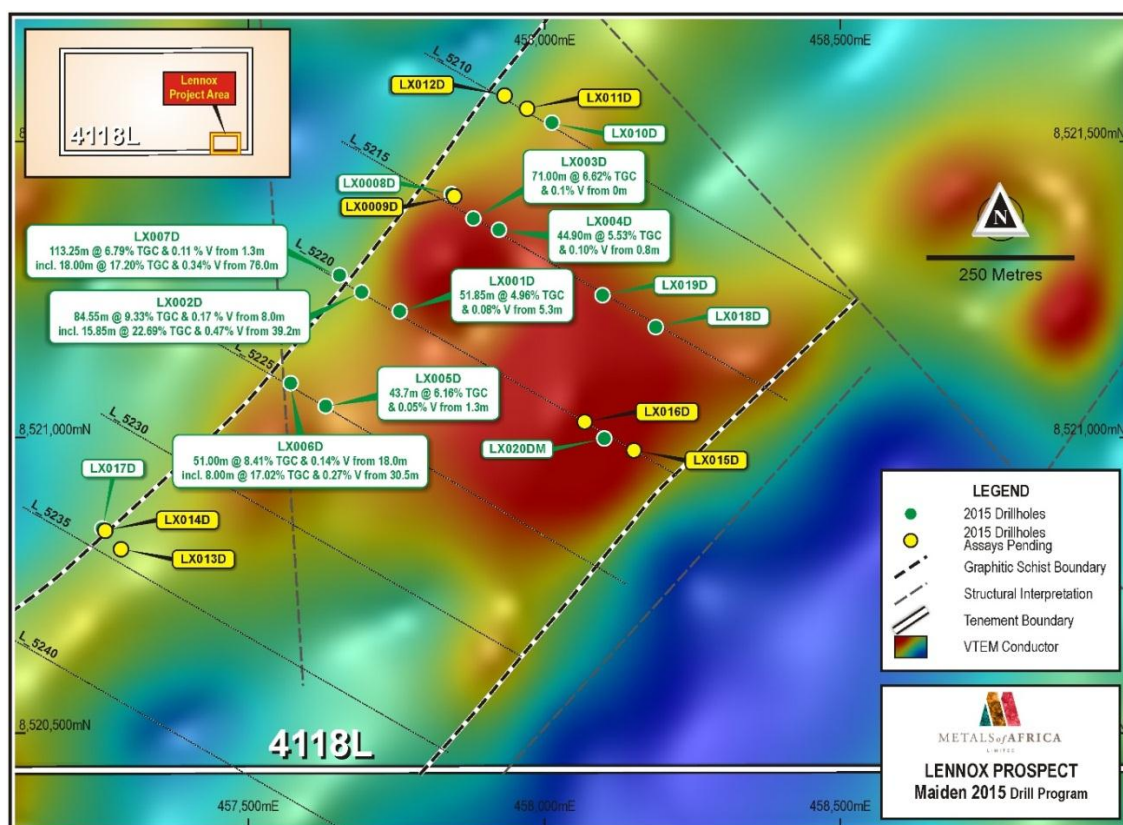


Figure 2. Lennox Prospect drill holes with annotated laboratory results received and those holes with laboratory samples outstanding. The drill program targeted a VTEM™ conductor anomaly as shown.

