METALS of AFRICA

LIMITED

and its Controlled Entities

ABN 75 152 071 095

Financial Report
31 December 2015

Contents

Corporate Information

This financial report includes the consolidated financial statements and notes of Metals of Africa Limited and its controlled entities ("the Group"). The Group's presentation currency is AUD ($).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Directors' report on pages 3 to 17. The Directors' report is not part of the financial report.

Directors

Gilbert George
Non-Executive Chairman

Cherie Leeden
Managing Director

Brett Smith
Non-Executive Director

Andrew McKee
Non-Executive Director
Appointed 5 February 2015
Resigned 25 May 2015

Company Secretary

Steven Wood

Registered Office

945 Wellington Street
West Perth WA 6005

Website

http://metalsofafrica.com.au

Share Registry

Automic Registry Services
Level 1, 7 Ventnor Avenue
West Perth WA 6005
T: 08 9324 2099

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Bankers

Westpac Banking Corporation
Level 13, 109 St Georges Tce
Perth WA 6000

Solicitors

GTP Legal
Level 1, 28 Ord Street
West Perth WA 6005

Stock Exchange

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

ASX Code: **MTA**

Letter to Shareholders

Dear Shareholder,

The 2015 calendar year saw significant continued progress of your company's graphite assets while we responded quickly to changing circumstances in the resources industry.

Under challenging market conditions we raised sufficient capital to progress both the Montepuez and Balama Central projects to the point where we have announced two maiden JORC resources and the commencement of a Pre-feasibility Study (PFS).

In both cases small drill programs on a tiny proportion of our mineralised corridors have identified high grade resources from surface, with an exceptionally high proportion of large/jumbo flake size (>50%). This is a remarkable achievement in less than 12 months, and is a tribute to our Managing Director, Cherie Leeden and her dedicated team of expatriate and local staff.

The results of our recently announced Concept Study at the Montepuez Project point to costs of around US$300/tonne of graphite concentrate – amongst the lowest in the world, which augers well for the discussions we are holding with potential off-take partners.

Reliable, cheap sources of high quality graphite concentrate are one of the key factors supporting the rapid growth of the market for electric vehicles (EV's), and for the rapidly growing Energy Storage System (ESS) market. The global ESS market will be worth about US$34bn of annual revenue in 2023, which seems equivalent to the global EV battery market (Navigant Research, 2016). The acquisition of a pilot spherical graphite plant in March of this year will enable us to conduct mine-to-customer testing and qualification of our graphite for end users in the EV and ESS market.

Base metals have generally been out of favour for the past 12 months, but there is a growing consensus that global Zinc supply in particular will start to become an issue in 2016. Our highly prospective zinc and lead project at Kroussou in Gabon is a standout as a potential world class exploration project. As previously announced we have identified outcropping mineralisation (up to 30% combined Zn/Pb in places) at over 20 locations along 90km of strike. This mineralisation appears to be laterally extensive because it has been identified up to 10 km west of our outcrops, in historic oil drill holes.

The very shallow dipping, Mississippi River style lead-zinc mineralisation lends itself to simple mine development, and the petrology indicates that a clean, low -impurity concentrate can be produced. We look forward to progressing this project and building on the extensive database (including a historical, therefore non-JORC compliant resource) we have from the French BRGM's almost 400-drill hole program that was conducted from the 1960's.

Corporately we have raised $3 million before costs during 2015, and welcomed strategic and experienced cornerstone investors to our register. The ongoing support of our shareholders, and the benefits of our geographical and product diversity are significant factors in allowing us to continue to pursue an active program in the current economic climate. One of our challenges for 2016 is to address the large disparity in our market capitalisation when compared with some of our peers in the graphite sector.

I would also like to extend my deep condolences to the family of our long standing employee and friend Bangun Maruli Tua Napitupulu (known as Ruli). Sadly, Ruli passed away of natural causes on site in November. He is fondly remembered, and friends and staff of Metals of Africa will ensure his wife and three small children are well cared for in Indonesia.

On the staffing front I would like to acknowledge the efforts of our small team of expatriate and local staff led by our incredibly hard working and focused Managing Director Cherie Leeden. Cherie's effort and dedication are outstanding. Brett Smith's contribution on the Board has also been greatly appreciated.

While the market conditions in the near future are still hard to read, we will continue to actively develop projects that will place us in a position to benefit quickly from any turnaround in the markets.

Thank you for your ongoing support and we look forward to a very rewarding 2016.

Yours faithfully

Gilbert George
Non-executive Chairman

Directors' Report

The Board of Directors present the following report on Metals of Africa Limited and its controlled entities (referred to hereafter as "the Group") for the year ended 31 December 2015.

Directors

The names of the Directors in office during the financial period and until the date of this report are as follows. All Directors were in office for the entire period unless otherwise stated:

Director	Position	Appointed	Resigned
Gilbert George	Non-Executive Chairman	1 August 2012	-
Cherie Leeden	Managing Director	19 July 2013	-
Brett Smith	Non-Executive Director	1 August 2012	-
Andrew McKee	Non-Executive Director	5 February 2015	25 May 2015

Principal Activities

Metals of Africa had many highlights during 2015 as a result of its principal activities in Mozambique developing the Montepuez and Balama Central Graphite Projects. As previously announced in detail to the ASX, during 2015 the Company:

- completed a maiden drilling program at the Montepuez Project, resulting in significant new graphite discovery. Drill intersections included 145.59m @ 9.60% TGC and 0.12% V from 34m, including a 1m section of up to 33.8% TGC and 0.26% Vanadium;
- multiple high grade graphite discoveries at the Montepuez Central Project, including;
  - 100.7m @ 11.5% TGC and 0.26% Vanadium from 2m depth
  - 94.8m @8.79% TGC and 0.25% vanadium from 1m
  - 169.15m @ 10.8% TGC from Elephant Prospect
  - 105.1m @ 10.0% TGC from Buffalo Prospect
- undertook on-ground exploration program at the Kroussou lead-zinc project including discovery of high-grade outcropping (grades up to 9.69% Zn and 33.1% Pb);
- produced Graphene Oxide and Graphene from raw graphite at the Company's Montepuez Project;
- discovered high grade graphite at the Balama Central Project, including assay samples of 17.55% TGC and 0.364% vanadium;
- entered into a joint venture to advance the Montepuez East Ruby Project in Mozambique. JV Partner to spend US$400,000 to earn into 75% of the Project;
- completed the acquisition of Balama Central (currently awaiting final Mozambican government regulatory approval);
- completed a maiden drill program at the Balama Central Project, including 85.55m at 9.33% TGC from 8m including a very high grade zone of 15.85m at 22.69% TGC from 39.2m; and
- completed and released a maiden JORC resource at the Montepuez Central Project of 61.6 Mt at 10.3% TGC and 0.26% V_2O_5 for 6.3Mt of graphite and 163Kt of V_2O_5 (at a 6% TGC cut-off).

Subsequent to the year end, as a result of activities completed during the year, the Company:

- completed a robust concept study at the Montepuez Project at a proposed 100,000t concentrate per year production rate (60 year mine life, US$86m capital cost, US$300/t OPEX) (refer ASX announcement 10 February 2016);
- released a maiden JORC resource at the Balama Central Project for 16.3Mt at 10.4% TGC and 0.21% V_2O_5 for 1.7Mt of contained graphite and 34kt V_2O_5 (refer ASX announcement 21 March 2016); and
- relinquished a number of its tenements in Mozambique due to prevailing economic and market conditions as it was determined not to be in the best interest of the Company to continue exploration at this point in time. These tenements include licenses 5473, 6254, 6251, 6253, 5345, 5350, 6187, 6191, 6170, 6167, 6172, 1442, 1509, 1885, 3588 and 1411. Consequently, all deferred exploration relating to these licenses were written off at 31 December 2015.

Directors' Report (continued)

Dividends

No dividends were paid during the year (31 December 2014: Nil).

Review of Operations and Financial Results

The Consolidated Statement of Profit or Loss and other Comprehensive Income shows a net loss attributable to members of $8,522,394 for the year ended 31 December 2015 (31 December 2014: $4,045,628).

During the year the Company continued its focus on delivering shareholder value through the development of its graphite projects at Montepuez Central and Balama Central, and the Kroussou lead-zinc project. The Company was also active on the corporate front, raising $3,007,600 in capital before costs in a difficult market to enable the exploration and development of its projects, and pursuing acquisitions and other corporate transactions including the Montepuez East Ruby Project JV, that represented potential value to the Company and its shareholders.

Further, given the decision made during the year to relinquish certain tenements, the company recognised an impairment loss of $6,223,797 relating to its deferred exploration previously capitalised. See further details below.

Significant Changes in State Of Affairs

There were no significant changes in the state of affairs of the Company during the year ended 31 December 2015.

Likely Developments and Expected Results of Operations

The Group is continuing the exploration and development programs associated with the Montepuez Central and Balama Central Graphite Projects, with a Pre-Feasibility Study to be undertaken in 2016 and the continued exploration and development of the Kroussou Zinc/Lead Project in Gabon.

In addition to the exploration activity undertaken, the Group is actively seeking to identify and assess opportunities to acquire other exploration prospects or projects that have the potential to enhance Shareholder value. The Group will maintain an active dialogue with private and public entities in the course of expanding or enhancing the Group's portfolio of assets.

The Group will promote the development of its projects and ensure all activities are carried out in a transparent and responsible way, which contributes to the well-being of local communities in addition to increasing Shareholder value.

After Reporting Date Events

Subsequent to year end, the company relinquished a number of its tenements in Mozambique as the economic viability of these licenses were questionable and it was determined not to be in the best interest of the company to continue exploration. These tenements include licenses 5473, 6254, 6251, 6253, 5345, 5350, 6187, 6191, 6170, 6167, 6172, 1442, 1509, 1885, 3588 and 1411. Consequently, all deferred exploration relating to these licenses were written off at 31 December 2015. On 30 March 2016 the Company announced that it had agreed to jointly acquire a micronizing and spherodisation mill to produce spherical graphite in the USA as part of a battery production and testing facility for an immaterial amount to be funded from existing cash reserves.

With the exception of the above, there are no material events that have occurred that would require disclosure.

Directors' Report (continued)

Environmental regulation

The Group is subject to significant environmental regulation in respect of mineral exploration activities. The Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of the shareholders, employees and suppliers. The Group's exploration activities are currently regulated by significant environmental regulation under laws of the Commonwealth and states and territories of Australia. The Group aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Company is in compliance with the National Greenhouse and Energy Reporting Act 2007.

The directors are mindful of the regulatory regime in relation to the impact of the organisational activities on the environment.

There have been no known breaches by the Group during the year.

