



ASX Market Update/Media release – Monday 22 August 2016

Metals of Africa Reports Further Exceptional Metallurgical Results

High grade chemical-free Flotation Testwork at Montepuez Project delivers >98% TGC Concentrate

Highlights:

- First metallurgical results from the Elephant Deposit at the Montepuez Project has delivered exceptional results
- The flotation testwork results are a highly significant milestone in the Company's DFS and its goal of producing natural graphite as a viable alternative to synthetic graphite
- Results are from a bulk sample of at-surface clay-rich material considered sub-optimal for producing high-grade results – but have still delivered exceptional results
- Elephant Deposit being considered in the DFS as the starter pit for proposed future mining

Metals of Africa Limited (ASX: MTA) ("the Company") is pleased to announce the latest results from its highly successful ongoing metallurgical program which forms part of the Definitive Feasibility Study ("DFS") at the Company's Montepuez Graphite Project in the Cabo Delgado Province of Mozambique.

The DFS is scheduled for completion in December 2016.

Flotation Testwork Results

MTA is pleased to advise that the first round of flotation testwork from the Elephant Deposit within the Montepuez project area has delivered a high-grade flotation concentrate grading higher than 98% TGC (Total Graphitic Carbon). These results were achieved without the use of chemicals and are a strong indicator of the potential of the deposit to produce natural graphite as a viable alternative to synthetic graphite.

This laboratory scale metallurgical testwork was conducted on bulk samples of near-surface ore from the Elephant Deposit and delivered outstanding results (see Figure 1). The results were achieved at a P98 grind size of 600 μm , with optimum regrind sizing and reagent addition. This delivered flotation concentrates grading 97.5% TGC* at a recovery of 72.5%.

When the sub 38 μm fraction of the concentrate was discarded, the remaining flotation concentrate graded 98.3% TGC* at a 56.4% recovery rate. The metallurgical test work was conducted at ALS's laboratory in Perth, Western Australia.

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It is worth noting that the initial near-surface sample is clay-rich material which is considered to be less than optimum material due to its weathered state and clay content, but still delivered these exceptional results. Based on the results, the Company is assessing the Elephant Deposit merits in the DFS to be the starter pit for mining operations.



Figure 1. Laboratory cleaner flotation from the Company's graphite at the Elephant Deposit

Background to Metallurgical Program

In conjunction with its engineers and metallurgical advisors Metals of Africa continues to advance its DFS at the Montepuez Graphite Project. The metallurgical program is a key component of the DFS, and is focused on optimising the processes and operating outcomes at the Project.

The process flowsheet being refined as part of the DFS considers a number of key elements, including ore selection, crushing, grinding and floatation requirements.

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Part of this optimisation process and continuous improvement review is a focus on the underlying liberation characteristics and the resulting recoveries achieved, plus the graphite concentrates delivered utilising the simplest and most cost effective methods – and without chemicals.

The recent exceptional metallurgical testwork results at the Elephant Deposit follows the simplified flowsheet developed earlier this year from composite samples sourced from the Buffalo deposit at Montepuez and the Lennox deposit at Balama. This process provides for a reduced level of capital equipment and a less complex liberation process, comprising rougher flotation at a coarse grind of 600 µm, followed by three stages of regrind and four stages of cleaning.

Cherie Leeden, Managing Director, commenting on the results

“These most recent flotation testwork results from the Elephant Deposit are highly important and significant metallurgical milestones. The results are quite spectacular in the context of our DFS program, and provide further demonstration of our potential to generate a superior grade concentrate with limited dilution, from at-surface oxidised ore that is typically considered sub-optimal. This bodes very well for the economics of the initial years of proposed mining operations at the Montepuez Project.”