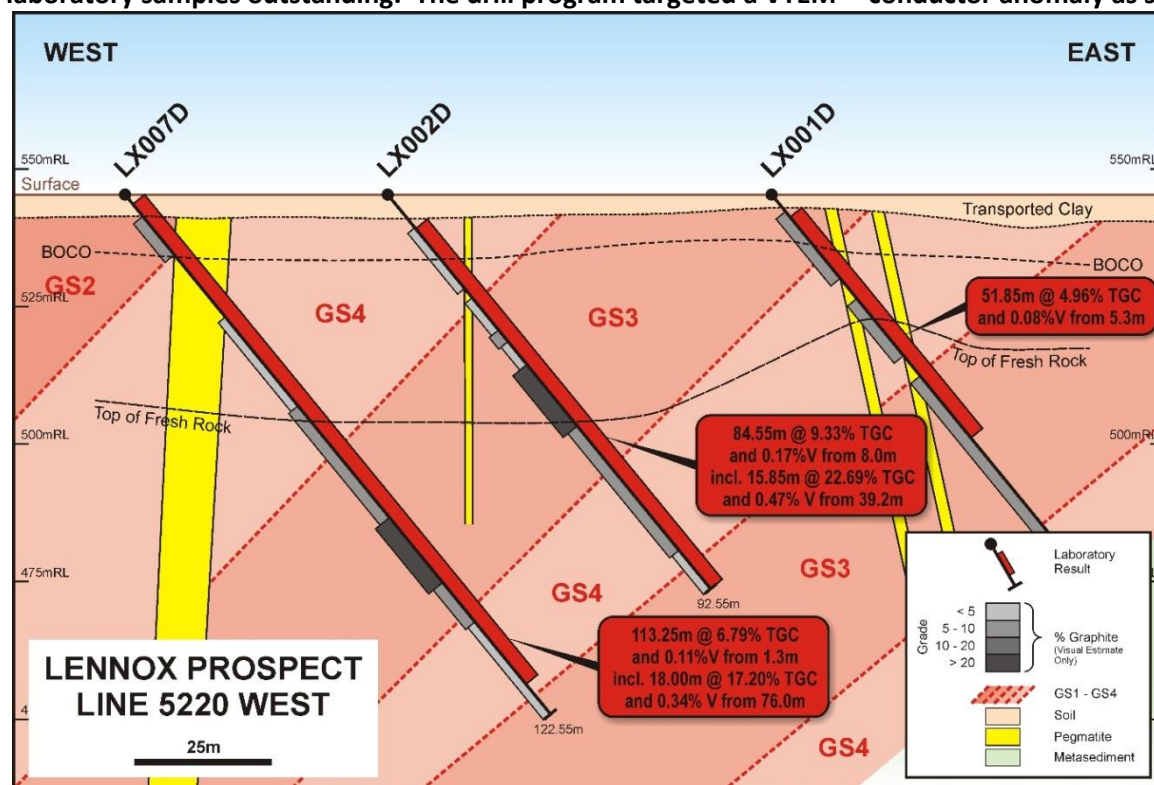


Figure 3. Lennox Prospect line 5220 West showing significant down hole intersections of TGC with laboratory results confirming prior reported Visual Graphite Estimate (VGE). Mineralisation is open to the east and west and down dip.