Information on Directors

Cherie Leeden (appointed 19 July 2013)	Managing Director
Qualifications	BSc Applied Geology (Hons)
Experience	Ms Leeden is a member of the Australian Institute of Geoscientists. Ms Leeden has been involved in mining and exploration for the past ten years with her primary experience relating to coal and iron projects.
Current Directorships	Nil
Former directorships in last 3 years	Select Exploration Ltd (renamed Rent.co.au): Non-Executive Director appointed 10 January 2011, resigned 18 September 2014
Number of shares held	3,749,873 (as at date of report)
Number of options held	1,686,911 listed ($0.15, 7/01/2017) 1,000,000 unlisted ($0.15, 3/12/2016) 1,000,000 unlisted ($0.26, 4/02/2018)

Directors' Report (continued)

Information on Directors (cont'd)

Gilbert George (appointed 1 August 2012)	Non-Executive Chairman
Qualifications	BSc (Hons) MEc
Experience	With a Masters Degree in Economics from a prestigious Japanese university, Gilbert has a wide range of experience in international business development and management. In addition to exceptional business credentials he has worked hard for the charities sector and also has his hand in script and film development in the Indie sector that fosters up-and-coming new talent. Formerly a senior bilingual Australian embassy official in Tokyo, he established his own business development consultancy in 1988. He is the principal of Gilbert George & Associates Pty Ltd which has provided strategic advice to companies in Australia, Africa, Japan, the US and Europe and been involved in over $950 million of new investment in Australia, in the resource, IT, food processing and service sectors. Resource experience includes Iron, Gold, Manganese, oil and heavy mineral sands. In October 2009 he was appointed as an independent member on Japan's most innovative wave energy body, the Tokyo Wave Power Initiative, a committee including the city of Tokyo, regional governments and national agencies involved in the promotion of Japan's new energy sources.
Current directorships	Nil
Former directorships in last 3 years	Mindax Ltd – Director appointed 2004, resigned 31 May 2014 Governor Holdings Pty Ltd – company de-registered 26 September 2014
Number of shares held	4,009,236 (as at date of report)
Number of options held	1,644,208 listed ($0.15, 7/01/2017)

Directors' Report (continued)

Information on Directors (cont'd)

Brett Smith (appointed 1 August 2012)	Non-Executive Director
Qualifications	BSc (Hons), MAUSIMM MAIG
Experience	Brett Smith has acquired over 20+ years of experience in the mining and exploration industry as a geologist, manager, consultant and director. His industry experience is broad, dominated by exploration and resource definition.
Current Directorships	Managing Director - Corazon Mining Limited Non-Executive Director – Iron Mountain Mining Limited
Former directorships in last 3 years	Non-Executive Director – Jacka Resources Limited – resigned 20 May 2014 Non-Executive Director – Blackham Resources Limited – resigned 7 June 2013 Executive Director - Cauldron Energy Limited – resigned 23 June 2015
Number of shares held	492,922 (as at date of report)
Number of options held	124,513 listed (0.15, 7/01/2017)

Andrew McKee (appointed 5 February 2015, resigned 25 May 2015)	Non-Executive Director
Experience	Andrew McKee has over 35 years of broad-based executive experience in all aspects of exploration, financing, development and operations of mining in Western Australia. Mr McKee has highly developed board room skills in strategy, analysis, planning and risk, and has experience in executive directorship positions in publicly listed Australian companies for over two decades.
Current Directorships	n/a
Former directorships in last 3 years	n/a
Number of shares held	nil
Number of options held	nil

Directors' Report (continued)

Information on Directors (cont'd)

Director Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Group during the year are:

	Number of Meetings Eligible to Attend	Number of Meetings directors' attended
Number of Meetings Held	4	4
Number of Meetings Attended		
Director		
Mr Gilbert George	4	4
Ms Cherie Leeden	4	4
Mr Brett Smith	4	4
Mr Andrew McKee	2	2

Retirement, election and continuation in office of directors

In accordance with the Constitution, the appropriate directors will retire at the annual general meeting and, being eligible, offer themselves for re‐election.

Company Secretary

Mr Steven Wood, BCom. CA, was appointed to the position of Company Secretary on 18 January 2012. Mr Wood is an employee of Grange Consulting Group Pty Ltd which provides a unique range of corporate & financial services to listed and unlisted companies.

Financial Position

The net assets of the Group have decreased from $14,909,675 as at 31 December 2014 to $8,403,223 as at 31 December 2015. The Group's working capital, being current assets less current liabilities, has decreased from $3,614,638 as at 31 December 2014 to $1,413,610 as at 31 December 2015.

Shares under Option

Unissued ordinary shares of Metals of Africa Limited under option at the date of this report are as follows:

Date Options Granted	Expiry Date	Exerceise Price	Number Under Option
3 December 2013	3 December 2016	$0.15	1,816,667
3 December 2013	3 December 2016	$0.168	600,000
2 January 2014	7 January 2017	$0.15	22,248,794
7 February 2014	7 January 2017	$0.15	30,981,208
31 March 2014	3 December 2016	$0.15	138,500
31 March 2014	31 March 2017	$0.093	2,500,000
23 June 2014	7 January 2017	$0.15	3,802,000
12 August 2014	7 January 2017	$0.15	822,394
16 January 2015	4 February 2018	$0.26	1,000,000
2 April 2015	31 December 2017	$0.15	2,450,000

Total un-issued ordinary shares under option at the date of this report are 66,359,563.

Directors' Report (continued)

Shares Issued on the Exercise of Options

There were no options exercised during the financial year.

Insurance of Officers

The Group has executed a policy with an appropriate level of Directors and Officers Liability Insurance and paid a premium of $11,186 during the year.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Group.

Proceedings on Behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001.

Non-Audit Services

The Group may decide to employ its auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group is important.

During the year the following fees were paid or payable for services provided by BDO:

	Consolidated 31 December 2015 $	Consolidated 31 December 2014 $
Audit Services		
Amounts received or accrued, due and receivable by BDO Audit (WA) Pty Ltd		
- An audit or review of the financial reports of the consolidated entity	51,796	48,401
Total remuneration for audit services	**51,796**	**48,401**
Non-Audit services		
Amounts received by BDO Tax (WA) Pty Ltd, being related practices of BDO Audit (WA) Pty Ltd		
- Preparation of Tax Returns and Advice	-	12,883
Total remuneration for non-audit services	**-**	**12,883**

Directors' Report (continued)

Non-Audit Services (cont'd)

The board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Audited Remuneration Report

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration.
B Details of remuneration
C Service agreements
D Share-based compensation
E Director share and option holdings
F Additional information

The names of the Directors in office during the period are as follows:

Director	Position	Appointed	Resigned
Gilbert George	Non-Executive Chairman	1 August 2012	-
Cherie Leeden	Managing Director	19 July 2013	-
Brett Smith	Non-Executive Director	1 August 2012	-
Andrew McKee	Non-Executive Director	5 February 2015	25 May 2015

A <u>Principles used to determine the nature and amount of remuneration</u>

The Board has elected not to establish a remuneration committee based on the size of the organisation and has instead agreed to meet as deemed necessary and allocate the appropriate time at its board meetings.

The following items are considered and discussed as deemed necessary at the board meetings:

- make specific recommendations to the board on remuneration of directors and senior officers;
- recommend the terms and conditions of employment for the Executive Director;
- undertake a review of the Executive Director's performance, at least annually, including setting with the Executive Director goals for the coming year and reviewing progress in achieving those goals;
- consider and report to the Board on the recommendations of the Executive Director on the remuneration of all direct reports; and
- develop and facilitate a process for Board and Director evaluation.

Directors' Report (continued)

Remuneration Report (cont'd)

A Principles used to determine the nature and amount of remuneration (cont'd)

Non-Executive Directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the board. The Chair's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market.

Non-executive directors do not receive performance-based pay.

Directors' Fees

The current base fees were last reviewed with effect from 6 February 2015. Prior to this they were based on rates set at the listing of the Company on the ASX, being 24 October 2012. No remuneration is performance based, albeit the directors' share and option holdings ensure that their goals are aligned with the Company's share price.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders.

The maximum currently stands at $300,000 per annum and was approved by shareholders via the adoption of a revised constitution at a general meeting of shareholders on 6 July 2012.

Additional fees

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Retirement allowances for directors

Superannuation contributions required under the Australian Superannuation Guarantee Legislation will be made as part of the directors' overall fee entitlements where applicable.

Directors' Report (continued)

Remuneration Report (cont'd)

A Principles used to determine the nature and amount of remuneration (cont'd)

Executive pay

In determining executive remuneration, the board aims to ensure that remuneration practices are:
- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the company's strategic and business objectives and the creation of shareholder value;
- transparent; and
- acceptable to shareholders.

The executive remuneration framework has two components:
- Base pay and benefits, including superannuation; and
- Long-term incentives through participation in the Metals of Africa Employee Share Option Plan.

Benefits

No benefits other than noted above are paid to Directors or Management except as incurred in normal operations of the business.

Long term incentives

Cherie Leeden and Brett Smith elected to receive shares in lieu of director fees and salary during 2015 as approved by shareholders at the General Meeting. In addition Cherie Leeden received 1,000,000 unlisted options ($0.26, 4/02/2018) during the year.

Remuneration consultants

Remuneration consultants have not been used in determining the remuneration paid.

Remuneration Policy

The Company's current remuneration policy is based on its status as a junior exploration company. The entity's performance is dependent upon exploration success, and as such remuneration is maintained at a reasonable level to enable the attraction of key employees whilst ensuring the maximum amount of the Company's capital where possible is directed toward exploration.

Directors' Report (continued)

Remuneration Report (cont'd)

B Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors and the key management personnel of the Group are found below:

	Fixed Remuneration				Variable Remuneration			
	Short- term employee benefits			Post-employment benefits	Share-based payments		Total	Percentage of variable remuneration
31 December 2015	Cash salary & fees	Other	Non monetary benefits	Super-annuation pensions	Options	Shares		
Directors	$	$	$	$	$	$	$	%
Non-executive directors								
Gilbert George	55,000	-	-	-	-	-	55,000	-
Brett Smith	40,208	-	-	-	-	8,751	48,959	18
Andrew McKee	19,981	-	-	-	-	-	19,981	0
Sub-total	**115,189**	-	-	-	**-**	**8,751**	**123,940**	**7**
Executive directors								
Cherie Leeden	268,655	17,691	-	-	6,923	58,333	351,602	19
Sub-total	**268,655**	**17,691**	**-**	**-**	**6,923**	**58,333**	**351,602**	**19**
Total key management personnel compensation (Group)	**383,844**	**17,691**	**-**	**-**	**6,923**	**67,084**	**475,542**	**16**

(i) The above table includes values for share based payments (shares) at their fair value, being the value of the shares at the point in time the shareholders approved the directors' election to take equity in lieu of cash payments for their director fees from October – December 2015. According to the AASB 2, the fair value of the shares issued is measured at the date of the shareholders meeting approving the equity issue (grant date) to the directors. Refer to section D of the remuneration report for further information.

	Fixed Remuneration				Fixed Remuneration			
	Short- term employee benefits			Post-employment benefits	Share-based payments		Total	Percentage of variable remuneration
31 December 2014	Cash salary & fees	Other	Non monetary benefits	Super-annuation pensions	Options	Shares		
Directors	$	$	$	$	$	$	$	%
Non-executive directors								
Gilbert George	45,833	-	-	-	5,359	29,615	80,807	43
Brett Smith	45,833	-	-	-	5,359	29,615	80,807	43
Sub-total	**91,666**	-	-	-	**10,718**	**59,230**	**161,614**	**43**
Executive directors								
Cherie Leeden	192,389	-	-	-	18,752	103,630	314,771	39
Sub-total	**192,389**	**-**	**-**	**-**	**18,752**	**103,630**	**314,771**	**39**
Total key management personnel compensation (Group)	**284,055**	**-**	**-**	**-**	**29,470**	**162,860**	**476,385**	**40**

Directors' Report (continued)

Remuneration Report (cont'd)

The above table includes values for share based payments at their fair value, being the value of the shares ($0.065) and options (free attaching) at the point in time the shareholders approved in August 2014 the directors election to take equity in lieu of cash payments for their director fees in May and June 2014. These fair values are based on the share and option prices at the date of the shareholder meeting, and not the terms of the placement completed in June 2014, which was the point in time the directors agreed to take equity in lieu of cash payments for their director fees. According to the accounting standard AASB 2, the fair value at the date of shareholders meeting approving the equity issue (grant date) to the directors should be calculated for the purpose of recognising the share based payment issued to directors and employees, and this fair value is outlined above and below.

