



Financial Report

For the Half Year Ended 31 December 2021

DIRECTORS

Asimwe Kabunga	Non-Executive Chairman
Trevor Matthews	Managing Director
Giacomo Fazio	Non-Executive Director

COMPANY SECRETARY

Mr Robbie Featherby

REGISTERED AND PRINCIPAL OFFICE

Level 25
108 St Georges Terrace
Perth WA 6000
Telephone: +61 8 9486 7788

POSTAL ADDRESS

Level 25
108 St Georges Terrace
Perth WA 6000

AUDITORS

HLB Mann Judd (WA Partnership)
Level 4
130 Stirling Street
Perth WA 6000

SHARE REGISTER

Link Market Services
Level 12, 680 George Street
Sydney NSW 2000

Volt Resources Limited shares are listed on the Australian Securities Exchange (ASX code: VRC)

ACN	106 353 253
ABN	28 106 353 253
ASX Code	VRC

In this report, the following definitions apply:

“**Board**” means the Board of Directors of Volt Resources Limited

“**Volt Resources**” or the “**Company**” means Volt Resources Limited ABN 28 106 353 253

Directors' Report	4
Auditor's Independence Declaration	13
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	14
Condensed Consolidated Statement of Financial Position	15
Condensed Consolidated Statement of Cashflows	16
Condensed Consolidated Statement of Changes in Equity	17
Notes to the Condensed Consolidated Financial Statements	19
Directors' Declaration	27
Independent Auditor's Review Report	28

Your Directors submit the interim financial report of the Company for the half-year ended 31 December 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows.

DIRECTORS

The following persons were directors of Volt Resources Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

Director	Position
Asimwe Kabunga	Non-Executive Chairman
Trevor Matthews	Managing Director
Giacomo Fazio	Non-Executive Director

PRINCIPAL ACTIVITIES

During the half-year ended 31 December 2021 the Company's primary focus was to complete the transition to majority ownership (interest of 70%) of the Zavalievsky Graphite Group (ZG Group). Activities included working through company governance improvements, organisational restructure including the appointment of a senior management team and the commencement of operational and productivity improvements programs.

REVIEW OF OPERATIONS

The half-year ending 31 December 2021 saw Volt Resources emerge as a graphite producing company (via the 70% interest in the ZG Group Ukraine) and continues to implement its plan to be a battery anode materials manufacturer in Europe and the United States based on an integrated supply chain using flake graphite produced from its producing mine and processing plant in Ukraine and the development ready Bunyu project in Tanzania.

The progression of Volt's downstream processing strategy including cycle testing of Bunyu graphite in Lithium-ion battery coin cells, flow sheet design for anode material production and testwork utilising purified non-spherical material produced as a by-product from the battery anode spheroidization process for use in alkaline and lead-acid battery applications.

The Company remains focused on the two-stage development of its wholly-owned Bunyu Graphite Project in Tanzania and has advanced development funding discussions with two financial institutions by the end of the reporting period. The Company has been advised the final requirement to advance to debt funding proposals is to execute acceptable offtake contracts. The Company is currently engaged in the exchange of product information with potential offtake parties

GRAPHITE

Zavalievsky Graphite - Ukraine

On 26 July 2021, the Company Volt completed the acquisition of a 70% interest in the Zavalievsky Graphite business to become a graphite producer. The Zavalievsky Graphite ("ZG") business is located in Ukraine. ZG is a long-life graphite business that has been in operation for 87 years. The graphite mine and processing facilities are located adjacent to the town of Zavallya, approximately 280 kilometres south of the Ukrainian capital Kyiv and 230 kilometres north of the main port of Odessa.

The acquisition came with significant benefits, including:

- 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.
- Makes graphite products across the range and has the potential to significantly increase its high value large flake production.
- Produces a high value purified 99.5% TGC product.
- Long life multi-decade producing mine that has further exploration upside.
- Existing customer base and graphite product supply chains.
- 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.
- A 79% interest in 636 hectares of freehold land, with the mine, processing plant and other buildings and facilities located on that land.

Zavalievsky Graphite Operations

Quarter on quarter graphite production increased by approximately 38% from 990 tonnes in the September quarter to 1,369 tonnes in the December quarter at an average of approximately 51 tonnes of product per operating day (2,359 tonnes YTD).

ZG is evaluating the use of contract mining for waste removal due to the increased material movement required in the next 12 months. Replacement of the existing ZG owned mining fleet is also being evaluated which is expected to substantially improve future mined graphite ore production.

During the winter months plant operations are disrupted by very low temperatures which freeze process water pipelines and tailings material in pipelines. Replacement with insulated piping and other options are being evaluated to provide a permanent solution which will result in significantly higher graphite production levels during the winter months.

As winter ends and temperatures increase, the plant operating days will increase resulting in substantial improvements in monthly graphite production.

European graphite sales have experienced price increases due to lower Chinese graphite production, global supply chain disruption and increased container shipping costs. ZG has been renegotiating its sales prices with its European customers to reflect these higher prices.

