



**Metals of Africa Limited
(ASX: MTA)**

29 April 2016

Contact Details

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MTA Capital Structure

Shares on Issue:	213m
Listed Options: (\$0.15, 07/01/2017)	58m
Unlisted Options (various price, expiry)	8.5m
Market Cap. @ \$0.067	\$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
www.metalsofafrica.com.au

ACTIVITIES FOR THE QUARTER ENDED 31 MARCH 2016

Metals of Africa Limited (ASX: MTA) ("the Company") continued to advance its two high quality graphite projects in the Cabo Delgado province of Mozambique during the quarter. The projects, Montepuez and Balama Central have reported maiden JORC resources, impressive initial metallurgy results and Montepuez also boasts a robust concept study. During the quarter the Company acquired an interest in a battery test mill in the US that is advancing the development of processes that produce battery anode ready material for use in Lithium Ion batteries.

Highlights from the March 2016 quarter include:

- **Excellent Metallurgical Results received from Montepuez and Balama Central Project, concentrate grade of >96% TGC achieved in first round test work**
- **Maiden JORC Resource at Balama Central of 16.3Mt at 10.4% TGC and 0.21% V₂O₅ for 1.7Mt of contained graphite and 34kt V₂O₅ that includes:**
 - **Indicated Mineral Resource: 8.9Mt at 9.3% TGC and 0.16% V₂O₅**
 - **Inferred Mineral Resource: 7.4Mt at 11.8% TGC and 0.27% V₂O₅**
- **Robust results achieved from a Concept study at the Montepuez Project**
- **Selected to jointly acquire a Spherical Graphite Battery Test Mill to develop battery anode ready material in the US**
- **Progression of off-take negotiations, including a roadshow by the Managing Director and Chairman through Japan, China and Hong Kong**
- **Significant marketing activities undertaken, including attendance at industry conferences in Cape Town at the 121 Indaba Conference, the inaugural Australian Graphite Conference in Perth, and Mines and Money Hong Kong**
- **Relinquishment of non-core exploration tenements in Mozambique to focus on development of graphite projects**

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Operations - Mozambique – High Grade Graphite

1. Balama Central Maiden Resource

During the quarter the Company delineated a Maiden JORC 2012 Mineral Resource estimate (“Mineral Resource”) for its Balama Central Graphite Project in the world class Cabo Delgado graphite province in Mozambique, East Africa. The Project consists of two known occurrences of graphite mineralisation; the Lennox and Byron prospects.

Total resource calculated at Balama Central is:

- 16.3Mt at 10.4% total graphitic carbon (TGC) and 0.21% vanadium oxide (V_2O_5) for 1.7Mt of graphite; and 34kt of V_2O_5 (at a 6% TGC cut-off).

The Mineral Resource comprises an:

- Indicated JORC Mineral Resource of 8.9Mt at 9.3% TGC and 0.16% V_2O_5 for 836kt of graphite and 14kt V_2O_5 ; and an
- Inferred JORC Mineral Resource of 7.3Mt at 11.8% TGC and 0.27% V_2O_5 for 863kt TGC and 20kt V_2O_5 .

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

Class	Tonnage	TGC	V_2O_5	Cont. Graphite	Cont. V_2O_5
	Mt	%	%	kt	kt
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