Mr Smith's services as non-executive director were provided by Topaz Corporate Pty Ltd for which the Company was charged $45,833 (excl. GST). Mr Smith is a director and shareholder of Topaz Corporate Pty Ltd. Mr George's services non-executive chairman were provided by Gilbert George and Associates Pty Ltd for which the Company was charged $45,833 (excl. GST). Mr George is a director and shareholder of Gilbert George and Associates Pty Ltd.

C Service agreements

Executive Directors

Name	Term of Agreement	Base Salary including Superannuation	Termination Benefit
Executive			
Cherie Leeden	Open	USD $230,000 (equivalent of AUD$315,068 at 31 December 2015)	Relevant notice periods apply, being 1 months' notice with reason or 3 months without reason.

Non-executive Directors

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the director.

Name	Term of Agreement	Base Salary including Superannuation	Termination Benefit
Non-Executive			
Chairman – Gilbert George	Open	$55,000	Nil. Subject to re-election by shareholders.
Director – Brett Smith	Open	$45,000	Nil. Subject to re-election by shareholders.
Director – Andrew McKee	Open[1]	$45,000	Nil. Subject to re-election by shareholders.

Non-executive directors are subject to standard terms and conditions including around duties to the Group, confidentiality and disclosure. Mr Brett Smith was being paid $55,000 per annum until February 2015, at which point his fee was amended to $45,000 per annum.

1. Andrew McKee ceased to be a Director on 25 May 2015.

Directors' Report (continued)

Remuneration Report (cont'd)

D Share-based compensation

Options

The following options were issued to directors as remuneration during the year:

	Date Options Granted	Number of Options Granted	Expiry Date	Exercise Price	Value per option at grant date	Total Fair Value	% vested
Ms Cherie Leeden	16 Jan 15	333,333	4 February 2018	$0.26	$0.00133	$443	-
Ms Cherie Leeden	16 Jan 15	666,667	4 February 2018	$0.26	$0.01020	$6,798	100
	Total	**1,000,000**					

1,000,000 unlisted options exercisable at $0.26 on or before 4 February 2018 were issued to the Company's Managing Director Ms Cherie Leeden as approved by shareholders at a General Meeting of the Company held on 16 January 2015.

The incentive options are subject to, and are only exercisable following satisfaction of the following vesting conditions –

- 333,333 incentive options vest if the Company's shares trade at $0.30 or above for a minimum of 30 consecutive days on or before 22 August 2016;
- 333,333 incentive options vest if the Company has raised A$5 million in aggregate via way of a capital raising/s or cornerstone investment and/or rights issue on or before 22 August 2016; and
- 333,334 incentive options vest if the Company announces a maiden JORC resource within one of its majority owned exploration assets on or before 22 August 2017.

Options granted carry no dividend or voting rights.

No shares were provided on the exercise of remuneration options for the year. When exercised each option is convertible into one ordinary share of Metals of Africa Limited.

Shares

During the year shares were issued to directors in lieu of fees and salary and were measured at fair value on the grant date (date shareholder approval was obtained). The following shares were issued in lieu of director fees and salary during the year:

	Date Shares Issued	Number of Shares Issued Granted	Fair Value per share at grant date (13/11/2015)	Total fair value
Mr Brett Smith	19 November 2015	41,667	0.070	2,917
		41,667	0.070	2,917
		41,667	0.070	2,917
		41,667[1]	0.070	2,917[1]
Ms Cherie Leeden	19 November 2015	277,778	0.070	19,444
		277,778	0.070	19,444
		277,778	0.070	19,444
		277,778[1]	0.070	19,444[1]
	Total	**1,277,780**		**89,444**

1. Shares issued in advance for fees and salary for the month of January 2016

Directors' Report (continued)

Remuneration Report (cont'd)

E Director Share and Option Holdings

Share holdings

The numbers of shares in the Group held during the financial period by each director of Metals of Africa Limited and other key management personnel of the Group, including their personally related parties are set out below.

31 December 2015 Name	Balance at the start of the year	Received during the year on the exercise of options	Granted as compensation[1]	Other changes[2]	Balance at the end of the year
Directors					
Gilbert George	3,009,236	-	-	1,000,000	4,009,236
Cherie Leeden	2,638,762	-	1,111,111	-	3,749,873
Brett Smith	326,256	-	166,666	-	492,922
Andrew McKee	-	-	-	-	-
Total	**5,974,254**	**-**	**1,277,777**	**1,000,000**	**8,252,031**

1. Shares received in lieu of salary and fees.
2. Shares acquired according to appendix 3B 19th November 2015.

Option holdings

The numbers of options over ordinary shares in the Group held during the financial period by each director of Metals of Africa Limited and other key management personnel of the Group, including their personally related parties are set out below.

2015 Name	Balance at the start of the year	Granted as Remuneration	Exercised	Expired	Balance at the end of the year	Vested and exercisable	Unvested
Directors							
Gilbert George	3,027,120	-	-	(1,382,912)	1,644,208	1,644,208	-
Cherie Leeden	3,383,429	1,000,000	-	(696,518)	3,686,911	3,353,578	333,333
Brett Smith	1,124,513	-	-	(1,000,000)	124,513	124,513	-
Andrew McKee[1]	-	-	-	-	-	-	-
Total	**7,535,062**	**1,000,000**	**-**	**3,079,430**	**5,455,632**	**5,122,299**	**333,333**

1. Appointed 5 February 2015. Resigned 25 May 2015.

Directors' Report (continued)

Remuneration Report (cont'd)

F Additional Information

Voting and comments made at the Group's 2015 Annual General Meeting:

In accordance with Listing Rule 3.13.2, it is confirmed that the following resolutions put to the AGM of Metals of Africa Limited shareholders, held on 28 May 2015, were unanimously passed on a show of hands:

Resolution 1: Adoption of Remuneration Report

Resolution 2: Withdrawn

Resolution 3: Re-election of Mr Brett Smith as a Director

Resolution 4: Approval of 10% Placement Facility

Resolution 5: Withdrawn

Loans to Key Management Personnel

There were no loans made to directors of the Company or other key management personnel during the year ended 31 December 2015.

There are no other transactions with key management personnel during the year ended 31 December 2015.

This is the end of Audited Remuneration Report

This report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001.

The lead auditor's independence declaration is set out on page 18 for the year ended 31 December 2015.

This report is made in accordance with a resolution of the directors.

Gilbert George
Non-executive Chairman

Perth, Western Australia, 31 March 2016

Auditor's Independence Declaration

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF METALS OF AFRICA LIMITED

As lead auditor of Metals of Africa Limited for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Metals of Africa Limited and the entities it controlled during the period.

JPrue

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 31 March 2016

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the members of Metals of Africa Limited

Report on the Financial Report

We have audited the accompanying financial report of Metals of Africa Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*,

Independent Auditor's Report (continued)

which has been given to the directors of Metals of Africa Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Metals of Africa Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through debt or equity issues or partial sale of its mineral properties. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included the directors' report for the year ended 31 December 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Metals of Africa Limited for the year ended 31 December 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO
JPrue

Jarrad Prue

Director

Perth, 31 March 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2015

	Note	Consolidated 31-Dec-15 $	Consolidated 31-Dec-14 $
Revenue and other income	2	106,746	86,432
Accounting and audit fees		(96,335)	(83,070)
Consulting and company secretarial fees		(463,153)	(183,421)
Corporate advisory		(61,500)	(42,500)
Salaries and wages		(156,312)	(362,950)
Share based payment expense	22	(74,981)	(324,871)
Travel and entertainment		(300,360)	(145,433)
Loss on equity settlement		-	(47,446)
Compliance fees		(84,587)	(145,339)
Directors' fees		(467,428)	(91,666)
Insurance		-	(17,918)
Equipment hire		(1,979)	(173)
Legal fees		(30,167)	(56,746)
Office costs		(24,670)	(36,132)
Loss on disposal of subsidiary	25	(131,443)	-
Rent		(11,000)	(33,567)
Other expenses		(501,428)	(830,317)
Exploration and Evaluation write off	10	(6,223,797)	(1,730,511)
Loss before income tax		(8,522,394)	(4,045,628)
Income tax expense	3	-	-
Net Loss after Income Tax or the year attributable to the owners of Metals of Africa Limited		(8,522,394)	(4,045,628)
Other Comprehensive Income/(Loss): Items that will be reclassified to profit or loss			
Exchange differences on translation of disposed subsidiaries		64,937	-
Exchange difference on translation of foreign operations		(1,527,864)	834,605
Other Comprehensive Income net of tax		(1,462,927)	834,605
Total Comprehensive Loss for the year attributable to the owners of Metals of Africa Limited		**(9,985,321)**	**(3,211,023)**
Loss per share attributable to ordinary shareholders of the Group			
Basic and diluted loss (cents per share)	4	(5.90)	(4.27)

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 31 December 2015

	Note	Consolidated 31-Dec-15 $	Consolidated 31-Dec-14 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	1,479,605	3,862,065
Trade and other receivables	7	554,549	175,723
Total Current Assets		2,034,154	4,037,788
Non-Current Assets			
Property, plant and equipment	9	291,802	445,480
Exploration & Evaluation Expenditure	10	6,697,811	10,849,557
Total Non-Current Assets		6,989,613	11,295,037
Total Assets		9,023,767	15,332,825
LIABILITIES			
Current Liabilities			
Trade and other payables	11	620,544	423,150
Total Current Liabilities		620,544	423,150
Total Liabilities		620,544	423,150
NET ASSETS		**8,403,223**	**14,909,675**
EQUITY			
Issued Capital	12	21,073,643	17,649,755
Reserves	14	2,127,462	3,535,408
Accumulated Losses		(14,797,882)	(6,275,488)
TOTAL EQUITY		**8,403,223**	**14,909,675**

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the year ended 31 December 2015

	Note	Consolidated 31-Dec-15 $	Consolidated 31-Dec-14 $
Cash flows from operating activities			
Receipts from customers		-	20,000
Payments to suppliers and employees		(2,580,173)	(1,486,800)
Net interest received		22,033	27,661
Net cash (outflow) from operating activities	15	**(2,558,140)**	**(1,439,139)**
Cash flows from investing activities			
Payments made for property, plant and equipment		(30,640)	(184,556)
Payments for exploration expenditure		(2,672,846)	(2,312,946)
Research and development rebate		109,923	-
Net cash (outflow) from investing activities		**(2,593,563)**	**(2,497,502)**
Cash flows from financing activities			
Proceeds from share issue		3,007,600	6,747,257
Proceeds from loyalty option issue		-	532,800
Capital raising costs		(175,162)	(356,826)
Net cash inflow from financing activities		**2,832,438**	**6,923,231**
Net (decrease)/increase in cash and cash equivalents		(2,319,265)	2,986,590
Cash and cash equivalents at beginning of year		3,862,065	859,762
Effect of FX on cash held		(63,195)	15,713
Cash and cash equivalents at end of year		**1,479,605**	**3,862,065**

The above consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the year ended 31 December 2015

Consolidated 31-Dec-14	Issued Capital	Share based payment reserve	Foreign currency translation reserve	Accumulated Losses	Total
	$		$	$	$
Balance at 1 Jan 2014	10,166,667	1,244,590	648,414	(2,229,860)	9,829,811
Loss for the year	-	-	-	(4,045,628)	(4,045,628)
Other Comprehensive Income	-	-	834,605	-	834,605
Total comprehensive income/loss for the year	**-**	**-**	**834,605**	**(4,045,628)**	**(3,211,023)**
Transactions with owners directly recorded in equity					
Shares issued net of transaction costs	7,483,088	-	-	-	7,483,088
Options issued for Gabon transaction	-	209,319	-	-	209,319
Loyalty Options issued	-	532,800	-	-	532,800
Share based payments	-	65,680	-	-	65,680
Balance at 31 December 2014	**17,649,755**	**2,052,389**	**1,483,019**	**(6,275,488)**	**14,909,675**

Consolidated 31-Dec-15	Issued Capital	Share based payment reserve	Foreign currency translation reserve	Accumulated Losses	Total
	$		$	$	$
Balance at 1 Jan 2015	17,649,755	2,052,389	1,483,019	(6,275,488)	14,909,675
Loss for the year	-	-	-	(8,522,394)	(8,522,394)
Other Comprehensive Income	-	-	(1,462,927)	-	(1,462,927)
Total comprehensive income/loss for the year	**-**	**-**	**(1,462,927)**	**(8,522,394)**	**(9,985,321)**
Transactions with owners directly recorded in equity					
Shares issued net of transaction costs	2,832,438	-	-	-	2,832,438
Share based payments	591,450	54,981	-	-	646,431
Balance at 31 December 2015	**21,073,643**	**2,107,370**	**20,092**	**(14,797,882)**	**8,403,223**

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Metals of Africa Limited and its subsidiaries.