As a result of the Ukraine conflict operations and improvement projects have been suspended. Volt continues to monitor the conflict in Ukraine closely and assess and discuss the situation with our local executive management team to understand what support Volt can provide for ZG staff and their families.

Foreign and Historical Graphite Mineralisation Estimate

The Company announced the foreign and historical graphite mineralisation estimate for part of the Zavalievsky Graphite deposit. The foreign and historical estimate of tonnage of graphite mineralisation (above 2% carbon) at the Zavalievsky Graphite Project for the south-eastern area of the Zavalievsky site totals 22.913M tonnes at a grade of 6.8% carbon¹.

The information was compiled, reviewed and reported by Wardell Armstrong International. The graphite mineralisation estimate supports Volt's plans to expand graphite production in Europe and develop downstream processing facilities for battery anode material ("BAM") and other high value graphite products.

The ZG business has significant graphite mineralisation estimates at good in-situ graphite carbon grades. With further resource definition and metallurgical work, based on the deposit size, Volt believes the mineralised estimate can be significantly increased and reported in accordance with the JORC code.

Bunyu Graphite Project – Tanzania

The Company remains focused on the two-stage development of its wholly-owned Bunyu Graphite Project in Tanzania. The Bunyu Graphite Project is ideally located near to critical transport infrastructure with sealed roads running through the project area and ready access to the deep-water port of Mtwara 140km to the southeast.

Stage 1 has low development capital requirements and benefits from a low strip ratio, near surface, higher grade graphite ore zone. A simple mining method will be used with an open pit of 40m depth, using a conventional drill and blast, load and haul mining method. Flotation test work has demonstrated that high grade graphite products, at coarse flake sizes, can be produced using a relatively simple flotation process.

The strategy of staging the project development provides a low-cost, lower risk path to get the Bunyu Project into production and deliver consistent representative product to customers. Once in production Stage 1 will facilitate product validation and assist in securing long-term offtake agreements to support development of the large-scale Stage 2 project. The Stage 1 development will have the added benefit of de-risking the full-scale Stage 2 project, improving the ability to finance the expansion, reducing the risks of commissioning and production ramp up delays, cost and schedule overruns.

Development Funding

The Company has continued with Bunyu Stage 1 funding discussions despite the disruption experienced with the COVID-19 pandemic, changes in work arrangements and international travel restrictions. The Company has advanced development funding discussions with two financial institutions by the end of the reporting period. The financial institutions have advised the final requirement to advance to debt funding proposals is to execute acceptable offtake contracts. The Company is currently engaged in the exchange of product information with potential offtake parties

¹ Refer to ASX announcement dated 18 October and titled "Expansion Potential for Zavalievsky Graphite"

Exploration Activities

The Company did not undertake any substantive graphite mineral exploration, mine development or mining production activities in Tanzania during the first half of this financial year apart from payment of annual tenement rents.

Battery Anode Material and Battery Graphite Materials Developments

Battery Anode Material (Spherical Graphite)

Testwork

The Company has completed successful LIB cell cycle testing using coated spheroinised purified graphite ("CSPG") produced from natural graphite originated from the Bunyu Resource in Tanzania. The testwork demonstrated highly consistent performance with negligible degradation of electrochemical characteristics from cycle to cycle. The flat capacity curve signals that Bunyu graphite can compete not only with other natural graphite battery anode material ("BAM"), but also with higher cost synthetic graphite BAM offerings, in its long-term cycling performance. The testwork confirmed Volt's Bunyu flake graphite is well-suited for use in the production of battery-ready anode material for energy storage applications.

The testwork program was undertaken by Volt's technology partner in the United States, American Energy Technologies Co. ("AETC"), an established commercial graphite producer and processor which is headquartered in Illinois, USA.

Flowsheet

Volt will be adopting the inverted flow sheet developed by AETC for its downstream operations following the successful spheronization and purification results achieved during the testwork program. The use of this proprietary process enables Volt to not only convert a significant portion of its graphite feed with yields of approximately 70% achieved in the production of battery-ready anode material for lithium-ion batteries, but also generate a range of ultra-high purity by-products for use as electrically conductive diluents in battery cathodes and in a variety of valuable non-battery applications.

The process begins with graphite purification with all of the subsequent sizing and shaping undertaken with purified material by exclusively using environmentally responsible high temperature furnaces. No acid leaching or caustic bakes are employed.

The main benefits Volt enjoys from this inverted flowsheet are:

- The ability to divert non-spherical portions of the purified graphite to higher-margin markets such as conductivity enhancement applications in LIB cathodes and for other applications in alkaline and lead-acid batteries; and
- Reduced wear and tear on shaping mill parts (due to processing being accomplished with high purity graphite, which is a natural lubricant).

Non-spherical Purified Graphite

The non-spherical purified graphite is a by-product of the spheroidization of purified graphite when producing LIB anode material. Volt will reap the benefits from the inverted flowsheet developed by AETC to produce not only spherical purified graphite for lithium-ion batteries, but also higher-margin non-spherical material that can be used in applications such as conductivity enhancement and other specialty uses².

