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US$80 million spherical graphite plant being planned

in US by Australia's Metals of Africa

A processing plant costing around US$80 million will be built in the United States under plans by an Australian company to provide spherical graphite to major American conglomerates evolving leading edge graphite and graphene products.

Addressing the inaugural ***Paydirt 2016 Australian Graphite Conference*** in Perth today, Managing Director of Metals of Africa, Ms Cherie Leeden, said feedstock from the plant would be sourced from the Company's advanced Balama Central graphite project in Mozambique in Africa.

"Much of the global drive to develop leading edge graphite derivatives as well as a host of graphite based new era green energy products is being driven by globally focused conglomerates in the US," Ms Leeden said.

"However, these conglomerates are driving hard the condition that access to their supply chain will only be granted if there is high level integrity and accountability in their providers' own supply chain," she said.

"This requirement is part of a welcome and overall movement in regulatory and public expectation that product development is environmentally sustainable and fully accountable.

"Post offtake agreement, Metals of Africa is prepared to establish this processing plant in the US as this is the preferred way in which we can secure such high end supply contracts with these global markets and developers for our African ore concentrates."

Ms Leeden said the Company had already signed confidential agreements with a range of US corporates and had commenced commercial negotiations designed to secure a route to market.

"These corporates will only ever sign a contract which is final and binding so it is an opportunity for Metals of Africa to lock in a first mover position in this vital American springboard into international graphite customer routes," Ms Leeden said.

The Company would process its Balama Central graphite on site in Mozambique to a 96% TGC concentrate which would then be transported to the US plant for conversion to high grade >99.5% spherical graphite for supply to the major conglomerates.

“Our initial costing puts the plant’s capex at US$80 million and we are highly confident of securing construction funding for that as soon as we sign binding supply agreements,” Ms Leeden said.

The US proposal marks a strong year to date for Metals of Africa which in just four weeks, drilled out a maiden resource of 16.3 million tonnes grading 10.4% total graphitic carbon at Balama Central.

The Company has initiated pre-feasibility studies, eyeing an initial 10 year or so mine life for the deposit.

Perth-based Metals of Africa has a second major graphite deposit in Mozambique, at the larger and longer Montepuez project and may examine dual development of both it and Balama Central.

MEDIA CONTACT:

Kevin Skinner Field Public Relations 0414 822 631