

## ASX Announcement Metals of Africa Ltd

**20 October 2015**

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### MTA Capital Structure

Shares on Issue: 167,921,685

Listed Options: 57,854,396  
(\$0.15, 07/01/2017)

Unlisted Options 12,171,833  
(various price, expiry)

Market Cap. @ \$0.055; A\$9.23m

### MTA Board

**Gilbert George**  
Non Executive Chairman

**Cherie Leeden**  
Managing Director

**Brett Smith**  
Non Executive Director

**Steven Wood**  
Company Secretary

**ASX Code:** MTA

[www.metalsofafrica.com.au](http://www.metalsofafrica.com.au)

## Metals of Africa enters JV to advance highly prospective Ruby Project in Mozambique

**JV to provide funding to advance highly prospective non-core asset in major global gem-field**

### Highlights

- Metals of Africa has entered into a JV to advance its Montepuez East Ruby Project in Mozambique
- The Ruby Project is located in one of the world's richest ruby fields with >US\$122m of rubies mined in the region in the past 2 years
- The JV partner, Mozambican Ruby Lda will provide US\$400,000 funding for exploration and will acquire a 75% interest in the project
- MTA to be free-carried for the first US\$400,000 of exploration expenditure and thereafter its contribution is deferred until first commercial ruby sale
- Small scale and informal artisanal ruby mining appears to be actively taking place within the license
- Mozambican Ruby Lda intends to commence exploration immediately
- JV consistent with MTA's strategy to realise value in non-core assets, whilst remaining focused on core zinc and graphite projects

Metals of Africa Limited (ASX: MTA) (the Company) is pleased to announce that it has entered into a Joint Venture Agreement with Mozambican Ruby Lda to advance the Company's non-core Montepuez East Ruby Project ("the Project"), in Mozambique.

Metals of Africa's Managing Director Cherie Leeden stated:

*"The ruby potential of our Montepuez East Project is very exciting, especially considering what our neighbouring licenses are pulling out of the ground. I am delighted to be partnering with Mozambican Ruby Lda, who will provide MTA with 25% of the upside without the requirement to contribute any of our cash. This allows us to remain focused on our zinc and graphite assets. I believe that the Montepuez region has the potential to be the largest ruby gem field in the world and look forward to the results of our JV's ruby exploration program."*

Under the Agreement, Mozambican Ruby Lda will acquire a 75% ownership in the Project (formalised on the production of marketable rubies), and will provide funding to advance exploration at the highly prospective ruby project area.

MTA will receive a free-carry for the first US\$400,000 of expenditure by Mozambican Ruby Lda, which must be spent within the first two 2 years of the JVA. Thereafter MTA's proportional contribution is deferred until the first commercial sale of rubies (quantifiable by a ruby sale in excess of USD\$1 million), and will subsequently be drawn from any profits derived from the ruby sales. MTA retains a 25% interest in the Project and any rubies produced.

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### MOZAMBIQUE

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Mozambican Ruby Lda intends to commence exploration immediately, with a bulk sampling and geophysics program planned for Q4, 2015 and auger drilling thereafter.

The Montepuez East Ruby Project (License 5572) is located in one of the world's richest ruby fields which has had more than US\$122 million worth of rubies mined from it in the past two years by AIM-listed Gemfields plc (AIM: GEM, approximate market capitalisation A\$600 million) at the adjacent Montepuez Ruby deposit. Rubies from the Montepuez area in Mozambique have dominated the international ruby market since their discovery approximately five years ago.

The Project is located near the town of Montepuez in the Cabo Delgado Province of Mozambique, approximately 175km from the port of Pemba. In addition to hosting multiple world-class graphite deposits, the region is also home to some of the world's richest ruby deposits, which have only recently been discovered.

### About Mozambican Ruby Lda

The joint venture partner, Mozambican Ruby Lda, is a Mozambican company that is owned and operated by a successful team of Australian resource veterans who have been involved in the discovery and development of a number of mines located in Australia and Mozambique. The Mozambican Ruby team has gained more than ten years of experience operating in Mozambique.

### Montepuez East Ruby Project Background

The Project covers an area of 10,080 hectares and was pegged by MTA for its ruby (Corundum) potential based on it hosting the same geological unit as the rubies at Gemfields' Montepuez Ruby mine, which is located along strike from the Project (see Figure 1).

