



**ASX Announcement
Metals of Africa Ltd**

18 August 2014

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MTA Capital Structure

Shares on Issue: 95,077,407

Shares Trading: 79,734,207

Listed Options: 57,904,395
(\$0.15, 07/01/2017)

Unlisted Options
5M (\$0.25; 30/6/15)
5M (\$0.40; 30/6/15)
4M (\$0.25; 31/12/15)
2.49M (\$0.15; 3/12/16)
600k (\$0.168; 3/12/16)
3M (\$0.093; 31/3/17)

Market Cap. @ \$0.17; A\$16.2M

MTA Board

Gilbert George
Non Exec Chairman

Cherie Leeden
Executive Director

Brett Smith
Non Exec Director

Steven Wood
Company Secretary

ASX Code: MTA

www.metalsofafrica.com.au

**High grade, large flake graphite mineralisation confirmed
at Montepuez Graphite Project**

Assay results of upto 16.5% TGC and 0.31% Vanadium

Highlights

- Laboratory results confirm high graphite grades of up to 16.5% TGC and Vanadium up to 0.31%.
- Petrography confirms large flake size in high grade graphite samples.
- Large (10km strike length) target area defined via geological mapping validated by recently acquired VTEM data.
- Additional airborne electromagnetic (VTEM) survey to define drill targets to commence within the next 4 weeks.
- Maiden drill program on track for Q4, 2014.

Metals of Africa Limited (ASX: MTA) (the Company) is pleased to announce that laboratory results have confirmed high grade graphite and vanadium mineralisation at its Montepuez Graphite Project, in the world class Cabo Delgado graphite province of Mozambique.

The results come from the Company's recently completed rock chip sampling program at the Montepuez project and include graphite grades of up to 16.5% Total Graphitic Carbon (TGC) and up to 0.31% Vanadium (V). These high grade results are present in outcrop at surface mineralisation within the Montepuez project area. The laboratory results of all sixteen rock chip samples are presented in Table 1.

The Company also advises that it has acquired existing VTEM data which covers a portion of its Montepuez Central Project (see Figure 1). This VTEM data indicates a very strong conductor, over a 10km strike length, which is interpreted to represent graphite mineralisation, due to the strong correlation with the Company's recent geological mapping.

Metals of Africa is delighted with confirmation of the high grade graphite and vanadium mineralisation, and will now conduct its own VTEM survey over the Montepuez project area, which will define drill targets. This is planned to be followed by drilling in the final quarter of 2014.

Metals of Africa Executive Director Cherie Leeden said:

"The high graphite and vanadium grades at surface, combined with an extremely compelling VTEM anomaly over a 10 km strike length equates to a definite drill target. Given the thin sand veneer covering the majority of our Montepuez project, we will continue with our VTEM survey in order to prioritise our best conductors. Our maiden drill program remains on track to commence in October."

Figure 1. Montepuez Central Project illustrating existing VTEM data with mapped graphite occurrences marked (note the majority of the VTEM anomaly is covered by a thin sand veneer which limits outcrops). The pink colour indicates a strong conductor and drill target.

