



Secondary Cleansing Notice Confirmation under s.708A of the Corporations Act

Metals of Africa Limited (ASX: MTA) ("the Company") hereby notifies the ASX under section 708A(5)(e) of the Corporations Act 2001 ("the Act") that the Company has today issued 53,213,714 fully paid ordinary shares via a placement under its existing placement capacity under ASX Listing Rules 7.1 and 7.1A ("Placement").

An Appendix 3B is enclosed with this cleansing notice and provides further detail on the Placement.

In accordance with the requirements of sections 708A(5)(e) and 708A(6) of the Corporations Act 2001 (Cth) ("the Act"), the Company confirms that:

1. The securities were issued without disclosure to investors under Part 6D.2 of the Act;
2. The Company is providing this notice under paragraph (5)(e) of section 708A of the Act;
3. As at the date of this notice, the Company has complied with:
 - a. the provisions of Chapter 2M of the Act as they apply to the Company; and
 - b. section 674 of the Act; and
4. As at the date of this notice, there is no information, for the purposes of section 708A(7) and 708A(8):
 - a. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - b. that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - i. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - ii. the rights and liabilities attaching to the Shares.

Information required under Listing Rule 3.10.5A

As a result of the Company utilising its Listing Rule 7.1A placement capacity the Company advises the following information required under ASX Listing Rule 3.10.5A:

Under Listing Rule 7.1A the total securities issued under the placement was 21,285,485 ("7.1A Placement"). The dilutive effect on existing shareholders of the 7.1A Placement is outlined over page:

Metals of Africa Limited (ASX: MTA)

16 May 2016

Contact Details

Cherie Leeden
Managing Director
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James Moses
Media and Investor Relations
Mandate Corporate
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MTA Capital Structure

| | |
|---|--------------|
| Shares on Issue: | 266m |
| Listed Options: (\$0.15, 07/01/2017) | 58m |
| Unlisted Options (various price, expiry) | 8.5m |
| Market Cap. @ \$0.064 | \$17m |

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
www.metalsofafrica.com.au

AUSTRALIA

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MOZAMBIQUE

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Av. Julius Nyrere, 4000
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ABN 75 152 071 095



| | |
|---|-------------|
| Number of shares on issue prior to the Placement | 212,854,861 |
| Shares issued under Listing Rule 7.1 | 31,928,229 |
| Sub-total after Listing Rule 7.1 Placement | 244,783,090 |
| Shares issued under Listing Rule 7.1A | 21,285,485 |
| Total shares on issue after Placement | 266,068,575 |
| Dilution as a result of issue under Listing Rule 7.1A | 8.0% |

Further details of the approximate percentage of the resultant issued capital of the Company following the placement under Listing Rule 7.1A held by the pre-7.1A Placement security holders and new security holders are as follows:

| | |
|---|--------|
| Pre-placement security holders who did not participate in the placement | 85.80% |
| Pre-placement security holders who did participate in the placement | 10.93% |
| Participants in the placement who were not previously security holders | 3.27% |

The equity securities were issued by the Company as a placement under Listing Rule 7.1A and not as a pro-rata issue or other type of issue in which existing ordinary security holders would have been eligible to participate as it was considered to be the most efficient and expedient method for raising the funds required to achieve the Company's stated objectives. The Board is also cognisant of the benefits in introducing fresh investors in the Company to promote a more diverse register. A broader investor base allows the Company to be better equipped in the future should further funds be required.

It is noted that Company also intends to undertake a Share Purchase Plan in conjunction with the Placement to offer Eligible Shareholders the opportunity to acquire up to \$15,000 worth of shares in the Company at the same issue price of the Placement to raise up to \$500,000.

The placement completed under Listing Rule 7.1A was completed at a 15.4% discount to the Company's 15 day VWAP as at the date of the issue of the securities.

The placement was not underwritten.

The Company paid a total fee of 6% (plus GST) of the total placement funds, consisting of a 2% Lead Manager Fee and a 4% Selling Fee. Morgans Corporate Limited was Lead Manager to the placement.

-Ends-

On behalf of Board of Directors Metals of Africa Ltd

For further information, please contact

Cherie Leeden
Managing Director
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admin@metalsofafrica.com.au

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.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Metals of Africa Limited

ABN

75 152 071 095

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|----------------------------|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 53,213,714 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

| | | |
|----|---|--|
| 4 | <p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | Yes – fully paid ordinary shares |
| 5 | Issue price or consideration | \$0.055 per share |
| 6 | Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets) | Issued in accordance with a Placement announced to ASX 6 May 2016. |
| 6a | <p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p> | Yes |
| 6b | The date the security holder resolution under rule 7.1A was passed | 28 May 2015 |
| 6c | Number of +securities issued without security holder approval under rule 7.1 | 31,928,229 |
| 6d | Number of +securities issued with security holder approval under rule 7.1A | 21,285,485 |

| | | |
|----|---|--|
| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | Nil |
| 6f | Number of +securities issued under an exception in rule 7.2 | Nil |
| 6g | If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation. | Yes. Issue date 16 May 2016 at a 15.2% discount to the 15-day VWAP as at the date of issue. Source of VWAP calculations – Commsec. |
| 6h | If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | n/a |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | 7.1 – nil 7.1A – 1 |
| 7 | +Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B. | 16 May 2016 |

| | | | |
|---|---|-------------|-------------------------------------|
| 8 | Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable) | Number | +Class |
| | | 266,068,575 | Ordinary fully paid Shares |
| | | 57,854,396 | Quoted options (\$0.15, 7 Jan 2017) |
| | | Number | +Class |