The ruby prospectivity is located in the south-eastern two thirds of the Project, while the north-western third has previously been explored by MTA for graphite mineralisation, as part of the Company's extensive graphite program in the region. MTA concluded that while its other Montepuez projects are of higher priority for graphite mineralisation, the Montepuez East Ruby Project has favourable depositional geology for the possibility of rubies.

MTA is focused on exploring and developing its zinc and graphite deposits and therefore is delighted to have attracted a high calibre JV partner to advance this project pipeline asset, with the objective of discovering an economical ruby deposit.

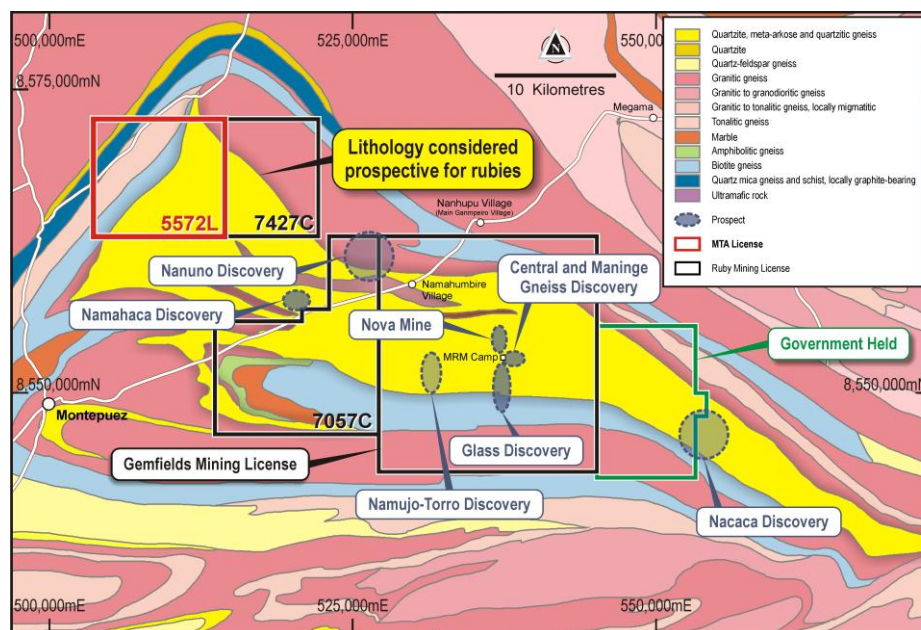


Figure 1: Regional Geological map depicting current ruby mining licenses (black) and MTA's ruby license (red). The geological unit that hosts the known ruby deposits is depicted in yellow.

## Regional Geology

The Montepuez rubies are related to amphibole deposit.

Gemfields recently developed what is believed to be the most significant recently discovered ruby deposit in the world, in the Montepuez region of Mozambique. The Gemfields' deposit is located along strike of MTA's ruby Project (see Figure 1). Gemfields operates an open pit ruby mining operation and since June 2014 has produced rubies that have been sold at four separate ruby auctions, and have generated total revenue of USD\$122 million during this period.

The Gemfields Montepuez Ruby deposit recovers both primary and secondary rough rubies. Generally the secondary deposit is cleaner than rubies mined from the primary deposit. Similar to a diamond, rubies are graded by colour, clarity, size and shape.

Primary and secondary ruby mineralisation has been identified throughout the Montepuez region. Exploration at the Gemfields mine indicates that the primary mineralised amphibolite extends to at least 30 meters below surface. The amphibolite unit strikes roughly in east-west direction and its continuity has been established over a strike of about 60 km (see Figure 1) which is tightly held and entirely covered by existing exploration or mining leases.

The target within MTA's project is both primary (rubies within the amphibolite) and secondary (alluvial rubies from the paleochannel).

The Montepuez rubies are related to amphibole deposit. The prospective geology occurs within the Montepuez Complex and is located at a geologically junction between the north-south trending Mozambique Belt and the east-west trending Zambezi Belt. Both are gemstone-bearing Neoproterozoic (approximately 800–500 million years old) orogenic belts within the global Pan-African tectonic framework. Several major geological complexes are separated by major thrusts and shear zones. Complex thermal and deformational events provided ideal temperature and pressure for forming ruby, garnet, and other economic minerals.

Primary rubies are formed when fluid derived from the parental magma interacted with the host rocks under a silica unsaturated environment. After hundreds of millions years of erosion, rubies are liberated from the host rock and were transported and concentrated by water and eventually settled in the alluvial, colluvial, and alluvial deposits.



