METALS of AFRICA LIMITED

Excellent Stage One Metallurgical Results at Balama Central and Montepuez Graphite Projects

- Exceptional initial metallurgical results support recently announced concept studies results - MTA's products likely to be amongst the lowest OPEX and highest grade available
- Concentrate grade of >96% TGC achieved in first round test work
- High graphite recovery achieved with coarse primary grind size
- Flotation parameters identified have potential to reduce plant capital and operating cost
- Detailed cleaner circuit, flake size and assay test work currently underway.
- Bulk sampling program underway to generate several tonnes of sample for pilot plant test work and metallurgical test work for multiple end-users

Metals of Africa Limited (ASX: MTA) ("the Company") is pleased to announce positive initial metallurgical test work results from its 100% owned Montepuez and Balama Central Graphite Projects in the Cabo Delgado Province of Mozambique.

Figure 1 – GS03 Weathered Composite Rougher Flotation without Collector

Composite metallurgical samples were sourced from all mineralised lithologies from the Montepuez Project, which has a JORC Resource Estimate of 61.6Mt @ 10.3% TGC (ASX announcement, 16 November 2015) and the nearby Balama Central Project, whose JORC Resource Estimate is 16.3 Mt at 10.4% TGC (ASX announcement, 21 March 2016). These samples were used to perform stage one metallurgical work (Rougher Flotation test work) for both projects.

Metals of Africa Limited (ASX: MTA)

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MTA Capital Structure

Shares on Issue:	**211m**
Listed Options: ($0.15, 07/01/2017)	**58m**
Unlisted Options (various price, expiry)	**8.5m**
Market Cap. @ $0.065	**$14m**

MTA Board

Gilbert George
Non-Executive Chairman

Cherie Leeden
Managing Director

Brett Smith
Non-Executive Director

Steven Wood
Company Secretary

Projects

Mozambique - Graphite

Montepuez
61.6Mt at 10.3% TGC, 0.26% V2O5

Balama Central
16.26Mt at 10.45% TGC, 0.21% V2O5

Gabon - Lead Zinc

Kroussou
Up to 9.69% zinc and 33.10% lead

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Technical Summary

Ten test work composites were provided for the test work program, and cover all lithologies and weathering profiles, and will allow optimisation of a mine plan proposed for the first 10 years of the Montepuez and Balama Project.

Initial Rougher Flotation recovery results range from 94% to 98% and are presented in Table 1. These recoveries are achieved using a coarse grind size of P_{100} = 850 µm. The recoveries can be increased to >98% by further grinding, however, to preserve flake size the coarser grind size was utilised. It is expected a coarser grind size will require less grinding equipment, and the associated lower power consumption will positively impact CAPEX and OPEX.

High recoveries were delivered in the Rougher Flotation. These were achieved using minimal reagent, with no collector required in the first Rougher stage (See Figure 1: MTA sample undergoing flotation without collector). The graphite flakes are hydrophobic and attach to the air bubbles without the aid of a collector. Lower reagent consumption will also reduce OPEX in any future mining operation.

Initial multiple stage cleaner test work results have also been received, with >96% TGC grade achieved. This is the first step in determining the number of re-grind and cleaner stages required across all lithologies and optimisation of flake size. Detailed cleaner test work is in progress.

Lithology	Deposit	Recovery
GS1	Balama Central	94%
GS2	Montepuez	95%
GS3	Balama Central	95-97%
GS4	Balama Central	96-97%
GSQF	Montepuez	95-98%

Table 1 – Rougher Recovery by Lithology

Metals of Africa Managing Director, Ms Cherie Leeden said

"Our initial metallurgical results are exceptional. Simple metallurgy is a key to successful graphite deposits and our initial findings indicate that a high quality product will be obtained via a simple flow sheet which ultimately equates to achieving very low OPEX and CAPEX. We look forward to providing additional metallurgical updates as they come to hand"

Next Steps

Detailed flotation metallurgical work will continue as part of the Company's strategy to fast track both of the projects to development. Test work is ongoing and results will be announced as they become available. The work is being conducted by ALS Ammtec, who have completed a number of Graphite test work programs, with oversight from a local engineering company.

MTA is also currently in the process of obtaining a bulk sample of several tonnes for pilot plant test work to generate sufficient sample quantity and quality for downstream test work by a number of end users. These samples are expected to arrive in Perth, Western Australia for testing later this month.

-Ends-

On behalf of Board of Directors Metals of Africa Ltd

For further information, please contact

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About Metals of Africa Limited

Metals of Africa Limited (ASX: MTA) is a graphite focused exploration company, rapidly progressing towards development. MTA has successfully delineated two world class, high grade graphite resources in Mozambique, East Africa.

The 100% owned Montepuez Resource boasts 61.6Mt at 10.3% TGC, and the nearby Balama Central Resource contains 16.3 Mt at 10.4% TGC. The Balama Central Resource was defined in less than one month of drilling, less than 5% of the prospective geology has been tested and both resources remain open in all directions, signifying the potential scale of the projects. MTA is now seeking a JV partner to advance its zinc project located in Gabon.

MTA has uniquely positioned itself amongst its peers and is now poised to quickly transition into development with an extremely low cost operating profile. MTA prides itself on its environmental best practice policies, zero harm and ongoing positive community development programs.

Metals of Africa is conducting a series of research and development activities and trials in both Australia and Africa in establishing the best process methodology in mineral exploration, mining and processing. This activity is for the benefit of the company's holdings and in the licensing of intellectual property as a means of bringing these ideas to the market.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Ms. Cherie Leeden, who is Managing Director 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.