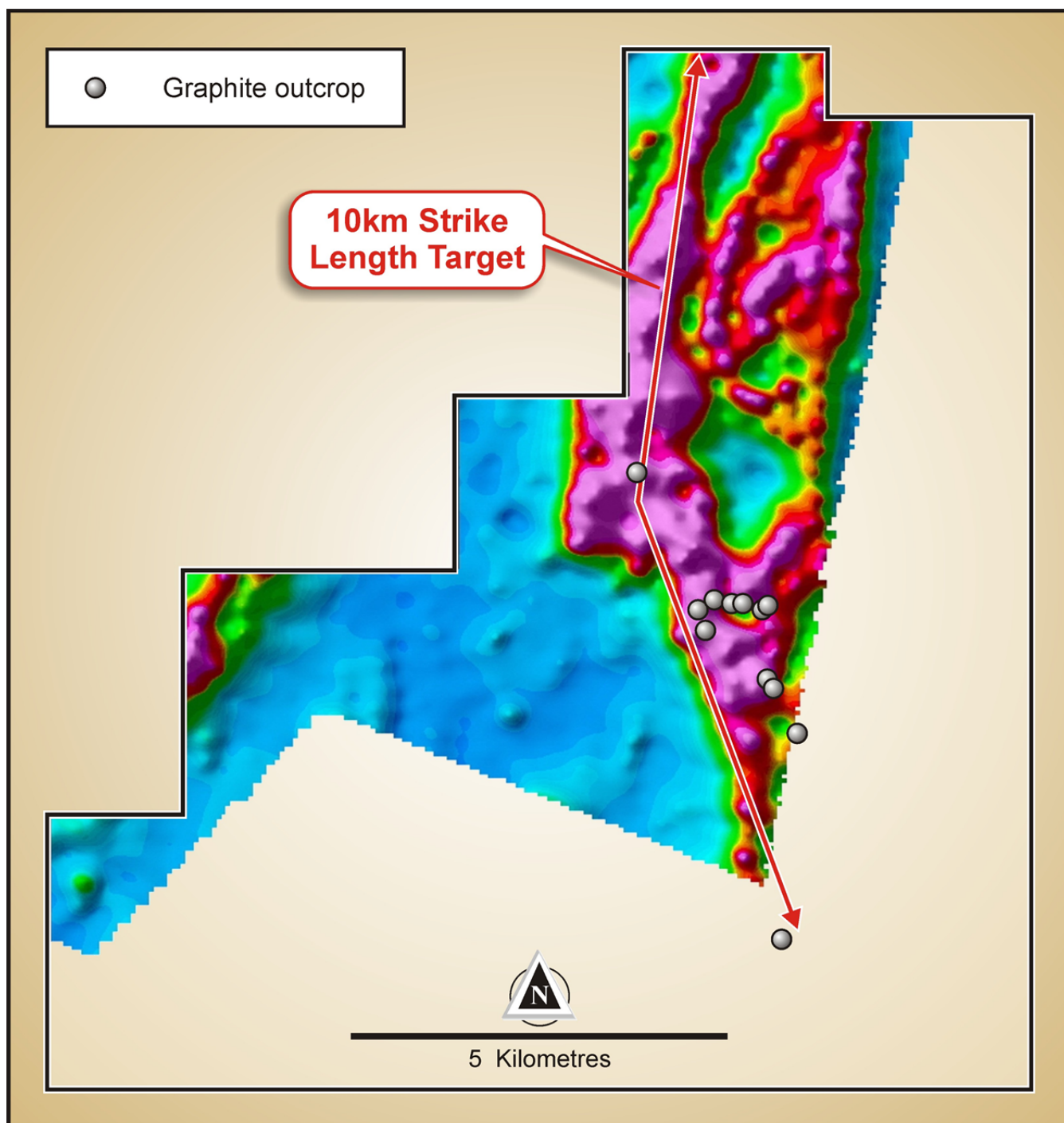


Figure 2. Example of high grade graphite outcrop (graphitic schist)