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Metals of Africa Limited is an ASX listed public company, incorporated and domiciled in Australia.
Metals of Africa Limited is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Changes in accounting policy

In the year ended 31 December 2015, the Group has reviewed all the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current year. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and, therefore no change is necessary to the Group's accounting policies.

Notes to the Consolidated Financial Statements (continued)

1. Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The Group has incurred a net loss after tax for the period ended 31 December 2015 of $8,522,394 (31 December 2014: $4,045,628) and experienced net cash outflows from operating activities of $2,558,140 (31 December 2014: $1,439,139). At 31 December 2015, the Group had working capital of $1,413,610 (31 December 2014: $3,614,638).

The Directors believe there are sufficient funds to meet the Group's working capital requirements and as at the date of this report the Group believes it can meet all liabilities as and when they fall due. However the Directors recognise that additional funding either through the issue of further shares, convertible notes or a combination of both, or partial sale of its mineral properties will be required for the Group to continue to actively explore its mineral properties and meet its work program commitments under the exploration licenses.

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in securing additional funds through debt or equity issues or partial sale of its mineral properties as and when the need to raise working capital arises. Should the Directors not achieve the matters set out above, there is a material uncertainty which may cast significant doubt whether the Group will continue as a going concern and therefore whether it will realise its assets and liabilities in the normal course of business.

The financial report does not include any adjustments that may be necessary if the Group is unable to continue as a going concern.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Metals of Africa Limited (''**Company''** or ''**Parent Entity**'') as at 31 December 2015 and the results of all subsidiaries for the year then ended. Metals of Africa Limited and its subsidiaries together are referred to in this financial report as "**the Group**" or "**the consolidated entity**".

Subsidiaries are all those entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Notes to the Consolidated Financial Statements (continued)

1. Summary of significant accounting policies (cont'd)

(b) Principles of consolidation (cont'd)

Intercompany transactions, balance and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction proves evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries and joint venture entities are accounted for at cost in the financial statements of Metals of Africa Limited. Dividends received from associates are recognised in the parent entity's statement of profit or loss and other comprehensive income, rather than being deducted from the carrying amount of these investments.

(c) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Metals of Africa Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit of loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit of loss and other comprehensive income on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

Notes to the Consolidated Financial Statements (continued)

1. Summary of significant accounting policies (cont'd)

(c) Foreign Currency Translation (cont'd)

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange difference is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(d) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(e) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Notes to the Consolidated Financial Statements (continued)

1. Summary of significant accounting policies (cont'd)

(e) Income Tax (cont'd)

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(f) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Notes to the Consolidated Financial Statements (continued)

1. Summary of significant accounting policies (cont'd)

(f) Exploration and Development Expenditure (cont'd)

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(g) Investments & financial instruments

Classification

The Group classifies its investments in the following categories;

- Loan and receivables; and
- Financial Liabilities

The classification depends on the purpose for which the investments were acquired. Management determine the classification of its investments at initial recognition.

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(ii) Financial Liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Measurement
At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Recognition and de-recognition
Regular purchases and sales of financial assets are recognised on trade-date being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment
At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

(h) Trade payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

(i) Impairment of Assets

At each reporting date, or more frequently if events or changes in circumstances indicate that they might be impaired, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Consolidated Statement of Profit or Loss and other Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Non-financial assets other than goodwill that suffered any impairment are reviewed for possible reversal of impairment at the end of each reporting period.

(j) Employee Benefits

(i) *Wages and salaries, annual leave and sick leave*
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) *Long service leave*
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) *Share based payment*
Equity-settled and cash-settled share-based compensation benefits are provided to employees, key consultants and Directors.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

(j) Employee Benefits (cont'd)

that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period; and
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability. Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(k) Share based payment arrangements

The Group from time to time may enter into share based payment arrangements with suppliers or vendors in settlement for goods and services received or acquired. For these equity settled share based payment transactions the Group measures the value of the goods, assets or services received and the corresponding increase in equity, directly, at the fair value of the goods, assets or services received, unless the fair value cannot be estimated reliably. If the entity cannot estimate reliably the

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

(k) Share based payment arrangements (cont'd)

fair value of goods, assets or services received the entity shall measure its value and the corresponding increase in equity, indirectly, by reference to the fair value of equity instruments granted.

(l) Trade and other receivables

Trade receivables are recognised as the amount receivable and are due for settlement no more than 90 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

(m) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(n) Cash and Cash Equivalents

For Statement of Cash Flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in rate and bank overdrafts.

(o) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

(o) Revenue Recognition (cont'd)

market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting. Underwriting fee revenue is recognised on the receipt of funds.

All revenue is stated net of the amount of goods and services tax (GST).

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(q) Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definitions, seldom equal the related actual results.

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. If the share based payment is subject to an approval process, grant date is the date when that approval is obtained. The fair value of listed options and shares is determined by the market price of those instruments and the fair value of unlisted options is determined by an internal valuation using Black-Scholes or binomial option pricing model.

Exploration and Evaluation Expenditure

The Group capitalises expenditure in relation to exploration and evaluation where the group has current tenure and it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. During the year, impairment of $6,247,136 was recognised in relation to capitalised exploration and evaluation expenditure. Refer to note 10 for details.

Notes to the Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

(r) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Executive Director, in consultation with the Board of Directors.

The Group operates in one industry, mineral exploration and assessment of mineral projects and in one main geographical segment, being Africa.

(s) Earnings per Share

Basic earnings per share is calculated by dividing:

- the profit (loss) attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares (note 4).

(t) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on other assets is calculated using the straight‑line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Vehicles: 3‑5 years
- Furniture, fittings and equipment: 3‑8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When re-valued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Notes to the consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

(u) Parent entity information

The financial information for the parent entity, Metals of Africa Limited, disclosed in note 24 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Metals of Africa Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) Financial guarantees
Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(iii) Share-based payments
The grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

(v) Joint Arrangements

Interests in joint operations are brought to account by including in the respective classifications the Group's share of individual assets employed, liabilities and expenses incurred. The Group's interest in joint operations will be brought to account using the cost method.

Where part of a joint operation is farmed out in consideration of the farminee undertaking to incur further expenditure on behalf of both the farminee and the entity in the joint operation area of interest, exploration expenditure incurred and carried forward prior to farmout continues to be carried forward without adjustment. Any cash received in consideration for farming out part of a joint operation is treated as a reduction in the carrying value of the related mineral property.

(w) Asset Acquisition

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

Notes to the consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

(x) Standards issued not yet effective

Title of standard	Nature of change	Impact	Mandatory application date/ Date adopted by company
IFRS 15 (issued June 2014) Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	Due to the recent release of this standard the Company has not yet made an assessment of the impact of this standard.	Must be applied for annual reporting periods beginning on or after 1 January 2017. Therefore application date for the Company will be 31 December 2017.
AASB 9 Financial Instruments	AASB 9 (2009), (2010) & (2013) Addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. AASB 9 (2014) Introduces a third measurement category of financial assets (fair value through other comprehensive income) and adds additional application guidance to the contractual cash flows characteristics test and the business model assessment. Includes the requirements for accounting for expected credit losses on financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised. Credit losses will be recognised from initial recognition and updated at the each of each reporting period.	Adoption of AASB 9 is only mandatory for the year ending 31 December 2018. Due to the recent release of this standard, the entity has not yet made an assessment of the impact of these amendments.	Annual reporting periods beginning on or after 1 January 2018
AASB 16 (issued February 2016) Leases	AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be	To the extent that the entity, as lessee, has significant operating leases outstanding at the date of initial application, 1 January 2019, right-of-use assets will be recognised for the amount of the	Annual reporting periods beginning on or after 1 January 2019.

Notes to the consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

(x) Standards issued not yet effective (cont'd)

	required to recognise a lease liability and a right of use asset in its balance sheet for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117.	unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments. Thereafter, earnings before interest, depreciation, amortisation and tax (EBITDA) will increase because operating lease expenses currently included in EBITDA will be recognised instead as amortisation of the right-of-use asset, and interest expense on the lease liability. However, there will be an overall reduction in net profit before tax in the early years of a lease because the amortisation and interest charges will exceed the current straight-line expense incurred under AASB 117 Leases. This trend will reverse in the later years. There will be no change to the accounting treatment for short-term leases less than 12 months and leases of low value items, which will continue to be expensed on a straight-line basis.	

All other pending Standards issued between the previous financial report and the current reporting dates have no application to the Group.

The financial report was authorised for issue on 31 March 2016 by the board of Directors.

Notes to the consolidated Financial Statements (continued)

2. Revenue & Other Income

	Consolidated 31 Dec 2015 $	Consolidated 31 Dec 2014 $
Revenue		
Other Income		
Bank interest	22,033	27,662
Other income	84,713	58,770
	106,746	86,432

3. Income Tax

(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) Reconciliation of income tax expense to prima facie tax payable:		
Loss before income tax	(8,522,394)	(4,045,628)
Prima facie income tax at 30%	(2,556,718)	(1,213,688)
Tax effect of amounts not deductible in calculating taxable income (share based payments)	747,750	259,086
Temporary differences not recognised	1,808,978	954,602
Income tax expense/ (benefit)	**-**	**-**
(c) Unrecognised deferred tax assets arising on timing difference and losses		
Timing differences relating to foreign operations	2,302,882	773,388
Tax Losses	726,040	437,603
Other	23,133	25,388
Total	**3,052,055**	**1,236,379**

Notes to the consolidated Financial Statements (continued)

4. Earnings per Share

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	Consolidated 31 Dec 2015	Consolidated 31 Dec 2014
Loss after income tax ($)	(8,522,394)	(4,045,628)
Basic loss per share attributable to equity holders (cents)	(5.90)	(4.27)
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	144,504,589	94,639,690

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

As the Group is loss making there is no diluted EPS calculated.

