



METALS *of* AFRICA

LIMITED

**METALS OF AFRICA LIMITED
AND ITS CONTROLLED ENTITIES**
ACN 152 071 095

Interim Financial Report

For the period ended 30 June 2016

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These half-yearly financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these half-yearly financial statements are to be read in conjunction with the 2015 annual report and any public announcements made by Metals of Africa Limited during the period from 1 January 2016 to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' Report

Your Directors present their half-yearly report on the consolidated entity consisting of Metals of Africa Limited ("Metals of Africa" or "the Company") and the entities it controlled at the end of, or during, the period 1 January 2016 to 30 June 2016 ("the Group").

Directors

The persons who were Directors of Metals of Africa Limited during the interim reporting period and up to the date of this report are:

Mr Gilbert George	Non-Executive Chairman
Ms Cherie Leeden	Managing Director
Mr Brett Smith	Non- Executive Director

Review of Operations

The Group's operating loss for the period of 1 January 2016 to 30 June 2016 was \$4,393,576 (30 June 2015: \$2,489,762).

During the period the Company continued with its objectives of developing the high grade Montepuez and Balama Central graphite deposits in the Cabo Delgado province of north-eastern Mozambique. The Company completed a robust scoping study at the Montepuez graphite project in February 2016, released a maiden JORC resource at the Balama Central graphite project on 21 March 2016, delivered ongoing exceptional metallurgical results and produced high-quality graphite concentrate from test-work completed. The Company successfully completed a capital raising during the period that has provided sufficient working capital to see it advance its projects with the aim of delivering a Definitive Feasibility Study (DFS) at the Montepuez graphite project in December 2016.

As part of the DFS, bulk ore samples were transported Perth to prepare graphite concentrate samples to provide to potential off-take partners for further due diligence and suitability testing, and to assist in finalising process flow sheets. The Company also initiated and progressed discussions on equipment, financing, and off take during the period.

The Company has continued to progress its methodical exploration of the Kroussou Zinc-Lead project in Gabon during the period, and retains an interest in the Montepuez East Ruby Project that is being operated by its joint venture partner.

Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

The Company has continued to provide investors with exploration updates since 30 June 2016, and these announcements can be viewed on the Company's website and also the ASX website. These updates include the commencement of a DFS drill program and further exceptional metallurgical results.

Auditor's Independence Declaration

The Auditor's Independence Declaration under section 307C of the Corporation Act 2001 can be found on the following page.

This report is signed in accordance with a resolution of the Board of Directors.



Cherie Leeden
Managing Director

Perth, Western Australia
13 September 2016

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

As lead auditor for the review of Metals of Africa Limited for the half-year ended 30 June 2016, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd
Perth, 13 September 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2016

		Consolidated 6 months ended 30 June 2016	Consolidated 6 months ended 30 June 2015
	Note	\$	\$
Revenue and other income	2	10,377	19,429
Accounting and audit fees		(50,829)	(61,293)
Consulting & company secretarial expenses		(135,864)	(243,031)
Corporate advisory		(30,500)	(32,300)
Salaries and wages		(124,034)	(17,816)
Share based payments		(94,098)	(62,698)
Travel and entertainment		(57,634)	(159,524)
Compliance fees		(57,143)	(24,191)
Director fees		(178,214)	(220,181)
Other Advisory Fee		-	(143,650)
Equipment hire		(2,213)	(496)
Legal fees		(30,320)	(17,628)
Office costs		(3,968)	(9,352)
Rent		(6,000)	(5,000)
Other operational expense		(144,453)	(221,255)
EE&E write off	5	(3,488,683)	(1,290,776)
Loss before income tax		(4,393,576)	(2,489,762)
Income tax expense		-	-
Net loss for the period attributable to the owners of Metals of Africa Limited		(4,393,576)	(2,489,762)
Other comprehensive income/(loss)			
<i>Items that may be classified to profit or loss</i>			
Exchange differences on translation of foreign operations		(564,583)	(477,071)
Other comprehensive income/(loss) for the period, net of tax		(564,583)	(477,071)
Total comprehensive loss for the period attributable to the owners of Metals of Africa Limited		(4,958,159)	(2,966,833)
Loss per share from continuing operations attributable to the ordinary equity holders of Metals of Africa Limited			
Basic loss per share (cents)		(1.95)	(1.92)