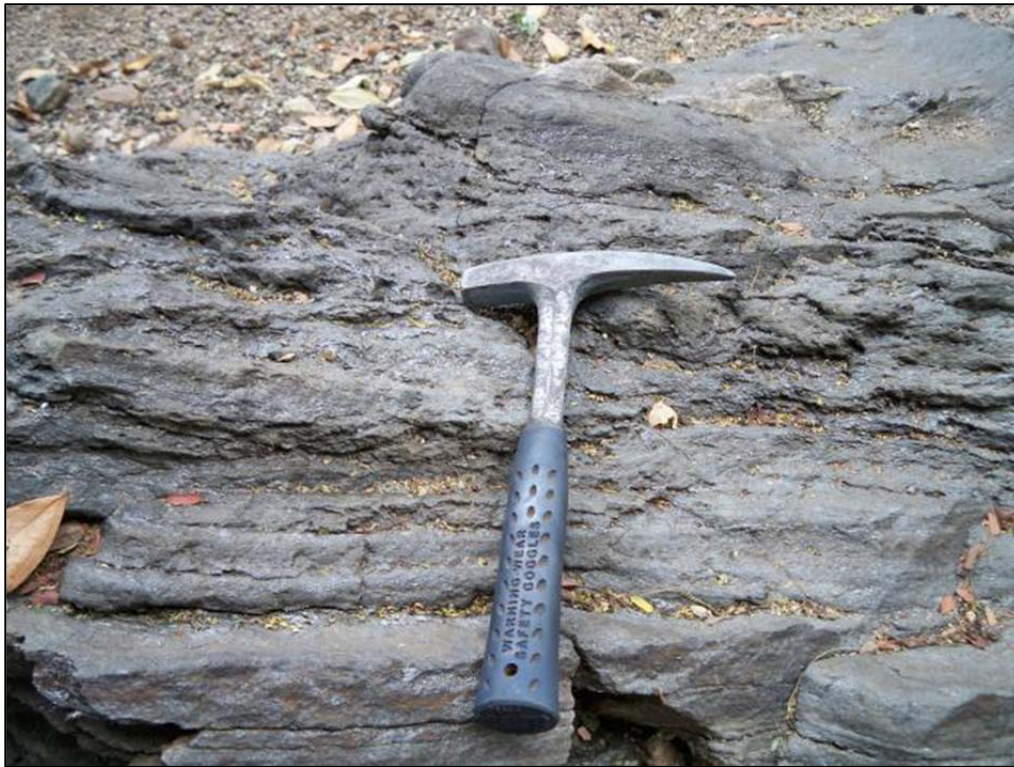


Table 1. Summary of all sixteen rock chip sample laboratory results showing Vanadium and Total Graphite Content.

Sample ID	EASTING	NORTHING	RL	LITHOLOGY DESCRIPTION	V (%)	TGC (%)
6216_25	469862	8580908	355	Quartz-Feldspar-Biotite-gneiss, coarse grain graphite flakes, visible roscoelite	0.31	16.5
6216_23	469987	8581309	355	Quartz-Feldspar-Biotite-schist, fine-medium graphite flakes (extremely weathered)	0.12	13.7
2702	470706	8581240	374	Quartz-Feldspar-Mica-Biotite-Schist (weathered), coarse graphite flakes	0.105	11.8
6216_21	470361	8581265	346	Quartz-Feldspar-Biotite-Gneiss, fine-medium graphite flakes	0.04	11.4
6216_30	470769	8580132	368	Quartz-Feldspar-Mica, fine-medium graphite flakes	0.03	9.8
6216_22	470209	8581279	351	Quartz-Feldspar-Mica-Biotite-Gneiss-fine-medium graphite flakes	0.085	8.91
6216_18B	468953	8583009	374	Biotite-schist, fine-medium grain graphite flakes	0.05	8.8
6216_11	470878	8576803	380	Quartz-Mica- Biotite Gneiss, fine-medium graphite flakes	0.035	8.07
6216_01A	470703	8581242	374	Quartz-Feldspar-Mica-Bio-Schist (weathered), fine-medium graphite flakes	0.065	7.87
6216_01B	470703	8581242	374	Quartz-Feldspar-Mica-Bio-Schist (weathered), fine-medium graphite flakes	0.105	7.64
6216_26	470686	8580264	367	Quartz-Feldspar-Biotite-gneiss, coarse graphite flakes	0.025	7.51
6216_18A	468953	8583009	374	Biotite-schist, fine-medium grain graphite flakes	0.045	6.62
2703	470706	8581240	374	Quartz-Feldspar-Mica-Biotite Schist (weathered), fine graphite flakes	0.06	5.43
6216_19	470632	8581185	368	Quartz-Mica-Bio-Schist, coarse graphite flakes	0.045	5.39
6216_01C	470703	8581242	374	Quartz-Feldspar-Mica-Bio-Schist (weathered), fine-medium graphite flakes	0.095	5.08
6216_01D	470703	8581242	374	Quartz-Fel-Mica-Bio-Schist (weathered), fine-medium graphite flakes	0.08	4.9

Montepuez Graphite Project Geology and Geophysics Background

The Montepuez Project comprises of three licenses, Montepuez East, Central and North (see Figure 3). Initial field work has revealed that rock outcrop-surface expression of the prospective unit (X3Pqm – Graphite bearing quartz mica gneiss and schist) within the Montepuez project is limited due to a thin sand veneer, of approximately 2 metres, covering the majority of the prospective unit.

The Montepuez Central Project was partially covered by a neighbouring companies' VTEM survey. MTA has acquired this data, and now intends to fly VTEM over the remainder of the prospective geology within the entire project area over the next four weeks. The sixteen graphite rock chip samples were sourced from within the Montepuez Central Project. Within the other two projects no outcrop was visible due to the thin sand veneer therefore the VTEM survey is the required next step.

MTA has signed a contract with Geotech Airborne Limited (Geotech) to conduct this VTEM geophysics work. Geotech are in the process of mobilising to the region.

Laboratory analysis and thin section analysis has confirmed that the green mineral observed within selected graphite bearing units is roscoelite, a mica mineral containing vanadium. The rock specimen containing the visible roscoelite also boasts large flake size and will be targeted in the maiden drill program.

