

ASX Announcement / Media release – 15 July 2016

## DFS drilling program commences at Montepuez Project

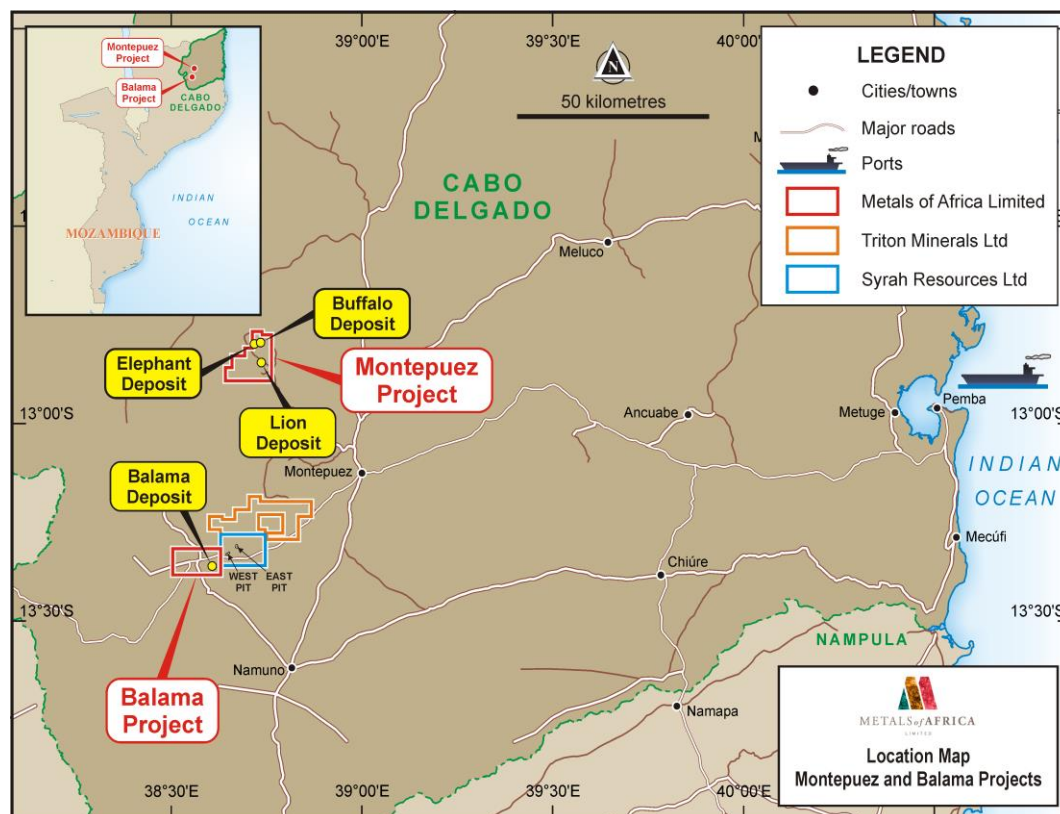
Metals of Africa Limited (ASX: MTA) (the Company) is pleased to announce it has commenced the next phase of drilling at its 100% owned Montepuez Project located in the world class graphite district of Cabo Delgado in Northern Mozambique (see Figure1).

The drill program has been designed to support the Company's Definitive Feasibility Study ("DFS"), which is currently underway and scheduled for completion in December 2016. The drill program will include resource, geotechnical and geometallurgical drilling at the Elephant and Buffalo Deposits within the Montepuez Project (see Figure 2), as follows;

- 11 hole, circa 1,200 metre Resource drilling program at the Elephant Deposit, designed to upgrade the current Resource classification from Inferred to Indicated status (refer table 1);
- Eight geotechnical drill holes to test pit wall stability parameters at the Buffalo and Elephant Deposits; and
- Additional geometallurgical holes at both deposits to provide source rock samples for graphite flake and comminution process testing.

Drilling is expected to be completed by mid-August 2016 and results will be reported to the market as they become available.

The Elephant and Buffalo Deposits are the focus of the Company's DFS, based on the exceptional flake size, lithium ion battery application suitability and the outstanding metallurgical results achieved to date.