Alkaline Batteries – Urban Electric Power

Volt is in the process of entering into a strategic collaboration with advanced alkaline battery producer, Urban Electric Power (“UEP”). UEP, Volt and AETC, will partner in the development of new technologies using non-spherical purified graphite for conductivity enhancement and ultra-high-purity graphite-based coatings to improve alkaline battery performance. Notably this will improve the alkaline battery performance while benefitting the end users - consumers of UEP’s alkaline battery technologies - by offering a more attractive cost structure than the currently available industry solutions on the market.

Following the successful completion of the graphite technology programs for use in alkaline batteries, UEP and Volt plan to enter into an offtake agreement for the supply of ultra-high-purity graphite-based coatings and additives in addition to potential licensing benefits derived from the intellectual property developed.

Lead-acid Batteries

Volt is currently evaluating the electrochemical performance of its ultra-high purity non-spherical material for use in the expander of lead acid batteries. Test data from this initiative will be announced in the near future. This work is being performed under the close oversight of Volt’s potential off-take partner, a lead-acid battery company.

The development of non-spherical graphite products for the alkaline and lead-acid battery markets will improve the economics of Volt’s planned BAM facilities in the US and Europe.

Lithium

During the December quarter the Company announced the acquisition of three license applications that are considered to be prospective for lithium-borate mineralisation. The license applications are in respect to a total area of 291km², located in Serbia and are west and south-west of the Serbian capital, Belgrade. Volt is acquiring 100% of the issued share capital in Asena Investments d.o.o. Beograd-Stari grad (**Asena**), a Serbian company which holds the rights in relation to the three licence applications.

Key features of the Asena transaction include:

- Acquisition of lithium licence applications in Serbia – Jadar North, Petlovaca and Ljig
- The transaction forms part of a larger strategy to position Volt as a multi-commodity battery minerals company
- Jadar North licence application over ground adjacent to Rio’s world-class Jadar lithium-borate project in Serbia
- Anomalous intersections of lithium and borate identified on Jadar North from limited historical diamond drilling
- Jadar basin 100% occupied by Rio and Asena – subject to Asena being granted the Jadar North licence

² Refer ASX announcement dated 8 November 2021 and titled “High Performance Results from Bunyu Battery Cell Testwork”

- Volt to acquire Serbian company Asena Investments d.o.o. which holds the rights to the three licence applications
- Subject to the licence applications being granted Phase 1 drilling program expected to commence in CY Q3 2022 across all three licences

Gold

The three Guinea gold projects, Kouroussa, Mandiana and Konsolon, comprised six permits ("Permits") with a total area of 388km² in the prolific Siguiiri Basin which forms part of the richly mineralised West African Birimian Gold Belt.

Exploration activities

During the first half of this financial year the Company received all auger drilling assay results from the first phase of the auger drilling campaign. The auger drilling campaign identified four drilling targets as follows:

- extended the known gold anomalous areas in Kouroussa to over 1,000m in length;
- identified two major gold anomalies in the Konsolon permit for a combined strike length of over 2,450m and which remain open and a number of other gold anomalous areas; and
- a large open gold anomaly within the Nzima permit which is currently 600m in length and remains open.

Mineral Tenements

The schedule of the Company's interest in mining tenements as at 31 December 2021 follows. Zavalievsky Graphite LLC (Volt has a 70% interest in Zavalievsky Graphite) holds the Zavallya tenement in the Ukraine. All tenements within Tanzania are held by Volt Graphite Tanzania Plc, a wholly owned subsidiary of Volt Resources Ltd. Tenements in Guinea are held by two subsidiary companies, KB Gold SARLU and Novo Mines SARLU.

Project	Location	Tenement Number	Change in Holding Status	VRC Beneficial Interest
Zavalievsky Graphite	Ukraine - Zavallya	Special Permit No.430	None	70%
Volt Tanzania Graphite Plc (Bunyu Graphite Project)	Tanzania – Masasi District	ML 591/2018	None	100%
	Tanzania – Masasi District	ML 592/2018	None	100%
	Tanzania - Nachingwea, Ruangwa & Masasi Districts	PL 10643/2015	Pending Renewal	100%
	Tanzania - Ruangwa & Masasi Districts	PL 10644/2015	Pending Renewal	100%
	Tanzania - Newala & Masasi Districts	PL 10667/2015	Pending Renewal	100%
	Tanzania - Newala, Ruangwa & Masasi Districts	PL 10668/2015	Pending Renewal	100%
	Tanzania - Ruangwa & Lindi Districts	PL 10717/2015	Pending Renewal	100%
	Tanzania - Masasi District	PL 10788/2016	Pending Renewal	100%
	Tanzania – Masasi District	PL 13207/2018	Application	100%
	Tanzania – Masasi District	PL 11715/2021	Granted	100%
KB Gold SARLU – Kourouss and Mandiana Projects	Guinea - Nzima	EP 22980	None	100%
	Guinea - Monebo	EP 23058	None	100%
	Guinea - Kouroussa	EP 22982	None	100%
	Guinea - Fadougou	EP 22981	None	100%
	Guinea - Kouroussa West	EP 23057	None	100%
Novo Mines SARLU - Konsolon Project	Guinea - Konsolon	EP 22800	None	100%

FINANCIAL POSITION

The company made a loss for the half year of \$13,742,161 (31 December 2020: loss \$2,789,707). Cash reserves were \$761,466 (30 June 2021: \$254,521) representing an increase of \$506,945.