Table 2. Proposed 2014 Work Program

Work Program	Timing (2014)
Geological mapping and reconnaissance work	July
Geophysics (VTEM)	Late August-early September
Earthworks for drilling and camp creation	Late September
Drilling	October-November

Figure 3. License location map over infrastructure.

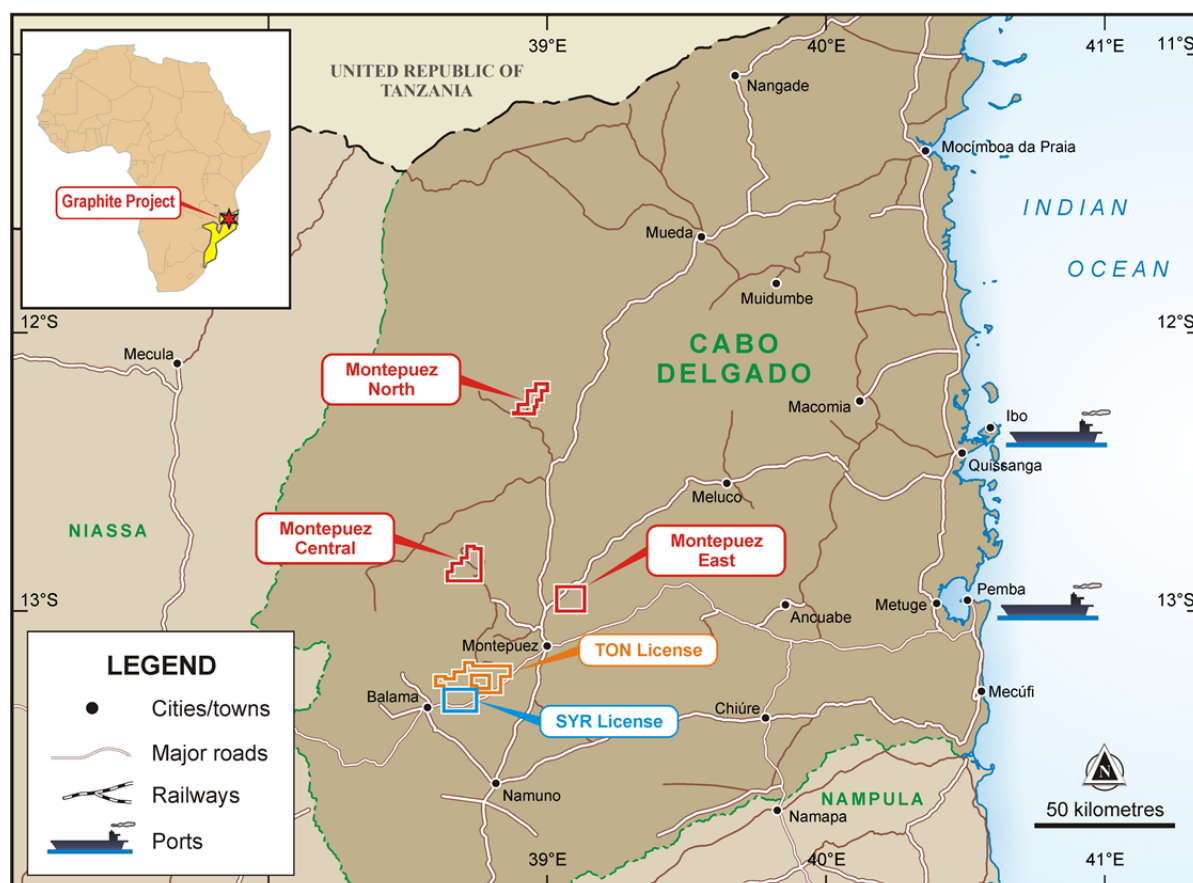


Figure 4. General Location of the Montepuez Graphite Project located in Cabo Delgado, Mozambique



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About the Montepuez Graphite Project

The Montepuez Graphite Project is located in the Cabo Delgado Province, in Mozambique. It comprises three exploration licenses, two of which are situated geologically along strike from Syrah Resources’ Limited (ASX: SYR) major Balama Graphite Project and Triton Minerals’ Limited (ASX: TON) Balama North Graphite Project. The Montepuez project occurs within the same regional geological setting as these large deposits.

About Metals of Africa Limited (MTA)

MTA is a diversified minerals exploration company dedicated to exploring for world class deposits in Africa. MTA’s core commodity targets are: lead, zinc, copper and graphite.