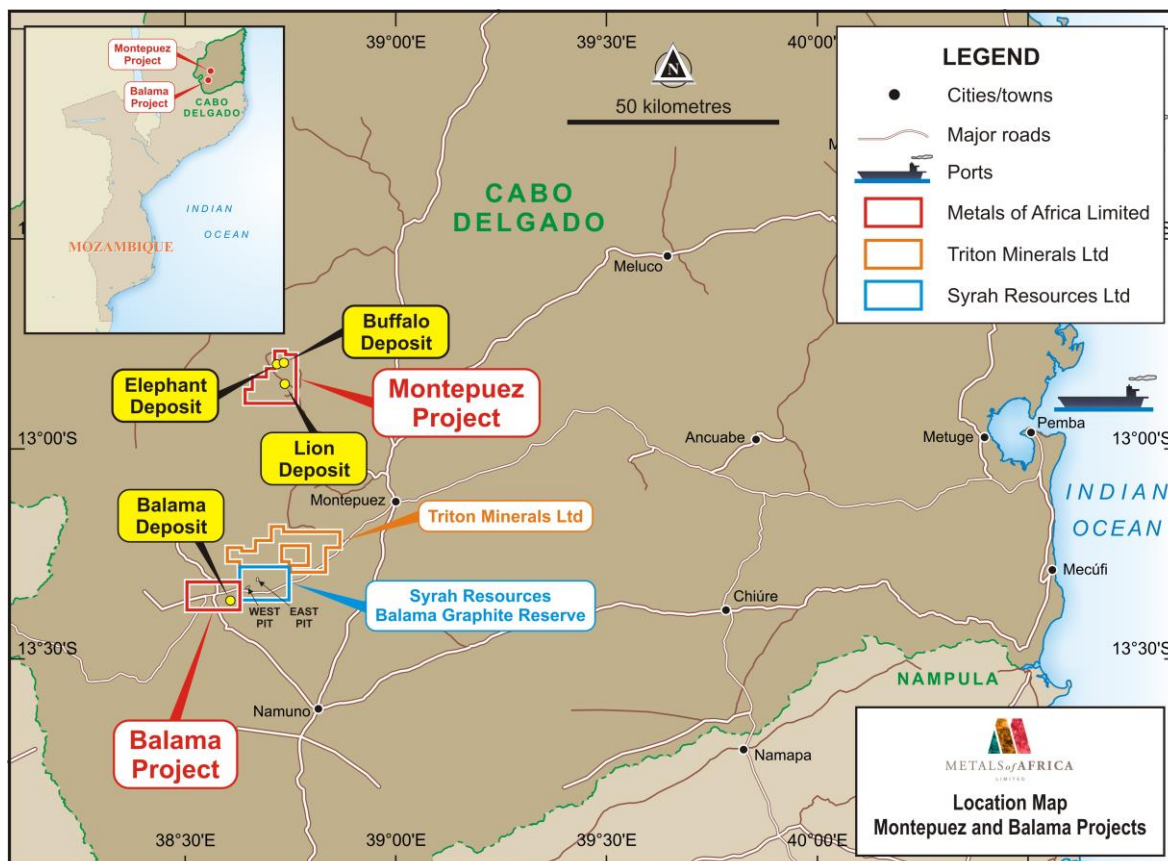


Figure 2. Location map of Metals of Africa’s Montepuez Project relative to its Balama Project with nearby developing graphite projects including neighbouring Syrah Resources Balama and Triton Minerals Balama North projects.

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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 (see Table 1 below). 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.

**Table 1: Montepuez Graphite Project
November 2015 Mineral Resource Estimate (6% TGC Cut-off)**

Class	Tonnes	TGC	V ₂ O ₅	Cont. Graphite	Cont. V ₂ O ₅
	Mt	%	%	Mt	Kt
Measured	-	-	-	-	-
Indicated	27.6	10.4	0.23	2.9	62
Inferred	34.1	10.2	0.30	3.5	101
Total	61.6	10.3	0.26	6.3	163

**Balama Central Graphite Project
March 2016 Mineral Resource Estimate (6% TGC Cut-off)**

Class	Tonnes	TGC	V ₂ O ₅	ont. Graphite	Cont. V ₂ O ₅
	Mt	%	%	kt	kt
Measured	-	-	-	-	-
Indicated	8.9	9.3	0.16	836	14
Inferred	7.3	11.8	0.27	863	20
Total	16.3	10.4	0.21	1,699	34

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

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(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.

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