CORPORATE ACTIVITIES

On 26 July 2021, the company completed the acquisition of a 70% interest in the ZG Group to become a graphite producer in Europe. The completion of the acquisition immediately transforms Volt into one of the few ASX-listed graphite producers. The Zavalievsky mine and processing facilities are located adjacent to the town of Zavallya, approximately 280 kilometres south of the Ukraine capital of Kyiv and 230 kilometres north of the main port of Odessa.

Whilst subsequent to the reporting date, the Russian invasion of the Ukraine has directly affected the ZG Group, with all production coming to a halt. As there is no way to reasonably predict when the ZG Group can return to production, the Company's Board has determined that the investment in the ZG Group should be impaired by its full remaining value as at the end of December 2021. See Note 6 to the Financial Statements for further details in relation to impairment.

On 10 September 2021, the Company successfully raised \$5,050,000 (before costs) to assist with the development of battery anode and downstream graphite products in Europe and the United States, capital working requirements of the Zavalievsky Graphite business and complete Lithium Ion Battery (LIB) cycling test work on Bunyu graphite.

The capital raising was completed through the placement of 230,000,000 new fully paid ordinary shares at A\$0.025 (2.5 cents) per share, 15.5% discount to the day volume weighted average price up to the close of trading prior to the trading halt.

Volt's Chairman, Asimwe Kabunga, subscribed for an additional \$700,000 of the placement shares through his private company, Kabunga Holdings Pty Ltd. This comprised of 28,000,000 fully paid ordinary shares issued at \$0.025 each. Shareholder approval for the issue of shares to Mr. Kabunga's private company was received at the Company's Annual General Meeting on November 30, 2021 and the shares were issued on 3 December 2021.

On 30 November 2021 all resolutions presented to shareholders at the Company's Annual General Meeting were passed by a poll.

EVENTS SUBSEQUENT TO REPORTING DATE

On Thursday 24 February 2022, Russia commenced a military invasion of Ukraine. Since the commencement of the invasion, Volt continues to be in regular contact with ZG management to understand the situation as it affects the ZG people and the graphite business. First and foremost, the Company is focused and remains concerned for the safety and wellbeing of the ZG staff and their families.

Operations at Zavallya were suspended immediately and all staff requested to remain at home following the commencement of the invasion. The town of Zavallya is located in a rural area with no military or major infrastructure targets in the region. There has been no military action near Zavallya since the commencement of hostilities and ZG management see little risk at Zavallya to ZG staff, their families and the business assets during this conflict.

The board has determined that it is necessary to impair the remaining value of the investment in the ZG Group as a result of the conflict in the Ukraine, resulting in the uncertainty of future cashflows. This however is not a representation on what management believes the value the asset may bring in the future, given operations at the Zavalievsky mine recommence.

Completes Successful Capital Raising

On 2 March 2022, the Company successfully raised \$2.0 million (before costs) (“**Placement**”) through the issue of 181,818,181 fully paid ordinary shares at \$0.011 per share. In addition, Volt’s Chairman, Asimwe Kabunga, subscribed for 45,454,546 fully paid ordinary shares for an additional \$500,000 on the same terms as the Placement, subject to shareholder approval, for a total commitment of \$2.5 million.

Proceeds from the Placement will be utilised to advance activities at Volt’s projects including:

- Continue the development plans to become a battery graphite materials producer in the United States and Europe
- Advance the Bunyu project development funding
- Debt servicing
- When appropriate, make further investment in the Zavalievsky Graphite mine and processing plant; and
- General working capital requirements

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

ENVIRONMENTAL REGULATION

The economic entity holds participating interests in a number of mining and exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There were no breaches of these regulations during the half year to 31 December 2021.