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

Consolidated Statement of Financial Position

As at 30 June 2016

		Consolidated as at 30 June 2016	Consolidated as at 31 December 2015
	Note	\$	\$
ASSETS			
Current Assets			
Cash & cash equivalents		4,189,548	1,479,605
Trade & other receivables	4	495,094	554,549
Total Current Assets		4,684,642	2,034,154
Non-Current Assets			
Property, plant & equipment		217,733	291,802
Exploration & evaluation expenditure	5	3,257,803	6,697,811
Total Non-Current Assets		3,475,536	6,989,613
TOTAL ASSETS		8,160,178	9,023,767
LIABILITIES			
Current Liabilities			
Trade & other payables	6	224,349	620,544
Total Current Liabilities		224,349	620,544
TOTAL LIABILITIES		224,349	620,544
NET ASSETS		7,935,829	8,403,223
EQUITY			
Issued capital	7	25,470,311	21,073,643
Reserves	8	1,656,976	2,127,462
Accumulated losses		(19,191,458)	(14,797,882)
TOTAL EQUITY		7,935,829	8,403,223

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

Consolidated Statement of Changes in Equity

For the half year ended 30 June 2016

Consolidated 6 months ended 30 June 2015	Issued Capital	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2015	17,649,755	2,052,389	1,483,019	(6,275,488)	14,909,675
Loss for the period	-	-	-	(2,489,762)	(2,489,762)
Other comprehensive income/(loss)	-	-	(477,071)	-	(477,071)
Total comprehensive income/(loss) for the period	-	-	(477,071)	(2,489,762)	(2,966,833)
Transactions with owners in their capacity as owners:					
Shares issued, net of transaction costs (note 7(a))	20,000	-	-	-	20,000
Share based payments (note 8(a))	-	42,698	-	-	42,698
Balance at 30 June 2015	17,669,755	2,095,087	1,005,948	(8,765,250)	12,005,540

Consolidated 6 months ended 30 June 2016	Issued Capital	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2016	21,073,643	2,107,370	20,092	(14,797,882)	8,403,223
Loss for the period	-	-	-	(4,393,576)	(4,393,576)
Other comprehensive income/(loss)	-	-	(564,584)	-	(564,584)
Total comprehensive income/(loss) for the period	-	-	(564,584)	(4,393,576)	(4,958,160)
Transactions with owners in their capacity as owners:					
Shares issued, net of transaction costs (note 7(a))	4,396,668	-	-	-	4,396,668
Share based payments (note 8(a))	-	94,098	-	-	94,098
Balance at 30 June 2016	25,470,311	2,201,468	(544,492)	(19,191,458)	7,935,829

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half year ended 30 June 2016

	Consolidated 6 months ended 30 June 2016 \$	Consolidated 6 months ended 30 June 2015 \$
Cash flows from operating activities		
Receipts from customers	-	3,935
Payments to suppliers and employees	(1,068,814)	(1,484,727)
Interest received	7,938	15,494
Net cash (outflow) from operating activities	(1,060,876)	(1,465,298)
Cash flows from investing activities		
Payment for prepaid exploration licence	-	(311,249)
Payments for exploration and evaluation expenditure	(613,258)	(996,510)
Net cash (outflow) from investing activities	(613,258)	(1,307,759)
Cash flows from financing activities		
Proceeds from share issue	4,545,103	-
Capital raising costs	(148,435)	-
Net cash inflow from financing activities	4,396,668	-
Net increase/(decrease) in cash and cash equivalents	2,722,534	(2,773,057)
Cash and cash equivalents at beginning of the financial period	1,479,605	3,862,065
Effect of exchange rate fluctuations on cash held	(12,591)	(121,584)
Cash and cash equivalents at end of the period	4,189,548	967,424

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

Notes to the Consolidated Financial Statements

1. Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 30 June 2016 have been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 31 December 2015 and any public announcements made by Metals of Africa Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 30 June 2016. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the company and, therefore, no change is necessary to Group accounting policies.