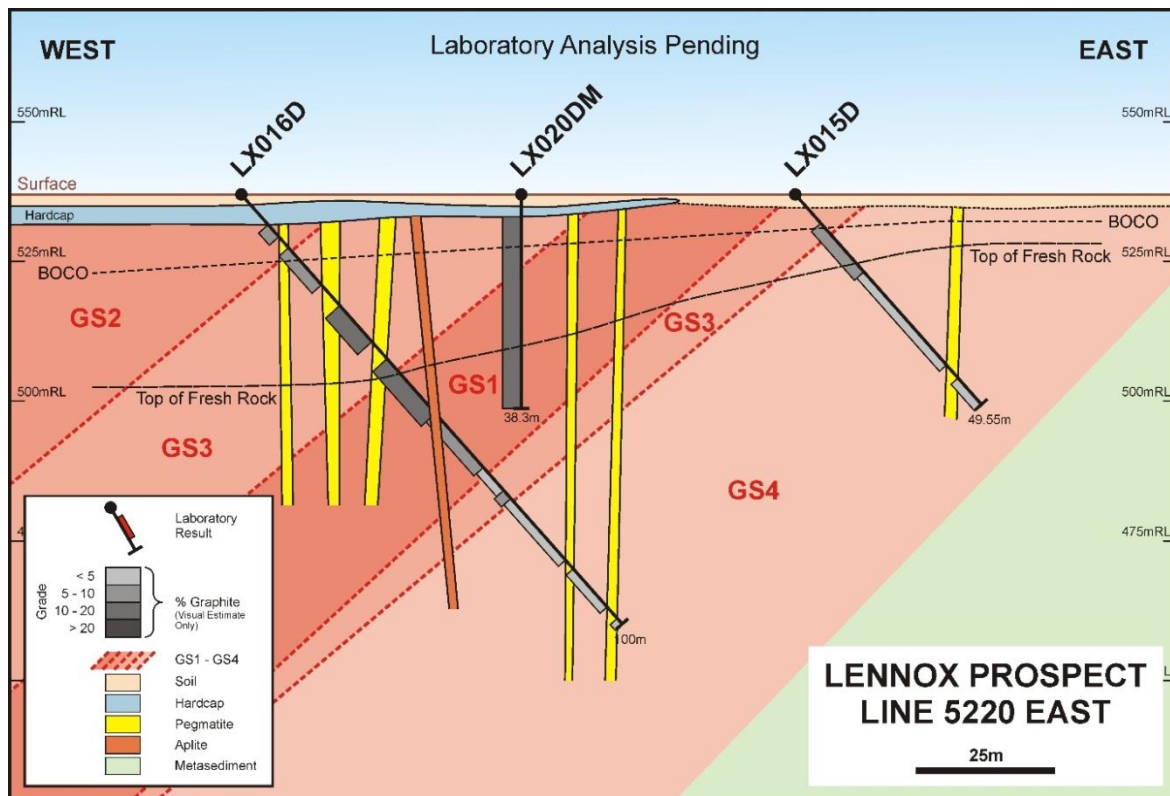


Figure 4. Lennox Prospect line 5220 East showing Visual Graphite Estimate (VGE) for holes LX016D & LX015D and location of geo metallurgical hole LX020DM, laboratory results are pending and shall be reported when they are received.

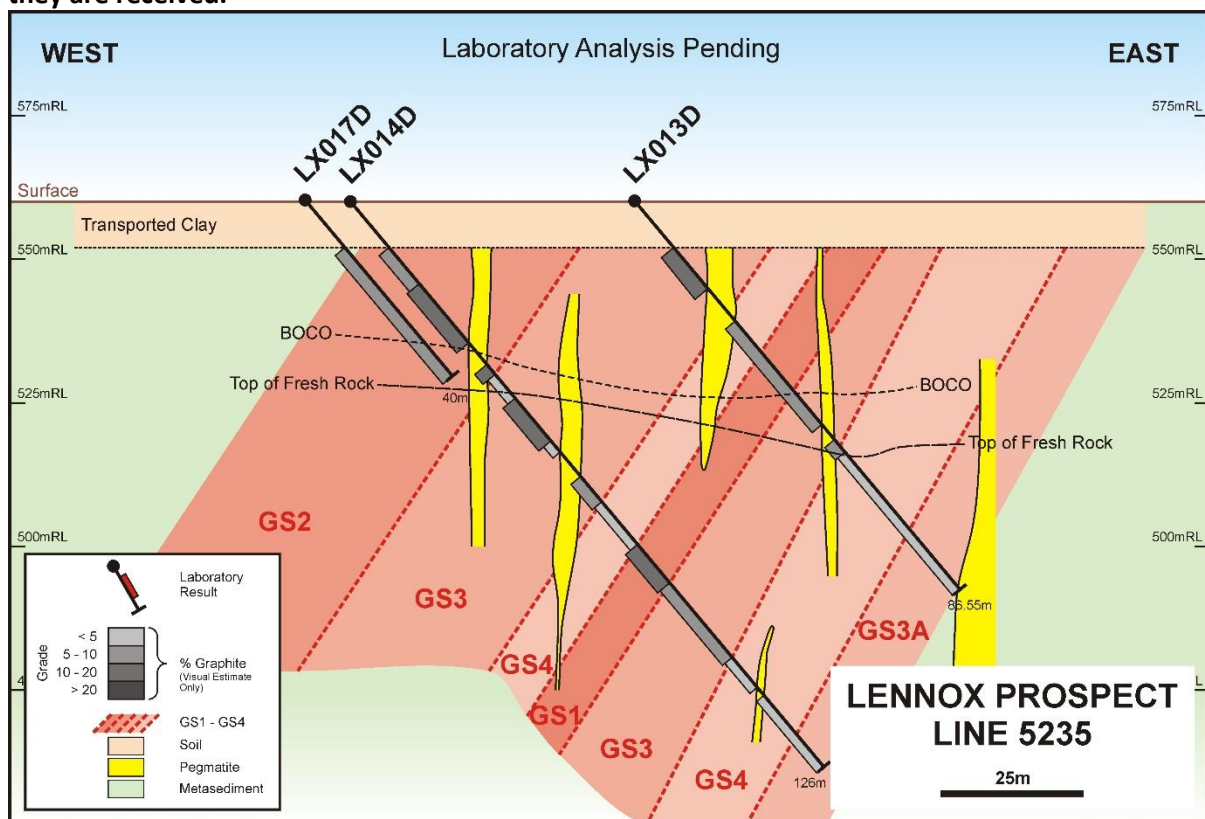


Figure 5. Lennox Prospect 5235 showing Visual Graphite Estimate (VGE) for holes LX013D, LX014D and LX017D, laboratory results are pending and shall be reported when they are received.