AUDITOR’S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 forms part of the Directors’ Report and is included on page 13.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors,



Asimwe Kabunga | Non-Executive Chairman
23 March 2022

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Volt Resources Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
23 March 2022



B G McVeigh
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hbw.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME**

		31 Dec 2021	31 Dec 2020
	Notes	\$	\$
Interest revenue		489	25,258
Expenses			
Corporate compliance costs		(656,068)	(234,505)
Corporate management costs		(963,088)	(250,270)
Foreign exchange gain/(loss)	10	620,626	174,795
Marketing and investor relations costs		(504,712)	(76,583)
Occupancy expenses		(20,022)	(5,982)
Share based payments		11,151	(65,384)
Interest expenses	10	(994,038)	(305,597)
Other expenses		(84,413)	(238,443)
Impairment of investment	6	(10,068,826)	-
Share of losses in associate	6	(1,083,260)	-
Profit / (loss) before income tax expense		(13,742,161)	(977,011)
Income tax expense		-	-
Profit / (loss) after income tax expense		(13,742,161)	(977,011)
Other comprehensive income for the period, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		417,076	(1,812,696)
Total comprehensive loss for the period		(13,325,085)	(2,789,707)
Loss attributable to:			
Owners of Volt Resources		(13,749,019)	(997,011)
Non-controlling interests		6,858	-
		(13,742,161)	(997,011)
Total comprehensive loss attributable to:			
Owners of Volt Resources		(13,325,085)	(2,789,707)
Non-controlling interests		-	-
Basic and diluted earnings / (loss) per share (cents)		(0.53)	(0.05)

The above condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 Dec 2021	30 Jun 2021
	Notes	\$	\$
Plant and equipment			
Assets			
Current assets			
Cash and cash equivalents	4	761,466	254,521
Trade and other receivables	5	90,138	82,854
Prepayment		45,410	130,190
Total current assets		897,014	467,565
Non-current assets			
Investment in Associate	6	-	-
Plant and equipment		39,373	38,487
Exploration and evaluation	7	27,131,702	26,245,694
Total non-current assets		27,171,075	26,284,181
Total assets		28,068,089	26,751,746
Liabilities			
Current liabilities			
Trade and other payables	8	295,059	573,446
Other payables	9	5,237,045	-
Total current liabilities		5,532,104	573,446
Non-current liabilities			
Borrowings	10	3,766,696	-
Total Non-current liabilities		3,766,696	-
Total liabilities		9,298,800	573,446
Net assets		18,769,289	26,178,300
Equity			
Issued capital	11	81,011,370	75,505,006
Reserves		838,806	5,162
Accumulated losses		(62,871,227)	(49,122,208)
Parent entity interest		18,978,949	26,387,960
Non-controlling interests		(209,660)	(209,660)
Total equity		18,769,289	26,178,300

The above condensed statement of financial position is to be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	31 Dec 2021	31 Dec 2020
Notes	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(2,426,199)	(793,078)
Cashflow Boost received	-	8,337
Interest paid	-	(2,589)
Interest received	489	(11,499)
Net cash flows used in operating activities	(2,425,710)	(798,829)
Cash flows from investing activities		
Payments for exploration expenditure	(318,529)	(44,414)
Payments for plant and equipment	-	(489,345)
Payment for investment in Associate	(5,987,818)	-
Net cash flows (used in) / from investing activities	(6,306,347)	(533,759)
Cash flows from financing activities		
Proceeds from share issue	5,421,694	1,565,000
Proceeds from borrowings	5,704,104	-
Repayment of borrowings	(1,494,182)	(80,924)
Share issue costs	(392,614)	(98,018)
Net cash flows from financing activities	9,239,002	1,386,058
Net (decrease)/increase in cash and cash equivalents	506,945	53,470
Cash and cash equivalents at beginning of period	254,521	264,449
Cash and cash equivalents at end of period	761,466	317,919

The above condensed statement of cash flows is to be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Reserves	Accumulated losses	Parent Entity Interest	Non- Controlling interest	Total equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	67,880,852	1,113,436	(46,574,311)	22,419,977	(209,660)	22,210,317
Profit/(loss) for the period	-	-	(977,011)	(977,011)	-	(977,011)
Other comprehensive loss for the period	-	(1,812,696)	-	(1,812,696)	-	(1,812,696)
Total comprehensive loss for the period	-	(1,812,696)	(977,011)	(2,789,707)	-	(2,789,707)
<i>Transactions with owners in their capacity as owners</i>						
Shares issued for acquisition of Gold Republic Pty Ltd	2,312,653	-	-	2,312,653	-	2,312,653
Placement shares issued 23 Oct 2020	1,565,000	-	-	1,565,000	-	1,565,000
Share based payments	-	65,384	-	65,384	-	65,384
Cost of shares issued	(98,018)	-	-	(98,018)	-	(98,018)
Balance at 31 December 2020	71,660,487	(633,876)	(47,551,322)	23,475,289	(209,660)	23,265,629
Balance at 1 July 2021	75,505,006	5,162	(49,122,208)	26,387,962	(209,660)	26,178,300
Profit/(loss) for the period	-	-	(13,749,019)	(13,749,019)	6,858	(13,742,161)
Other comprehensive loss for the period	-	423,934	-	423,934	(6,858)	417,076
Total comprehensive loss for the period	-	423,934	(13,749,019)	(13,325,085)	-	(13,325,085)
<i>Transactions with owners in their capacity as owners</i>						
Placement shares issued 10 Sep 2021	5,750,000	-	-	5,750,000	-	5,750,000
Share based payments	68,139	(118,487)	-	(50,348)	-	(50,348)
Options issued	12,700	-	-	12,700	-	12,700
Performance shares expired	-	39,197	-	39,197	-	39,197
Convertible note	-	489,000	-	489,000	-	489,000
Cost of shares issued	(324,475)	-	-	(324,475)	-	(324,475)
Balance at 31 December 2021	81,011,370	838,806	(62,871,227)	18,978,949	(209,660)	18,769,289