+ See chapter 19 for defined terms.

| | | | |
|----|---|-----------|---|
| 9 | Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable) | 1,955,167 | Unquoted options (\$0.15, 3 Dec 2016) |
| | | 600,000 | Unquoted options (\$0.168, 2 Dec 2016) |
| | | 2,500,000 | Unquoted options (\$0.093, 31 Mar 2017) |
| | | 1,000,000 | Unquoted options (\$0.26, 4 February 2018) *Subject to vesting conditions |
| | | 2,450,000 | Unquoted options (\$0.15, 31 December 2017) *Subject to vesting conditions |
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | N/a | |

Part 2 - Pro rata issue

| | | |
|----|--|-----|
| 11 | Is security holder approval required? | N/a |
| 12 | Is the issue renounceable or non-renounceable? | N/a |
| 13 | Ratio in which the ⁺ securities will be offered | N/a |
| 14 | ⁺ Class of ⁺ securities to which the offer relates | N/a |
| 15 | ⁺ Record date to determine entitlements | N/a |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | N/a |
| 17 | Policy for deciding entitlements in relation to fractions | N/a |

| | | |
|----|---|-----|
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents | N/a |
| | <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p> | |
| 19 | Closing date for receipt of acceptances or renunciations | N/a |

+ See chapter 19 for defined terms.

| | | |
|----|---|-----|
| 20 | Names of any underwriters | N/a |
| 21 | Amount of any underwriting fee or commission | N/a |
| 22 | Names of any brokers to the issue | n/a |
| 23 | Fee or commission payable to the broker to the issue | n/a |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | n/a |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | n/a |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled | N/a |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | N/a |
| 28 | Date rights trading will begin (if applicable) | n/a |
| 29 | Date rights trading will end (if applicable) | n/a |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | n/a |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | n/a |

+ See chapter 19 for defined terms.

- 32 How do security holders dispose of their entitlements (except by sale through a broker)? n/a
- 33 ⁺Issue date N/a

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

| | | | |
|----|---|--------|--------|
| 38 | Number of +securities for which +quotation is sought | n/a | |
| 39 | +Class of +securities for which quotation is sought | n/a | |
| 40 | <p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | n/a | |
| 41 | <p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p> | n/a | |
| 42 | Number and +class of all +securities quoted on ASX (including the +securities in clause 38) | Number | +Class |
| | | | |

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 16 May 2016
(Director/Company secretary) Date:
Steven Wood
Print name:

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

| Rule 7.1 – Issues exceeding 15% of capital | |
|--|--|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue | 129,378,027 |
| Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items | 23/6/15 – 285,715 7/9/2015 - 5,477,548 (conversion of convertible notes, ASX LR7.2, exception 4) 29-Sep-15 - 32,780,395 - Placement - Tranche 1 19-Nov-15 - 34,055,153 - Placement - Tranche 2 (inc. G George) 19-Nov-15 - 1,277,777 - Director share issue in lieu of salary (C Leeden and B Smith) 19-Nov-15 - 7,661,894 - conversion of convertible notes (ASX LR7.2, exception 4) 18-April-16 – 1,938,352 - conversion of convertible notes (ASX LR7.2, exception 4) |
| Subtract the number of fully paid +ordinary securities cancelled during that 12 month period | nil |
| “A” | 212,854,861 |

+ See chapter 19 for defined terms.

| | |
|---|---|
| Step 2: Calculate 15% of “A” | |
| “B” | 0.15 <i>[Note: this value cannot be changed]</i> |
| Multiply “A” by 0.15 | 31,928,229 |
| Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used | |
| Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | Placement 16/5/16 – 31,928,229 |
| “C” | 31,928,229 |
| Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1 | |
| “A” x 0.15 <i>Note: number must be same as shown in Step 2</i> | 31,928,229 |
| Subtract “C” <i>Note: number must be same as shown in Step 3</i> | 31,928,229 |
| Total [“A” x 0.15] – “C” | Nil <i>[Note: this is the remaining placement capacity under rule 7.1]</i> |

Part 2

+ See chapter 19 for defined terms.

| Rule 7.1A – Additional placement capacity for eligible entities | |
|--|---|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| “A” <i>Note: number must be same as shown in Step 1 of Part 1</i> | 212,854,861 |
| Step 2: Calculate 10% of “A” | |
| “D” | 0.10 <i>Note: this value cannot be changed</i> |
| Multiply “A” by 0.10 | 21,285,486 |
| Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used | |
| Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | Placement 16/5/16 – 21,285,485 |
| “E” | 21,285,485 |

+ See chapter 19 for defined terms.

| Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A | |
|--|--|
| “A” x 0.10 <i>Note: number must be same as shown in Step 2</i> | 21,285,486 |
| Subtract “E” <i>Note: number must be same as shown in Step 3</i> | 21,285,485 |
| Total [“A” x 0.10] – “E” | 1 <i>Note: this is the remaining placement capacity under rule 7.1A</i> |

+ See chapter 19 for defined terms.