**Figure 2: Example of cut and raw Mozambican rubies  
(these rubies were not sourced within the Company's license 5572)**



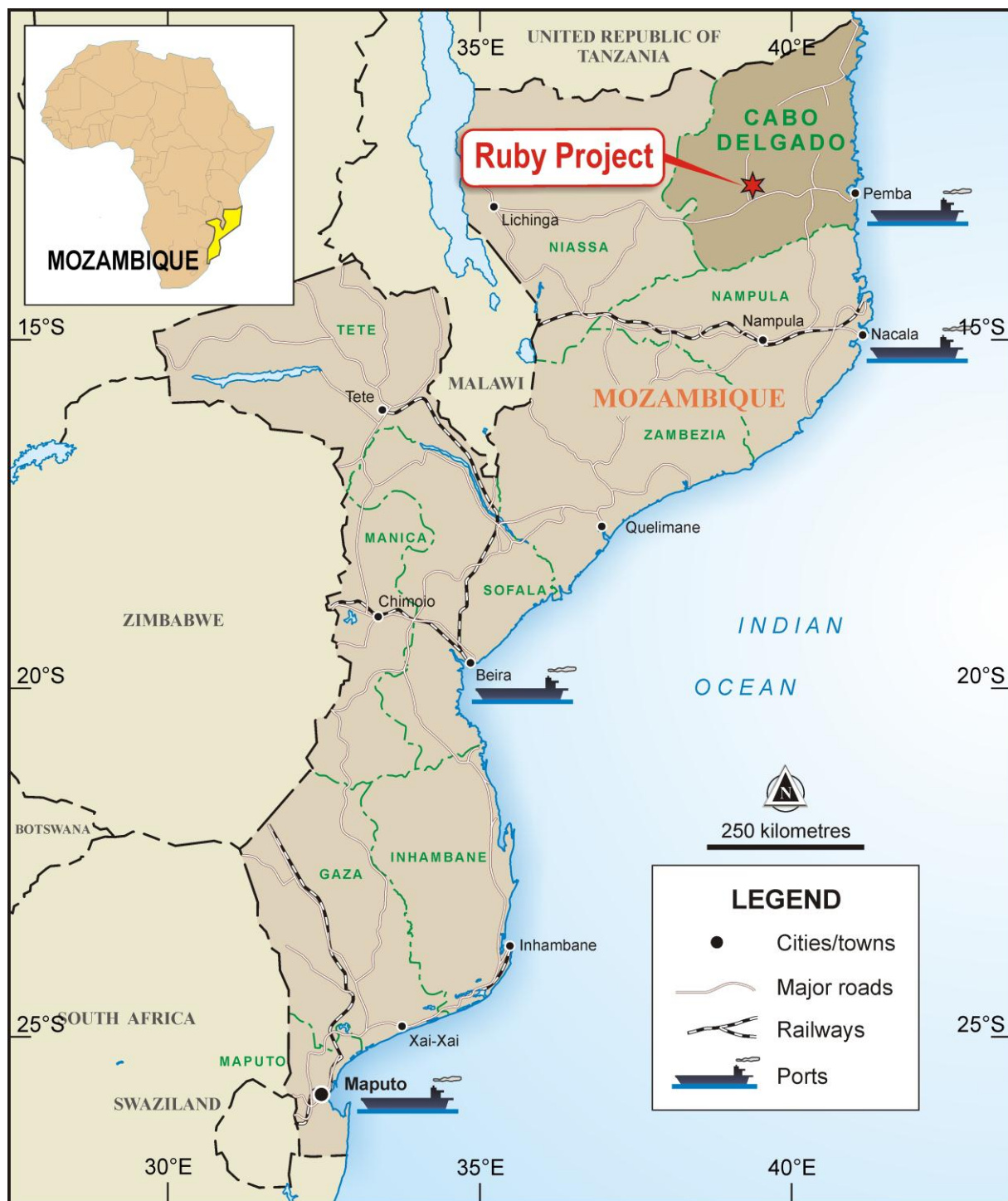


Figure 3: Mozambique Country Location Map and general location of the project area.



Figure 4: Example of raw rubies sourced from the Montepuez region in Mozambique (these rubies were not sourced within the Company's license 5572)

#### 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 (ASX: MTA) is a diversified minerals exploration company dedicated to exploring for world-class deposits in Africa. The Company's core commodity targets are: zinc/lead, copper and graphite. During 2015 the Company will maintain a dual focus: on its graphite assets (Montepuez and Balama) located in Mozambique and on its lead-zinc asset (Kroussou) located in Gabon.

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 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.