The above condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

CONTENTS

1	Corporate Information	19
2	Statement of Significant Accounting Policies	19
3	Operating Segments	21
4	Cash and Cash Equivalents	21
5	Trade and Other Receivables	22
6	Investment in Associate	22
7	Exploration and Evaluation	23
8	Trade Payables	23
9	Other Payables	23
10	Borrowings	23
11	Issued Capital	24
12	Reserves	26
13	Contingent Assets and Contingent Liabilities	26
14	Events Subsequent to Reporting Date	26

1. CORPORATE INFORMATION

Volt Resources Limited (“Volt” or the “Company”) is a company domiciled in Australia. The address of the Company’s registered office is Level 25, 108 St Georges Terrace, Perth WA 6000. The Company is a for-profit entity and is primarily involved in identifying and investing in mineral exploration assets and conducting exploration activities on those assets.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general-purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards (“AASBs”) adopted by the Australian Accounting Standards Board (“AASB”).

The financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

2.1. *Basis of Preparation*

These general-purpose financial statements for the half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard 134: Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 Interim Financial Reporting.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2021 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

The half-year report has been prepared on an accruals basis and is based on historical costs. Cost is based on the fair value of the consideration given in exchange for assets. For the purpose to preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial statements unless otherwise stated. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

2.2. *New or Amended Accounting Standards and Interpretations Adopted*

The consolidated entity has adopted all of the new, revised or amending Australian Accounting Standards (AASs) and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and are not expected to have a material impact on group accounting policies.

2.3. *Going Concern Basis*

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

At 31 December 2021 the Consolidated Entity had cash of \$761,466 and net assets of \$18,769,289.

The Directors are of the opinion that the Consolidated Entity is a going concern due to the following factors:

- (i) The Company has the ability to raise additional working capital in the shorter term from:
 - a. a capital raising;
 - b. issue of convertible securities; and
- (ii) The Company has the ability to sell assets, or an interest in assets.

Whilst the Directors are confident that the above initiatives will generate sufficient funds to enable the Consolidated Entity to continue as a going concern for at least the period of 12 months from the date of signing this financial report, should these initiatives be unsuccessful, there exists a material uncertainty that may cast significant doubt on the ability of the Consolidated Entity to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

2.4. *Joint Arrangement*

A Joint arrangement is where the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when the decisions about relevant activities require the unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its joint arrangement is accounted for using the equity method. Under the equity method, the investment in a joint arrangement is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax.

2.5. *Critical Accounting Judgements and key sources of estimation uncertainty*

Derivative financial instrument

The Group measures the fair value of the derivative financial instrument based on share price movements. The instrument is re-assessed at each reporting date.

3. OPERATING SEGMENTS

Identification of reportable operating segments

	Corporate	ZG Group	Volt Resources Tanzania	Guinea Gold	Total
	\$	\$	\$	\$	\$
Segment Performance					
Revenue	-	-	-	-	-
Interest revenue	489	-	-	-	489
Total segment revenue	489	-	-	-	489
Expenditure					
Corporate compliance costs	(619,954)	-	(36,114)	-	(656,068)
Corporate management costs	(873,577)	-	(89,511)	-	(963,088)
Foreign gain/(loss)	503,215	-	117,411	-	620,626
Marketing and investor relations costs	(504,712)	-	-	-	(504,712)
Occupancy costs	(12,561)	-	(7,461)	-	(20,022)
Share based payments	11,151	-	-	-	11,151
Interest expense	(994,038)	-	-	-	(994,038)
Other expenses	(76,801)	-	(7,612)	-	(84,413)
Impairment expense	(10,068,826)	-	-	-	(10,068,826)
Share of losses in associate	-	(1,083,260)	-	-	(1,083,260)
Total segment expenditure	(12,636,103)	(1,083,260)	(23,287)	-	(13,742,650)
Loss before income tax	(12,635,614)	-	(23,287)	-	(13,742,161)
Segment assets					
Total operating assets	855,754	-	23,335,810	3,876,525	28,068,089
Segment Liabilities					
Total operating Liabilities	9,313,583	-	(14,783)	-	9,298,800

4. CASH AND CASH EQUIVALENTS

	31 Dec 2021 \$	30 Jun 2021 \$
Cash at bank and in hand	761,446	254,521
	761,446	254,521

Reconciliation to cash flow statement

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

Cash at bank and in hand	761,446	254,521
	761,446	254,521

5. TRADE AND OTHER RECEIVABLES

	31 Dec 2021	30 Jun 2021
	\$	\$
Current		
GST receivables	46,718	40,303
Sundry receivables	1,567	-
Rental bonds	41,853	42,551
Loans to Associate	-	-
	90,138	82,854

During the half year, the Company made loans to ZG group totalling \$823,550. Due to current uncertainty of future cashflow from the Ukraine base ZG group, management have impaired this balance to \$0.00.

6. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS

On 26 July 2021, the Company completed the acquisition of a 70% interest in the ZG Group. Given the joint control of the ZG Group, the Company's 70% interest is accounted for using the equity method in the consolidated financial statements. ZG Group is governed by the three shareholders and a three-member Supervisory Board where key decisions require unanimous approval of all shareholders or Supervisory Board members.

	31 Dec 2021	31 Dec 2020
	\$	\$
Revenue	1,542,710	-
Interest revenue	149,034	-
Cost of Sales	(2,269,173)	-
Gross Profit	(577,429)	-
Foreign exchange gain/(loss)	(85,148)	-
Other expenses	(609,415)	-
Finance cost	(331,305)	-
Loss before income tax	(1,603,297)	-
Income tax (expense)/benefit	55,783	-
Loss after income tax	(1,547,514)	-
Current Assets	1,871,629	-
Non-current Assets	8,553,904	-
Current Liabilities	(3,770,788)	-
Non-current Liabilities	(7,634,539)	-
Net Assets	(979,794)	-
Reconciliation of share of Associate loss		
Volt Resource's share of ZG Group loss – 70%	(1,083,260)	-
Acquisition cost (Zavalievsky Graphite)	10,328,536	-
Intercompany loan	10,328,536	-
Volt Resource's share of ZG Group loss – 70%	(1,083,260)	-
Impairment of Investment in Zavalievsky Graphite	(10,068,826)	-
Carrying Value	-	-

7. EXPLORATION AND EVALUATION EXPENDITURE

	31 Dec 2021	30 Jun 2021
	\$	\$
Exploration and evaluation phase – at cost		
At beginning of the year	26,245,694	23,959,210
Exploration expenditure during the year	318,529	1,450,056
Non-cash Acquisition	-	2,312,653
Foreign currency translation	567,479	(1,476,225)
Total exploration and evaluation	27,131,702	26,245,694

The write-off or impairment or carrying forward of exploration expenditure is based on a periodic assessment of the viability of an area of interest and/or the existence of economically recoverable resources. This assessment is based on pre-determined impairment indicators, taking into account the requirements of the accounting standard, and with the information available at the time of preparing this report. Information may come to light in subsequent periods which requires the asset to be impaired or written down for which the directors are unable to predict the outcome. The recoupment of costs carried forward is dependent on the successful development and commercial exploitation or sale of respective areas of interest.

8. TRADE PAYABLES

	31 Dec 2021	30 Jun 2021
	\$	\$
Trade payables	295,059	573,446
Total payables	295,059	573,446

9. OTHER PAYABLES

	31 Dec 2021	30 Jun 2021
	\$	\$
Zavalievsky Graphite deferred consideration	(5,237,405)	-
Total Other payables	(5,237,405)	-

10. BORROWINGS

	31 Dec 2021	30 Jun 2021
	\$	\$
Borrowings	3,766,696	-
Total Borrowings	3,766,696	-

- a) Convertible note: On 26 July 2021 Volt Resources Ltd completed the acquisition of a 70% interest in the Zavalievsky group of companies (the ZG Group). The cost of the acquisition was US\$7.6 million, with US\$3.8 million being paid on 26 July 2021 and the remaining US\$3.8 million being due for payment on 26 July 2022. Completion of the ZG Group acquisition was funded from proceeds received from a US\$4 million convertible securities agreement entered into with SBC Global Investment Fund.

4,400,000 Convertible Notes, with each convertible note having a face value of US\$1.00, were issued by Volt Resources Ltd to SBC Global Investment Fund along with 30,000,000 unquoted options with each option being exercisable at \$0.05 per share and having an expiry date which is 3 years after the date of issue. The convertible note has following terms: an interest rate of 5%, maturity period of 18 months and is convertible at the election of the holder. At initial inception convertible note included a derivative liability of \$966,499. During the period this moved by a total of \$642,400 and has a residual value included in the balance above of \$324,099. The derivative has been measured with reference to Level 2 inputs and conversion is based on 95% of the lowest daily VWAP of Volt Shares on the ASX during the last 10 days on which Volt shares traded on the ASX prior to the conversion.

