



ASX ANNOUNCEMENT

By e-lodgement

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VOLT JOINS EUROPEAN BATTERY ALLIANCE

Highlights

- Volt has joined the European Battery Alliance (EBA) as it progresses the proposed acquisition of the Ukraine based Zavalievsky Graphite business
- The EBA was launched in October 2017 and includes the EBA250 network comprising organisations from both the public and private sectors. The EBA250 is a collaboration of more than 600 participants, covering the entire battery value chain.
- Membership of the EBA provides access to business development opportunities, business investment platform, regulatory insights and market intelligence
- Provides support for Volt's strategy to become an integrated graphite mine and battery anode material producer in Europe

Graphite and gold explorer and developer **Volt Resources Limited (ASX: VRC)** ("**Volt**" or "**the Company**") is pleased to advise it has joined the European Battery Alliance ("**EBA**"). Launched in October 2017, the EBA is a platform for key stakeholders throughout the entire European battery value chain.

Managing Director, Trevor Matthews, commented: "As Volt progresses with the acquisition of the Zavalievsky graphite business to become a producer of graphite products in Europe, there is a great opportunity to build relationships and obtain access to capital to support the expansion and product development plans for the graphite business.

Membership of the EBA250 network will facilitate that process and position Volt and its potential European graphite business as an early leader of graphite production and downstream products in Europe".

The EBA250 network includes the European Commission, EU member states, the European Investment Bank and more than 600 industrial, innovation and academia stakeholders. The EBA objective is to build a strong pan-European battery industry that is able to help Europe capture a growing market expected to be worth 250B€/year from 2025. Industry participants across the battery value chain include Volkswagen, Tesla, Volvo, LG Chem, CATL and Albemarle.

Formal actions being facilitated by the EBA and relevant to Volt’s business and plans include:

- Create and sustain a cross-value chain ecosystem for batteries. This includes mining, processing, materials design, second life, and recycling within the EU, encouraging cross-sectoral initiatives between academia, research, industry, policy, and the financial community.
- Facilitate the expansion/creation of European sources of raw materials.

The EBA250 includes a Business Investment Platform (BIP) together with financial institutions – public and private –and several core industrial partners. The objective of the BIP is to:

- Shorten the time to investment
- Reduce business risk for the investee
- Reduce investment risk for the investor

More information about the EBA can be found at <https://www.eba250.com/about-eba250/>

Proposed Zavalievsky Graphite Business Acquisition

Volt is progressing with due diligence and the completion of the Definitive Agreements for the proposed acquisition of a 70% interest in the Zavalievsky group of companies (“**ZG Group**”)¹. The graphite mine and processing facilities are located adjacent to the town of Zavallya, approximately 280 kilometres south of the Ukraine capital Kyiv and 230 kilometres north of the main port of Odessa.

Advantages of the proposed transaction for Volt

The acquisition of a controlling 70% interest in the ZG Group would immediately transform Volt into one of the few ASX-listed graphite producers.

Importantly, the Zavalievsky Graphite business has the following significant advantages for Volt:

- Located in Eastern Europe, the Zavalievsky Graphite business is in close proximity to key markets with significant developments in Lithium-ion Battery (“**LIB**”) facilities planned to service the European based car makers and renewable energy sector.
- Plans to produce battery anode material using existing graphite production to become a fully integrated supplier to LIB cell makers based in Europe.
- Makes graphite products across the range and has the potential to significantly increase its high value large flake production.
- Produces a high value “green” purified 99.5% TGC product.
- Long life multi-decade producing mine that has further exploration upside.
- Existing customer base and graphite product supply chains which Volt expects to be able to leverage off in developing its existing Bunyu graphite project in Tanzania.
- Excellent transport infrastructure covering road, rail, river and sea freight combined with reliable grid power, ample potable ground water supply and good communications.
- An experienced workforce which can assist with training, commissioning and ramp-up for the Bunyu development. This is a key risk for financiers and could materially assist the ability to finance the Company’s Bunyu graphite project development.
- Potential to generate material cashflow which could make Volt internally funded for corporate costs and working capital into the future.