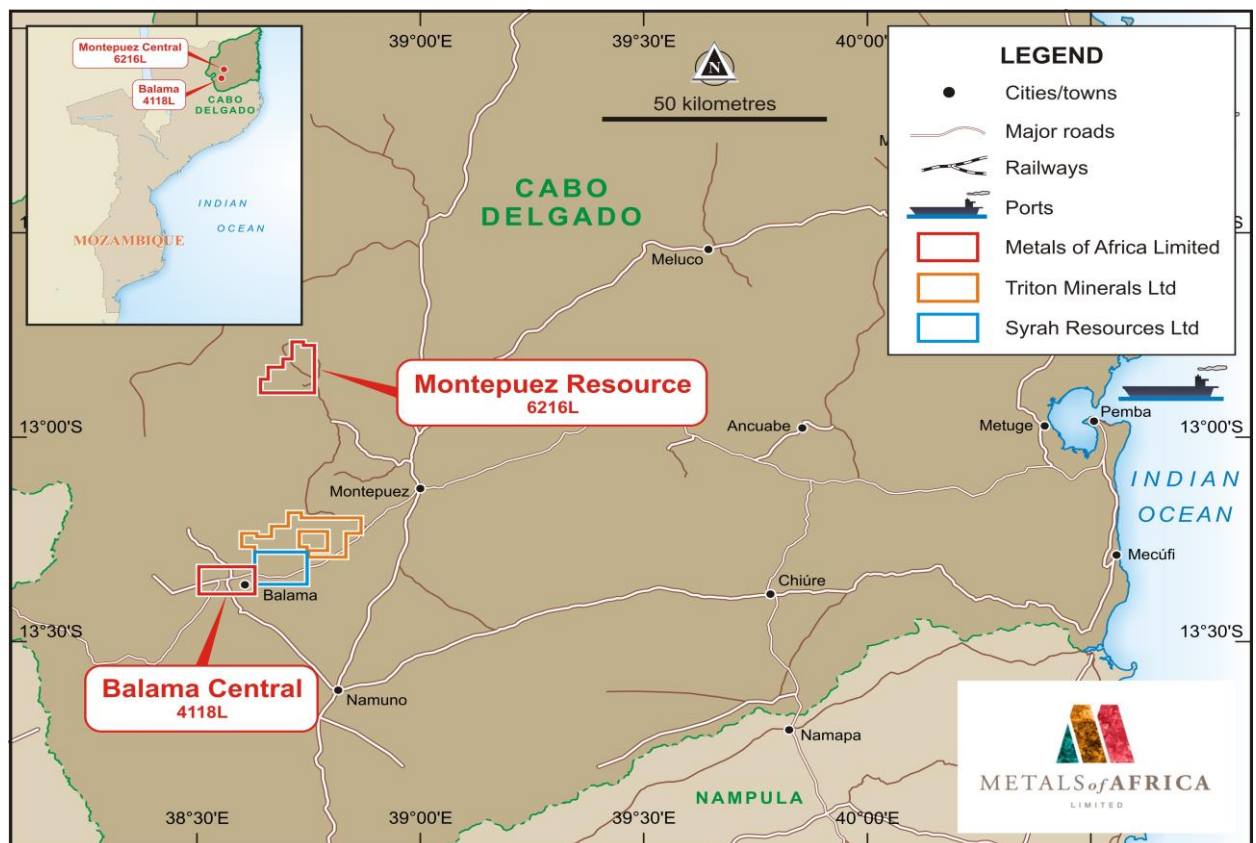



Figure 1. MTA’s Graphite Projects: Montepuez Central and Balama Central licenses in red.



A detailed announcement was made to the ASX on 21 March 2016 in relation to the Maiden Mineral Resource at Balama Central. It is noted that this announcement made multiple references to an exploration target and full background to the disclosure of the exploration target is contained from page 13 of this announcement on 21 March 2016.

2. Montepuez Concept Study

Cautionary Statement

The Company advises that a proportion of the production target referred to in this announcement is based on an inferred mineral resource. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.