Going Concern

The Directors believe that the consolidated entity will continue as a going concern. As a result the financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. During the half-year ended 30 June 2016, the consolidated entity incurred a net loss of \$4,393,576 and had net operating cash outflows of \$1,060,876 and cash balance of \$4,189,548.

Notes to the Consolidated Financial Statements (continued)

2. Revenue and Other Income

	Consolidated 6 months ended 30 June 2016	Consolidated 6 months ended 30 June 2015
Bank interest	7,938	15,494
Other income	2,439	3,935
Total other income	10,377	19,429

3. Segment Information

Operating Segments

The Group has a single operating segment, being mineral exploration within Africa. For this division the Group's Executive Director is responsible for overseeing the operations of the division. The Group is domiciled in Australia.

Information regarding the results of each reportable segment is included below.

Segment Performance 30 June 2016	Exploration Africa \$	Corporate \$	Total \$
Revenue and other income	2,466	7,911	10,377
Reportable segment (loss)	(3,804,269)	(589,307)	(4,393,576)

Segment Assets 30 June 2016	Exploration Africa \$	Corporate \$	Total \$
Segment assets			
Cash	83,343	4,106,205	4,189,548
Exploration and evaluation	3,257,803	-	3,257,803
Other	612,580	100,247	712,827
Total segment assets	3,953,726	4,206,452	8,160,178

Segment Liabilities 30 June 2016	Exploration Africa \$	Corporate \$	Total \$
Segment liabilities			
Creditors	85,295	133,347	218,642
Other	5,707	-	5,707
Total segment liabilities	91,002	133,347	224,349

Notes to the Consolidated Financial Statements (continued)

3. Segment Information (continued)

Segment Performance 30 June 2015	Exploration Africa \$	Corporate \$	Total \$
Revenue and other income	3,935	15,226	19,429
Reportable segment (loss)	(1,485,248)	(1,004,514)	(2,489,762)

Segment Assets 31 December 2015	Exploration Africa \$	Corporate \$	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

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

4. Trade & other receivables

	Consolidated as at 30 June 2016 \$	Consolidated as at 31 December 2015 \$
Trade receivable	-	39,885
GST receivable	74,844	45,078
Other Receivables	420,250	469,586
Total other receivables	495,094	554,549

Due to the short term nature of current receivables the carrying amount is assumed to be the same as their fair value.

Notes to the Consolidated Financial Statements (continued)

5. Exploration & Evaluation Expenditure

	Consolidated 6 months ended 30 June 2016 \$	Consolidated 31 December 2015 \$
Non-Current		
Exploration and Evaluation at cost	3,257,803	6,697,811
Movement		
Opening balance	6,697,811	10,849,557
E&EE attributable to asset acquisition	-	311,249
Exploration expenditure capitalised during the period	742,624	2,943,737
Refund received	(47,928)	-
Exploration expenditure written off during the period	(3,488,682)	(6,223,797)
Foreign exchange difference	(646,022)	(1,182,935)
Total Exploration & Evaluation Expenditure	3,257,803	6,697,811

Recovery of the carrying amount of exploration & evaluation expenditure is dependent on the continuance of the group's rights to tenure of the areas of interest, successful development and commercial exploration or sale of the respective tenement areas.

During the period, an impairment loss of \$3,488,682 was recognised in relation to certain non-core asset tenements held in Mozambique following a decision to relinquish these tenements as the economic viability of the licenses was questionable.

6. Trade and Other Payables

	Consolidated as at 30 June 2016 \$	Consolidated as at 31 December 2015 \$
Trade and other payables	116,034	223,886
Accruals	108,315	396,658
Total other payables	224,349	620,544

Due to the short term nature of current payables the carrying amount is assumed to be the same as their fair value.

