

ASX Announcement
29 January 2016

ACTIVITIES FOR THE QUARTER ENDED 31 DECEMBER 2015

The 31 December 2015 quarter capped off what has been an exceptional year for Metals of Africa Limited (ASX: MTA) ("the Company"), and the Board would like to thank the shareholders for their support during this challenging yet rewarding period. The Company is rapidly advancing toward its goal of becoming a low-cost producer of highly sought after natural flake graphite.

Quarter Highlights

- **Maiden Mineral Resource of 61.6Mt at 10.3% total graphitic carbon (TGC) and 0.27% vanadium oxide (V2O5) for 6.3Mt contained graphite and 163Kt V2O5 at Montepuez Central Project in Mozambique**
 - **Indicated Mineral Resource: 27.6Mt at 10.4% TGC and 0.23% V2O5**
 - **Inferred Mineral Resource: 34.1Mt at 10.2% TGC and 0.30% V2O5**
- **High grade graphite intersected at Balama Central Project, initial laboratory results have confirmed:**
 - **a very high grade zone of 17-22.7% TGC within broad high grade mineralisation of 5-9% TGC**
 - **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**
- **Completion of an oversubscribed placement to raise a total of \$3m**
- **Ruby Joint Venture commenced to explore Montepuez East Ruby Project in Mozambique**
- **Kroussou Zinc-Lead Project in Gabon advancing**

Operations

Mozambique – High Grade Graphite

Montepuez Central Project

The Company was pleased to announce a maiden JORC 2012 Mineral Resource estimate ("Resource") at its Montepuez Central Graphite Project ("the Project") in the world class Cabo Delgado graphite province of Mozambique in East Africa during the December 2015 quarter.

Total resource calculated is;

- 61.6Mt at 10.3% total graphitic carbon (TGC) and 0.27% vanadium oxide (V₂O₅) for 6.3Mt of graphite and 163Kt of V2O5 (at a 6% TGC cut-off).

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The Mineral Resource comprises an;

- Indicated JORC Mineral Resource of 27.6Mt at 10.4% TGC and 0.23% V_2O_5 for 2.9 Mt of graphite and 62Kt V_2O_5 ; and an
- Inferred JORC Mineral Resource of 34.1Mt at 10.2% TGC and 0.30% V_2O_5 for 3.5Mt TGC and 101Kt V_2O_5 .

Montepuez Central Graphite Project
November 2015 Mineral Resource Estimate (6% TGC Cut-off)

Class	Tonnes	TGC	V_2O_5	Cont. Graphite	Cont. V_2O_5
	Mt	%	%	Mt	Kt
Measured					
Indicated	27.6	10.4	0.23	2.9	62
Inferred	34.1	10.2	0.30	3.5	101
Total	61.6	10.3	0.26	6.3	163

The Company was delighted with the results of the maiden JORC Mineral Resource Estimate at the Montepuez Central Graphite Project. The Mineral Resource is high grade, at 10.3% TGC, and remains open along strike and down dip. As a result further resource tonnage is highly likely to be confirmed from any future drill programs, particularly given that only 5% of the prospective geology at the Project has been drilled. Other highlights from the Resource include:

- Resource contains a higher percentage content of large and jumbo flake size than any existing published graphite resource in Mozambique
- Off-take discussions have commenced with end users
- Spherical graphite facility economic assessment underway
- Pre-Feasibility Study has commenced

Please refer ASX announcements on 16 November 2015 and 8 December 2015 for complete details on the maiden JORC 2012 Resource at the Project.

Balama Central Project

Subsequent to the end of the December quarter the Company received its first batch of laboratory results from resource definition drilling at Balama Central Graphite Project. 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 however represent highly prospective targets for the Company in the near future.

The Balama Central Graphite Project is the strike continuation of Syrah Resources Balama Project. Further laboratory assay results are expected in February and following receipt of these a maiden JORC Mineral Resource Estimation will be delivered.

