



\$4.5m Capital Raising to advance World Class Graphite Projects

- \$4m Placement to institutional and sophisticated investors
- Share Purchase Plan to Shareholders to raise up to \$500,000
- Funds to be used to advance Definitive Feasibility Study works at world class graphite projects in Mozambique

Metals of Africa Limited (ASX: MTA) ("the Company") is pleased to announce an oversubscribed Placement to qualified institutional and sophisticated investors to raise A\$4 million (before costs) via the issue of 72.7 million fully paid ordinary Shares in the Company at a price of A\$0.055 per share.

The issue price for the Placement represents a 15.6% discount to the Company's 10 day volume weighted average share price.

The Placement will be completed in two tranches as follows;

- Tranche 1: 53,213715 Shares to raise \$2.9 million (before costs) will be completed shortly utilising the company's existing placement capacity under Listing Rules 7.1 and 7.1A.
- Tranche 2: 19,513,557 Shares to raise \$1.1 million (before costs), will be subject to shareholder approval at a shareholder meeting to be convened in the near future (a notice of meeting will be despatched to shareholders shortly).

An indicative timetable for the Placement is included in this ASX announcement.

Share Purchase Plan

The Company also intends to offer all existing eligible shareholders in Australia and New Zealand the opportunity to subscribe for up to \$15,000 worth of shares at the same Price as the Placement under a Share Purchase Plan (SPP), capped at a maximum total raising of \$500,000 (before costs). Details of the SPP, including an indicative timetable, will be released to the ASX and distributed to eligible shareholders in the near future.

The Company reserves the right to scale back applications under the SPP at its absolute discretion.

Metals of Africa Limited (ASX: MTA)

6 May 2016

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MTA Capital Structure

Shares on Issue: 211m Listed Options: 58m

(\$0.15, 07/01/2017)

Unlisted Options 8.5m

(various price, expiry)

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 – Refer Table 1 Appendix

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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Use of Funds

The funds raised via the Placement and the SPP will be applied towards advancing the development of its Montepuez and Balama Central Graphite Projects in the Cabo Delgado Province of Mozambique. Specifically the funds will be used for:

- Feasibility Study works, anticipated be completed this year plus conversion of tenements from exploration to mining license;
- Completing bulk sample and metallurgical test work, required to progress binding negotiations with off-take parties;
- Rapidly advancing spherical graphite test and study work at the Company's test-mill in the USA; and
- General working capital.

In addition to the Placement and SPP, Metals of Africa will welcome CPC Engineering (**CPC**) onto the Company's share register. CPC have current Mozambican graphite project development experience via its involvement with the engineering, design and procurement services for the Syrah Resources Balama Graphite Project (see below for further information on CPC). Subject to shareholder approval, over the next six months, CPC has agreed to take 50% of its invoices, up to a maximum of A\$350,000, in Shares at the same price as the capital raise as payment for engineering work to be completed at the Company's graphite projects.

Also, Mitchell Group has agreed to continue to provide support to the Company by agreeing to provide drilling services at the Company's Mozambique graphite projects. Subject to shareholder approval, Mitchell Group will receive Shares at the same price as the capital raise in lieu of 50% of fees payable for any drilling completed, up to a maximum of A\$200,000.

Subject to shareholder approval, Metals of Africa's Managing Director, Cherie Leeden, and Chairman, Gilbert George, will also participate in the capital raise via salary sacrifice and participation in the placement.

In total, these initiatives will provide up to A\$5.1 million in cash and services to the Company.

Metals of Africa Managing Director, Ms Cherie Leeden;

"The capital raising will strengthen the Company's balance sheet, enhance our ability to rapidly develop our world-class Montepuez and Balama Central Graphite Projects and take advantage of the many opportunities currently presenting in the industry, for critical minerals to the lithium-ion battery supply chain and associated disruptive graphite technologies. Our graphite projects have the potential to be very low cost suppliers to the rapidly expanding lithium-ion battery anode market and our Feasibility Study works are aimed at delivering on that objective. We are in advanced discussions and due diligence with multiple credible end-users. I would like to acknowledge the overwhelming support received in this capital raise by our existing major shareholders and new shareholders, and also welcome CPC to our register."

Morgans Corporate Limited acted as Lead Manager to the Placement and Grange Consulting Group acted as Corporate Advisor.

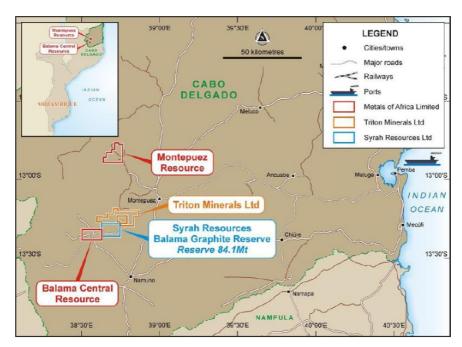


Figure 1. General location of MTA's graphite assets (in red) in relation to competitors.



Figure 2. Mozambique boasts the world's lowest forecasted graphite mining operating costs

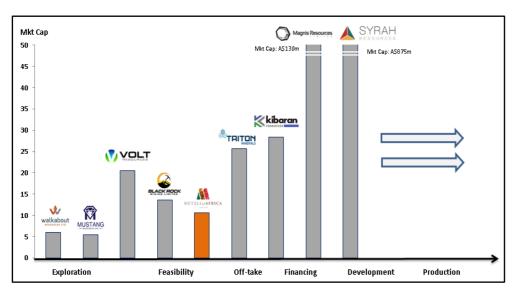


Figure 3. Market Capitalisation comparisons of selected East African graphite development companies

Indicative Placement Timetable:

Company shares resume trading	Friday 6 May 2016
Tranche 1 Settlement	Friday 13 May 2016
Tranche 1 Allotment	Monday 16 May 2016
General Meeting of Shareholders	Late June 2016
Tranche 2 Placement funds due	Immediately upon receipt of shareholder approval
Allotment of Tranche 2 Placement Shares	Upon shareholder approval and receipt of funds

CPC Engineering

The Company is excited to welcome CPC to provide engineering services to the Company as it advances its Montepuez and Balama Central Graphite Projects in Mozambique. CPC is an Australian owned and operated private company with 40 years of experience in the mining resources industry. CPC's business strategy focuses on the execution of small to mid-sized capital projects and provision of maintenance services to the resources sector.

CPC is a well-respected provider of mineral processing and infrastructure solutions to worldwide clients. CPC has recent African exposure and its resume of current projects includes the engineering, design and procurement services for the Syrah Resources Balama Graphite Project in Mozambique, and the recently completed engineering and design for the First Quantum Minerals Enterprise Nickel Project in Zambia. Additional brownfields African work includes First Quantum Minerals Sentinel Copper Mine in Zambia, and Mauritanian Copper Mines Guelb Moghrein Copper Gold Mine in Mauritania.

CPC's capacity to successfully deliver studies worldwide is recognised by its participation in the feasibility study for the OceanaGold Macraes Gold Tungsten Project and adds to their list of major mining resources clients.

Upon lodgement of this announcement the Company requested that trading in the Company's securities be reinstated.

-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 partner to advance its zinc project located in Gabon.

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	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

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.