Notes to the Consolidated Financial Statements (continued)

7. Issued Capital

	Consolidated 6 months ended 30 June 2016 \$	Consolidated 31 December 2015 \$
Ordinary fully paid shares	297,848,970	21,073,643

(a) Movements for the half year ended 30 June 2016

Date	Details	No. of Shares	Issue Price	\$
1 January 2016	Opening Balance	210,916,509		21,073,643
12 April 16	Shares issued to Mitchell Drilling ¹	1,938,352		-
16 May 16	Placement - Tranche 1	53,213,714	\$0.055	2,926,754
27 June 16	SPP	29,424,528	\$0.055	1,618,349
30 June 2016	Less: Share Issue Costs			(148,435)
		295,493,103		25,470,311

(b) Movements for the year ended 31 December 2015

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 ¹	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 November 2015	Shares issued to Mitchell Drilling ¹	7,661,894	\$0.045	358,728
31 December 2015	Unissued shares to Mitchell Drilling ¹	-	-	123,279
31 December 2015	Less: Share Issue Costs			(175,163)
		210,916,509		21,073,643

1- 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. On 12 April 2016, shareholders approval was obtained for the issue of shares to Mitchell Drilling which was recognised in equity at 31 December 2015 amounting to \$123,279.

Notes to the Consolidated Financial Statements (continued)

8. Reserves

	Consolidated 6 months ended 30 June 2016 \$	Consolidated 12 months ended 31 Dec 2015 \$
Foreign currency translation reserve	(544,492)	20,092
Share based payment reserve	2,201,468	2,107,370
	1,656,976	2,127,462

(a) Movements for the half year ended 30 June 2016

Date	Details	No. of Options	Recognised in Reserve \$
31 May 2016	Issue of options	2,500,000	90,131
31 May 2016	Issue of performance rights	3,500,000	3,967
30 June 2016		6,000,000	94,098

(b) Movements for the year ended 31 December 2015

Date	Details	No. of Options	Recognised in Reserve \$
5 February 2015	Incentive option issue	333,333	265
5 February 2015	Incentive option issue	666,667	6,798
1 April 2015	Incentive option issue	2,450,000	47,918
30 June 2015	Option Expiry	(10,000,000)	-
1 July 2015	Unvested Employee Option Expiry	(533,333)	-
31 December 2015	Expiry of options	(3,666,666)	-
31 December 2015		(10,749,999)	54,981

Notes to the Consolidated Financial Statements (continued)

8. Reserves (continued)

(c) Option Issue

On 31 May 2016 2,500,000 unlisted options exercisable at \$0.092 on or before 31 May 2020 were issued to the Company's Non-executive Chairman Mr Gilbert George, Non-executive Director Mr Brett Smith and Company Secretary Mr Steven Wood as approved by shareholders at a General Meeting of the Company held on 16 January 2015.

The options are not subject to any vesting conditions.

The underlying fair value of the Options granted was calculated based on the below, and were expensed during the period:

Valuation Date	Expiry Date	Exercise Price	Granted during the period Number	Fair value per option at Grant Date \$	Total fair value \$
31 May 2016	31 May 2020	\$0.092	2,500,000	0.036	90,131

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

Number of options	2,500,000
Share Price at Grant Date	\$0.058
Exercise Price	\$0.092
Valuation Date	31 May 2016
Expiration date	31 May 2020
Life of the Options	4 years
Volatility ¹	100%
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)

8. Reserves (continued)

On 31 May 2016 the Company issued 3,500,000 performance rights to Managing Director Ms Cherie Leeden, as approved by Shareholders at the Company's Annual General Meeting.

The 3,500,000 Performance Rights to be issued to Cherie Leeden, will be issued in three equal tranches of 1,166,666 Performance Rights with the following performance based milestones based solely on her future performance as a director of the Company:

Class of Performance Rights	Performance Condition	Period
Class A Performance Rights	Upon the Company announcing to the ASX entry into a material (as determined by the Board), binding offtake agreement from either of the Company's graphite projects in Mozambique.	24 months from issue
Class B Performance Rights	Upon the Company announcing to ASX that it has completed a Definitive Feasibility Study in relation to one of its graphite projects in Mozambique.	24 months from issue
Class C Performance Rights	Upon Cherie Leeden continuing to be employed by the Company during the period from the issue of the Class C Performance Rights up until the date which is 12 months from their issue.	24 months from issue

On achievement of the applicable Performance Condition, each Performance Right will convert into a Share.

If a Performance Condition of a Performance Right is not achieved by the end date of the specified period, then the Performance Right will lapse.

If a Takeover Event (as described in schedule 1) occurs prior to the expiry or conversion of a Performance Right, the Performance Right will convert.