On behalf of Board of Directors Metals of Africa Ltd

For further information, please contact

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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: graphite and zinc. The Company is focused on the rapid development of its graphite assets located in Mozambique and advancement of its zinc project located in Gabon. MTA 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:

Laboratory results confirm 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">· Reported laboratory results are for HQ3 quarter core analysis, with ≤2m sample lengths.· Standard industry electrical core saw was used to cut the core.
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">· 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	<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

	<p><i>representative nature of the samples.</i></p> <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> 	<p>core run.</p> <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 laboratory results. · Hole LX017D was re-drilled with LX014D as 1m of mineralised core was lost down the hole.
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. · Previously reported visual graphite estimates (%) have been confirmed with laboratory Total Graphitic Carbon (%) (TGC) analysis for 5 of the 12 reported holes 16th December 2015 (Appendix 2). · 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 moderately steep dip of host graphite stratigraphy dipping 50-70° westerly. · Sections provided in report capture interpreted stratigraphy and pegmatite distribution. · All data was initially captured on paper logging sheets, and transferred to locked excel format tables for validation and was 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.
Sub-sampling techniques and sample preparation	<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"> · Laboratory results are for drill core which was quarter core sampled. · samples and CRM's and blanks inserted 1:20 Geometallurgical samples have been sent to Act Labs Canada for graphite flake size distribution analysis.
Quality of assay data and laboratory tests	<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"> · Core samples were submitted to ALS Johannesburg (South Africa) for sample preparation and geochemical analysis was completed by ALS in Brisbane (Australia). · Samples were sorted, oven dried at 105°C, crushed to -2mm and a 300g subsample taken for pulverising in an LM5 with 85% passing -75um. · Loss on Ignition (LOI) has been determined between 105° and 1050° C. Results are reported on a dry sample basis. · Analysis includes Total Graphitic Carbon (TGC) Total Sulphur (TS) analysis by LECO, LOI TGA and ICP-AES. · Total Carbon and Total Organic Carbon completed on 10% of samples · The detection limits and precision for the TGC and TS analysis are considered adequate for reporting and future resource estimation. · QAQC protocols include the use of; a coarse blank

		<p>to monitor contamination during the preparation process, Certified Reference Material (CRM) insertion ration of 1:20. The blank samples comprise 1-2kg of dolomitic marble locally sourced.</p> <ul style="list-style-type: none"> · All laboratory batch QC measures were checked for bias and no bias has been identified in the results received. Duplicate samples returned acceptable repeatability. · Four CRM (GGC001, GGC004, GGC005 and GGC010) are used to monitor analysis of laboratory for graphitic carbon, carbon and sulphur. · One base metal CRM (AMIS 346) is being utilised to monitor vanadium
Verification of sampling and assaying	<ul style="list-style-type: none"> · 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. 	<ul style="list-style-type: none"> · No twinned drill holes have been drilled on the project to date. · Data entry procedures are described in the Logging section. · No adjustments have been made to the reported laboratory data.
Location of data points	<ul style="list-style-type: none"> · 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. 	<ul style="list-style-type: none"> · Drill hole collars were surveyed in using Garmin 62s GPS device with information recorded in WGS1984 UTM Zone 37 South datum. The device typically has a ± 5m error in the project area. · 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.
Data spacing and distribution	<ul style="list-style-type: none"> · 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. 	<ul style="list-style-type: none"> · Diamond drill holes were drilled -50° towards 120-130° 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

		<p>some 400m spacing.</p> <ul style="list-style-type: none"> · No Mineral Resource or Reserve results are reported. · Reported laboratory results have been weight averaged for the drill intercept length. · The collar co-ordinates for the reported drill holes is tabulated in Appendix 2.
<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 transported cover. · Some folding relationships were observed in drill core however good correlation was noted between drill holes and drill lines. · Geological model assessment is ongoing with potential resource studies. ·
<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"> · Consultants RPM have visited site to verify geological field procedures, drill core and project criteria with objective to determine if JORC compliant resource can be achieved from the maiden drill program.