11. ISSUED CAPITAL

	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	No. shares	No shares	\$	\$
Share capital				
Opening	2,439,701,585	1,898,836,797	75,505,006	67,880,852
Share placements	230,000,000	387,809,849	5,750,00	5,269,261
Shares for Guinea acquisition	-	121,718,576	-	2,312,653
Options exercised	850,000	26,336,363	12,700	279,400
Vested performance rights ^{a)}	5,000,000	5,000,000	50,000	50,000
Share based payment ^{b)}	725,570	-	18,139	-
Share issue costs			(324,475)	(287,159)
Ordinary shares fully paid	2,676,277,155	2,439,701,585	81,011,370	75,505,006

a) Vested performance rights

Performance rights were granted to Mr H. Millanga with 5,000,000 shares vesting, at a cost to the company of \$50,000. These rights were valued by the share price at the date of being granted.

b) Share based payment

725,570 shares were issued to European Investor Relations firm DGWA in lieu of services rendered.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may issue new shares in order to meet its financing requirements.

The consolidated entity is subject to certain financing arrangements and meeting these are given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Options

Grant Date	Details	Expiry Date	Exercise Price	Balance at 30 June 2021	Movement	Balance at 31 Dec 2021
Share Options						
15 May 2020 ^{a)}	Unlisted options	15 May 2022	\$0.01	55,000,000	(500,000)	54,500,000
23 October 2020 ^{a)}	Unlisted options	23 May 2023	\$0.22	69,800,002	(350,000)	69,450,002
26 July 2021 ^{b)}	Unlisted options	26 July 2024	\$0.05	-	30,000,000	30,000,000
9 September 2021 ^{c)}	Unlisted options	9 September 2024	\$0.05	-	5,000,000	5,000,000
9 September 2021 ^{d)}	Unlisted options	9 September 2024	\$0.0385	-	4,259,740	4,259,740
Total				124,800,002	38,409,740	163,209,742

^{a)} The options granted during the 2021 financial year were free attaching to the October 2020 placement. The options granted during the 2020 financial year were free attaching to the May 2020 placement.

^{b)} The options granted on the 26th July 2021 (totalling 30,000,000) were issued in direct relation to the SBC loan facility in association with the Zavalievsky Graphite acquisition.

^{c)} The options granted on the 9th September 2021 (totalling 5,000,000) were issued in part consideration for the November 2021 capital raising.

^{d)} The options granted on the 9th September 2021 (totalling 4,259,740) were issued in full consideration for the SBC convertible note fees.

Performance rights

Grant Date	Expiry Date	Tranche	Balance 30 June 2021	Granted during the year	Vested during the year	Expired during the year	Balance at 31 Dec 2021
Performance Rights							
Mr H Millanga (continuous employment from Grant date) ^{a)}	21 August 2021	B	5,000,000	-	(5,000,000)	-	-
Achieving a VRC 20-day VWAP of 15 cents per share	22 October 2021	C	10,000,000	-	-	(10,000,000)	-

^{a)} Performance rights were granted to Mr H. Millanga with 5,000,000 shares vesting, at a cost to the company of \$50,000.

^{b)} Performance rights granted to Mr T. Matthews expired on the 22 October 2021 as the conditions associated with the rights were not met.



12. RESERVES

	31 Dec 2021	30 Jun 2021
	\$	\$
Performance rights reserve	-	79,289
Convertible note reserve	(489,000)	-
Foreign currency translation reserve	(349,806)	(74,128)
	(838,806)	5,161

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The company had no contingent liabilities nor contingent assets at 31 December 2021 and or 30 June 2021.

14. EVENTS SUBSEQUENT TO REPORTING DATE

Ukraine Conflict

On Thursday 24 February 2022, Russia commenced a military invasion of Ukraine. Since the commencement of the invasion, Volt continues to be in regular contact with ZG management to understand the situation as it affects the ZG people and the graphite business. First and foremost, the Company is focused and remains concerned for the safety and wellbeing of the ZG staff and their families.

Operations at Zavallya were suspended immediately and all staff requested to remain at home following the commencement of the invasion. The town of Zavallya is located in a rural area with no military or major infrastructure targets in the region. There has been no military action near Zavallya since the commencement of hostilities and ZG management at this stage see little risk at Zavallya to ZG staff, their families and the business assets during this conflict.

The board has determined that it is necessary to impair the remaining value of the investment in the ZG Group as a result of the conflict in the Ukraine, resulting in the uncertainty of future cashflows. This however is not a representation on what management believes the value the asset may bring in the future, given operations at the Zavalievsky mine recommence.


Completes Successful Capital Raising

On 2 March 2022, the Company successfully raised \$2,500,000 (before costs). Proceeds from the placement will be utilised to advance the development plans to become a battery graphite materials producer in the United States and Europe. The Company will also work to progress the Bunyu project funding, service its current debt and when appropriate, make further investment in the Zavalievsky Graphite business.

In accordance with a resolution of the Directors of Volt Resources Limited, I state that:

- (1) In the opinion of the Directors:
 - (a) the financial statements and notes set out on pages 14 to 27 and the Directors' Report are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (2) The Directors draw attention to Note 2 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.
- (3) The Directors have been given the declarations by the chief executive officer and chief financial officer for the half year ended 31 December 2021 required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.



Asimwe Kabunga | Non-executive Chairman

23 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Volt Resources Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Volt Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Volt Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2.3 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
23 March 2022



B G McVeigh
Partner