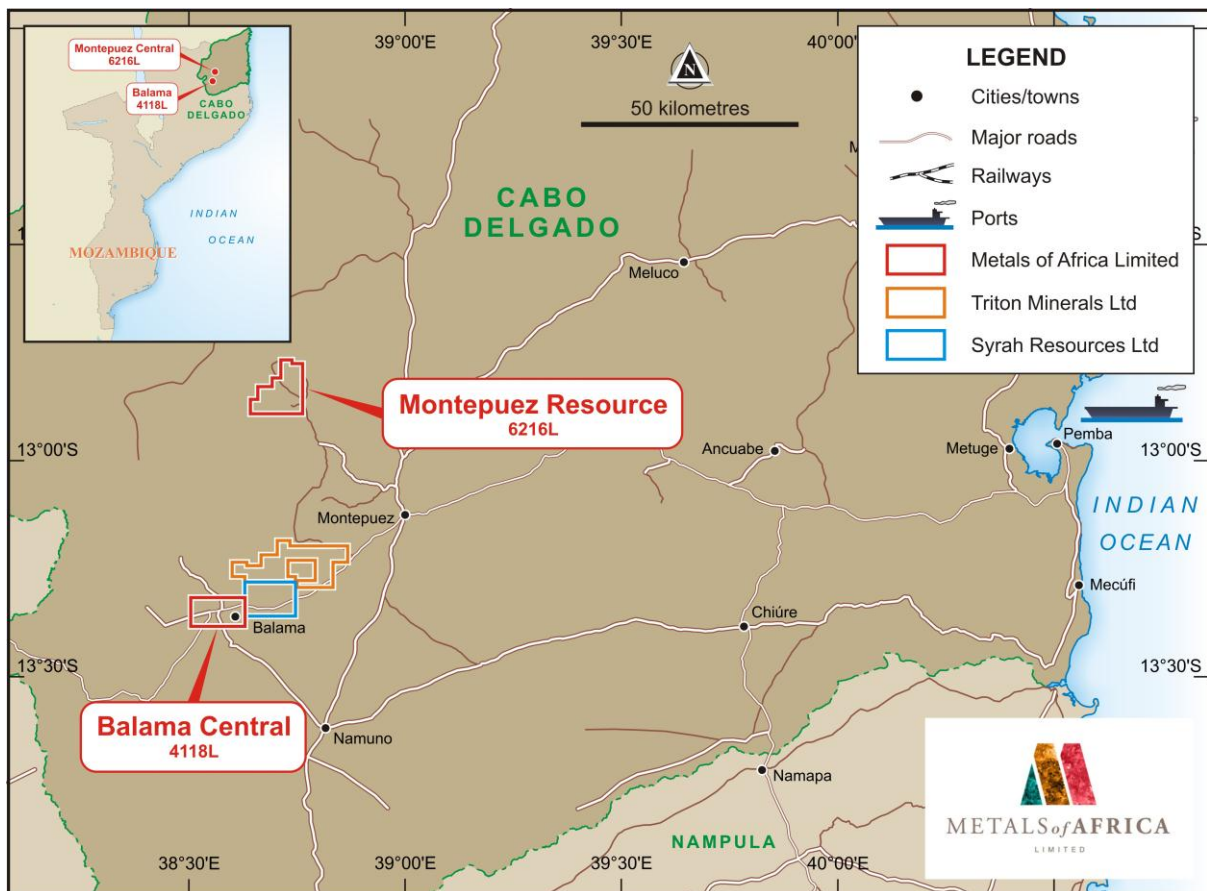


Figure 1. MTA’s Graphite Projects: Montepuez Central and Balama Central licenses in red.

Gabon – High grade lead-zinc

During the quarter the Company continued its focus on the translation of historical exploration results generated from BRGM drilling in the 1960’s. The Company was also able to obtain historical geophysical reports which will influence which techniques the Company uses in its modern exploration advancement. These translations are providing significant information that is enabling the Company to generate advance drill targets with minimal on-ground expenditure.

The Company has commenced discussions with a number of parties who have expressed interest in the Kroussou project.

Research and Development

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.



Corporate

The Company completed a general meeting on 12 November 2015 that enabled it to complete the second tranche of an oversubscribed placement for \$3m. The meeting also granted the Company's directors approval to participate in the placement by way of an allotment and also via the issue of shares in lieu of a portion of their normal salary.

The Placement saw the introduction of two new cornerstone investors, Farjoy Pty Ltd and Mr Navin Sidhu.

For further information please contact:

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Tenement Summary – 31 December 2015

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

*subject to JV with Mozambican Ruby LDA, announced to ASX 20 October 2015. Should relevant expenditure commitments be met by Mozambican Ruby LDA then they will acquire 75% of licence 5572.

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

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

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

About the Montepuez Graphite Project

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

About Metals of Africa Limited (MTA)

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



Competent Persons Statement

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

The information in this report that relates to Mineral Resources is based on information compiled by Mr Robert Dennis who is a Member of Australian Institute of Geoscientists and a full time employee of RPM Limited. Mr Dennis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Dennis consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

Metals of Africa Limited

ABN

75 152 071 095

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1,329)	(3,934)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(320)	(1,379)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	5	22
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (R&D Refund)	-	110
Net Operating Cash Flows		(1,644)	(5,181)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(1,644)	(5,181)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,644)	(5,181)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,532	3,007
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	(102)	(183)
	Net financing cash flows	1,430	2,824
	Net increase (decrease) in cash held	(214)	(2,357)
1.20	Cash at beginning of quarter/year to date*	1,719	3,862
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,505	1,505

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

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

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	62
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director fees and consulting.

Non-cash financing and investing activities

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

Nil

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

n/a

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	700

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,505	1,719
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,505	1,719

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

[illegible]

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	210,916,509	210,916,509		Ordinary fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	a) 7,661,894 (drill-for-equity) 35,332,930 (tranche placement) ²	a) 7,661,894 35,332,930		
7.5	*Convertible debt securities (description)	801,621	-	nil	
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	a) nil b) 358,728 (converted to Ordinary shares)	-	nil	
7.7	Options (description and conversion factor)	1,955,167 600,000 57,854,396 2,500,000 1,000,000 2,450,000	Unquoted Unquoted Quoted Unquoted Unquoted Unquoted	Exercise price \$0.15 \$0.168 \$0.15 \$0.093 \$0.26 \$0.15	Expiry date 3 Dec 2016 3 Dec 2016 7 Jan 2017 31 March 2017 4 February 2018 31 Dec 2017
7.8	Issued during quarter				
7.9	Exercised during quarter				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.10	Expired during quarter	3,666,666	Unquoted	\$0.25	31 Dec 2015
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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

Compliance statement

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

29 January 2016

Sign here:
(Director/Company secretary)

Date:

Print name: Steven Wood
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Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

+ See chapter 19 for defined terms.

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

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