5. Dividends Paid or Proposed

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

6. Cash and Cash Equivalents

	Consolidated 31 Dec 2015 $	Consolidated 31 Dec 2014 $
Current		
Cash at bank and in hand	1,479,605	3,862,065
	1,479,605	**3,862,065**

Cash at bank and in hand earns interest at floating rates based on daily bank rates. Refer note 17 for Financial Risk Management.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

Notes to the consolidated Financial Statements (continued)

7. Trade and Other Receivables

	Consolidated 31 Dec 2015 $	Consolidated 31 Dec 2014 $
Current		
Trade Debtors	39,885	79,822
GST Receivable	45,078	36,974
Other receivable	469,586	58,927
	554,549	**175,723**

There is no impairment of trade and other receivables that are past due but not impaired. Refer note 17 for Financial Risk Management. Other receivable relates to VAT amounts in Mozambique.

8. Fair Value

Due to their short term nature, the carrying amounts of current receivables, trade and other payables are assumed to approximate their fair value.

9. Property, Plant & Equipment

Classes of property plant and equipment included are:

- Camping and field equipment
- Furniture and Administrative
- Vehicles
- Tools and Utensils
- Communication equipment

Tangible Fixed Assets	Consolidated $
As at 1 January 2014	**375,794**
Additions	184,556
Depreciation	(56,837)
Foreign exchange difference	(58,033)
At 31 December 2014	**445,480**

Tangible Fixed Assets	Consolidated $
As at 1 January 2015	**445,480**
Additions	25,600
Depreciation	(77,658)
Foreign exchange difference	(101,620)
At 31 December 2015	**291,802**

Notes to the consolidated Financial Statements (continued)

10. Exploration and evaluation expenditure

	Note	Consolidated 31 Dec 2015 $	Consolidated 31 Dec 2014 $
Non-Current			
Exploration and Evaluation at cost		**6,697,811**	**10,849,557**
Movement			
Opening balance		10,849,557	8,554,600
EE&E attributable to acquisitions of subsidiaries	13	-	863,591
EE&E attributable to asset acquisition	13	311,249	614,319
Net exploration expenditure capitalised during the year		2,943,737	1,698,627
Exploration expenditure written off during the year		(6,223,797)	(1,730,511)
Foreign exchange difference		(1,182,935)	848,931
		6,697,811	**10,849,557**

For further information for the acquisitions during the period, refer to note 13.

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

During the year, an impairment loss of $6,223,797 was recognised in relation to certain tenements held in Mozambique following a decision to relinquish these tenements as the economic viability of the licences was questionable.

11. Trade and Other Payables

	Consolidated 31 Dec 2015 $	Consolidated 31 Dec 2014 $
Current		
Trade and other payables	223,886	395,150
Accruals	396,658	28,000
	620,544	**423,150**

Trade payables are non-interest bearing and are normally settled on 60-day terms. Information about the Group's exposure to foreign exchange risk is provided in note 17.

Notes to the consolidated Financial Statements (continued)

12. Issued Capital

	Note	Consolidated 31 Dec 2015 $	Consolidated 31 Dec 2014 $
Ordinary shares fully paid	12(a)	21,073,643	17,649,755
		21,073,643	**17,649,755**

(a) Shares

Date	Details	No. of Shares	Issue Price	$
1 January 2014	Opening Balance	71,040,001		10,166,667
7 February 2014	Consideration Shares - SLT (note 13)[1]	5,000,000	$0.081[1]	405,000
23 June 2014	Placement	7,604,000	$0.065	494,737
18 July 2014	Placement	7,604,000	$0.125	950,500
18 July 2014	Option exercise	2,000,000	$0.093	186,000
12 August 2014	Shares issues in lieu of salary and costs	1,829,406	Various	342,637
20 August 2014	Option Exercise	500,000	$0.093	46,500
15 September 2014	Placement	12,196,011	$0.15	1,829,402
9 October 2014	Rights issue	1,865,454	$0.15	279,818
9 October 2014	Rights issue shortfall	19,689,156	$0.15	2,953,373
10 October 2014	Option conversion	49,999	$0.15	7,500
31 December 2014	Shares to be issued to Mitchell Drilling[2]	-	-	345,020
	Less: Share Issue Costs			(357,399)
		129,378,027		**17,649,755**

Date	Details	No. of Shares	Issue Price	$
1 January 2015	Opening Balance	129,378,027		17,649,755
23 June 2015	Stocks Digital issue	285,715	$0.07	20,000
7 September 2015	Shares issued to Mitchell Drilling[2]	5,477,548	$0.063	-
30 September 2015	Placement	32,780,395	$0.045	1,475,118
19 November 2015	Placement	34,055,153	$0.045	1,532,482
19 November 2015	Shares issued in lieu of director fees	1,277,777	$0.045	89,444
19 November2015	Shares issued to Mitchell Drilling[2]	7,661,894	$0.045[2]	358,728
31 December 2015	Unissued shares to Mitchell Drilling[2]	-	-	123,279
31 December 2015	Less: Share Issue Costs			(175,163)
		210,916,509		**21,073,643**

1. Issue price based on date of agreement 28th February 2014. MTA share price closed at $0.081.
2. The Company entered into an agreement, subsequently approved by shareholders, whereby Mitchell Drilling has agreed to subscribe for up to A$1.5 million of shares in the Company, with MTA and Mitchell having the option, during 2014 and 2015, to settle monthly drilling charges; 50% by way of a cash payment and 50% by way of the issue of shares, with the relevant share price to be calculated via the 5 day volume weighted average price (VWAP) as at the date of invoicing.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

Notes to the consolidated Financial Statements (continued)

12. Issued Capital (cont'd)

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

(b) Options

Information relating to the options over ordinary shares on issue, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period is set out in note 14.

Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's capital includes ordinary share capital, partly paid shares and financial liabilities, supported by financial assets.

The Group's capital includes mainly ordinary share capital and financial liabilities supported by financial assets.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The net working capital position of the Group at 31 December 2015 was $1,413,610 (31 December 2014: $3,614,638). The Group as at 31 December 2015 had $1,479,605 (31 December 2014: $3,862,065) of cash and cash equivalents and no debt which will be sufficient working capital to fund its basic operational and exploration commitments in the short term.

13. Asset Acquisition

2015
Balama Central Project

On 22 August 2014 the Group entered into a binding licence sale agreement to acquire 100% of exploration Licence 4118 named the Balama Central Graphite Project ("Balama") in Mozambique, subject to completion of due diligence and other conditions precedent. The Balama project is located along strike and immediately adjacent to the Syrah Resources (ASX: SYR) major Balama graphite project. The Balama Project was acquired from Mozambican company Dombeya Mineracao Lda.

Notes to the consolidated Financial Statements (continued)

13. Asset Acquisition (cont'd)

Purchase consideration comprises:

	Note	Number	Value per Share	Total value $
First cash payment (paid $US $50,000)				53,845
Second cash payment (paid $US 200,000)				257,404
Total consideration paid to date	10			**311,249**
Shares to be issued ($US 200,000)	12(a)			273,980
Total consideration				**585,229**

The Company announced to the ASX on 5 February 2015 that it had completed the acquisition of the Balama Central Project by making payment of the first and second cash consideration components of the acquisition. The Company has a power of attorney over the licence to allow it to complete exploration and development activities. The vendor consideration shares to a value of US$200,000 have not yet been issued due to the relevant Mozambican regulatory authorities not yet providing final clearance for the transaction.

Upon receipt of this final clearance, the vendor consideration shares will be issued and the Licence 4118 will be issued in the Company's name. Shareholder approval has previously been received for the issue of the vendor consideration shares, however as this approval has now expired without the shares being issued, the Company will again seek shareholder approval at the Company's 2016 AGM for the issue of these shares (subject to receipt of regulatory approval). The quantum of shares to be issued will be calculated as would have a market value of US$200,000 using the lower of the volume-weighted average mid-market share price for the period of 10 trading days prior to the Signature Date (22 August 2014) and 10 trading days prior to the Completion Date (5 February 2015), and using the US$/AUD$ exchange rate on the Signature Date and Completion Date as appropriate, such issuance being the second part payment for transfer of the Licence.

Net assets acquired:

	$
Cash and cash equivalents	-
Trade and other receivables	-
Property, plant and equipment	-
Exploration and evaluation assets	585,229
Trade and other payables	-
Net assets acquired	**585,229**

Notes to the consolidated Financial Statements (continued)

13. Asset Acquisition (cont'd)

2014

Kansas

On 21 January 2014 Metals of Africa acquired 100% of Mzombe Resources Limited, the holder of three uranium tenements in Tanzania for nil consideration.

Details of the fair value of the assets and liabilities acquired on 21 January 2014 through the acquisition of Mzombe Resources Limited are as follows;

Purchase consideration comprises:

	Note	Number	Price	$
Shares issued to vendor	n/a	-	-	-
Cash paid to vendor		-	-	-
				-

Notes to the consolidated Financial Statements (continued)

13. Asset Acquisition (cont'd)

Net assets/liabilities acquired:

	$
Cash and cash equivalents	-
Trade and other receivables	-
Property, plant and equipment	-
Exploration and evaluation assets	-
Trade and other payables	(796)
Borrowings	(42,690)
Net assets acquired	(43,486)

Mkindu

On 7 February 2014 the Group acquired 100% of the issued capital of Mkindu Pty Ltd ("Mkindu"). The assets of Mkindu include five base and precious metals exploration projects comprised of 12 granted exploration licences and 2 licenses under application.

Purchase consideration comprises:

	Note	Number	Value per Share	Total value $
Shares issued to vendor	12(a)	5,000,000	$0.081	405,000
				405,000

Net assets acquired:

	$
Cash and cash equivalents	-
Trade and other receivables	10,591
Property, plant and equipment	2,357
Exploration and evaluation assets	654,272
Trade and other payables	(262,220)
Net assets acquired	**405,000**

Gabon

On 31 March 2014 the Group acquired three base and precious metals exploration licences, two of which are granted and one which is under application. Exploration has commenced in Gabon. A joint venture entity is to be established in relation to the Gabon licences, and progress was continuing in respect of this as of 31 December 2014.