In Mozambique, MTA is focused on lead-zinc-silver-copper exploration for a Broken Hill Type target within the Rio Mazoe Project and adjacent Changara project. Running in parallel within Mozambique, the Company is also focused on graphite exploration at its Montepuez project.

In Tanzania, MTA boasts the Mkindu Project where the target is an Olympic Dam-style, Uranium-Iron oxide-Copper-Gold (U-IOCG) deposit. The Kroussou Project in Gabon represents a shallow Mississippi Valley Type lead-zinc-silver target. The Company’s management staff reside in Africa, which ensures optimum in-country relationships and maximum resources are spent in-ground.



Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Ms. Cherie Leeden, who is Executive Director of 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.

JORC Code, 2012 Edition – Table 1 Appendix to Announcement: Montepuez Project Update

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	MTA Commentary
Sampling techniques	<ul style="list-style-type: none"> · Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. · Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. · Aspects of the determination of mineralisation that are Material to the Public Report. · In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> · 16 graphite bearing representative rock chip samples were taken using an Estwing hammer from within the Montepuez Project. · The routine sampling methods were performed according to documented set of Standard Operating Procedures (SOPs). The sampling methods were of a high standard. · Samples were sent to an accredited South Africa for laboratory analysis
Drilling techniques	<ul style="list-style-type: none"> · Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	No drilling is reported
Drill sample recovery	<ul style="list-style-type: none"> · Method of recording and assessing core and chip sample recoveries and results assessed. 	No drilling is reported

	<ul style="list-style-type: none"> · <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> · <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	
<i>Logging</i>	<ul style="list-style-type: none"> · <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> · <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> · <i>The total length and percentage of the relevant intersections logged.</i> 	No drilling is reported
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> · <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> · <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> · <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> · <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> · <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> · <i>Whether sample sizes are appropriate to the grain size of the</i> 	<ul style="list-style-type: none"> · Surface rock chip samples collected during the mapping campaign. · The company has not yet identified a commercially available graphite standard. · Laboratory standards and repeats were analysed and validates the results.

<p><i>Quality of assay data and laboratory tests</i></p>	<p><i>material being sampled.</i></p> <ul style="list-style-type: none"> · <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> · <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> · <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> · The rock chip samples were analysed by Bureau Veritas (Rustenburg, South Africa). · The laboratory inserted 3 standards and two repeats within the batch of rock chip samples. · Laboratory sample preparation and techniques is summarised below: <p>Sample Preparation</p> <p>The samples have been sorted dried and weighed. Primary preparation has been by crushing the whole sample. The samples have been split with a riffle splitter to obtain a sub-fraction which has then been pulverised in a vibrating pulveriser.</p> <p>Loss on Ignition has been determined between 105 and 1050 degrees celsius. Results are reported on a dry sample basis.</p> <p>LOI1000 has been determined Gravimetrically</p> <p>-----</p> <p>The samples have been fused with Sodium Peroxide and subsequently the melt has been dissolved in dilute Hydrochloric acid for analysis. Because of the high furnace temperatures, volatile elements are lost. This procedure is particularly efficient for determination of Major element composition (Including Silica) in the samples or for the determination of refractory mineral species.</p> <p>Al₂O₃, CaO, Fe₂O₃, K₂O, MgO, MnO, P₂O₅, SiO₂, TiO₂, V: have been determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry.</p> <p>U, Th: have been determined by Inductively Coupled Plasma (ICP) Mass Spectrometry.</p>
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<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> · <i>The verification of significant intersections by either independent or alternative company personnel.</i> · <i>The use of twinned holes.</i> · <i>Documentation of primary data, data entry procedures, data verification</i> · <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> · Geology mapping and rock chip sampling was conducted by MTA's staff Senior Geologist Mr Bangun Maruli and was overseen in the field by independent geological consultant Mike Lynn of The MSA Group. · Sample information is recorded in the field at the time of sampling (location, description, etc) in hard copy form. Conversion to electronic form took place during the evening once back to an electricity supply. · Assay data received from the laboratory has been deemed fit for purpose.
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> · <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> 	<ul style="list-style-type: none"> · A hand-held GPS (Garmin 62S) was used to locate the rock chip samples, surface mapping/outcrop points and trench locations (nominal horizontal error of 5 metres) and reported using the coordinate system WGS84 UTM (Zone 36