**Figure 1.** 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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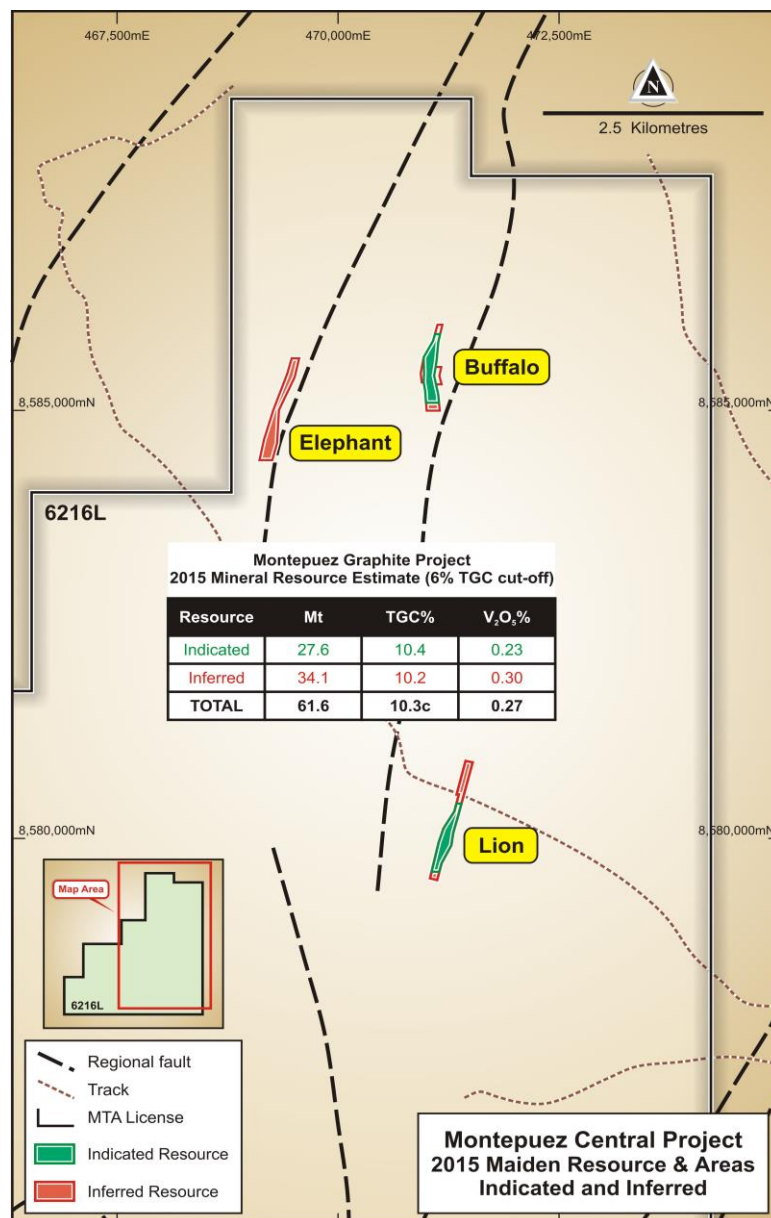
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MTA continues to advance the program of works under the DFS. This program includes Environmental Impact Risk Assessments, mine study and scheduling, mineral processing flowcharts, geometallurgical product assessments, plus hydrology and hydrogeology studies.

The Company's preferred drilling service provider, Mitchell Drilling International, will conduct the drill program.



**Figure 2.** Metals of Africa's Montepuez Project showing relative location of the Elephant, Buffalo and Lion Deposits and associated classified resources declared 16<sup>th</sup> November 2015. Resource drilling will be conducted at the Elephant deposit with geotechnical and geometallurgical holes planned at Elephant and Buffalo deposits.

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A maiden Mineral Resource estimate for the Montepuez Project was released on 16 November 2015 including Indicated and Inferred Resources at the Buffalo and Elephant Deposits, as referenced in Table 1 below.

Deposit	Type	Indicated Mineral Resource				
		Tonnes	TGC	V <sub>2</sub> O <sub>5</sub>	Cont. Graphite	Cont. V <sub>2</sub> O <sub>5</sub>
		Mt	%	%	Mt	Kt
Buffalo	Weathered	2.9	9.8	0.23	0.3	7
	Primary	21.0	10.3	0.21	2.2	45
Lion	Weathered	0.6	11.4	0.26	0.1	1
	Primary	3.1	11.3	0.32	0.3	10
<b>Total</b>		<b>27.6</b>	<b>10.4</b>	<b>0.23</b>	<b>2.9</b>	<b>62</b>

Deposit	Type	Inferred Mineral Resource				
		Tonnes	TGC	V <sub>2</sub> O <sub>5</sub>	Cont. Graphite	Cont. V <sub>2</sub> O <sub>5</sub>
		Mt	%	%	Mt	Kt
Buffalo	Weathered	1.1	8.2	0.19	0.1	2
	Primary	3.4	8.8	0.20	0.3	7
Lion	Weathered	0.1	12.6	0.34	0.01	0.01
	Primary	0.4	12.1	0.34	0.1	1
Elephant	Weathered	2.7	10.5	0.32	0.3	9
	Primary	26.4	10.3	0.31	2.7	81
<b>Total</b>		<b>34.1</b>	<b>10.2</b>	<b>0.30</b>	<b>3.5</b>	<b>101</b>

Deposit	Type	Total Mineral Resource				
		Tonnes	TGC	V <sub>2</sub> O <sub>5</sub>	Cont. Graphite	Cont. V <sub>2</sub> O <sub>5</sub>
		Mt	%	%	Mt	Kt
Buffalo	Weathered	4.0	9.4	0.22	0.4	9
	Primary	24.4	10.1	0.21	2.5	52
Lion	Weathered	0.6	11.5	0.27	0.1	2
	Primary	3.5	11.4	0.32	0.4	11
Elephant	Weathered	2.7	10.5	0.32	0.3	9
	Primary	26.4	10.3	0.31	2.7	81
<b>Total</b>		<b>61.6</b>	<b>10.3</b>	<b>0.27</b>	<b>6.3</b>	<b>163</b>

**Table 1.** Mineral Resource estimate for Montepuez Project.

Note:

1. Totals may differ due to rounding, Mineral Resources reported on a dry in-situ basis.
2. Flake sizes for the Mineral Resource is tabulated in Table 1-2.
3. The Statement of Estimates of Mineral Resources has been compiled under the supervision of Mr. Robert Dennis who is a full-time employee of RPM and a Member of the AusIMM and AIG. Mr. Dennis has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code (2012).
4. All Mineral Resources figures reported in the table above represent estimates at 12th November, 2015. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
5. Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).
6. Reporting cut-off grade selected based on other known economically viable deposits in the region. For further details, refer to grade tonnage.

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**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 (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.

**Montepuez Graphite Project**

**November 2015 Mineral Resource Estimate (6% TGC Cut-off)**

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

**Balama Central Graphite Project**

**March 2016 Mineral Resource Estimate (6% TGC Cut-off)**

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

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.

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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.

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