¹ Refer to ASX announcement “Proposed Acquisition of European Graphite Producer” dated 5 February 2021.

- Co-products of quarry stone for the domestic market and garnet for the European market that could generate material cash flow for relatively low capital and operating cost leveraging the synergies from the graphite business infrastructure and experienced mining and processing staff.
- A 79% interest in 636 hectares of freehold land, with the mine, processing plant and other buildings and facilities located on that land.

Further information regarding the ZG Group can be obtained from the company's website <https://zvgraphit.com.ua/>. A drone video of the mine and processing facilities and the local area and township of Zavallya can be viewed at <https://voltresources.com/zavaliievsky-graphite-acquisition/>.

Proposed Transaction

As announced on 4 February 2021 (ASX announcement "Proposed acquisition of a 70% shareholding in European Graphite Producer"), Volt has entered into term sheets in regards to the potential acquisition of a 70% interest in each of the companies comprising the ZG Group, namely:

- Zavalievsky Graphite LLC - processing plant buildings, processing plant, mining equipment, power sub-station and distribution.
- Stone Found LLC – crushed granite operations and plant.
- Graphite Invest LLC – holds a 70% interest in PJC Zavalievsky Graphite Kombinat – mine, land, main administration office building. It is this entity that holds a 79% interest in the 636 hectares of freehold land on which the Zavalievsky mine, processing plant and other related buildings and facilities are located.

Under the term sheets, the Vendors have agreed to sell 70% of the total issued equity in each ZG Group company to Volt for an aggregate purchase price of US\$7.5 million payable in two instalments of US\$3.75 million. The first instalment of US\$3.75 million is due on completion of the transaction, with the second instalment due 6 months after the date that completion occurs.

The proposed transaction remains conditional upon:

- Volt being satisfied with the results of its due diligence into the ZG Group and the Zavalievsky Graphite business;
- all required governmental, regulatory and other necessary third party consents and approvals being obtained;
- no material adverse change in the ZG Group, its operations, or financial condition between the date of the term sheets and completion of any transaction;
- there being no pending or in effect law, order or legal proceeding challenging the proposed transaction or that may have the effect of prohibiting, delaying, making illegal, or otherwise interfering with the proposed transaction;
- entering into a binding share sale and purchase agreement with the Vendors and a satisfactory shareholders agreement with the Remaining Shareholder (together the **Definitive Agreements**).

-ENDS-

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About Volt Resources Limited

Volt Resources Limited (“Volt”) is a graphite and gold exploration and development company listed on the Australian Stock Exchange under the ASX code VRC. Volt is currently focused on the exploration and development of its wholly-owned Bunyu Graphite Project in Tanzania, as well as the creation of a new gold exploration and development business through leveraging the Company’s existing extensive networks in Africa.

The Bunyu Graphite Project is ideally located near to critical infrastructure with sealed roads running through the project area and ready access to the deep-water port of Mtwara 140km from the Project. In 2018, Volt reported the completion of the Feasibility Study (“FS”) into the Stage 1 development of the Bunyu Graphite Project. The Stage 1 development is based on a mining and processing plant annual throughput rate of 400,000 tonnes of ore to produce on average 23,700tpa of graphite products². A key objective of the Stage 1 development is to establish infrastructure and market position in support of the development of the significantly larger Stage 2 expansion project at Bunyu.

The Guinea Gold Projects comprise 6 permits in Guinea, West Africa having a total area of 348km. The Projects are located in the prolific Siguiri Basin which forms part of the richly mineralised West African Birimian Gold Belt.

² Refer to Volt’s ASX announcement titled “Positive Stage 1 Feasibility Study Bunyu Graphite Project” dated 31 July 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in this document and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.