	<ul style="list-style-type: none"> · <i>Specification of the grid system used.</i> · <i>Quality and adequacy of topographic control.</i> 	<p>South).</p> <ul style="list-style-type: none"> · No DGPS survey has yet been undertaken. · The terrain is largely flat to gently undulating.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> · <i>Data spacing for reporting of Exploration Results.</i> · <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> · <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> · During the reconnaissance site visit, rock chip samples and geological field observation (including photos) were taken where outcrop could be located. This tended to be within creek beds (insitu outcrop) due to a thin veneer of colluvium being present and covering the majority of the geology in the project area. · 16 graphite bearing rock chips were collected that provides an indication of the geology seen to outcrop but is not considered definitive. · No sample compositing has been applied.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> · <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> · <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> · Rock chips were collected in a random fashion dependant on where outcropping geology observed. Where possible traverses were conducted perpendicular to stratigraphy and when favourable units were encountered these were also investigated along strike. · Rock chips were collected of both mineralised and non-mineralised material to provide a good representation of the geology observed during mapping.
<i>Sample security</i>	<ul style="list-style-type: none"> · <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> · The samples are stored in the company's secure field base until laboratory dispatch.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> · <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> · The rock samples were examined by the independent geology consultant, Mike Lynn of The MSA Group, and it was recommended that they be sent for laboratory analysis due to their graphite content.

Section 2 Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> · <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> · <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<p>The Montepuez project comprises an area covering approximately 29,425 ha, being three licenses held by Metals of Africa Limited via two locally owned subsidiaries (Suni and Goldcrest Resources Lda).</p> <p>All statutory approvals have been acquired to conduct non ground disturbing exploration activity and the Company has established a good working relationship with the government departments of Mozambique. The company is not aware of any impediments relating to the licenses or area.</p>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> · <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> · The project area has been mapped at 1:250,000 scale as part of nation-wide geological study prepared by a consortium funded by the Nordic Development Fund. The project area has also been flown with regionally spaced airborne geophysics (magnetics and radiometrics) as part of a post war government investment initiative. · There is no record of past direct exploration activities on the ground. · A portion of the Montepuez Central project was flown with VTEM by a neighbouring license holder. A summary of this data is illustrated in Figure 1.
<i>Geology</i>	<ul style="list-style-type: none"> · <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> · The MTA properties occur on the Xixano Complex and traverse the tectonic contacts between the Nairoto, Xixano and Montepuez Complexes. The Xixano Complex includes a

		<p>variety of metasedimentary rocks enveloping predominantly mafic igneous rocks and granulites that form the core of a regional north-northeast to south-southwest-trending synform. The paragneisses include mica gneiss and schist, quartzfeldspar gneiss, metasandstone, quartzite and marble.</p> <ul style="list-style-type: none"> · The metamorphic grade in the paragneiss is dominantly amphibolite facies, although granulite facies rocks locally occur. The oldest dated rock in the Xixano Complex is a weakly deformed metarhyolite which is interlayered in the metasedimentary rocks and which gives a reliable extrusion age of 818 +/- 10 Ma. · Graphite-bearing mica schist and gneiss are found in different tectonic complexes in Cabo Delgado Province.
Drill hole Information	<ul style="list-style-type: none"> · <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> · <i>easting and northing of the drill hole collar,</i> · <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar,</i> · <i>dip and azimuth of the hole,</i> · <i>down hole length and interception depth,</i> · <i>hole length.</i> · <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	No drilling is reported
Data aggregation methods	<ul style="list-style-type: none"> · <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> 	No drilling is reported nor are aggregation values reported.

	<ul style="list-style-type: none"> · <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> · <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> · <i>These relationships are particularly important in the reporting of Exploration Results.</i> · <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> · <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> · No drilling is reported in this announcement.
<i>Diagrams</i>	<ul style="list-style-type: none"> · <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations.</i> 	<ul style="list-style-type: none"> · Figure 1 displays the graphite out crop locations. · Only rock chip sample grades are being reported.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> · <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to</i> 	Table 1 reports all of the rock chip sample results (showing TGC & V) therefore it is transparent and balanced reporting of results.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> · <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> · Regional airborne geophysical (magnetics, radiometrics) and regional geological mapping was used to assist mapping interpretation. · Subsequent to mapping, VTEM (Figure 1) data was acquired from a neighbouring concession holder.

<i>Further work</i>	<ul style="list-style-type: none">· <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>· <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	<ul style="list-style-type: none">· The Company has commissioned Geotech to conduct an airborne electromagnetic (VTEM) survey. This work is anticipated to commence in late August.· The VTEM data will be used to assist in positioning drill holes· Drilling is planned to commence in October 2014
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