Purchase consideration comprises:

	Note	Number	Value per Option	Total value $
Options issued to vendor	12(b)	5,000,000	0.0418	209,319
				209,319

Notes to the consolidated Financial Statements (continued)

13. Asset Acquisition (cont'd)

Net assets acquired:

	$
Cash and cash equivalents	-
Trade and other receivables	-
Property, plant and equipment	-
Exploration and evaluation assets	209,319
Borrowings	-
Net assets acquired	**209,319**

14. Reserves

		Note	Consolidated 31 Dec 2015 $	Consolidated 31 Dec 2014 $
a)	**Reserves**			
	Foreign currency translation reserve		20,092	1,483,019
	Share based payment reserve	12	2,107,370	2,052,389
			2,127,462	**3,535,408**

Options reserve

The option reserve recognises options issued as share based payments. The following options were issued during the year:

Date	Details	No. of Options	Issue Price	$
1 January 2014	Opening Balance	16,950,000		1,244,590
	Unvested Incentive options (note 22)	(333,334)	-	-
2 January 2014	Loyalty option issue	22,298,794	0.01	222,988
7 February 2014	Loyalty option issue	30,981,207	0.01	309,812
31 March 2014	Unlisted Consideration Options to SLT	5,000,000	0.042	209,319
31 March 2014	Unlisted Incentive Options	138,500	0.062	8,532
23 June 2014	Placement	3,802,000	Free	-
18 July 2014	Exercise of options ($0.093 per option)	(2,000,000)	-	-
12 August 2014	Shareholder approved – salary and consultant issue (note 22)	822,394	various	57,148
20 August 2014	Exercise of options ($0.093 per option)	(500,000)	-	-
10 October 2014	Exercise of options ($0.15 per option)	(49,999)	-	-
31 December 2014		**77,109,562**		**2,052,389**

Notes to the consolidated Financial Statements (continued)

14. Reserves (cont'd)

Date	Details	No. of Options	Issue Price	$
1 January 2015	Opening Balance	77,109,562		2,052,389
5 February 2015	Incentive option issue	333,333	0.001	265
5 February 2015	Incentive option issue	666,667	0.01	6,798
1 April 2015	Incentive option issue	2,450,000	-	47,918
30 June 2015	Expiry of options	(10,000,000)	-	-
1 July 2015	Expiry of options	(533,333)	-	-
31 December 2015	Expiry of options	(3,666,666)	-	-
31 December 2015		**66,359,563**		**2,107,370**

Foreign currency reserves

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 1(c) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

15. Operating Cash Flow Reconciliation

	Consolidated 31 Dec 2015 $	Consolidated 31 Dec 2014 $
Reconciliation of operating cash flows to profit/(loss)		
Loss from ordinary activities after income tax	(8,522,394)	(4,045,628)
Add/(less) non-cash items:		
Depreciation	77,658	56,837
Other	3,347	-
Non-cash employee/consultants benefits expense	89,444	-
Share based payments	74,981	408,317
Exploration and evaluation expenditure written off	6,223,797	1,730,511
Foreign exchange	20	-
Loss on disposal of subsidiary	131,443	-
Net cash provided by operating activities before change in assets and liabilities (carried forward)	**(1,921,704)**	**(1,849,963)**
Changes in assets and liabilities during the financial year:		
(Increase)/decrease in trade and other receivables	(424,722)	193,954
Increase/(decrease) in trade and other payables	(211,714)	216,870
Net cash outflow from operating activities	**(2,558,140)**	**(1,439,139)**

Notes to the consolidated Financial Statements (continued)

16. Non-cash Investing and Financing Activities

	Note	Consolidated 31 Dec 2015 $	Consolidated 31 Dec 2014 $
Issue of vendor shares	13	591,433	405,000
Issue of vendor options	13	54,981	209,319
Total		**646,414**	**614,319**

17. Financial Instruments

Financial Risk Management

The Group's activities expose it to a variety of financial risks including foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments; however the Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and ageing analysis for credit risk.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external and internal advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Group.

(a) Foreign exchange risk

The Group is exposed to minimal currency risks that are denominated in currency other than the respective functional currency of the Group entities. Transactions are pre-dominantly denominated in AUD, USD and MZN.

(b) Interest rate risk

The Group is not exposed to cash flow and fair value interest rate risk as at the reporting date. Cash and cash equivalents held at reporting date are subject to floating interest rates and carried at amortised cost.

Notes to the consolidated Financial Statements (continued)

17. Financial Instruments (cont'd)

(c) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis. The Group does not have any significant credit risk exposure to a single counterparty or any Group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

	Consolidated 31 Dec 2015 $	Consolidated 31 Dec 2014 $
Westpac Bank AA-	1,423,799	2,805,606
Unrated	55,806	1,056,459
Total	**1,479,605**	**3,862,065**

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profits of financial assets and liabilities. As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at reporting date were trade payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments.

At the end of the reporting period, the Group has $620,544 (31 December 2014: $423,150) due within 30-60 days.

Notes to the consolidated Financial Statements (continued)

17. Financial Instruments (cont'd)

(e) Market risk

As at the end of the financial year, the Group had the following variable rate financial assets:

Consolidated	Weighted average Interest rate	31 December 2015 Carrying Amount $	31 December 2014 Carrying Amount $
Financial assets			
Cash	2.25%	1,479,605	3,862,065
Total		**1,479,605**	**3,862,065**

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact of how profit at reporting date would have been affected by changes in the interest rate that management considers being reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Change in profit/ (loss) $	
	Consolidated 31 Dec 2015 $	**Consolidated 31 Dec 2014 $**
Increase in interest rate by 100 basis points	14,796	38,621
Decrease in interest rate by 100 basis points	(14,796)	(38,621)

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

(f) Fair value

There were no financial assets or liabilities at 31 December 2015 (31 December 2014: Nil) requiring fair value estimation and disclosure.

18. Commitments and Contingent Liabilities

In order to maintain mining tenement licences, the economic entity is committed to meet the prescribed conditions under which tenement licences were granted. These commitments may be met in the normal course of operations by future capital raisings and/or farm-out and under certain circumstances are subject to the possibility of adjustment to the amount and timing of such obligations or by tenement relinquishment.

Rental commitments for the period relating to tenements held and current are US$34,553 (A$47,334).

Notes to the consolidated Financial Statements (continued)

19. Related Party Disclosure

(a) Parent entities and subsidiaries

Metals of Africa Limited is the ultimate Australian parent entity.

(b) Subsidiaries

Interests in subsidiaries are set out below:

	Country of Incorporation	% Equity Interest 31 December 2015	% Equity Interest 31 December 2014
Rio Mazowe Limited	Mauritius	100	100
Afriminas Minerais Limitada	Mozambique	90[1]	90[1]
Express Resources Pty Ltd	Australia	100	100
Index Resources Pty Ltd	Australia	100	100
Action Resources Pty Ltd	Australia	100	100
Jackal Resources Pty Ltd	Australia	100	100
Au Resources Pty Ltd	Australia	100	100
Skype Resources Pty Ltd	Australia	100	100
Traction Resources Pty Ltd	Australia	-	100
Mkindu Pty Ltd	Australia	-	100
Select Exploration Limited (Previously Cobra Resources Limited)	Mauritius	100	100
Tanga Resources Limited	Mauritius	100	100
Savannah Metals Limited	Mauritius	-	100
Rovuma Resources Limited	Mauritius	100	100
Jorc Resources Limited	Mauritius	100	100
Sahara Investments Limited	Mauritius	-	100
Assain Investments Limited	Mauritius	100	100
Greenstone Resources Limited	Mauritius	100	100
Chai Resources Limited	Mauritius	-	100
Kansas Resources Limited	Mauritius	-	100
Swala Resources Limited	Mauritius	-	100
Boomerang Resources Limited	Mauritius	-	100
Niassa Metals SA	Mozambique	100	100
Suni Resources SA	Mozambique	100	100
Niassa Gold SA	Mozambique	100	100
Goldcrest Resources Sa	Mozambique	100	100
Peregrine Resources SA	Mozambique	100	100
Persian Metals Limited	Tanzania	-	100
Mzombe Resources Limited	Tanzania	-	100
Siwandu Metals Limited	Tanzania	-	100
Select Explorations Gabon SA	Gabon	90[1]	-

[1] This is direct equity interest. The balance of 10% for each respective subsidiary is held indirectly (on trust for the Company) thus resulting in 100% ownership.

Notes to the consolidated Financial Statements (continued)

19. Related Party Disclosure (cont'd)

(c) Key Management Personnel

The following persons were directors of Metals of Africa Limited during the financial year:

Director	Position	Appointed	Resigned
Gilbert George	Non-Executive Chairman	1 August 2012	-
Cherie Leeden	Managing Director	19 July 2013	-
Brett Smith	Non-Executive Director	1 August 2012	-
Andrew McKee	Non-Executive Director	5 February 2015	25 May 2015

(d) Other key management personnel

There were no further key management personnel of the Group.

(e) Key management personnel compensation

	Consolidated 31 Dec 2015 $	Consolidated 31 Dec 2014 $
Short-term employee benefits	401,535	284,055
Share based payments	74,007	192,330
Total	**475,542**	**476,385**

(f) Loans to key management personnel

There were no loans made or outstanding to directors of Metals of Africa Limited and other key management personnel of the Group, including their personally related parties.

(g) Other transactions with key management personnel

There were no other transactions with key management personnel.

Notes to the consolidated Financial Statements (continued)

20. Events after the Reporting Date

Subsequent to year end, the company relinquished a number of its tenements in Mozambique as the economic viability of these licenses were questionable and it was determined not to be in the best interest of the company to continue exploration. These tenements include licenses 5473, 6254, 6251, 6253, 5345, 5350, 6187, 6191, 6170, 6167, 6172, 1442, 1509, 1885, 3588 and 1411. Consequently, all deferred exploration relating to these licenses were written off at 31 December 2015.

On 30 March 2016, the Company announced that it had agreed to jointly acquire a micronizing and spherodisation mill to produce spherical graphite in the USA as part of a battery production and testing facility.

With the exception of the above, there are no material events that have occurred that would require disclosure.

21. Auditor's Remuneration

	Consolidated 31 Dec 2015 $	Consolidated 31 Dec 2014 $
Audit Services		
Amounts received or accrued by BDO Audit (WA) Pty Ltd		
- An audit or review of the financial reports of the consolidated entity	51,796	48,401
Total remuneration for audit services	**51,796**	**48,401**
Non-Audit services		
Amounts received by BDO (Tax) WA Pty Ltd, being a related practice of BDO Audit (WA) Pty Ltd		
- Preparation of Income Tax Return	-	12,883
Total remuneration for non-audit services	**-**	**12,883**

Notes to the consolidated Financial Statements (continued)

22. Share-Based Payments

(a) 1) Employee Share Option Scheme

The establishment of the Employee Share Option Scheme was approved by the board of Directors on 1 August 2012. The Employee Share Option Scheme is designed to provide long term incentives for senior managers and above (including executive and non-executive directors) and to attract and retain experience employees, board members and executive officers and provide them with the motivation to make the Group more successful. Under the plan, participants are granted options which only vest if certain performance standards are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

An option may only be exercised after that option has vested and any other conditions imposed by the Board on exercise are satisfied. The options remain exercisable for a period between two or five years from listing date or on cessation of employment. Options are granted under the plan for no consideration.

Options granted under the plan carry no dividend or voting rights. When exercisable, shares allotted pursuant to the exercise of options will be allotted following receipt of all the relevant documents and payments and will rank equally with all other shares.

The company issued 2,300,000 options during the year on 1 April 2015 as per the table below:

Valuation Date	Expiry Date	Exercise price	Granted during the year	Fair value per option at grant date $	Total fair value $
5 February 2015	31 December 2017	$0.15	2,300,000	$0.026	60,148

The options have various vesting conditions, including continuous employment with the group and the delineation of a JORC resource at one of the Company's projects.

The fair value of options granted is independently determined using a Black Scholes Option Pricing Model that takes into account the following inputs:

Number of options	2,300,000
Share Price at Valuation Date	$0.067
Exercise Price	$0.15
Valuation Date	5 February 2015
Expiration date	31 Dec 2017
Life of the Options	2.9 years
Volatility[1]	90%
Risk Free Rate	2.28%

1. The expected volatility is based on historic volatility (based on remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Notes to the consolidated Financial Statements (continued)

22. Share Based Payments (cont'd)

2) Managing Director – Incentive Option Issue

1,000,000 unlisted options exercisable at $0.26 on or before 4 February 2015 were issued to the Company's Managing Director Ms Cherie Leeden as approved by shareholders at a General Meeting of the Company held on 16 January 2015.

The Incentive Options are subject to, and are only exercisable following satisfaction of, the following vesting conditions:

i. 333,333 Incentive Options vest if the Company's Shares trade at $0.30 or above for a minimum of 30 consecutive days on or before 22 August 2016;
ii. 333,333 Incentive Options vest if the Company has raised AU$5 million in aggregate via way of a capital raising/s or cornerstone investment/s and/or rights issue on or before 22 August 2016 (this vesting condition was satisfied in October 2014); and
iii. 333,334 Incentive options vest if the Company announces a maiden JORC resource within one of its majority owned exploration assets on or before 22 August 2017.