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 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. 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 acquired by MTA. MTA has not been able to locate exploration information

		from prior exploration parties.
Geology	<ul style="list-style-type: none"> · <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> · The project is an exploration program in which the company 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. · 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 granulitic 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 of which Lennox is a strike extension. 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)

		<p>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.</p> <p>.</p>
Drill hole Information	<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"> · Refer Appendix 2 for drill hole summary information for November & December 2015 drill program.
Data aggregation methods	<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"> · Reported exploration drill results are length weighted downhole intercepts. · No cut-off grades have been applied. · % Total Graphitic Carbon (TGC) and & Vanadium (V) have been reported. · Metal equivalent values have not been used.
Relationship between mineralisation widths and intercept	<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,</i> 	<ul style="list-style-type: none"> · Reported downhole intercepts pertaining TGC and V from angled core holes which are not perpendicular to mineralised stratigraphy. The reported intercepts are therefore apparent dip and not true dip. Sectional interpretations showing host graphite stratigraphy have

<i>lengths</i>	<i>there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	<p>been provided in the report and are open east and west of line 5220 West.</p> <ul style="list-style-type: none"> · Preliminary drill core assessment indicates stratigraphy dipping 50-70° westerly and some folding was noted. · Core assessment conducted to date indicate geology and mineralisation correlates well between holes and sections. ·
<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, drill hole collars and reported intercepts 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 laboratory analytical results confirming prior reported VGE 16th December 2015. ·
<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 initial reconnaissance surface and pit mapping. · Subsequent to mapping, VTEM data was acquired by MTA. · 30x metallurgical samples are pending mineralogical analysis.
<i>Further work</i>	<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"> · Analyse and report outstanding laboratory results · Receipt and assessment of geometallurgical data · JORC resource estimation · Concept study that if positive will feed into Pre-feasibility study

Appendix 2 – Drill Summary Tables

Refer over page

Lennox Prospect Drill hole information with VGE and reported laboratory results										
Datum		Collar coordinates are provided in WGS1984 UTM Zone 37 South Datum								
Licence		4118L Balama Project, Lennox Prospect - Cabo Delgado Province Northern Mozambique								
Prospect	Hole ID	Drill Type	East	North	Elevation	Depth	DIP	Grid Azimuth	Reported significant Visual Graphitic Estimate (VGE) 16.12.2105	Reported Laboratory Result
Lennox	LX001D	DD	457,751	8,521,210	537.4	92.00	-50	115	LX001D - 63m @ 5 -10% VGE from 5m	LX001D - 51.85m @ 4.96% TGC & 0.08% V from 5.3m
	LX002D	DD	457,690	8,521,245	542.3	92.55	-50	120	LX002D - 60m @ 5 -10% VGE from 22m, including 15m @10 – 20% VGE 40m	LX002D - 84.55m @ 9.33% TGC & 0.17 % V from 8.0m including 15.85m @ 22.69% and 0.47% V from 39.2m
	LX003D	DD	457,876	8,521,373	537.4	110.55	-50	130	LX003D - 65m @ 5 -10% VGE from 3m	LX003D - 71.00m @ 6.62% TGC & 0.10% V from 0m
	LX004D	DD	457,920	8,521,348	535.3	48.19	-50	130	LX004D - 30m @ 5 -10% VGE from 15m	LX004D - 44.90m @ 5.53% TGC & 0.10% V from 0.8m
	LX005D	DD	457,628	8,521,054	537.4	76.05	-50	130	No VGE reported	LX005D - 43.7m @ 6.16% TGC & 0.05% V from 1.3m
	LX006D	DD	457,569	8,521,090	542.3	110.00	-50	130	No VGE reported	LX006D - 51.00m @ 8.41% TGC & 0.14% V from 18.0m incl. 8.00m @ 17.02% TGC & 0.27% V from 30.5m
	LX007D	DD	457,654	8,521,268	547.0	122.55	-50	130	LX007D - 50m @ 5 -10% VGE from 50m, including 15m @15 – 20% VGE from 76m	LX007D - 113.25m @ 6.79% TGC and 0.11% V from 1.3m incl. 18.00m @ 17.2% TGC and 0.34% V from 76.0m
	LX008D	DD	457,847	8,521,412	555.0	35.25	-50	130		
	LX009D	DD	457,850	8,521,410	551.0	113.55	-50	130	LX009D - 40m @ 5 -10% VGE from 60m, including 10m @10 – 20% VGE from 29	
	LX010D	DD	458,013	8,521,531	553.0	45.60	-50	130		
	LX011D	DD	457,968	8,521,552	557.0	92.55	-50	130	LX011D - 45m @ 5 -10% VGE from 16m, including 10m @10 – 20% VGE from 18m	
	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	DD	457,253	8,520,846	563.0	126	-50	130	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	
	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		