During the quarter the Company announced positive results from a Conceptual Study (Concept Study) on its 100% owned Montepuez Graphite Project in Mozambique. For further details on the Concept Study please refer to the ASX announcement on 10 February 2016. The following were highlights from the Concept Study:

- Study results are robust and will feed into Pre-Feasibility Study anticipated by Q3 2016
- Company aims to produce 100,000t of concentrate per year from the Project
- Capital cost estimate of US\$166m (+20% contingency)
- Capital cost figure includes spherical graphite plant (US\$80m)
- 60 year life of mine (LOM), low 2.2:1 strip ratio
- Very low OPEX for both flake and spherical graphite products
 - US\$300/t OPEX for large-jumbo flake graphite product
 - US\$3500/t OPEX for coated spherical graphite product
- Significant cost improvement opportunities continuing to be assessed
- Favorable deposit characteristics position project for fast-track to mining

The study results provided the required level support for the Company to now proceed to the next stage of development and commence a Pre-feasibility Study (PFS).

3. Spherical Graphite Battery Test Mill

During the quarter the Company jointly acquired a share in a spherical graphite test mill that is to be commissioned in June 2016.

Funded from existing cash reserves and for a nominal outlay, the spherical graphite mill will provide MTA and its collaborators the ability to conduct ongoing research and development with the aim to supply lithium ion battery (“LiB”) manufacturers with a fully qualified spherical graphite test product that can be traced 100% back to its source. It is proposed that the Company will be able to provide natural flake graphite from any future mining operations that proceed from the Company’s Balama Central and Montepuez Central Projects in Mozambique.

The mill is scheduled to be ready for testing in May 2016 and is intended to demonstrate high yield (>50%), high tap density (>1.0 g/cc), and low surface area (<6m²/g) spherical graphite from June 2016.

New environmental best-practice laws currently being legislated in the US and Europe, will require technical verification on the graphite’s source and now presents as a critical hurdle that

graphite producers need to satisfy, to gain access to the key supply chains of high end LiB battery manufacturers.

Joining Metals of Africa in the joint acquisition of the spherical graphite mill are three prominent Canadian graphite companies; Elcora Advanced Materials Corp (TSXV: ERA); Northern Graphite Corporation (TSXV: NGC) and Nouveau Monde Mining Enterprises Inc. (TSXV: NOU); as well as a private industry partner and Tennessee-based Coulometrics LLC, one of America's most renowned providers of energy storage consulting services and advanced battery component manufacturing services.

The Company believes that the associations emerging through this collaboration will be strategically significant.

For further details please refer ASX announcements 30 March and 1 April 2016.


4. Metallurgical Results

Exceptional initial metallurgical results have been achieved from work undertaken during the quarter. Significantly these results add further support to the concept studies undertaken at the Montepuez Project that already exhibits one of the lowest proposed OPEX and highest grade product. These metallurgical results comprise;

- 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



Figure 2 – 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. Further information is contained in the Company's ASX announcement of 11 April 2016.

Mozambique – Ruby JV

There is an active exploration team currently mapping out the prospective ruby lithology on the Company's license that is subject to a joint venture, and bulk sampling is anticipated to commence in the next quarter.

Gabon – High grade lead-zinc

No significant activities were undertaken in relation to the Company's assets in Gabon. The Company continues to maintain the tenements in good standing.

Corporate

The Company has continued to engage with potential offtake partners and is progressing negotiations with likely third parties to be engaged for the feasibility studies to advance the further development of the Company's graphite projects.

The Company has received continued on-market support from substantial shareholder Farjoy Pty Ltd (Farjoy). Farjoy has increased its holding in the Company during the quarter from 8.21% (substantial shareholder notice dated 20 November 2015) to 12.62% (substantial shareholder notice dated 8 March 2016). Farjoy as at the date of lodgment of this quarterly holds 13.8% of the issued capital of the Company (substantial shareholder notice dated 19 April 2016).

The Company had approximately \$700,000 in cash reserves at the end of the quarter.

The Company will hold it is holding the Annual General Meeting of shareholders of the Company on Monday 30 May 2016.