The underlying fair value of the first tranche of Options granted was calculated based on the below, and will be expensed over the coming period until they vest or otherwise:

Valuation Date	Expiry Date	Exercise Price	Granted during the year	Fair value per option at Grant Date	Total fair value
			Number	$	$
16 Jan 2015	4 February 2018	$0.26	333,333	$0.00133	$443

The fair value of the first tranche of options granted was independently determined using an Option Pricing Model that takes into account the following inputs:

Number of options	333,333
Share Price at Grant Date	$0.046
Exercise Price	$0.26
Valuation Date	16 January 2015
Expiration date	4 February 2018
Life of the Options	3 years
Volatility[1]	67%
Risk Free Rate	2.13%

1. The expected volatility is based on historic volatility (based on remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The underlying fair value of the second and third tranche of Options granted was calculated based on the below, and fully vested during the year:

Notes to the consolidated Financial Statements (continued)

22. Share Based Payments (cont'd)

Valuation Date	Expiry Date	Exercise Price	Granted during the year Number	Fair value per option at Grant Date $	Total fair value $
16 January 2015	5 February 2018	$0.26	666,667	$0.010	$6,798

The fair value of options granted is independently determined using a Black-Scholes Option Pricing Model that takes into account the following inputs:

Number of options	666,667
Share Price at Valuation Date	$0.046
Exercise Price	$0.26
Valuation Date	16 January 2015
Expiration date	5 February 2018
Life of the Options	3.06 years
Volatility[1]	90%
Risk Free Rate	2.28%

1. The expected volatility is based on historic volatility (based on remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

3) Consultant Options

The Company issued 150,000 options during the period on 1 April 2015 as per the following table:

Valuation Date	Expiry Date	Exercise price	Granted during the period	Fair value per option at grant date $	Total fair value $
5 February 2015	31 December 2017	$0.15	150,000	$0.026	3,923

The options vest in thirds on continuous employment with the group over the three years from date of issue.

The value of the service received could not be reliably measured and as such the options have been measured at their fair value.

The fair value of options granted is independently determined using a Black Scholes Option Pricing Model that takes into account the following inputs:

Notes to the consolidated Financial Statements (continued)

22. Share Based Payments (cont'd)

Number of options	150,000
Share Price at Valuation Date	$0.067
Exercise Price	$0.15
Valuation Date	5 February 2015
Expiration date	31 Dec 2017
Life of the Options	2.9 years
Volatility[1]	90
Risk Free Rate	2.28%

1. The expected volatility is based on historic volatility (based on remaining life of the options), adjusted for any expected chances to future volatility due to publicly available information.

4) Other Share-based payments arrangements

From time to time the Company may also enter into share based payment arrangements with key consultants, employees, Directors and suppliers in settlement for goods and services received or acquired. The terms and conditions of these arrangements are summarised in section (c) below.

(b) Share options outstanding at the end of the year have the following terms and conditions.

2015

Grant Date	Expiry Date	Exercise Price	FV per option	Balance at start of year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Vested & exercisable at end of the year
				Number	Number	Number	Number	Number	Number
31 Mar 14	31 Dec 16	$0.150	$0.062[1]	138,500	-	-	-	138,500	46,167
31 Mar 14	31 Mar 17	$0.093	$0.042[2]	2,500,000	-	-	-	2,500,000	2,500,000
29 Jul 14	7 Jan 17	$0.150	$0.076[3]	637,778	-	-	-	637,778	637,778
12 Aug 14	7 Jan 17	$0.150	-[4]	184,616	-	-	-	184,616	184,616
3 Dec 13	3 Dec 16	$0.150	$0.064	1,000,000	-	-	-	1,000,000	1,000,000
3 Dec 13	3 Dec 16	$0.150	$0.064	1,350,000	-	-	(533,333)	816,667	816,667
3 Dec 13	3 Dec 16	$0.168	$0.064	600,000	-	-	-	600,000	600,000
15 Jan 15	4 Feb 18	$0.26	$0.0013	-	333,333	-	-	333,333	-
16 Jan 15	5 Feb 18	$0.26	$0.01	-	666,667	-	-	666,667	666,667
1 April 15	31 Dec 17	$0.15	$0.026	-	2,300,000	-	-	2,300,000	2,300,000
1 Apr 15	31 Dec 17	$0.15	$0.026	-	150,000	-	-	150,000	150,000
				6,410,894	**3,450,000**	**-**	**-**	**9,327,561**	**7,664,117**

Notes to the consolidated Financial Statements (continued)

22. Share Based Payments (cont'd)

Grant Date	Expiry Date	Exercise Price	FV per option	Balance at start of year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Vested & exercisable at end of the year
				Number	Number	Number	Number	Number	Number
31 Mar 14	31 Dec 16	$0.150	$0.062[1]	-	138,500	-	-	138,500	46,167
31 Mar 14	31 Mar 17	$0.093	$0.042[2]	-	5,000,000	2,500,000	-	2,500,000	2,500,000
29 Jul 14	7 Jan 17	$0.150	$0.076[3]	-	637,778	-	-	637,778	637,778
12 Aug 14	7 Jan 17	$0.150	-[4]	-	184,616	-	-	184,616	184,616
28 Mar 13	31 Dec 15	$0.250	$0.088	1,000,000	-	-	333,334[5]	666,666	666,666
3 Dec 13	3 Dec 16	$0.150	$0.064	1,000,000	-	-	-	1,000,000	1,000,000
3 Dec 13	3 Dec 16	$0.150	$0.064	1,350,000	-	-	-	1,350,000	1,350,000
3 Dec 13	3 Dec 16	$0.168	$0.064	600,000	-	-	-	600,000	600,000
				3,950,000	**5,960,894**	**2,500,000**	**333,334**	**7,077,560**	**6,985,227**

2014

1. Employee share option plan (ESOP) options vesting equally at 1 June 2014, 1 June 2015, and 1 June 2016 for the continuing engagement with the company. See details of fair value below.
2. 5,000,000 unlisted options exercisable at $0.093 on or before 31 March 2017 were issued to Select Exploration Ltd in respect of the acquisition of a 90% interest in three base metals exploration licenses in Gabon. Two of the licenses are granted and the third is under application. The fair value of the goods and services acquired, being "greenfield" exploration assets, could not be measured reliably and was therefore determined based on the underlying fair value of the Options granted as consideration. See below details of fair value. Refer note 13 for details of the asset acquisition.
3. Share holder approved listed options issued to directors and employees measured at fair value (listing price) on date of shareholder approval.
4. Shares and options issued to supplier in lieu of cash measured at the fair value of the services received. Refer (c) for fair value of shares issued. The total fair value of shares and options issued is calculated by reference to the value of goods and services received which is $12,000 and this value was attributed to shares issued per below.
5. Ms Naomi Scott resigned prior to 30 June 2015 and as such the final one third of her options (333,334) did not vest.

(c) Shares issued to Directors, employees and suppliers

Grant Date		Granted during the year	Fair value per share at Grant Date	Total fair value
		Number	$	$
2015				
	Directors and Employees[1]	1,277,777	0.07[1]	72,513
	Shares issued to suppliers[2]	285,715	n/a[2]	20,000
	Mitchell drilling services[3]	13,139,442	Various[3]	498,935
		14,702,934		**591,448**

Notes to the consolidated Financial Statements (continued)

22. Share Based Payments (cont'd)

Grant Date		Granted during the year	Fair value per share at Grant Date	Total fair value
		Number	$	$
2014				
12 Aug 14	Directors and Employees[1]	1,275,560	$0.21	267,867
12 Aug 14	Shares issued to suppliers[2]	184,615	n/a[2]	12,000
3 Dec 14	Mitchell drilling services[3]	-	-	345,020
		1,460,175		**624,887**

1. Fair value at grant date is assessed as being the closing market price on the date shareholder approval was obtained to issue the shares
2. Shares issued to supplier in lieu of cash. The total fair value of shares issued is calculated by reference to the value of goods and services received in accordance with AASB 2.
3. As per note 12(a), The Company entered into an agreement, as announced to the ASX on 3 December 2014 and subsequently approved by shareholders, whereby Mitchell Drilling has agreed to subscribe for up to A$1.5 million of shares in the Company, with MTA and Mitchell having the option, during 2014 and 2015, to settle monthly drilling charges; 50% by way of a cash payment and 50% by way of the issue of shares, with the relevant share price to be calculated via the 5 day volume weighted average price (VWAP) as at the date of invoicing. The total fair value of shares issued is calculated by reference to the value of goods and services received in accordance with AASB 2.

23. Segment Reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of its exploration and corporate activities. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

The Group operates as a single segment which is mineral exploration within East Africa. The Group is domiciled in Australia.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the financial statements of the Group.

Segment assets
Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Notes to the consolidated Financial Statements (continued)

23. Segment Reporting (cont'd)

Unless indicated otherwise in the segment assets note, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities
Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

Unallocated items
The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- impairment of assets and other non-recurring items of revenue or expense;
- income tax expense;
- deferred tax assets and liabilities; and
- discontinuing operations.

Segment Performance 31 December 2015	**Exploration East Africa $**	**Unallocated $**	**Total $**
Revenue from external customers	85,124	21,622	106,746
Reportable segment (loss)	**(194,698)**	**(8,327,696)**	**(8,522,394)**

Segment Assets 31 December 2015	**Exploration East Africa $**	**Unallocated $**	**Total $**
Segment assets			
Cash	35,174	1,444,431	1,479,605
Exploration and evaluation	6,697,811	-	6,697,811
Other	775,821	70,530	846,351
Total segment assets	**7,508,806**	**1,514,961**	**9,023,767**

Notes to the consolidated Financial Statements (continued)

23. Segment Reporting (cont'd)

Segment Liabilities 31 December 2015	**Exploration East Africa $**	**Unallocated $**	**Total $**
Segment liabilities			
Creditors and other creditors	(451,038)	(169,506)	(620,544)
Total segment liabilities	**(451,038)**	**(169,506)**	**(620,544)**

Summary of Unallocated Revenue Segment

Segment Performance 31 December 2015	**Unallocated $**
Revenue from external customers	21,622
Accounting and audit fees	(76,520)
Consulting and company secretarial	(458,540)
Corporate advisory	(61,500)
Salaries and wages	(103,123)
Travel and entertainment	(281,264)
Compliance	(80,883)
Directors fees	(467,428)
Equipment hire	(1,979)
Legal fees	(29,732)
Office costs	(20,935)
Rent expense	(11,000)
Other	(401,184)
Loss on disposal of subsidiaries	(131,433)
Exploration and evaluation write off	(6,223,797)
Reportable segment (loss)	**(8,327,696)**

Notes to the consolidated Financial Statements (continued)

23. Segment Reporting (cont'd)

Segment Performance 31 December 2014	**Exploration East Africa $**	**Unallocated $**	**Total $**
Revenue from external customers	38,891	47,541	86,432
Reportable segment (loss)	**(842,018)**	**(3,203,610)**	**(4,045,628)**

Segment Assets 31 December 2014	**Exploration East Africa $**	**Unallocated $**	**Total $**
Segment assets			
Cash	1,056,459	2,805,606	3,862,065
Exploration and evaluation	10,795,712	53,845	10,849,557
Other	584,228	36,975	621,203
Total segment assets	**12,436,399**	**2,896,426**	**15,332,825**