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Core Holes 2015

Hole ID	Prospect	Drill Type	UTM East	UTM North	Elevation	Survey	Plan Depth	Max Depth	RC	HQ	DIP	Mag Azimuth	Grid Azimuth	DH BOCO	DH TFR	Rig	Company	Start	Finish	Duration	Dispatch ID
LX001D	Lennox	DD	457755.385	8521212.873	534.783	0.02	90	92.00		92.00	-50	121	115	10	16.7	1119	Mitchell	31-Oct-15	03-Nov-15	3	SDB002
LX002D	Lennox	DD	457691.270	8521244.997	536.542	0.02	150	92.55		92.55	34	126	120	12	54	1119	Mitchell	04-Nov-15	05-Nov-15	1	SDB003
LX003D	Lennox	DD	457879.693	8521369.613	536.177	0.02	90	110.55		110.55	-50	136	130	4	19	1119	Mitchell	05-Nov-15	06-Nov-15	1	SDB004
LX004D	Lennox	DD	457923.205	8521350.435	536.664	0.02	50	48.19		48.19	-50	136	130	8	13	1119	Mitchell	07-Nov-15	08-Nov-15	1	SDB006
LX005D	Lennox	DD	457630.506	8521053.057	538.655	0.02	90	76.05		76.05	-50	136	130	5	19	1119	Mitchell	08-Nov-15	09-Nov-15	1	SDB005
LX006D	Lennox	DD	457571.080	8521091.779	540.059	0.02	150	110.00		110.00	-50	136	130	13	39	1119	Mitchell	09-Nov-15	11-Nov-15	2	SDB007
LX007D	Lennox	DD	457653.871	8521273.638	537.217	0.02	130	122.55		122.55	-50	136	130	5	15	1119	Mitchell	11-Nov-15	13-Nov-15	2	SDB008
LX008D	Lennox	DD	457843.235	8521410.654	535.085	0.02	120	35.25		35.25	-50	136	130	14.5	NA	1119	Mitchell	13-Nov-15	14-Nov-15	1	
LX009D	Lennox	DD	457847.180	8521407.012	535.172	0.02	120	113.55		113.55	-50	136	130	12	39	1119	Mitchell	14-Nov-15	21-Nov-15	7	SDB009
LX010D	Lennox	DD	458012.528	8521531.196	539.570	0.02	40	45.60		45.60	-50	136	130	5	42	1119	Mitchell	21-Nov-15	22-Nov-15	1	SDB010
LX011D	Lennox	DD	457970.445	8521554.981	539.005	0.02	90	92.55		92.55	-50	136	130	27	36	1119	Mitchell	22-Nov-15	24-Nov-15	2	SDB011
LX012D	Lennox	DD	457932.743	8521576.973	538.081	0.02	120	131.55		131.55	-50	136	130	34	55	1119	Mitchell	24-Nov-15	26-Nov-15	2	
LX013D	Lennox	DD	457285.183	8520811.237	550.774	0.02	70	86.55		86.55	-50	136	130	18	57	1119	Mitchell	27-Nov-15	28-Nov-15	1	SDB012
LX014D	Lennox	DD	457258.445	8520842.029	550.690	0.02	90	126.00		126.00	-50	136	130	17	58	1119	Mitchell	28-Nov-15	30-Nov-15	2	SDB013
LX015D	Byron	DD	458150.932	8520977.992	532.812	0.02	70	49.55		49.55	-50	136	130	12	25	1119	Mitchell	30-Nov-15	01-Dec-15	1	
LX016D	Byron	DD	458067.440	8521026.165	533.029	0.02	130	100.00		100.00	-50	136	130	16	40	1119	Mitchell	01-Dec-15	02-Dec-15	1	SDB014
LX017D	Lennox	DD	457,253	8,520,846	537.0	5	40	40.00		40.00	-50	136	130	9.8	NA	1119	Mitchell	02-Dec-15	03-Dec-15	1	
LX018D	Byron	DD	458,188	8,521,186	584.0	5	100	71.55		71.55	-50	126	120	15	34	1119	Mitchell	04-Dec-15	06-Dec-15	2	
LX019D	Byron	DD	458,098	8,521,240	536.0	5	100	22.62		22.62	-50	136	130	NA	NA	1119	Mitchell	06-Dec-15	07-Dec-15	1	
LX020DM	Byron	DD	458,101	8,520,998	568.0	5	50	38.3		38.3	-90	6	0	12	32	1119	Mitchell	07-Dec-15	08-Dec-15	1	
BWB001	Water bore	RC	457801.203	8521180.797	532.103	0.02			60		-90	6	0			1118	Mitchell	27-Oct-15	28-Oct-15	1	
21							1890	1,605	60	1605								27-Oct-15	08-Dec-15	35	