-Ends-

For further information please contact:

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Managing Director

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Tenement Summary – 31 March 2016

1. MINING TENEMENTS HELD				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
5572	Mozambique	Granted, subject to earn in agreement	100%	100% ¹
6216	Mozambique	Granted	100%	100%
Kroussou	Gabon	Granted	90%	90%
4118	Mozambique	Acquisition completed subject to transfer of licence.	100% ²	100% ²

1. Subject to JV with Mozambican Ruby LDA, announced to ASX 20 October 2015. Should relevant expenditure commitments be met by Mozambican Ruby LDA then they will acquire 75% of license 5572. It is noted that this license number was incorrectly disclosed as “6254” in the Company’s 31 December 2015 Annual Report.
2. License 4118 acquired as per ASX Announcement 22 August 2014. Final consideration being US\$200,000 in shares has not been made and is subject to transfer of License 4118 into the Company’s name.

2. MINING TENEMENTS ACQUIRED/DISPOSED				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
ACQUIRED				
Nil				
DISPOSED				
1411	Mozambique	Relinquished	100%	0%
1442	Mozambique	Relinquished	100%	0%
3588	Mozambique	Relinquished	100%	0%
1509	Mozambique	Relinquished	100%	0%
1885	Mozambique	Relinquished	100%	0%
5473	Mozambique	Relinquished	100%	0%
6251	Mozambique	Relinquished	100%	0%
6253	Mozambique	Relinquished	100%	0%
5345	Mozambique	Relinquished	100%	0%
5350	Mozambique	Relinquished	100%	0%
6187	Mozambique	Relinquished	100%	0%
6191	Mozambique	Relinquished	100%	0%
6170	Mozambique	Relinquished	100%	0%
6172	Mozambique	Relinquished	100%	0%
6167	Mozambique	Relinquished	100%	0%
6254	Mozambique	Relinquished	100%	0%
Gabon				
Lastourville (495)	Gabon	Relinquished	90%	0%
Mbongou	Gabon	Relinquished	90%	0%

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3. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS

Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
5572	Mozambique	Granted, subject to earn in agreement	100%	100% ¹

Subject to earn-in agreement with Mozambican Ruby LDA, announced to ASX 20 October 2015. Should relevant expenditure commitments be met by Mozambican Ruby LDA then they will acquire 75% of license 5572.

4. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS ACQUIRED OR DISPOSED

Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
ACQUIRED Nil				
DISPOSED Nil				

About 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 partner to advance its zinc project located in Gabon.

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	Cont. 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

The entity is not aware of any new information or data that materially affects the information included in the relevant market announcements and that all material assumptions and technical parameters underpinning the estimates in the previous market announcements continue to apply and have not materially changed.

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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

Metals of Africa Limited

ABN

75 152 071 095

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(633)	(633)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(174)	(174)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (R&D Refund)	-	-
Net Operating Cash Flows		(804)	(804)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(804)	(804)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(804)	(804)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(804)	(804)
1.20	Cash at beginning of quarter/year to date*	1,504	1,504
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	700	700

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

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	91
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Managing Director Salary and Non-Executive Director fees.

Non-cash financing and investing activities

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

Nil

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

n/a

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	700	1,504
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	700	1,504

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Mozambique			
	1411	Relinquished	100%	0%
	1442	Relinquished	100%	0%
	3588	Relinquished	100%	0%
	1509	Relinquished	100%	0%
	1885	Relinquished	100%	0%
	5473	Relinquished	100%	0%
	6251	Relinquished	100%	0%
	6253	Relinquished	100%	0%
	5345	Relinquished	100%	0%
	5350	Relinquished	100%	0%
	6187	Relinquished	100%	0%
	6191	Relinquished	100%	0%
	6170	Relinquished	100%	0%
	6172	Relinquished	100%	0%
	6167	Relinquished	100%	0%
	Gabon			
	Lastourville	Relinquished	90%	0%
	Mbongou	Relinquished	90%	0%
6.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

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

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

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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

Compliance statement

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

Sign here: Date: 29 April 2016
(Director/Company secretary)

Print name: Steven Wood
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Notes

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

+ See chapter 19 for defined terms.

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

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