Segment Liabilities 31 December 2014	**Exploration East Africa $**	**Unallocated $**	**Total $**
Segment liabilities			
Creditors	(329,568)	(93,582)	(423,150)
Total segment liabilities	**(329,568)**	**(93,582)**	**(423,150)**

Summary of Unallocated Revenue Segment

Segment Performance 31 December 2014	**Unallocated $**
Revenue from external customers	47,541
Accounting and audit fees	(61,283)
Consulting and company secretarial	(146,619)
Corporate advisory	(42,500)
Salaries and wages	(122,700)
Share based payments	(324,871)
Travel and entertainment	(123,658)
Compliance	(135,680)
Directors fees	(284,055)
Insurance	(17,918)
Equipment hire	(173)
Legal fees	(53,317)
Office costs	(15,157)
Rent expense	(10,000)
Other	(182,709)
Exploration and evaluation write off	(1,730,511)
Reportable segment (loss)	**(3,203,610)**

Notes to the consolidated Financial Statements (continued)

24. Parent Entity Disclosure

The following details information related to the parent entity, Metals of Africa Limited, as at 31 December 2015. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	Company 31 Dec 2015 $	Company 31 Dec 2014 $
Current assets	1,512,619	2,842,580
Non-Current assets	7,060,110	8,297,120
Total assets	**8,572,729**	**11,139,700**
Current liabilities	169,506	93,582
Total liabilities	**169,506**	**93,582**
Contributed equity	21,073,643	17,649,759
Share based payments reserve	2,107,370	2,052,389
Accumulated losses	(14,777,791)	(8,656,030)
Total equity	**8,403,223**	**11,046,118**
(Loss) after income tax	(6,121,761)	(6,517,973)
Other comprehensive income/ (loss) for the year	-	-
Total comprehensive (loss) for the year	**(6,121,761)**	**(6,517,973)**

Guarantees

The Parent Company has not entered into any guarantees in relation to the debts of its subsidiary.

Contingent Liabilities and Contractual Commitments of the Parent

The Parent Company has no commitments to acquire property, plant and equipment and has no contingent liabilities as at the date of report.

Notes to the consolidated Financial Statements (continued)

25. Disposal of Subsidiary

On 1st July 2015 the group lost control of its Tanzanian subsidiaries, as identified in note 19(b). The loss on disposal was consequently presented in the profit and loss of the 2015 financial statements. Financial information relating to the disposal of subsidiaries is set out below.

a) Financial performance and cash flow information

	Company 31 Dec 2015 $
Carrying amount of net assets disposed	(66,506)
Foreign exchange loss on disposal of subsidiary	(64,937)
Total loss on disposal of subsidiary	(131,443)
Loss from disposal of subsidiary	**(131,443)**

b) Details of disposal of subsidiary

On 1 July 2015, the group disposed of the following entities:-

- Mkindu Pty Ltd
- Traction Resources Pty Ltd
- Savannah Metals Ltd
- Sahara Investments Ltd
- Chai Resources Ltd
- Kansas Resources Ltd
- Swala Resources Ltd
- Boomerang Resources Ltd
- Persian Metals Ltd
- Mzombe Resources Ltd
- Siwandu Metals Ltd

The carrying net asset as at the date of sale (1 July 2015) was: $66,506

Directors' Declaration

In the Directors' opinion:

(a) the financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001, and:

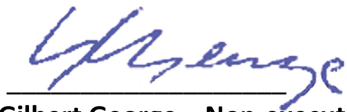
(i) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) give a true and fair view of the financial position as at 31 December 2015 and of the performance for the period ended on that date of the consolidated entity; and

(iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements.

(b) In the Directors' opinion, there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by;



Gilbert George – Non-executive Chairman

Perth, Western Australia, 31 March 2016

Corporate Governance Statement

Corporate Governance Statement

The Company's corporate governance statement can be found on the Company's website at http://metalsofafrica.com.au/index.php/company/corporate-governance/

The Board of Directors ("the Board") is responsible for the corporate governance of the Company. The Boad guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

This statement outlines the main Corporate Governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2014 Amendments 3rd edition unless otherwise stated.

ASX Additional Information

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Financial Report is set out below.

1. Shareholdings

The issued capital of the Company as at 22 March 2016 is:

- 210,916,509 ordinary fully paid shares;
- 57,854,396 listed options ($0.15, 7 January 2017); and
- 8,505,167 unlisted options.

All issued ordinary fully paid shares carry one vote per share.

2. Distribution of Equity Securities

Ordinary Shares

Range	Holders	Units	%
1-1,000	29	2,165	0.00
1,001-5,000	41	160,208	0.08
5,001-10,000	94	825,674	0.39
10,001-100,000	449	20,492,486	9.71
100,001-9,999,999	259	189,435,976	89.82
Total	**872**	**210,916,509**	**100.00**

Unmarketable parcels

There were 114 holders of less than a marketable parcel of ordinary shares.

Listed Options ($0.15, 07/01/2017)

Shares Range	Holders	Units	%
1-1,000	0	0	0.00
1,001-5,000	2	7,000	0.01
5,001-10,000	19	147,571	0.26
10,001-100,000	101	5,054,481	8.74
100,001-9,999,999	108	52,645,344	90.99
Total	**230**	**57,854,396**	**100.00**

ASX Additional Information (continued)

3. Top 20 Largest Holders of Listed Securities

Ordinary shares

	Name	Number of Shares	%
1.	FARJOY PTY LTD	26,615,244	12.62
2.	MR NAVINDERJEET SINGH	15,000,000	7.11
3.	MITCHELL GROUP HOLDINGS PTY LTD <ANDALA A/C>	13,139,442	6.23
4.	TRANSORE INTERNATIONAL (FZE)	7,687,311	3.64
5.	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	5,000,000	2.37
6.	CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	4,000,000	1.90
7.	CORNELA PTY LTD <MACLIVER FAMILY A/C>	3,575,950	1.70
8.	MR JASON PETERSON &MRS LISA PETERSON <J & L PETERSON S/F A/C>	3,350,000	1.59
9.	JB TORO PTY LTD	2,850,000	1.35
10.	ROCHAS RESOURCES LIMITED	2,811,831	1.33
11.	BOUSSAL PTY LTD <JOHNSTON SUPER FUND ACCOUNT>	2,780,060	1.32
12.	MICJUD PTY LTD <CHESTER SUPER FUND A/C>	2,222,222	1.05
13.	JETOSEA PTY LTD	2,190,923	1.04
14.	LIMEWORKS LIMITED	2,093,209	0.99
15.	AZORES OVERSEAS INC	1,954,643	0.93
16.	DRINA CAPITAL CORPORATION	1,867,479	0.89
17.	ANGLO ARABIAN CORPORATION	1,851,542	0.88
18.	CORNELA PTY LTD <MACLIVER FAMILY A/C>	1,793,253	0.85
19.	PULLMAN CORPORATION	1,756,000	0.83
20.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,710,189	0.81
	Total top 20	**104,249,298**	**49.43**
	Total Remaining Holders Balance	**106,667,211**	**50.57**
	Total shares on issue	**210,916,509**	**100.00**

ASX Additional Information (continued)

Option holders ($0.15, 07/01/2017)

	Name	Number of Options	%
1.	JETOSEA PTY LTD	3,430,680	5.93
2.	CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	3,178,420	5.49
3.	CORNELA PTY LTD <MACLIVER FAMILY A/C>	2,681,962	4.64
4.	DRINA CAPITAL CORPORATION	1,400,609	2.42
5.	ROCHAS RESOURCES LIMITED	1,275,500	2.20
6.	FCG NOMINEES PTY LTD	1,110,000	1.92
7.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,000,000	1.73
8.	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	941,250	1.63
9.	MR ROBERT NEIL GEORGE &MRS NOELA HELEN GEORGE <RN & NH GEORGE FAMILY A/C>	905,000	1.56
10.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	900,000	1.56
11.	FELTRIM PASTORAL CO PTY LTD <STAUGHTON EXEC S/FUND A/C>	850,000	1.47
12.	ZIZIPHUS PTY LTD	825,000	1.43
13.	HARDCORE RESOURCES PTY LTD	822,500	1.42
14.	MR STANLEY KRIARIS & MRS DANIELLE KRIARIS <D & S KRIARIS S/F A/C>	800,000	1.38
15.	RJ WADE PTY LTD <RJ WADE SUPERFUND A/C>	800,000	1.38
16.	DARONLYN PTY LTD	750,000	1.30
17.	CATL PTY LTD <THE MINTO A/C>	750,000	1.30
18.	MARIS AFRICA FUND LP\C	748,924	1.29
19.	AKSHAY INVESTMENTS LIMITED	736,990	1.27
20.	MR STEPHEN GEORGE LEARY &MRS PENELOPE JOAN LEARY	725,500	1.25
	Total top 20	**24,632,335**	**42.58**
	Total Remaining Holders Balance	**33,222,061**	**57.42**
	Total Listed Options	**57,854,396**	**100.00**

ASX Additional Information (continued)

4. Voting Rights

See note 12 of the financial statements.

5. Unquoted securities

The names of the security holders holding more than 20% of an unlisted class of security are listed below:
There are 8,505,167 unlisted options over shares in the Company as at 22 March 2016 as follows:

	Unlisted options $0.15 3 Dec 2016	**Unlisted options $0.168 3 Dec 2016**	**Unlisted options $0.093 31 Mar 2017**	**Unlisted options $0.26 4 Feb 2018**	**Unlisted options $0.15 31 Dec 2017**
Cherie Leeden	1,000,000	-	-	1,000,000	
Estate of Bangun Maruli Tua Napitupulu	550,000	-	-	-	
Nardie Group Pty Ltd	-	300,000	-	-	
Philuchna Pty Ltd	-	300,000	-	-	
Jetosea Pty Ltd	-	-	2,500,000	-	
Steven James Cancio-Newton & Kirrily Cancio-Newton <Maxwell Investment A/C>	-	-	-	-	1,000,000
Regina Molloy	-	-	-	-	500,000
Holders less than 20%	405,167	-	-	-	950,000
	1,955,167	**600,000**	**2,500,000**	**1,000,000**	**2,450,000**

6. Substantial shareholder notices received as at 22 March 2016

	Name	**Number of Shares**	**% Holding**
1	FARJOY PTY LTD	26,615,244	12.62
2	MR NAVINDERJEET SINGH	15,000,000	8.06
3	MITCHELL GROUP HOLDINGS PTY LTD <ANDALA A/C>	13,139,442	6.31

7. Restricted Securities Subject to Escrow

There are no shares subject to escrow.

8. On-market buy back

There is currently no on-market buyback program for any of Metals of Africa Limited's listed securities.

9. Group cash and assets

In accordance with Listing Rule 4.10.19, the Group confirms that it has been using the cash and assets for the period ended 31 December 2015 in a way that is consistent with its business objective and strategy.

ASX Additional Information (continued)

The Company has an interest in the following projects as at 31 March 2016:

1. MINING TENEMENTS HELD

Tenement Reference	Location	Nature of interest	Interest
6216	Mozambique	Granted	100%
6254	Mozambique	Granted	100%
5572	Mozambique	Subject to JV*	100%*
Kroussou	Gabon	Granted	90%
4118	Mozambique	Acquisition completed subject to Mozambique regulatory clearance	100% (subject to Mozambique regulatory clearance)

*subject to JV with Mozambican Ruby LDA as announced to the ASX on 20 October 2015. Subject to relevant expenditure commitments being met by Mozambican Ruby LDA (minimum US$400,000), they will earn 75% of licence 5572.

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 and who holds shares and options in 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 Exploration Targets and 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.