The fair value of the performance rights granted was independently determined as share price at point of granting multiplied by the number of rights. The terms and conditions of the rights are as follow:

Class of Performance Rights	No of Performance Rights	Valuation Date	Expiry Date	Share Price at Grant Date	Total fair value	Probability	Expensed recognised ⁴
					\$		\$
Class A	1,166,666	30 May 2016	30 May 2018	\$0.058	67,666	9% ¹	226
Class B	1,166,666	30 May 2016	30 May 2018	\$0.058	67,666	69% ²	1,823
Class C	1,166,666	30 May 2016	30 May 2018	\$0.058	67,666	72% ³	1,919

1. A probability of 9% has been applied to this particular risk factor as the Company had yet to sign a material contract as at the balance date of 30 June 2016, and whilst was in discussions with off-take parties, these were too early-stage to provide a higher probability.
2. In conjunction with Class A above, the achievement of this milestone will be dependent upon the group's ability to raise additional capital and continue advancing the projects towards DFS. It is management's position that there is a likelihood of 69% that this will be achieved.
3. Managing Director has been with the company for the past 2 years. However with all commercial arrangements, the risk of resignation should be considered. Given current market activity and her involvement in the company from both a share ownership, options holding and current salary, it is management's position that the likelihood of Managing Director resigning is very low and should be at no higher than risk factor of 72%.
4. Total expense for the period is recognised based on expected number of rights to vests (taking into account probability factors above) multiply by the share price at grant date over the vesting period.

Notes to the Consolidated Financial Statements (continued)

8. Reserves (continued)

(d) Expenses arising from share based payment transactions

Share based payment expense arises from share based payments granted during the period and the vesting of share based payments granted in prior reporting periods.

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	Consolidated 6 months ended 30 June 2016 \$	Consolidated 31 December 2015 \$
Performance Rights issued to Managing director	3,967	-
Options issued to non-executive directors and company secretary	90,131	-
Issue of vendor options	-	265
Issue of vendor options	-	6,798
Issue of vendor options	-	47,918
	94,098	54,981

Notes to the Consolidated Financial Statements (continued)

9. Controlled Entities

Interests in subsidiaries are set out below:

	Country of Incorporation	% Equity Interest 2016	% Equity Interest 31 December 2015
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
Select Exploration Limited (Previously Cobra Resources Limited)	Mauritius	100	100
Tanga Resources Limited	Mauritius	100	100
Rovuma Resources Limited	Mauritius	100	100
Jorc Resources Limited	Mauritius	100	100
Assain Investments Limited	Mauritius	100	100
Greenstone Resources Limited	Mauritius	100	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
Select Explorations Gabon SA	Gabon	90	90

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

Notes to the Consolidated Financial Statements (continued)

10. Dividends

No dividend has been declared or paid during the period ended 30 June 2016 (30 June 2015: Nil).

11. Commitments

The Group has no other commitments other than those disclosed at 31 December 2015.

12. Events subsequent to Reporting Date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

13. Contingent Assets and Liabilities

There are no identified contingent assets or liabilities as at reporting date (31 December 2015: Nil).

14. Related Party Disclosures

Other than the performance rights issued to the Managing Director and options issued to Non-executive Directors as disclosed at note 8(c), transactions with the related parties are consistent with those disclosed in the 31 December 2015 financial report.

Director's Declaration

The directors of the Company declare that:

- 1) The financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - a) comply with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
 - b) give a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance, as represented by the results of its operations, changes in equity and its cash flows for the period from 1 January 2016 to 30 June 2016.
- 2) At the date of this statement there are reasonable grounds to believe that Metals of Africa Limited will be able to pay its debts when they become due and payable.

This statement is made in accordance with a resolution of the Board of Directors.



Ms Cherie Leeden
Managing Director

Perth, Western Australia, 13 September 2016

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Metals of Africa Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Metals of Africa Limited, which comprises the consolidated statement of financial position as at 30 June 2016, 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 half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Metals of Africa Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Metals of Africa Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink. The first part of the signature is 'BDO' in a stylized, blocky font. Below it, the name 'J Prue' is written in a cursive script.

Jarrad Prue

Director

Perth, 13 September 2016